

NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
QUARTER II 2018**



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NO VA LAND INVESTMENT GROUP CORPORATION

CORPORATE INFORMATION

Business Registration Certificate

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.

Board of Directors

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Xuan Huy	Member
Ms. Hoang Thu Chau	Member
Ms. Nguyen Thanh Bich Thuy	Independent Member
Mr. David Frederick Proctor	Independent Member (from 26 April 2018)
Mr. Phan Thanh Huy	Member (to 30 January 2018)

Audit committee

Ms. Nguyen Thanh Bich Thuy	Chairman
Ms. Nguyen Thi Minh Thanh	Member
Ms. Vo Thi Thu Van	Member
Mr. David Frederick Proctor	Member

Board of Management

Mr. Bui Xuan Huy	General Director
Ms. Hoang Thu Chau	Deputy General Director

Legal representative

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Xuan Huy	General Director
Ms. Luong Thi Thu Huong	Director

Registered office

313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3,
Ho Chi Minh City, Vietnam

Operation office

65 Nguyen Du Street, Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30/06/2018 VND	31/12/2017 VND
100	CURRENT ASSETS		9,018,824,751,475	7,336,717,166,620
110	Cash and cash equivalents			
111	Cash	3	4,300,564,308,322	1,455,689,692,352
112	Cash equivalents		1,399,772,099,975	290,577,542,976
			2,900,792,208,347	1,165,112,149,376
120	Short-term investments			
123	Investments held to maturity	4(a)	-	430,671,476,752
			-	430,671,476,752
130	Short-term receivables			
131	Short-term trade accounts receivable	5	1,905,122,972,186	2,341,407,152,135
132	Short-term prepayments to suppliers	6	117,625,995,827	109,056,528,946
135	Short-term lending	7	391,367,658,158	385,683,515,155
136	Other short-term receivables	8(a)	136,960,000,000	232,671,600,222
			1,259,169,318,201	1,613,995,507,812
140	Inventories			
141	Inventories	10	2,551,474,252,140	2,835,253,744,542
			2,551,474,252,140	2,835,253,744,542
150	Other current assets			
151	Short-term prepaid expenses		261,663,218,827	273,695,100,839
152	Value Added Tax to be reclaimed	11(a)	39,827,593,423	33,811,409,608
153	Other taxes receivable	18	158,453,954,591	176,502,020,418
			63,381,670,813	63,381,670,813

The notes on pages 10 to 59 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30/06/2018 VND	31/12/2017 VND
200	LONG-TERM ASSETS		25,627,094,607,843	19,658,383,070,708
210	Long-term receivables			
216	Other long-term receivables	8(b)	20,072,561,839 20,072,561,839	193,670,726,330 193,670,726,330
220	Fixed assets			
221	Tangible fixed assets			
222	Historical Cost	12(a)	128,892,664,822 83,300,571,220	134,599,843,385 89,870,796,906
223	Accumulated depreciation		125,198,952,530 (41,898,381,310)	124,401,270,278 (34,530,473,372)
227	Intangible fixed assets			
228	Historical Cost	12(b)	45,592,093,602 53,137,561,920	44,729,046,479 50,149,950,044
229	Accumulated depreciation		(7,545,468,318)	(5,420,903,565)
230	Investment properties			
231	Historical Cost	13	1,754,805,781,360 1,777,419,891,234	1,314,479,799,383 1,331,862,308,547
232	Accumulated depreciation		(22,614,109,874)	(17,382,509,164)
240	Long-term assets in progress			
241	Long-term work in progress	14	267,466,047,459 181,962,136,884	292,558,067,073 224,136,375,352
242	Construction in progress	15	85,503,910,575	68,421,691,721
250	Long-term investments			
251	Investments in subsidiaries	4(b)	23,387,460,097,977 22,351,768,037,977	17,648,684,947,467 16,617,792,887,467
252	Investments in associates, joint ventures	4(b)	1,035,692,060,000	1,030,892,060,000
260	Other long-term assets			
261	Long-term prepaid expenses	11(b)	68,397,454,386 67,421,580,814	74,389,687,070 73,413,813,498
262	Deferred income tax assets	23	975,873,572	975,873,572
270	TOTAL ASSETS		34,645,919,359,318	26,995,100,237,328

The notes on pages 10 to 59 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30/06/2018 VND	31/12/2017 VND
	300 LIABILITIES		19,808,949,334,677	15,815,002,083,930
	310 Short-term liabilities		9,155,437,501,322	6,482,181,340,468
311	Short-term trade accounts payable	16	87,908,934,325	109,079,438,699
312	Short-term advances from customers	17	456,974,508,990	541,931,205,610
313	Tax and other payables to the State Budget	18	10,170,052,031	15,397,184,292
314	Payable to employees		84,501,173,861	114,616,082,625
315	Short-term accrued expenses	19	899,659,958,505	570,338,370,866
318	Short-term unearned revenue	20(a)	1,428,157,109	1,505,790,703
319	Other short-term payables	21(a)	115,620,969,848	822,614,019,388
320	Short-term borrowings	22(a)	7,493,624,881,358	4,301,150,382,990
322	Bonus and welfare funds		5,548,865,295	5,548,865,295
	330 Long-term liabilities		10,653,511,833,355	9,332,820,743,462
336	Long-term unearned revenue	20(b)	65,064,157,058	65,749,720,031
337	Other long-term payables	21(b)	1,163,104,190	244,556,717,870
338	Long-term borrowings	22(b)	10,587,284,572,107	9,022,514,305,561
	400 OWNERS' EQUITY		14,836,970,024,641	11,180,098,153,398
	410 Capital and reserves		14,836,970,024,641	11,180,098,153,398
411	Owners' capital	25	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	25	3,982,595,553,350	3,206,830,905,400
421	Undistributed earnings	25	1,711,515,191,291	1,476,679,367,998
421a	- Undistributed post-tax profits of the previous years		1,476,679,367,998	1,054,789,149,570
421b	- Post-tax profit of current year		234,835,823,293	421,890,218,428
	440 TOTAL RESOURCES		34,645,919,359,318	26,995,100,237,328

Do Phuong Thuy
Preparer

Tran Thi Thanh Van
Chief AccountantHoang Thu Chau
Deputy General Director
30 July 2018

The notes on pages 10 to 59 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Items	Note	Quarter III/2018 VND	Quarter II/2017 VND	For the period ended	
					30/06/2018 VND	30/06/2017 VND
01	Sales of goods and rendering of services	28	413,852,529,127	782,664,338,089	684,003,789,988	1,744,388,783,069
02	Less deductions		-	(963,848,008)	-	(4,145,039,981)
10	Net revenue from sales of goods and rendering of services		413,852,529,127	781,700,490,081	684,003,789,988	1,740,243,743,088
11	Cost of goods sold and services	29	(359,076,562,791)	(772,884,673,908)	(601,292,981,737)	(1,641,451,803,715)
20	Gross profit from sales of goods and rendering of services		54,775,966,336	8,815,816,173	82,710,808,251	98,791,939,373
21	Financial income	30	708,169,578,101	389,311,244,680	1,273,772,927,395	604,378,825,471
22	Financial expenses	31	(536,688,189,204)	(266,297,716,178)	(990,519,105,369)	(479,239,740,105)
23	- Including: Interest expenses		(439,718,060,435)	(231,205,611,797)	(824,749,851,630)	(441,595,123,597)
25	Selling expenses	32	(38,341,472,990)	(23,736,395,400)	(44,787,351,097)	(38,757,595,306)
26	General and administration expenses	33	(54,884,535,884)	(33,835,917,125)	(80,599,632,454)	(42,002,556,280)
30	Net operating profit		133,031,346,359	74,257,032,150	240,577,646,726	143,170,873,153
31	Other income		499,030,549	2,406,577,202	1,025,394,966	4,401,812,643
32	Other expenses		(72,566,973)	(1,874,710,410)	(6,767,218,399)	(9,160,328,637)
40	Net other income/(expenses)	34	426,463,576	531,866,792	(5,741,823,433)	(4,758,515,994)
50	Net accounting profit before tax		133,457,809,935	74,788,898,942	234,835,823,293	138,412,357,159

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NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT
(continued)

Code	Note	Quarter II/2018 VND	Quarter II/2017 VND	For the period ended	
				30/06/2018 VND	30/06/2017 VND
51 Business income tax - current	35	-	-	-	-
52 Business income tax - deferred	23, 35	-	-	-	-
60 Net profit after tax		133,457,809,935	74,788,898,942	234,835,823,293	138,412,357,159



Do Phuong Thuy

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Preparer

Tran Thi Thanh Van

Tran Thi Thanh Van
Chief Accountant

Hoang Thu Chau
Deputy General Director
30 July 2018

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SEPARATE CASH FLOW STATEMENT
(Indirect method)

Items	Code	Note	For the period ended	
			30/06/2018 VND	30/06/2017 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		234,835,823,293	138,412,357,159
2. Adjustments for:				
- Depreciation and amortisation	02		15,876,433,162	11,883,651,730
- Unrealised foreign exchange losses	04		83,449,812,195	(275,974,785)
- Profits from investing activities	05		(1,241,749,047,662)	(601,493,629,011)
- Interest expenses, bond issuance costs	06		846,335,062,130	462,624,041,244
3. Operating profit before changes in working capital	08		(61,251,916,882)	11,150,446,337
- Decrease in receivables	09		872,769,886,130	1,790,239,030,373
- (Increase)/decrease in inventories	10		(128,003,851,817)	(30,590,679,441)
- Decrease in payables	11		(372,134,962,552)	(1,753,108,905,495)
- Decrease in prepaid expenses	12		(23,951,131)	57,744,992,134
- Interest paid	14		(591,645,564,796)	(317,600,454,406)
- Business income tax paid	15		-	(1,167,942,963)
Net cash outflows from operating activities	20		(280,290,361,048)	(243,333,513,461)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(19,406,173,664)	(13,491,760,116)
2. Proceeds from disposals of fixed assets and other long-term assets	22		264,545,455	-
3. Loans granted, purchases of debt instruments of other entities	23		-	(548,797,452,640)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		526,383,076,974	543,235,911,778
5. Investments in other entities	25		(6,434,525,150,510)	(3,552,464,790,000)
6. Proceeds from divestment in other entities	26		-	19,998,000,000
7. Dividends and interest received	27		900,935,661,327	227,801,967,281
Net cash outflows from investing activities	30		(5,026,348,040,418)	(3,323,718,123,697)

The notes on pages 10 to 59 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)
(continued)

Items	Code	Note	For the period ended	
			30/06/2018 VND	30/06/2017 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		3,502,042,120,000	-
2. Proceeds from borrowings	33		7,806,273,256,047	8,117,250,969,840
3. Repayments of borrowings	34		(3,157,242,207,620)	(5,546,553,705,130)
Net cash inflows from financing activities	40		8,151,073,168,427	2,570,697,264,710
Net (decrease)/increase in cash and cash equivalents	50		2,844,434,766,961	(996,354,372,448)
Cash and cash equivalents at beginning of year	60		1,455,689,692,352	2,153,027,696,086
Effect of foreign exchange differences	61		439,849,009	870,963
Cash and cash equivalents at end of year	70		4,300,564,308,322	1,156,674,194,601



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Hoang Thu Chau
Deputy General Director
30 July 2018

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
QUARTER II 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 issued by the Department of Planning and Investment of Ho Chi Minh City dated 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 principal activities of the Company are real estate trading; civil and industrial construction; providing design and management consultancy services; providing real estate brokerage services.

The Company 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/QĐ-SGDHCM issued by General Director of HOSE on 19 December 2016.

The normal business cycle of each project of the Company is 36 months.

As at 30 June 2018, the Company had 31 direct subsidiaries and 04 direct associates as presented in Note 4(b) of the financial statements – Equity investments in other entities. Besides, the Company had 13 indirect subsidiaries and 01 indirect associate as below:

Indirect subsidiaries:

No.	Name	Principal activity	% of voting right	Charter capital VNĐ
1	The 21st Century International Development Limited Company	Real estate trading	98.97	2,534,458,265,952
2	Nova Richstar Joint Stock Company	Real estate trading	99.99	724,000,000,000
3	Gia Phu Real Estate Company Limited	Real estate trading	99.99	1,065,000,000,000
4	Nova Riverside Real Estate Company Limited	Real estate trading	99.98	1,115,144,468,745
5	Nha Rong Investment and Trade Joint Stock Company	Real estate trading	99.97	327,426,000,000
6	Mega Tie Company Limited	Real estate trading	99.99	191,400,000,000
7	Phuong Dong Building Joint Stock Company	Real estate trading	99.90	182,000,000,000
8	Sai Gon Golf Company Limited	Real estate trading	100.00	588,560,000,000
9	Merufa-Nova Company Limited	Real estate trading	99.90	125,000,000,000
10	Nhat Hoa Real Estate Joint Stock Company	Real estate trading	99.98	510,000,000,000
11	Vuong Gia Real Estate Investment Joint Stock Company	Real estate trading	99.83	240,087,000,000
12	Phu Tri Real Estate Investment Commercial Joint Stock Company	Real estate trading	99.98	300,000,000,000
13	Phuc Binh Real Estate Company Limited	Real estate trading	97.95	974,600,000,000

1 GENERAL INFORMATION (continued)**Indirect associate:**

No.	Name	Principal activity	% of voting right	Charter capital VND
1	Thai Binh Real Estate Trading Joint Stock Company	Real estate trading	23.64	550,000,000,000

As at 30 June 2018, the Company had 1,356 employees (31 December 2017: 1,575 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of separate financial statements**

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

The accompanying separate 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 utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

Additionally, the Company has also prepared consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements for the Company and its subsidiaries (together, "the Group"). In the consolidated financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group for the period ended 30 June 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

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

2.3 Currency

The separate 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 recognised in the 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 Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Cash and cash equivalents**

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

2.5 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. In year, there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

2.6 Inventories

Properties acquired or being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation are recognised as inventories. Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes land costs, construction costs, and other direct and overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable 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 realisable values.

2.7 Investments**(a) Investments held-to-maturity**

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

Investments held to maturity include term deposits. Those 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) Investment in subsidiaries

Subsidiaries are all entities over which the Company 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 Company controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(c) Investments in associates

Associates are investments that the Company has significant influence but not control and would generally have from 20% to under 50% voting rights of the investee.

Investments in associates are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fixed assets

Tangible fixed assets and intangible fixed assets

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

Depreciation and amortisation

Fixed assets are depreciated and amortised 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 – 25 years
Machinery	3 – 7 years
Motor vehicles	4 – 8 years
Office equipment	3 – 8 years
Software and Trademark	3 – 7 years

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

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised 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 includes software deployment fee, design and construction of office and show house. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.9 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 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

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 and structures

6 – 50 years

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

Disposals

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

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly prepaid selling expenses, bonds interest expenses 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 selling expenses which are allocated to expenses on the basis of matching with revenue recorded when the Company has handed over significant risks and rewards of ownership to the buyers.

2.12 Payables

Classifications of payables are based on their nature.

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

2.13 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.

2.14 Borrowings

Borrowings with payment period of more than 12 months from the date of the financial statements are presented as long-term loans. Borrowings fall due for settlement within the next 12 months from the date of the financial statements are presented as short-term loans. Borrowing expenses directly relate 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 capitalised in accordance with the accounting policy stated in Note 2.13.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Accrued expenses**

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

2.16 Provisions

Provisions are recognised when: the Company 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 recognised 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 recognised as interest expenses.

2.17 Provisions for severance allowance

In accordance with Vietnamese labour laws, employees of the Company 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 Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for 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 accordance with current regulations.

2.18 Unearned revenue

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

2.19 Convertible bonds

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

At initial recognition, the Company 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 owner's equity item. Subsequently, the Company 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)

2.20 Share 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 Company's results (profit, loss) after business income tax at the reporting date.

2.21 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 Company's charter and Vietnamese regulations.

The bonus and welfare fund is appropriated from the Company's net profit and subject to shareholders' approval at the General Meeting.

2.22 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 Company 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 Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Company no longer hold the right to manage the real estate as real estate's owner or the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Company has received or enables to receive economic benefits from the sale 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)**2.22 Revenue recognition (continued)****(b) Sale of services**

Revenue from the sale 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 Company;
- 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 recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Company has established the receiving right from investees.

2.23 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period with 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 financial statements are recorded as deduction of revenue of the period.

2.24 Cost of sales

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

2.25 Financial expenses

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

2.26 Selling expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 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, outside services (electricity, water, telephone, fax, assets insurance, fire and explosive accidents insurance,...) and other cash expenses.

2.28 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 at the current year tax rates. Current and deferred tax should be recognised 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 recognised, 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 realised 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 recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.29 Dividend distribution

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

2.30 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Segment reporting

A segment is a component which can be separated by the Company 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 Company's business segment or the Company's geographical segment.

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

3 CASH AND CASH EQUIVALENTS

	30/06/2018 VND	31/12/2017 VND
Cash on hand	108,986,342	259,981,745
Cash at bank	1,399,663,113,633	290,317,561,231
Cash equivalents (*)	2,900,792,208,347	1,165,112,149,376
	4,300,564,308,322	1,455,689,692,352

(*) Cash equivalents are term deposits at banks with original maturity of 3 months or less and earn an interest rate from 4.1% per annum to 5.5% per annum (as at 31 December 2017: from 4.2% per annum to 5.5% per annum).

As at 30 June 2018, cash and cash equivalents of VND372,754 million (as at 31 December 2017: VND372,692 million) were pledged as collateral assets for the bank loans and VND41,175 million (as at 31 December 2017: VND551,331 million) were managed by banks in relation to borrowings for project development.

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4 INVESTMENTS

(a) Investments held-to-maturity

	30/06/2018		31/12/2017	
	Cost VND	Provision VND	Book value VND	Cost VND
			Provision VND	Book value VND
Short-term deposits	-	-	-	430,671,476,752
				430,671,476,752

As at 30 June 2018, there are no bank deposit with term of more than 3 months (as at 31 December 2017 the short-term deposits represent bank deposits in VND with original maturity of 03 months and earn interest at the rate of 5.0% per annum to 6.5% per annum)

As 31 December 2017, the Company used short-term deposits with total value of VND4,171 million as guarantee, collateral assets for project contractor.

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4 INVESTMENTS (continued)

(b) Long-term investments

(i) Investments in subsidiaries

No.	Name	Principal activity	Owner ship and voting rights %	30/06/2018			31/12/2017		
				Cost	Fair value	Provision	Cost	Fair value	Provisio
				VND	VND	VND	VND	VND	n VND
1	Nova Phuc Nguyen Real Estate Company Limited	Real estate trading	99.89	189,981,000,000	(*)	-	189,981,000,000	(*)	-
2	Sai Gon Housing And Infrastructure Development Joint Stock Company	Real estate trading	98.00	5,880,000,000	(*)	-	5,880,000,000	(*)	-
3	Nova Nippon Joint Stock Company	Real estate trading	99.98	1,078,775,700,000	(*)	-	19,996,000,000	(*)	-
4	Nova An Phu Company Limited	Real estate trading	92.27	234,500,000,000	(*)	-	234,500,000,000	(*)	-
5	Nova Sagel Company Limited	Real estate trading	73.99	267,910,000,000	(*)	-	267,910,000,000	(*)	-
6	Nova Sasco Company Limited	Real estate trading	99.99	528,310,550,000	(*)	-	528,310,550,000	(*)	-
7	Nova Saigon Royal Real Estate Investment Company Limited	Real estate trading	99.99	327,393,300,000	(*)	-	327,393,300,000	(*)	-
8	Khai Hung Real Estate Company Limited	Real estate trading	96.33	4,898,725,000,000	(*)	-	3,773,925,000,000	(*)	-
9	No Va My Dinh Land Joint Stock Company	Real estate trading	99.98	3,274,269,000,000	(*)	-	19,996,000,000	(*)	-

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

No.	Name	Principal activity	Ownership and voting rights %	30/06/2018				31/12/2017			
				Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND	Fair value VND	Provision VND	
10	No Va Land Investment Joint Stock Company	Real estate trading	91.76	1,188,300,000,000	(*)	-	91.76	1,188,300,000,000	(*)	-	
11	Thanh Nhon Real Estate Joint Stock Company	Real estate trading	58.96	1,143,688,700,000	(*)	-	51.00	383,688,700,000	(*)	-	
12	No Va Festival Corporation	Real estate trading	94.02	173,000,000,000	(*)	-	94.02	173,000,000,000	(*)	-	
13	Phuoc Long Investment and Development Company Limited	Real estate trading	99.99	469,967,000,000	(*)	-	99.99	469,967,000,000	(*)	-	
14	Novaland Agent One Member Company Limited	Real estate trading	100.00	20,000,000,000	(*)	-	100.00	20,000,000,000	(*)	-	
15	Vung Tau Youth Hotel and Travel Joint Stock Company	Real estate trading	65.00	45,500,000,000	(*)	-	65.00	45,500,000,000	(*)	-	
16	The Prince Residence Joint Stock Company	Real estate trading	99.81	338,947,200,000	(*)	-	99.81	338,947,200,000	(*)	-	
17	Mega Housing Joint Stock Company	Real estate trading	98.60	211,998,000,000	(*)	-	98.60	211,998,000,000	(*)	-	
18	Tuong Minh Investment and Real Estate Company Limited	Real estate trading	99.99	325,665,604,000	(*)	-	99.99	325,665,604,000	(*)	-	
19	Nova Nam A Company Limited	Real estate trading	92.71	349,918,018,977	(*)	-	83.16	293,913,568,467	(*)	-	
20	No Va Land Company Limited	Real estate trading	100.00	81,600,000,000	(*)	-	100.00	81,600,000,000	(*)	-	

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

No.	Name	Principal activity	Ownership p and voting rights %	30/06/2018			31/12/2017		
				Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND	Fair value VND
21	Nova Rivergate Company Limited	Real estate trading	99.77	936,201,410,000	(*)	-	99.77	936,201,410,000	(*)
22	Nova Lucky Palace Company Limited	Real estate trading	99.99	199,990,000,000	(*)	-	99.99	199,990,000,000	(*)
23	No Va Thao Dien Company Limited	Real estate trading	100.00	1,102,996,000,000	(*)	-	100.00	1,102,996,000,000	(*)
24	Nova Princess Residence Joint Stock Company	Real estate trading	99.90	366,707,530,000	(*)	-	99.90	366,707,530,000	(*)
25	Bach Hop Real Estate Company Limited	Real estate trading	99.99	317,978,700,000	(*)	-	99.99	212,978,700,000	(*)
26	Phu Dinh Port Joint Stock Company	Transportation support, real estate trading	59.73	941,511,225,000	(*)	-	59.73	941,511,225,000	(*)
27	Gia Duc Real Estate Company Limited	Real estate trading	99.99	1,243,200,000,000	(*)	-	99.99	1,938,950,000,000	(*)
28	Thanh Nhon Investment and Real Estate Company Limited	Real estate trading	99.99	1,319,868,000,000	(*)	-	98.48	1,300,000,000,000	(*)
29	Ngoc Linh Hoa Investment Joint Stock Company	Real estate trading	99.83	579,000,000,000	(*)	-	99.83	579,000,000,000	(*)
30	Nova Property Management Company Limited	Real estate trading	99.99	138,986,100,000	(*)	-	99.99	138,986,100,000	(*)
31	Asean Urban Development Joint Stock Company	Real estate trading	51.00	51,000,000,000	(*)	-	-	-	(*)
				22,351,768,037,977				16,617,792,887,467	

(*)

As at 30 June 2018, the Board of Management of the Company did not disclose the fair value of these investments as they have not been listed in the stock market. There were no fair value information available of these investments.



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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(ii) Investments in associates

		30/06/2018				31/12/2017			
No.	Name	Principal activity	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND	Owner ship and voting rights %	Cost VND	Fair value VND
1	Saigon Electronics and Industrial Service Joint Stock Company	Trading electronic components and telecommunications	33.31	14,792,060,000	(*)	-	33.31	14,792,060,000	(*)
2	Ben Thanh Housing Service and Development Joint Stock Company	Real estate trading	25.00	60,600,000,000	(*)	-	25.00	60,600,000,000	(*)
3	Sun City Real Estate Investment & Development Company Limited	Real estate trading	49.00	955,500,000,000	(*)	-	49.00	955,500,000,000	(*)
4	234 Thanh My Loi Joint Stock Company	Real estate trading	49.90	4,800,000,000	(*)	-	-	-	(*)
				1,035,692,060,000				1,030,892,060,000	

(*)

As at 30 June 2018, the Company did not disclose the fair value of this investments as it has not been listed in the stock market. There was no fair value information available of this investment.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30/06/2018 VND	31/12/2017 VND
Third parties	77,601,865,183	69,032,398,302
Related parties (Note 39(b))	40,024,130,644	40,024,130,644
	117,625,995,827	109,056,528,946

As at 30 June 2018 and 31 December 2017 there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/06/2018 VND	31/12/2017 VND
Third parties		
Saigon General Service Joint Stock Company	320,228,950,462	320,189,629,546
Others	71,138,707,696	65,493,885,609
Related parties (Note 39(b))	-	-
	391,367,658,158	385,683,515,155

7 SHORT-TERM LENDING

	As at 31/12/2017 VND	Reclassification (*) VND	Increase VND	Decrease VND	As at 30/06/2018 VND
Third parties	-	-	-	-	-
Related parties (Note 39(b))	232,671,600,222	-	-	(95,711,600,222)	136,960,000,000
	<u>232,671,600,222</u>	<u>-</u>	<u>-</u>	<u>(95,711,600,222)</u>	<u>136,960,000,000</u>

As at 30 June 2018, short-term lending presents short-term loans to related parties which are unsecured, earn an interest rate from 10.9% to 11.2% per annum (as at 31 December 2017: from 9.0% to 10.9% per annum) and will fall due in October 2018.

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

8 OTHER RECEIVABLES

(a) Other short-term receivables

	30/06/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
- Deposits for investment consulting services	317,735,776,709	-	406,589,287,268	-
- Deposits for share acquisitions	49,000,000,000	-	49,000,000,000	-
- Project development and investment co-operation	308,200,102,532	-	836,285,567,556	-
- Interest receivables from lending	58,513,130,618	-	158,404,717,510	-
- Deposits	25,362,761,862	-	25,272,708,234	-
- Advances	1,066,595,452	-	309,624,769	-
- Dividend receivables	442,221,735,000	-	76,890,000,000	-
- Others	57,069,216,028	-	61,243,602,475	-
	1,259,169,318,201		1,613,995,507,812	

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

	30/06/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	409,212,420,027	-	519,430,710,941	-
Related parties (Note 39(b))	849,956,898,174	-	1,094,564,796,871	-
	1,259,169,318,201		1,613,995,507,812	

(*) Details of the third party balance accounting for 10% or more of total the other short-term receivables are as follows:

Name	Nature	30/06/2018 VND	31/12/2017 VND
SSR Real Estate Investment and Development Limited Company	Deposits for investment consulting services	260,733,831,709	349,587,342,268

8 OTHER RECEIVABLES (continued)**(b) Other long-term receivables**

	<u>30/06/2018</u>		<u>31/12/2017</u>	
	<u>Book value</u>	<u>Provision</u>	<u>Book value</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Project development and investment co-operation	-	-	176,916,527,546	-
Others	20,072,561,839	-	16,754,198,784	-
	<u>20,072,561,839</u>		<u>193,670,726,330</u>	

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

	<u>30/06/2018</u>		<u>31/12/2017</u>	
	<u>Book value</u>	<u>Provision</u>	<u>Book value</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Third parties (*)	14,405,022,784	-	15,355,422,784	-
Related parties (Note 39(b))	5,667,539,055	-	178,315,303,546	-
	<u>20,072,561,839</u>		<u>193,670,726,330</u>	

(*) Details of other long-term receivables from third parties accounting from 10% or more of the total balance were as follows:

<u>Name</u>	<u>Nature</u>	<u>30/06/2018</u>		<u>31/12/2017</u>	
Vietnam Youth Tourist Joint Stock Company	Investment cooperation	11,500,000,000	-	11,500,000,000	-
Green house Culture Joint Stock Company	Deposits	2,329,690,000	-	2,329,690,000	-
		<u>13,829,690,000</u>		<u>13,829,690,000</u>	

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

9 DOUBTFUL DEBTS

The Company had no doubtful debt as at the date of the separate financial statements.

10 INVENTORIES

	30/06/2018 VND	31/12/2017 VND
Properties in construction progress (i)	2,368,139,540,377	2,595,244,119,683
Completed properties (ii)	26,063,623,423	52,201,030,543
Property merchandises	153,167,618,300	182,564,853,964
Other merchandises	4,103,470,040	5,243,740,352
	2,551,474,252,140	2,835,253,744,542
Provision	-	-
	2,551,474,252,140	2,835,253,744,542

- (i) The properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects. As at 30 June 2018, the projects were in construction progress and they were expected to be completed and handed over in 2018 and following years.
- (ii) As at 30 June 2018, the balance of completed properties mainly represents the value of Tropic Garden 1 project which is located at No.49, 66 street, Thao Dien ward, district 2, Ho Chi Minh City.

As at 30 June 2018, there are no receivable rights pledged as collateral assets for the loans granted to third parties.

Total amount of interest expenses capitalised into value of properties during the period was nil (as at 31 December 2017: VND22,093 million).

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

	30/06/2018 VND	31/12/2017 VND
Deferred expenses which were allocated based on revenue from sale of real estate	11,132,271,760	11,055,396,704
Tools, supplies and deferred expenses	6,363,800,662	2,890,978,297
Others	22,331,521,001	19,865,034,607
	39,827,593,423	33,811,409,608

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

	30/06/2018 VND	31/12/2017 VND
Interest expenses from issuing bonds	-	10,189,090,507
Deferred expenses which were allocated based on revenue from sale of real estate	7,779,920,906	6,006,651,430
Tools and supplies	3,208,472,994	6,695,901,714
Others	56,433,186,914	50,522,169,847
	67,421,580,814	73,413,813,498

Movements in long-term prepaid expenses were as follows:

	30/06/2018 VND	31/12/2017 VND
Opening balance	73,413,813,498	158,664,158,238
Transfers from construction in progress (Note 15)	-	27,130,420,628
Increase	23,005,700,533	19,062,578,804
Allocation	(28,997,933,217)	(131,443,344,172)
Closing balance	67,421,580,814	73,413,813,498

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12 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Historical cost						
As at 1 January 2018	41,875,974,538	5,435,726,639	50,738,607,836	26,251,961,265	99,000,000	124,401,270,278
New purchase	-	-	-	1,243,524,752	-	1,243,524,752
Disposals	-	-	(445,842,500)	-	-	(445,842,500)
As at 30 June 2018	<u>41,875,974,538</u>	<u>5,435,726,639</u>	<u>50,292,765,336</u>	<u>27,495,486,017</u>	<u>99,000,000</u>	<u>125,198,952,530</u>
Accumulated depreciation						
As at 1 January 2018	(7,245,730,427)	(3,237,379,486)	(16,338,501,637)	(7,609,861,822)	(99,000,000)	(34,530,473,372)
Charge for the period	(729,047,946)	(643,857,229)	(4,004,706,462)	(2,436,138,801)	-	(7,813,750,438)
Disposals	-	-	445,842,500	-	-	445,842,500
As at 30 June 2018	<u>(7,974,778,373)</u>	<u>(3,881,236,715)</u>	<u>(19,897,365,599)</u>	<u>(10,046,000,623)</u>	<u>(99,000,000)</u>	<u>(41,898,381,310)</u>
Net book value						
As at 1 January 2018	34,630,244,111	2,198,347,153	34,400,106,199	18,642,099,443	-	89,870,796,906
As at 30 June 2018	<u>33,901,196,165</u>	<u>1,554,489,924</u>	<u>30,395,399,737</u>	<u>17,449,485,394</u>	<u>-</u>	<u>83,300,571,220</u>

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2018 was VND10,862 million (as at 31 December 2017: VND10,075 million).

As at 30 June 2018 and 31 December 2017, there were no tangible fixed assets pledged as collateral assets for the bank loans.

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12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software and Trademark VND	Total VND
Historical cost			
As at 1 January 2018	34,880,498,260	15,269,451,784	50,149,950,044
Transfer from construction in progress	-	2,987,611,876	2,987,611,876
As at 30 June 2018	34,880,498,260	18,257,063,660	53,137,561,920
Accumulated amortisation			
As at 1 January 2018	-	(5,420,903,565)	(5,420,903,565)
Charge for the period	-	(2,124,564,753)	(2,124,564,753)
As at 30 June 2018	-	(7,545,468,318)	(7,545,468,318)
Net book value			
As at 1 January 2018	34,880,498,260	9,848,548,219	44,729,046,479
As at 30 June 2018	34,880,498,260	10,711,595,342	45,592,093,602

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2018 was VND2,754 million (as at 31 December 2017: nil).
As at 30 June 2018 and 31 December 2017, there were no intangible fixed assets pledged as collateral assets for the bank loans.

13 INVESTMENT PROPERTIES FOR LEASING

	Land use rights VND	Buildings and structures VND	Total VND
Historical cost			
As at 1 January 2018	1,013,743,429,102	318,118,879,445	1,331,862,308,547
Transfers from inventories (*)	-	453,957,582,687	453,957,582,687
Disposal	(7,693,482,739)	(706,517,261)	(8,400,000,000)
As at 30 June 2018	1,006,049,946,363	771,369,944,871	1,777,419,891,234
Accumulated amortisation			
As at 1 January 2018	-	(17,382,509,164)	(17,382,509,164)
Charge for the period	-	(5,938,117,971)	(5,938,117,971)
Disposal	-	706,517,261	706,517,261
As at 30 June 2018	-	(22,614,109,874)	(22,614,109,874)
Net book value			
As at 1 January 2018	1,013,743,429,102	300,736,370,281	1,314,479,799,383
As at 30 June 2018	1,006,049,946,363	748,755,834,997	1,754,805,781,360

(*) The amount represents the properties transferred to investment properties for the leasing purpose.

As at 30 June 2018 and 31 December 2017, there were no investment properties pledged as collateral assets for the bank loans.

14 LONG-TERM WORK IN PROGRESS

This balance comprised of the work in progress amount of a project located at Thao Dien Ward, District 2, and at District 9, Ho Chi Minh City. These projects are in the progress of completing the legal papers for future developments.

15 CONSTRUCTION IN PROGRESS

	30/06/2018 VND	31/12/2017 VND
Office renovation	22,890,327,418	20,731,302,400
Showhouse	17,524,910,657	17,524,910,657
Software	43,445,267,180	28,522,073,344
Others	1,643,405,320	1,643,405,320
	85,503,910,575	68,421,691,721

15 CONSTRUCTION IN PROGRESS (continued)

Movement of construction in progress during the period/year was as follows:

	30/06/2018 VND	31/12/2017 VND
Beginning of the period/year	68,421,691,721	46,403,746,338
Purchases	18,162,648,912	74,097,998,889
Transfers to tangible fixed assets	-	(2,456,940,802)
Transfers to intangible fixed assets	(2,987,611,876)	(3,057,100,000)
Transfers to long-term prepaid expenses (Note 11)	-	(27,130,420,628)
Transfers to cost of sale	-	(10,413,204,264)
Others	1,907,181,818	(9,022,387,812)
	85,503,910,575	68,421,691,721

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30/06/2018 VND	31/12/2017 VND
Third parties		
- Transportation and Public works Joint Stock Company	6,966,081,017	12,796,268,508
- YKVN Law Firm Co.,Ltd	9,122,860,153	-
- Others	71,455,108,850	96,283,170,191
Related parties	364,884,305	-
	87,908,934,325	109,079,438,699

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

17 SHORT-TERM ADVANCES FROM CUSTOMERS

The short-term advances from customers are advances from customers according to the property transfer agreements of the Company's projects. The amount is recognised as revenue when the Company completes and hands over properties to customers.

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18 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

Movements in tax and other payables to the State Budget during the year were as follows:

	As at 31/12/2017 VND	Payable during the period VND	Net off VND	Settled during the period VND	As at 30/06/2018 VND
(a) Tax payables					
Personal income tax	12,088,580,884	47,087,868,286	-	(54,615,017,700)	4,561,431,470
VAT on domestic sales	-	52,561,203,169	(52,111,174,710)	(450,028,459)	-
Others	3,308,603,408	62,037,861,285	-	(59,737,844,132)	5,608,620,561
	<u>15,397,184,292</u>	<u>161,686,932,740</u>	<u>(52,111,174,710)</u>	<u>(114,802,890,291)</u>	<u>10,170,052,031</u>
(b) Tax receivables					
VAT to be reclaimed	(176,502,020,418)	(34,063,108,883)	52,111,174,710	-	(158,453,954,591)
Overpaid VAT	(1,044,485,377)	-	-	-	(1,044,485,377)
Business income tax temporarily paid 1%	(5,720,681,928)	-	1,250,116,838	-	(4,470,565,090)
Overpaid business income tax	(56,616,503,508)	-	(1,250,116,838)	-	(57,866,620,346)
Overpaid personal income tax	-	-	-	-	-
	<u>(239,883,691,231)</u>	<u>(34,063,108,883)</u>	<u>52,111,174,710</u>	<u>-</u>	<u>(221,835,625,404)</u>

19 SHORT-TERM ACCRUED EXPENSES

	30/06/2018	31/12/2017
	VND	VND
Interest expenses	664,822,339,398	439,993,820,358
Construction costs	128,067,355,703	54,200,516,870
Others	106,770,263,404	76,144,033,638
	899,659,958,505	570,338,370,866

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

	30/06/2018	31/12/2017
	VND	VND
Third parties		
<i>Gw Supernova Pte.Ltd</i>	159,280,585,439	103,299,274,452
<i>Credit Suisse Ag, Singapor Branch</i>	105,353,862,729	15,234,230,310
<i>Others</i>	466,348,580,434	341,706,372,336
Related parties (Note 39(b))	168,676,929,903	110,098,493,768
	899,659,958,505	570,338,370,866

20 UNEARNED REVENUES

At as 30 June 2018, the unearned revenue mainly represents the amount of rental fee for Tropic Garden 1 parking lot paid in advance with the lease term of 49 years.

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

	30/06/2018	31/12/2017
	VND	VND
Maintenance fund payables (i)	87,977,509,182	81,935,205,651
Deposits (ii)	5,171,478,355	9,032,478,355
Dividends payables	7,665,000,000	7,665,000,000
Others	14,806,982,311	723,981,335,382
	115,620,969,848	822,614,019,388

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

(ii) These are deposits from customers for the purchase of apartments and commercial areas or interior decoration.

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

21 OTHER PAYABLES (continued)**(a) Other short-term payables (continued)**

	30/06/2018	31/12/2017
	VND	VND
Third parties	115,620,969,848	126,864,019,388
Related parties (Note 39(b))	-	695,750,000,000
	115,620,969,848	822,614,019,388

(b) Other long-term payables

	30/06/2018	31/12/2017
	VND	VND
Project development and investment co-operation	-	244,000,000,000
Others	1,163,104,190	556,717,870
	1,163,104,190	244,556,717,870

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

	30/06/2018	31/12/2017
	VND	VND
Third parties	1,163,104,190	556,717,870
Related parties (Note 39(b))	-	244,000,000,000
	1,163,104,190	244,556,717,870

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22 BORROWINGS

	As at 01/01/2018 VND	Increase VND	Decrease VND	Foreign exchange differences VND	Current portion of long-term borrowings VND	As at 30/06/2018 VND
(a) Short-term borrowings						
- Bank loans(*)	591,697,707,620	595,623,256,047	(974,742,207,620)	2,588,250,000	243,336,250,000	458,503,256,047
- Borrowings from related parties (****) (Note 39 (b))	1,809,452,675,370	208,600,000,000	(291,500,000,000)	-	-	1,726,552,675,370
- Borrowings from third parties (**)	-	1,083,500,000,000	(1,021,000,000,000)	1,568,750,000	142,118,750,000	206,187,500,000
- Bonds (****)	1,900,000,000,000	479,500,000,000	(820,000,000,000)	-	3,570,000,000,000	5,129,500,000,000
- Bond issuance costs(****)	-	(6,000,000,000)	1,500,000,000	-	(22,618,550,059)	(27,118,550,059)
	4,301,150,382,990	2,361,223,256,047	(3,105,742,207,620)	4,157,000,000	3,932,836,449,941	7,493,624,881,358
(b) Long-term borrowings						
- Bank loans(*)	663,399,500,000	385,000,000,000	(50,000,000,000)	4,806,750,000	(243,336,250,000)	759,870,000,000
- Borrowings from related parties (**)	-	-	-	-	-	-
- Borrowings from third parties (**)	2,841,875,000,000	1,137,250,000,000	-	42,556,250,000	(142,118,750,000)	3,879,562,500,000
- Bonds (****)	5,566,000,000,000	4,048,000,000,000	-	30,400,000,000	(3,570,000,000,000)	6,074,400,000,000
- Bond issuance costs(****)	(48,760,194,439)	(120,491,494,013)	20,085,210,500	-	22,618,550,059	(126,547,927,893)
	9,022,514,305,561	5,449,758,505,987	(29,914,789,500)	77,763,000,000	(3,932,836,449,941)	10,587,284,572,107

22 BORROWINGS (continued)

(*) Details of closing balance of short-term borrowings from bank were as follows:

	30/06/2018 VND	31/12/2017 VND
(a) Short-term borrowings		
Vietnam Prosperity Joint Stock Commercial Bank (i)	144,423,256,047	73,542,207,620
Saigon Thuong Tin Commercial Joint Stock Bank – Transaction Office	-	250,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	137,940,000,000	34,102,500,000
Maybank International Labuan Branch (ii)	82,764,000,000	20,461,500,000
The Shanghai Commercial & Savings Bank, Ltd - Offshore Banking Branch (ii)	27,588,000,000	6,820,500,000
Chailease International Financial Services Co., Ltd (ii)	18,392,000,000	4,547,000,000
Malayan Banking Berhad - Ho Chi Minh City Branch (ii)	8,896,000,000	2,224,000,000
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (iii)	38,500,000,000	-
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	200,000,000,000
	458,503,256,047	591,697,707,620
(b) Long-term borrowings		
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (iii)	346,500,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	206,910,000,000	306,922,500,000
Maybank International Labuan Branch (ii)	124,146,000,000	184,153,500,000
The Shanghai Commercial & Savings Bank, Ltd - Offshore Banking Branch (ii)	41,382,000,000	61,384,500,000
Chailease International Financial Services Co., Ltd (ii)	27,588,000,000	40,923,000,000
Malayan Banking Berhad - Ho Chi Minh City Branch (ii)	13,344,000,000	20,016,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	50,000,000,000
	759,870,000,000	663,399,500,000

(i) 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 31 March 2018, the Company had the outstanding balance of VND144,423,256,047 which bears an interest rate of 7.5% per annum to 7.6% per annum. These borrowings are guaranteed by the Company's deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time,

22 BORROWINGS (continued)

(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 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 June 2018, the Group had the outstanding balance of VND385,000,000,000 which bears an interest rate of 10.5% per annum. These borrowings are secured by a real estate in District 1, Ho Chi Minh City.

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

	30/06/2018 VND	31/12/2017 VND
(a) Short-term borrowings		
Nova Homes Trading Joint Stock Company (i)	62,500,000,000	-
Credit Suisse AG, Chi nhánh Singapore (ii)	95,408,500,000	-
Crane Investments Limited In Respect Of Series 211 (ii)	48,279,000,000	-
	206,187,500,000	-
(b) Long-term borrowings		
Credit Suisse AG, Singapore Branch (ii)	1,812,761,500,000	750,255,000,000
Crane Investments Limited In Respect Of Series 211 (ii)	917,301,000,000	954,870,000,000
Gw Supernova Pte. Ltd. (iii)	1,149,500,000,000	1,136,750,000,000
	3,879,562,500,000	2,841,875,000,000

(i) These are loans in Vietnamese Dong, maturing in 5 months, bear interest at a rate of 5.0% per annum and are unsecured.

(ii) These are borrowings according to the loan agreement and appendixs 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 June 2018, these borrowings was disbursed fully by USD125 millions.

22 BORROWINGS (continued)

(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 June 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 June 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.

(***) Details of closing balance of issued bonds are as follows:

	30/06/2018 VND	31/12/2017 VND
(a) Current portion of long-term bonds		
Bonds issued at discount		
Techcom Securities Limited Company	-	450,000,000,000
Bonds issued at par		
Techcom Securities Limited Company (i)	500,000,000,000	500,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch (ii)	1,000,000,000,000	250,000,000,000
Tien Phong Commercial Joint Stock Bank (ii)	500,000,000,000	125,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (iii)	350,000,000,000	275,000,000,000
The Vietnam Technological and Commercial Joint Stock Bank (iv)	1,000,000,000,000	-
Indovina Bank Limited (iv)	1,050,000,000,000	-
Techcom Securities Limited Company (iv)	250,000,000,000	-
MB Securities Joint Stock Company (v)	400,000,000,000	-
IB Securities Joint Stock Company (xi)	79,500,000,000	-
Bao Viet Joint Stock Commercial Bank	-	300,000,000,000
	5,129,500,000,000	1,900,000,000,000

22 BORROWINGS (continued)

(***) Details of closing balance of issued bonds are as follows (continued):

	30/06/2018 VND	31/12/2017 VND
(b) Long-term issued bonds		
Bonds issued at par		
Military Commercial Joint Stock Bank - North Sai Gon Branch (ii)	-	750,000,000,000
Tien Phong Commercial Joint Stock Bank (ii)	-	375,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (iii)	296,000,000,000	441,000,000,000
Techcom Securities Limited Company (iv)	-	250,000,000,000
The Vietnam Technological and Commercial Joint Stock Bank (iv)	-	1,000,000,000,000
Indovina Bank Limited (iv)	-	1,050,000,000,000
Vietnam Technological and Commercial Joint Stock Bank (vi)	500,000,000,000	500,000,000,000
Techcom Securities Limited Company (vi)	500,000,000,000	500,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon (vii)	500,000,000,000	500,000,000,000
Bao Viet Group (viii)	200,000,000,000	200,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon (ix)	400,000,000,000	-
Credit Suisse Ag, Singapore Branch (x)	3,678,400,000,000	-
	6,074,400,000,000	5,566,000,000,000

(i) 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 seven (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.

(ii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch (MB) and Tien Phong Commercial Joint Stock Bank (TPB). Package of bonds with a par value of VND1,500,000,000,000 (MB: VND1,000,000,000,000 and TPB: VND500,000,000,000), maturing in 2021 and bearing an interest rate of 10% per annum for the first year. The interest rate applied for remaining period will be defined as a reference rate of plus a margin of 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month (12) 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 assets of Lakeview City project, part of shares owned by the Company in subsidiary and was acquired by the Company on 12 July 2018.

22 BORROWINGS (continued)

(iii) 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 (3) months. The interest rate will be adjusted for every three (3) months at the interest rate of the twelve-month (12) deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. As at 30 June 2018, the Company repurchased total VND90,000,000,000 of par value, the remaining balance of bonds is VND646,000,000,000. 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.

(iv) 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 first two (2) 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 Technological 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.

(v) 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.

(vi) 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 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 Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Limited Company.

(vii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch with a par value of VND500,000,000,000, maturing in 2019 and bearing an interest rate of 10% per annum for the first year. The interest rate applied for remaining period will be defined as a reference rate plus a margin of 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month (12) 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 right of Golden Mansion project and shares of the Company owned by shareholders.

(viii) Bonds issued at par value in Vietnamese Dong to Baoviet Holdings, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest periods. 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 (12) 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.

22 BORROWINGS (continued)

(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 the collateral assets including assets of Lakeview City project, part of shares owned by the Company in subsidiary and shares of the Company are owned by the shareholders.

(x) 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 as a Trustee and 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.

(xi) 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. As at 30 June 30 2018, VND79.500.000.000 of bonds were issued. At the date of this financial statement, the bonds was issued fully by VND200.000.000.000.

(****) These are borrowings in Vietnamese Dong from related parties, maturing in 2018, bear interest at the rate from 5.0% to 11.0% per annum and are unsecured.

23 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. The offset amounts are as follows:

	30/06/2018 VND	31/12/2017 VND
Deferred income tax assets:		
Deferred tax assets to be recovered after more than 12 months	975,873,572	975,873,572

The movement in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	30/06/2018 VND	31/12/2017 VND
Beginning of period	975,873,572	975,873,572
Income statement charge	-	-
End of period	975,873,572	975,873,572

23 DEFERRED INCOME TAX (continued)

The deferred income tax assets mainly arise from the temporary differences relating to depreciation of fixed assets, capitalised interest expense and accrual for other operating expenses. The Company uses tax rate of 20% at 30 June 2018 (as at 31 December 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.

The Company's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred.

The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable income is:

Year of tax	Status of tax authorities' review	Tax loss incurred	Loss utilised	Tax loss carried forward
2016	Finalized	181,172,619,981	-	181,172,619,981
2017	Outstanding	874,780,292,894	-	874,780,292,894
2018	Outstanding	928,204,216,827	-	928,204,216,827

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

	30/06/2018		31/12/2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
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	907,455,928	6,830,000	642,828,788	6,830,000

(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 01 January 2017	589,369,234	6,830,000	596,199,234
Employee Stock Ownership Plan to employees	20,000,000	-	20,000,000
New shares issued for converting debts	33,459,554	-	33,459,554
As at 31 December 2017	642,828,788	6,830,000	649,658,788
Employee Stock Ownership Plan to employees	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 June 2018	907,455,928	6,830,000	914,285,928

Par value per share: VND10,000.

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital		Share premium	Undistributed earnings	Total
	Ordinary shares	Preference shares			
	VND	VND	VND	VND	VND
As at 1 January 2017					
Issuance of ordinary shares for converting debts	5,893,692,340,000	68,300,000,000	2,174,026,445,400	1,079,554,149,570	9,215,572,934,970
Issuance of ordinary shares under Employee Stock Ownership Plan to employees	334,595,540,000	-	1,032,804,460,000	-	1,367,400,000,000
Dividends paid	200,000,000,000	-	-	-	200,000,000,000
Profit for the year	-	-	-	(24,765,000,000)	(24,765,000,000)
	-	-	-	421,890,218,428	421,890,218,428
As at 31 December 2017	6,428,287,880,000	68,300,000,000	3,206,830,905,400	1,476,679,367,998	11,180,098,153,398
Issuance of ordinary shares under Employee Stock Ownership Plan to employees (*)	98,099,620,000	-	-	-	98,099,620,000
Bonus shares issued from share premium (**)	2,023,171,780,000	-	(2,023,171,780,000)	-	-
Issuance of ordinary shares (***)	525,000,000,000	-	2,798,936,427,950	-	3,323,936,427,950
Profit for the period	-	-	-	234,835,823,293	234,835,823,293
As at 30 June 2018	9,074,559,280,000	68,300,000,000	3,982,595,553,350	1,711,515,191,291	14,836,970,024,641

(*) 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-QĐ-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.

(**) According to the Resolution No. 18/2018-QĐ-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.

25 MOVEMENTS IN OWNERS' EQUITY (continued)

(***) 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 VND80,006,072,050, so the value of the issued shares is recorded as share capital and the share premium of VND525,000,000,000 and VND2,798,936,427,950 respectively.

27 OFF BALANCE SHEET ITEMS**(a) Foreign currencies and precious metals**

	30/06/2018	31/12/2017
Gold (tael of gold)	-	2.4
USD	3,005,681.60	4,160.69

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases are VND375,445,867,214 and VND68,849,478,134 for the period ended 30 June 2018 and 31 December 2017, respectively (Note 40).

28 REVENUE

	For the period ended	
	30/06/2018	30/06/2017
	VND	VND
Sales of goods and rendering of services		
Revenue from sale of real estate	166,692,801,269	749,466,785,510
Rendering of services for corporate management, project development consultancy and sale consultancy	450,122,478,745	617,432,683,781
Revenue from transfers of real estate sales and purchase agreement	37,047,779,505	351,827,740,675
Revenue from leasing properties	30,140,730,469	25,661,573,103
	684,003,789,988	1,744,388,783,069
Sales deductions		
Trade discounts	-	(4,145,039,981)
Sale returns	-	-
Net revenue from goods and rendering of services		
Net Revenue from sale of real estate	166,692,801,269	745,321,745,529
Net Rendering of services for corporate management, project development consultancy and sale consultancy	450,122,478,745	617,432,683,781
Net Revenue from transfers of real estate sales and purchase agreement	37,047,779,505	351,827,740,675
Net revenue from leasing properties	30,140,730,469	25,661,573,103
	684,003,789,988	1,740,243,743,088

29 COST OF SALES

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Cost of real estate sold	106,964,579,903	655,291,787,001
Cost of rendering of services for corporate management, project development consultancy and sale consultancy	441,600,344,115	622,895,042,721
Cost of transfers of real estate sales and purchase agreement	36,938,574,745	345,752,603,763
Cost of leasing properties	15,789,482,974	17,512,370,230
	601,292,981,737	1,641,451,803,715

30 FINANCIAL INCOME

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Dividend income	1,166,800,646,000	382,219,440,000
Interest income from deposits and loans	74,686,091,412	107,777,863,712
Interest income from investment co-operation	31,686,441,751	113,160,706,316
Realised foreign exchange gains	591,966,943	275,974,785
Others	7,781,289	944,840,658
	1,273,772,927,395	604,378,825,471

31 FINANCIAL EXPENSES

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Interest expenses	824,749,851,630	441,595,123,597
Borrowing related costs	52,286,517,704	12,796,100,328
Bond issuance fee	21,585,210,500	21,028,917,647
Realised foreign exchange losses	6,175,448,779	1,928,040,984
Net loss from foreign currency translation at period-end	83,449,812,195	-
Others	2,272,264,561	1,891,557,549
	990,519,105,369	479,239,740,105

32 SELLING EXPENSES

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Staff costs	619,961,834	-
Materials, packages	-	19,840,070
Tools and equipment	618,291,807	238,164,068
Depreciation charge	900,881,153	288,334,922
Outside services	24,866,587,723	18,940,391,689
Others	17,781,628,580	19,270,864,557
	44,787,351,097	38,757,595,306

33 GENERAL AND ADMINISTRATION EXPENSES

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Staff costs	4,062,743,813	2,844,837,164
Tools and supplies	80,727,591	386,364
Office stationary	2,136,706,448	192,735,524
Depreciation charge	5,204,012,887	-
Tax and other fees	117,874,182	2,962,000
Outside services	46,710,760,495	13,346,942,137
Others	22,286,807,038	25,614,693,091
	80,599,632,454	42,002,556,280

34 OTHER INCOME AND OTHER EXPENSES

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Other income		
Gains on disposal of fixed assets	264,545,455	-
Fines	594,947,553	4,319,978,331
Others	165,901,958	81,834,312
	1,025,394,966	4,401,812,643
Other expenses		
Fines	6,627,229,067	8,755,837,384
Others	139,989,332	404,491,253
	6,767,218,399	9,160,328,637
Net other (expenses)/income	(5,741,823,433)	(4,758,515,994)

35 BUSINESS INCOME TAX

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2017: 20%) as follows:

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Net accounting profit before tax	234,835,823,293	138,412,357,159
Tax calculated at a rate of 20% (2017: 20%)	46,967,164,659	27,682,471,432
Effect of:		
Expenses not deductible for tax purposes	760,056,790	934,671,298
Income not subject to tax	(233,360,129,200)	(76,443,888,000)
Tax losses for which no deferred income tax assets	185,632,907,751	47,826,745,271
Business income tax charge (*)	-	-
Charged to income statement:		
Business income tax - current	-	-
Business income tax - deferred (Note 23)	-	-

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

36 EXPENSES BY FACTOR

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Construction costs and land costs	207,337,557,259	673,593,510,049
Labour costs	4,682,705,647	2,844,837,164
Depreciation charge	15,876,433,162	11,883,651,730
Outside services	71,577,348,218	32,287,333,826
Others	43,022,035,646	45,339,645,674
	342,496,079,932	765,948,978,443

37 SEGMENT REPORTING*Geographical segment*

The Company does not have any operations outside the territory of Vietnam, so it is not necessary to present information based on the geographical location.

Business activity segment

The Company's revenue and profit are mainly derived from the business activities of the real estate, services for management consultancy.

38 ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS**(a) Amount of loan principal actually paid during the period**

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
Lending following normal loan contracts	-	152,700,000,000

b) Amount of loan actually withdrawn during the period

Collection of lending following normal loan contracts	95,711,600,222	190,485,911,778
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c) Amount of borrowings actually withdrawn during the period

Proceeds from borrowings following normal borrowing contracts	3,369,973,256,047	4,117,250,969,840
Proceeds from bonds issuance	4,436,300,000,000	4,000,000,000,000

d) Amount of borrowings actually repaid during the period

Repayments for borrowings following normal borrowing contracts	2,337,242,207,620	4,550,553,705,130
Repayments for bonds	820,000,000,000	996,000,000,000

39 RELATED PARTY DISCLOSURES

In the period and the same period in 2017, the Company had transactions and balances with related parties as follows:

Relationship	Name
Subsidiary	No Va Land Investment Joint Stock Company
Subsidiary	No Va Thao Dien Company Limited
Subsidiary	Nova Festival Corporation
Subsidiary	No Va Land Company Limited
Subsidiary	Redwood Investment Joint Stock Company
Subsidiary	Nova Saigon Royal Investment Limited Company
Subsidiary	Sai Gon Housing And Infrastructure Development J.S.C
Subsidiary	Nova Lucky Palace Company Limited
Subsidiary	The Prince Residence Joint Stock Company
Subsidiary	Thanh Nhon Real Estate Joint Stock Company
Subsidiary	Sai Gon Golf Company Limited
Subsidiary	Nova Phu Sa Joint Stock Company
Subsidiary	Nova Sagel Company Limited
Subsidiary	Novaland Agent One Member Company Limited
Subsidiary	Phuoc Long Investment and Development Company Limited
Subsidiary	Vung Tau Youth Hotel and Travel Joint Stock Company
Subsidiary	Nova Richstar Joint Stock Company
Subsidiary	Nova Nippon Joint Stock Company

39 RELATED PARTY DISCLOSURES (continued)

Relationship	Name
Subsidiary	Khai Hung Real Estate Company Limited
Subsidiary	Nova Nam A Company Limited
Subsidiary	Nova Sasco Company Limited
Subsidiary	No Va My Dinh Land Joint Stock Company
Subsidiary	Nova An Phu Company Limited
Subsidiary	Nova Phuc Nguyen Real Estate Company Limited
Subsidiary	Tuong Minh Investment and Real Estate Company Limited
Subsidiary	The 21st Century International Development Company Limited
Subsidiary	Phuong Dong Building Joint Stock Company
Subsidiary	Binh An Investment and Development Real Estate Joint Stock
Subsidiary	Nova Rivergate Company Limited
Subsidiary	Nova Princess Residence Joint Stock Company
Subsidiary	Nha Rong Investment and Commercial Joint Stock Company
Subsidiary	Mega Housing Joint Stock Company
Subsidiary	Mega Tie Company Limited
Subsidiary	Bach Hop Real Estate Company Limited
Subsidiary	Phu Dinh Port Joint Stock Company
Subsidiary	Gia Duc Real Estate Company Limited
Subsidiary	Gia Phu Real Estate Company Limited
Subsidiary	Nova Riverside Real Estate Company Limited
Subsidiary	Nhat Hoa Real Estate Joint Stock Company
Subsidiary	Merufa-Nova Company Limited
Subsidiary	Lexington Real Estate Joint Stock Company
Subsidiary	Nova Property Management Company Limited
Subsidiary	Thanh Nhon Investment Real Estate Company Limited
Subsidiary	Vuong Gia Real Estate Investment Joint Stock Company
Subsidiary	Asean Urban Development Joint Stock Company
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Sun City Real Estate Investment & Development Company Limited
Associate	Nova Hospitality Joint Stock Company
Associate	Ben Thanh Housing Development and Service Joint Stock Company
Associate	Thai Binh Real Estate Trading Joint Stock Company
Shareholder	Diamond Properties Joint Stock Company

NO VA LAND INVESTMENT GROUP CORPORATION

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	For the period ended	
	30/06/2018 VND	30/06/2017 VND
i) Sales of goods and services (VAT inclusive)		
The 21st Century International Development Company Limited	60,941,332,005	70,462,634,000
Nova Riverside Real Estate Company Limited	55,383,609,567	-
Gia Phu Real Estate Company Limited	46,102,544,768	-
Nova An Phu Company Limited	35,371,344,053	-
Nova Richstar Joint Stock Company	29,422,300,680	28,069,239,000
Nha Rong Investment and Commercial Joint Stock Company	26,231,773,320	12,906,187,800
Thai Binh Real Estate Trading Joint Stock Company	25,421,161,746	-
Nhat Hoa Real Estate Joint Stock Company	20,162,219,616	-
Novaland Agent One Member Company Limited	21,555,350,549	8,103,702,405
Nova Sasco Company Limited	19,266,130,000	16,542,150,000
Sun City Real Estate Investment & Development Company Limited	12,426,996,600	-
Nova Rivergate Company Limited	11,903,380,944	27,126,658,159
Nova Phuc Nguyen Real Estate Company Limited	8,199,078,343	15,997,299,032
Phuong Dong Building Joint Stock Company	8,150,838,403	12,090,364,412
Nova Nam A Company Limited	8,066,082,680	9,698,347,800
Vung Tau Youth Hotel and Travel Joint Stock Company	6,197,743,200	-
Nova Sagel Company Limited	5,206,398,605	17,132,935,800
Nova Princess Residence Joint Stock Company	5,064,392,990	7,061,395,200
Merufa-Nova Company Limited	4,578,747,600	-
Nova Lucky Palace Company Limited	2,964,763,130	17,212,144,261
Phu Dinh Port Joint Stock Company	2,585,470,800	6,627,105,100
No Va Land Investment Joint Stock Company	423,341,607	6,663,937,740
Nova Festival Corporation	420,000,000	11,260,589,252
Mega Tie Company Limited	330,000,000	1,705,643,710
Sai Gon Golf Company Limited	271,032,300	1,626,193,800
Nova Property Management Company Limited	193,562,400	-
Nova Saigon Royal Investment Limited Company	42,000,000	75,000,000
Sai Gon Housing And Infrastructure Development J.S.C	42,000,000	75,000,000
No Va Land Company Limited	42,000,000	66,000,000
Thanh Nhon Real Estate Joint Stock Company	42,000,000	42,000,000
No Va Thao Dien Company Limited	42,000,000	42,000,000
Mega Housing Joint Stock Company	42,000,000	42,000,000
No Va My Dinh Land Joint Stock Company	42,000,000	42,000,000
Bach Hop Real Estate Company Limited	42,000,000	42,000,000
Nova Hospitality Joint Stock Company	42,000,000	42,000,000
Nova Nippon Joint Stock Company	42,000,000	33,000,000
Gia Duc Real Estate Company Limited	42,000,000	33,000,000
Phuoc Long Investment and Development Company Limited	42,000,000	14,000,000
Thanh Nhon Investment Real Estate Company Limited	42,000,000	-
Asean Urban Development Joint Stock Company	42,000,000	-

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)****i) Sales of goods and services (VAT inclusive) (continued)**

	For the period ended	
	30/06/2018	30/06/2017
	VND	VND
Vuong Gia Real Estate Investment Joint Stock Company	18,964,286	-
Tuong Minh Investment and Real Estate Company Limited	9,428,571	-
Lexington Real Estate Joint Stock Company	-	144,117,000
The Prince Residence Joint Stock Company	-	92,544,000
Nova Phu Sa Joint Stock Company	-	75,000,000
Redwood Investment Joint Stock Company	-	75,000,000
	417,455,988,763	271,179,188,471

ii) Transfer real estate from subsidiaries

Gia Phu Real Estate Company Limited	29,171,086,377	-
Nova Phuc Nguyen Real Estate Company Limited	3,780,925,653	75,846,777,912
Nova Festival Corporation	2,301,129,408	177,623,033,698
Nova Rivergate Company Limited	763,707,328	21,666,793,571
	36,016,848,766	275,136,605,181

iii) Lending

Khai Hung Real Estate Company Limited	-	72,000,000,000
Nova An Phu Company Limited	-	29,300,000,000
Nova Saigon Royal Investment Limited Company	-	8,500,000,000
	-	109,800,000,000

iv) Loan collection

Nova Phuc Nguyen Real Estate Company Limited	50,511,600,222	85,608,399,778
Khai Hung Real Estate Company Limited	36,700,000,000	5,200,000,000
Nova Saigon Royal Investment Limited Company	8,500,000,000	-
No Va Land Investment Joint Stock Company	-	49,677,512,000
	95,711,600,222	140,485,911,778

v) Repayment of investment co-operation

Nova Richstar Joint Stock Company	244,000,000,000	-
Binh An Investment and Development Real Estate Joint Stock Company	-	125,500,000,000
The 21st Century International Development Company Limited	-	103,000,000,000
	244,000,000,000	228,500,000,000

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the period ended	
		30/06/2018	30/06/2017
		VND	VND
vi) Borrowings			
Thai Binh Real Estate Trading Joint Stock Company	208,600,000,000	-	-
The 21st Century International Development Company Limited	-	280,000,000,000	
Nova Rivergate Company Limited	-	124,000,000,000	
	208,600,000,000	404,000,000,000	
vii) Repayments of borrowings			
Phuong Dong Building Joint Stock Company	140,000,000,000	-	-
Nova Sasco Company Limited	78,000,000,000	67,500,000,000	
Thai Binh Real Estate Trading Joint Stock Company	47,000,000,000	-	-
Nova Sagel Company Limited	12,000,000,000	-	-
The 21st Century International Development Company Limited	3,500,000,000	-	-
Lexington Real Estate Joint Stock Company	-	84,000,000,000	
Phuoc Long Investment and Development Company Limited	-	259,000,000,000	
Nova Festival Corporation	11,000,000,000	19,000,000,000	
	291,500,000,000	429,500,000,000	
viii) Interest income			
Nova Saigon Royal Investment Limited Company	25,814,535,158	26,738,154,267	
Nova Sasco Company Limited	7,215,661,111	29,575,148,611	
Nova Nam A Company Limited	2,535,803,561	24,049,860,878	
Khai Hung Real Estate Company Limited	5,727,677,349	12,718,828,501	
Mega Housing Joint Stock Company	-	6,395,812,983	
Nova An Phu Company Limited	-	5,598,370,196	
Nova Phuc Nguyen Real Estate Company Limited	1,350,904,686	6,630,303,838	
Sai Gon Electronics and Industrial Service Joint Stock Company	2,379,536,608	1,964,755,000	
No Va Land Investment Joint Stock Company	-	955,295,181	
Nova Rivergate Company Limited	-	565,564,666	
	45,024,118,473	115,192,094,121	

39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the period ended	
		30/06/2018	30/06/2017
		VND	VND
ix) Interest expenses			
Nova Rivergate Company Limited	18,150,310,857	18,540,401,068	
The 21st Century International Development Company Limited	26,874,021,310	7,871,111,112	
Phuong Dong Building Joint Stock Company	5,946,716,477	5,951,280,000	
Nova Sasco Company Limited	512,876,712	6,821,583,333	
Phuoc Long Investment and Development Company Limited	-	7,016,608,335	
Nova Festival Corporation	5,343,147,812	1,342,084,694	
Gia Phu Real Estate Company Limited	3,818,356,165	-	
Thai Binh Real Estate Trading Joint Stock Company	2,359,753,425	-	
Nova Sagel Company Limited	41,666,667	301,666,667	
Lexington Real Estate Joint Stock Company	-	365,863,426	
Nova Phu Sa Joint Stock Company	-	138,263,891	
Binh An Investment and Development Real Estate Joint Stock Company	-	3,889,724,999	
	63,046,849,425	52,238,587,525	
x) Short-term unearned revenues			
Nova Property Management Company Limited	1,368,604,973	-	
	1,368,604,973	-	
xi) Long-term unearned revenues			
Nova Property Management Company Limited	65,064,157,058	-	
	65,064,157,058	-	
xii) Compensation of key management			
Gross salaries and other benefits	12,991,209,922	24,824,072,417	
(b) Year end balances with related parties			
	30/06/2018	31/12/2017	
	VND	VND	
i) Short-term trade accounts receivable (Note 5)			
Diamond Properties Joint Stock Company	40,024,130,644	40,024,130,644	
	40,024,130,644	40,024,130,644	

39 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	30/06/2018 VND	31/12/2017 VND
ii) Short-term lending (Note 7)		
Khai Hung Real Estate Company Limited	93,540,000,000	130,240,000,000
Sai Gon Electronics and Industrial Service Joint Stock Company	43,420,000,000	43,420,000,000
Nova Saigon Royal Investment Limited Company	-	8,500,000,000
Nova Phuc Nguyen Real Estate Company Limited	-	50,511,600,222
	136,960,000,000	232,671,600,222
iii) Other short-term receivables (Note 8(a))		
Nova Saigon Royal Investment Limited Company	309,949,403,070	570,584,867,912
Nova Sasco Company Limited	-	344,623,883,334
Ben Thanh Housing Development and Service Joint Stock Company	39,076,206,892	39,827,672,410
Khai Hung Real Estate Company Limited	475,138,697,609	27,189,285,260
Sai Gon Electronics and Industrial Service Joint Stock Company	25,792,590,603	23,907,772,634
No Va Land Investment Joint Stock Company	-	76,890,000,000
Nova Phuc Nguyen Real Estate Company Limited	-	11,541,315,321
	849,956,898,174	1,094,564,796,871
iv) Other long-term receivables (Note 8(b))		
Nova Nam A Company Limited	-	176,916,527,546
Ben Thanh Housing Development and Service Joint Stock Company	5,667,539,055	1,398,776,000
	5,667,539,055	178,315,303,546
v) Short-term payables (Note 16)		
Ben Thanh Housing Development and Service Joint Stock Company	364,884,305	-
	364,884,305	-
vi) Other short-term payables (Note 21(b))		
Gia Duc Real Estate Company Limited	-	695,750,000,000
	-	695,750,000,000
vii) Other long-term payables (Note 21(b))		
Nova Richstar Joint Stock Company	-	244,000,000,000
	-	244,000,000,000

39 RELATED PARTY DISCLOSURES (continued)**(b) Year end balances with related parties (continued)**

	30/06/2018 VND	31/12/2017 VND
viii) Short-term accrued expenses (Note 19)		
Nova Rivergate Company Limited	81,595,485,775	63,445,174,918
Phuong Dong Building Joint Stock Company	26,399,446,888	20,452,730,411
The 21st Century International Development Company Limited	45,341,983,259	18,467,961,949
Nova Sasco Company Limited	-	256,438,356
Nova Festival Corporation	8,884,671,515	3,541,523,703
Nova Sagel Company Limited	-	1,172,777,780
Gia Phu Real Estate Company Limited	6,455,342,466	2,636,986,301
Ben Thanh Housing Development and Service Joint Stock Company	-	124,900,350
	168,676,929,903	110,098,493,768
ix) Short-term borrowings (Note 22(a))		
Nova Rivergate Company Limited	656,364,832,600	656,364,832,600
The 21st Century International Development Company Limited	487,000,000,000	490,500,000,000
Phuong Dong Building Joint Stock Company	187,600,000,000	327,600,000,000
Thai Binh Real Estate Trading Joint Stock Company	161,600,000,000	-
Gia Phu Real Estate Company Limited	140,000,000,000	140,000,000,000
Nova Festival Corporation	93,987,842,770	104,987,842,770
Nova Sasco Company Limited	-	78,000,000,000
Nova Sagel Company Limited	-	12,000,000,000
	1,726,552,675,370	1,809,452,675,370

40 COMMITMENTS UNDER OPERATING LEASES

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

	30/06/2018 VND	31/12/2017 VND
Within one year	49,590,826,796	50,293,359,874
Between two and five years	63,893,145,180	18,556,118,260
Over five years	261,961,895,238	-
	375,445,867,214	68,849,478,134

41 CAPITAL COMMITMENTS

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

	30/06/2018 VND	31/12/2017 VND
Construction costs of projects	121,444,900,377	199,089,741,792

42 EVENTS AFTER THE BALANCE SHEET DATE SEGMENT REPORTING

There has been no significant events occur after the balance sheet date of 30 June 2018 until the date of issue of the financial statements.

The interim separate financial statements were approved by the Board of Management on 30 July 2018.



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Hoang Thu Chau
Deputy General Director
30 July 2018

