

NO VA LAND INVESTMENT GROUP CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
QUARTER II 2017**



NO VA LAND INVESTMENT GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Board of General Directors	2
Consolidated balance sheet (Form B 01 – DN/HN)	3
Consolidated income statement (Form B 02 – DN/HN)	6
Consolidated cash flow statement (Form B 03 – DN/HN)	8
Notes to the interim consolidated financial statements (Form B 09 – DN/HN)	10

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 40th amended Business Registration Certificate No. 0301444753 dated 06 July 2017.	
Board of Management	Mr. Bui Thanh Nhon Mr. Bui Cao Nhat Quan Mr. Phan Thanh Huy Ms. Hoang Thu Chau Ms. Cong Huyen Ton Nu My Lien Ms. Nguyen Thanh Bich Thuy Mr. Bui Xuan Huy	Chairman Deputy Chairman (resigned on 11 May 2017) Member Member Member (resigned on 17 April 2017) Member (assigned on 27 April 2017) Member (assigned on 11 May 2017)
Supervisory Board	Ms. Nguyen Thi Minh Thanh Ms. Nguyen Anh Thi Mr. Nguyen Vu Duy	Chief Supervisor (resigned on 27 April 2017) Member (resigned on 27 April 2017) Member (resigned on 27 April 2017)
Audit Committee	Ms. Nguyen Thanh Bich Thuy Ms. Nguyen Thi Minh Thanh Ms. Vo Thi Thanh Tham	Head (assigned on 26 June 2017) Member (assigned on 26 June 2017) Member (assigned on 26 June 2017)
Board of General Directors	Mr. Phan Thanh Huy Mr. Bui Cao Nhat Quan Ms. Hoang Thu Chau Mr. Le Hong Phuc Mr. Bui Xuan Huy Mr. Eric Chan Hong Wai Ms. Vo Thi Thu Van	General Director Deputy General Director (resigned on 11 May 2017) Deputy General Director Deputy General Director Deputy General Director Deputy General Director (resigned on 25 May 2017) Deputy General Director
Legal representative	Mr. Bui Thanh Nhon	Chairman
Registered office	313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3, Ho Chi Minh City, Vietnam	
Representative office	65 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	

NO VA LAND INVESTMENT GROUP CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS OF THE COMPANY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

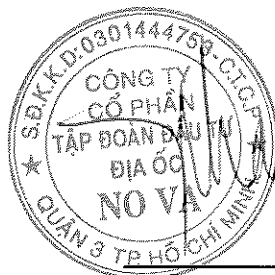
The Board of General Directors of No Va Land Investment Group Corporation ("the Company") is responsible for preparing interim consolidated financial statements which give a true and fair view of the financial position of the Company and its subsidiaries (together, "the Group") as at 30 June 2017 and the results of its operations and cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Board of General Directors is required to:

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

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

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying interim consolidated financial statements as set out on pages 3 to 64 which give a true and fair view of the financial position of the Group as at 30 June 2017 and of the results of its operations and cash flows for the six-month period ended 30 June 2017 in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.



Phan Thanh Huy
General Director

Ho Chi Minh City, SR Vietnam
28 July 2017

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30/06/2017 VND	31/12/2016 VND
100	CURRENT ASSETS		35,476,715,736,531	30,288,729,450,391
110	Cash and cash equivalents	4	4,712,594,963,976	3,336,969,432,791
111	Cash		427,009,117,575	808,215,895,293
112	Cash equivalents		4,285,585,846,401	2,528,753,537,498
120	Short-term investments		1,013,170,069,469	964,822,616,829
123	Investments held to maturity	5(a)	1,013,170,069,469	964,822,616,829
130	Short-term receivables		9,060,824,723,752	9,635,748,057,226
131	Short-term trade accounts receivable	6	341,780,102,360	333,223,529,420
132	Short-term prepayments to suppliers	7	1,160,242,026,114	936,793,642,253
135	Short-term lending	8	3,167,991,193,511	3,313,658,593,511
136	Other short-term receivables	9(a)	4,396,671,712,928	5,065,734,101,184
137	Provision for doubtful debts – short term	10	(5,860,311,161)	(13,661,809,142)
140	Inventories	11(a)	20,030,245,875,398	15,789,641,948,072
141	Inventories		20,033,092,002,328	15,795,037,614,256
149	Provision for decline in value of inventories		(2,846,126,930)	(5,395,666,184)
150	Other current assets		659,880,103,936	561,547,395,473
151	Short-term prepaid expenses	12(a)	53,178,564,007	51,738,280,747
152	Value Added Tax to be reclaimed		475,717,757,586	381,804,313,170
153	Other taxes receivable	20(a)	130,983,782,343	128,004,801,556

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.


CONSOLIDATED BALANCE SHEET
 (continued)

Code	ASSETS	Note	As at	
			30/06/2017 VND	31/12/2016 VND
200	NON-CURRENT ASSETS		6,547,852,817,228	6,238,346,263,606
210	Long-term receivables		659,965,932,189	911,972,303,351
212	Long-term advances to suppliers		953,750,090	953,750,090
216	Other long-term receivables	9(b)	659,012,182,099	911,018,553,261
220	Fixed assets		274,171,421,074	148,823,215,155
221	Tangible fixed assets	13	246,945,431,316	120,180,246,302
222	Cost		370,550,787,915	162,134,437,319
223	Accumulated depreciation		(123,605,356,599)	(41,954,191,017)
227	Intangible fixed assets	14	27,225,989,758	28,642,968,853
228	Cost		29,628,718,484	30,025,329,118
229	Accumulated amortization		(2,402,728,726)	(1,382,360,265)
230	Investment properties	15	1,901,761,539,916	1,945,013,110,252
231	Cost		2,003,266,322,644	2,022,070,991,658
232	Accumulated depreciation		(101,504,782,728)	(77,057,881,406)
240	Long-term assets in progress		406,671,288,566	285,199,310,593
241	Long-term work in progress	11(b)	224,251,044,022	233,819,522,165
242	Construction in progress	16	182,420,244,544	51,379,788,428
250	Long-term investments	5(b)	649,529,895,750	374,785,832,914
252	Investments in associates, joint ventures		88,194,655,750	371,670,632,914
253	Investments in other entities		561,335,240,000	3,115,200,000
260	Other long-term assets		2,655,752,739,733	2,572,552,491,341
261	Long-term prepaid expenses	12(b)	283,401,756,547	288,077,446,389
262	Deferred income tax assets	38(a)	59,808,030,534	66,869,015,901
269	Goodwill	17	2,312,542,952,652	2,217,606,029,051
270	TOTAL ASSETS		42,024,568,553,759	36,527,075,713,997

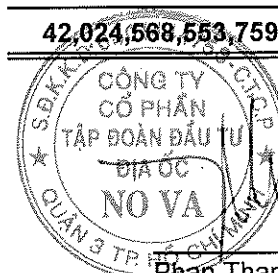
The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at	
			30/06/2017 VND	31/12/2016 VND
300	LIABILITIES		29,738,046,186,443	26,480,185,576,926
310	Current liabilities		17,011,519,661,723	15,011,223,881,816
311	Short-term trade accounts payable	18	1,585,744,847,014	1,505,728,428,659
312	Short-term advances from customers	19	6,905,035,338,336	5,954,806,119,381
313	Taxes and other payables to the State Budget	20(b)	133,411,713,675	122,954,010,058
314	Payable to employees	21	126,444,176,348	172,542,007,199
315	Short-term accrued expenses	22	1,209,970,291,569	666,762,531,707
318	Short-term unearned revenue		1,682,163,523	2,201,411,807
319	Other short-term payables	23(a)	687,652,858,748	983,763,264,057
320	Short-term borrowings	24(a)	6,348,331,054,221	5,595,769,743,653
321	Provision for short-term liabilities		7,514,432,286	-
322	Bonus and welfare funds		5,732,786,003	6,696,365,295
330	Non-current liabilities		12,726,526,524,720	11,468,961,695,110
336	Long-term unearned revenue		28,071,671,039	35,480,545,489
337	Other long-term payables	23(b)	2,102,152,535,511	2,048,219,507,098
338	Long-term borrowings	24(b)	8,772,293,177,711	7,907,493,558,081
341	Deferred income tax liabilities	38(a)	1,824,009,140,459	1,477,768,084,442
400	OWNERS' EQUITY		12,286,522,367,316	10,046,890,137,071
410	Capital and reserves		12,286,522,367,316	10,046,890,137,071
411	Owners' capital	25, 26	6,296,587,880,000	5,961,992,340,000
411a	- Ordinary shares with voting rights		6,228,287,880,000	5,893,692,340,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	26	3,206,830,905,400	2,174,026,445,400
421	Undistributed earnings	26	1,698,074,076,008	952,449,830,514
421a	- Undistributed post-tax profits of the previous periods		952,449,830,514	496,880,777,697
421b	- Post-tax profit of the current period		745,624,245,494	455,569,052,817
429	Non-controlling interests	27	1,085,029,505,908	958,421,521,157
440	TOTAL RESOURCES		42,024,568,553,759	36,527,075,713,997


 Nguyen Ngoc Bang
 Preparer


 Tran Thi Thanh Van
 Chief Accountant




 Phan Thanh Huy
 General Director
 28 July 2017

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Quarter 2/2017 VND	Quarter 2/2016 VND	For the six-month period ended	
				30/06/2017 VND	30/06/2016 VND
01	Sales	1,442,512,369,283	2,771,820,889,685	3,373,844,778,989	4,966,961,924,958
02	Less deductions	(19,127,924,034)	-	(40,573,896,191)	(808,448,080)
10	Net sales	1,423,384,445,249	2,771,820,889,685	3,333,270,882,798	4,966,153,476,878
11	Cost of sales	(1,072,309,926,637)	(1,971,710,622,647)	(2,523,662,445,458)	(3,712,382,824,816)
20	Gross profit	351,074,518,612	800,110,267,038	809,608,437,340	1,253,770,652,062
21	Financial income	762,773,993,669	1,355,318,546,072	1,227,287,295,329	1,433,897,314,962
22	Financial expenses	(295,472,105,658)	(142,855,708,278)	(535,983,132,434)	(345,229,796,923)
23	- Including: Interest expenses	(255,696,497,513)	(132,880,597,750)	(457,521,337,735)	(319,350,251,988)
24	Share of profit from associates	1,335,176,898	521,333,251	1,470,811,494	521,333,251
25	Selling expenses	(48,687,995,005)	(73,078,136,841)	(84,520,420,209)	(110,110,460,641)
26	General and administration expenses	(148,958,897,195)	(165,811,506,185)	(232,888,846,439)	(250,492,054,861)
30	Net operating profit	622,064,691,321	1,774,204,795,057	1,184,974,145,081	1,982,356,987,850
31	Other income	4,627,974,369	21,332,033,898	10,346,659,012	33,043,589,184
32	Other expenses	(2,665,220,291)	(18,876,753,723)	(18,923,862,704)	(30,582,085,583)
40	Net other income/(expenses)	1,962,754,078	2,455,280,175	(8,577,203,692)	2,461,503,601
50	Net accounting profit before tax	624,027,445,399	1,776,660,075,232	1,176,396,941,389	1,984,818,491,451
51	Business income tax – current	(100,847,524,141)	(177,596,135,513)	(235,125,724,918)	(241,148,673,400)
52	Business income tax – deferred	(90,511,860,288)	(214,987,697,563)	(100,101,947,892)	(204,619,129,619)
60	Net profit after tax	432,668,060,970	1,384,076,242,156	841,169,268,579	1,539,050,688,432

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT
(continued)

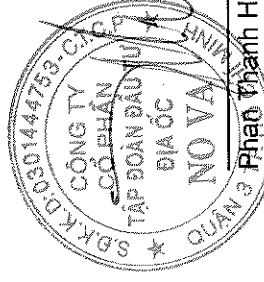
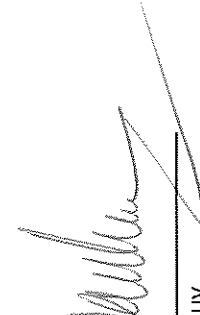
Code	Note	For the six-month period ended			
		Quarter 2/2017 VND	Quarter 2/2016 VND	30/06/2017 VND	30/06/2016 VND
Attributable to:					
61	Net profit after tax attributable to shareholders of the parent company	429,936,794,140	1,396,394,545,400	833,287,942,088	1,553,725,771,099
62	Net (loss)/profit after tax attributable to non-controlling interests	2,731,266,830	(12,318,303,244)	7,881,326,491	(14,675,082,667)
70	Basic earnings per share	719	3,059	1,395	3,504
71	Diluted earnings per share	686	2,762	1,331	3,187



Nguyen Ngoc Bang
Preparer



Tran Thi Thanh Van
Chief Accountant

Phao Thanh Huy
General Director
28 July 2017

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.

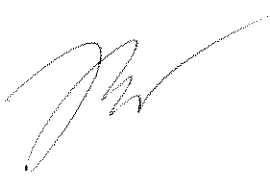
CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended	
Code	Note	30/06/2017 VND	30/06/2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	1,176,396,941,389	1,984,818,491,451
	Adjustments for:		
02	Depreciation, amortization and goodwill allocation	164,338,186,141	108,767,196,995
03	Provisions	(10,351,037,235)	(23,438,702,832)
04	Unrealized foreign exchange gains	175,642,456	(5,985,653,717)
05	Profits from investing activities	(1,206,582,046,602)	(1,423,265,200,530)
06	Interest expenses, bond issuance costs	483,050,255,378	319,350,251,988
08	Operating profit before changes in working capital	607,027,941,527	960,246,383,355
09	Decrease/(increase) in receivables	841,012,524,713	4,503,042,704,404
10	Decrease in inventories	(1,634,358,918,580)	1,545,241,459,133
11	Increase/(Decrease) in payables	2,196,507,067,967	(2,736,573,024,082)
12	Decrease/(Increase) in prepaid expenses	58,453,634,796	50,547,212,435
14	Interest paid	(440,487,450,683)	(275,505,922,177)
15	Business income tax paid	(189,483,036,525)	(163,499,659,312)
20	Net cash inflows from operating activities	1,438,671,763,215	3,883,499,153,756
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(26,146,205,503)	(24,391,179,092)
22	Proceeds from disposals of fixed assets	1,087,948,296	9,809,973,485
23	Loans granted, purchases of debt instruments of other entities	(647,090,052,640)	(3,610,162,008,978)
24	Collection of loans, proceeds from sales of debt instruments of other entities	1,095,160,000,000	5,124,136,117,679
25	Investments in other entities	(3,764,701,985,520)	(4,256,536,206,234)
26	Proceeds from divestment in other entities	124,321,006,967	3,000,000,000
27	Interest received	227,154,369,878	29,177,790,277
30	Net cash outflows from investing activities	(2,990,214,918,522)	(2,724,965,512,863)

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.


CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)
(continued)

		For the six-month period ended		
Code	Note	30/06/2017 VND	30/06/2016 VND	
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Proceeds from issue of shares	-	1,326,059,570,000	
33	Proceeds from borrowings	10,124,592,975,273	1,234,646,708,623	
34	Repayments of borrowings	(7,197,172,184,940)	(4,171,995,444,361)	
36	Dividends paid	(245,160,000)	(33,000,000,000)	
40	Net cash (outflows)/inflows from financing activities	2,927,175,630,333	(1,644,289,165,738)	
50	Net (decrease)/increase in cash and cash equivalents	1,375,632,475,026	(485,755,524,845)	
60	Cash and cash equivalents at beginning of period	4	3,336,969,432,791	3,859,710,163,282
61	Effect of foreign exchange differences		(6,943,841)	(14,346,283)
70	Cash and cash equivalents at end of period	4	4,712,594,963,976	3,373,940,292,154


 Nguyen Ngoc Bang
 Preparer


 Tran Thi Thanh Van
 Chief Accountant




 Phan Thanh Huy
 General Director
 28 July 2017

The notes on pages 10 to 64 are an integral part of these interim consolidated financial statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017****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 on 18 September 1992 and the 40th amended Business registration certificate No. 0301444753 dated 06 July 2017. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business registration certificate as above

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

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

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

The representative offices and branches of the Group include:

- Representative office
23 Nguyen Huu Tho, Tan Hung Ward, District 7, Ho Chi Minh City, Vietnam
- Branch of No Va Land Investment Group Corporation – Novaland Group Real Estate Exchange
23 Nguyen Huu Tho, Tan Hung Ward, District 7, Ho Chi Minh City, Vietnam
- Branch of No Va Land Investment Group Corporation – Novaland District 1 Real Estate Exchange
65 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
- Branch of No Va Land Investment Group Corporation – Novaland Phu Nhuan Real Estate Exchange
36 – 38 Nguyen Van Troi, Ward 15, Phu Nhuan District, Ho Chi Minh City, Vietnam

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

As at 30 June 2017, the Group had 39 subsidiaries and 3 associates as follows:

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Location	The principal activity	30/06/2017		31/12/2016	
			% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries						
No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	69.90	69.90	69.90	69.90
No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
No Va Festival Corporation	Ho Chi Minh City	Real estate trading	94.02	94.02	94.02	94.02
No Va Land Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
Nova Saigon Royal Investment Limited Company	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
Nova Phu Sa Ecotourism Joint Stock Company	Ho Chi Minh City	Real estate trading	99.00	99.00	99.00	99.00
Sai Gon Housing And Infrastructure Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.81	99.81	99.81
Thanh Nhon Investment Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
Nova Galaxy Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	99.99	99.98	99.98
Nova Lexington Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
Nova Phu Sa Investment and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
Nova Sagel Company Limited	Ho Chi Minh City	Real estate trading	73.98	74.00	73.98	74.00
Novaland Agent Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	65.00	65.00	65.00
Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading, factory and warehouse lease	99.99	99.99	99.99	99.99
Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
Nova Nam A Company Limited	Ho Chi Minh City	Real estate trading	74.00	74.00	74.00	74.00
Nova Sasco Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	74.00	74.00
No Va My Dinh Land Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Location	The principal activity	30/06/2017		31/12/2016	
			% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)						
Thanh Nhon Investment Real Estate Company Limited	Ho Chi Minh City	Real estate trading	98.00	100.00	98.00	100.00
Nova An Phu Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	90.00	90.00
Nova Phuc Nguyen Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.89	99.99	99.99
Tuong Minh Investment and Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
The 21st Century International Development Company Limited	Ho Chi Minh City	Real estate trading	98.96	98.97	98.96	98.97
Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.89	99.90	99.89	99.90
Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
Thanh Nien Joint Stock Company	Ho Chi Minh City	Real estate trading	99.70	99.80	99.70	99.80
Nova Princess Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
Nha Rong Investment and Trade Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.97	99.96	99.97
Mega Housing Joint Stock Company	Ho Chi Minh City	Real estate trading	84.99	84.99	84.99	84.99
Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	84.98	99.99	62.89	74.00
Bach Hop Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Transportation support, real estate trading	83.45	83.45	27.64	27.64
Gia Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
Sai Gon Gon Company Limited	Ho Chi Minh City	Real estate trading	98.02	100.00	49.00	50.00
II - Associates						
Nova Dong Hai Joint Stock Company	Ho Chi Minh City	Real estate trading	49.99	49.99	49.99	49.99
Sai Gon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Electronic equipments, telecommunications trading	33.31	33.31	33.31	33.31
Ben Thanh House One Member Limited Company	Ho Chi Minh City	Real estate trading	25.00	25.00	25.00	25.00

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of interim consolidated financial statements

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

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

2.2 Fiscal year

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

2.3 Currency

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

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

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

2.4 Basis of consolidation

The Group prepared its interim consolidated financial statements in accordance with Circular 202/2014/TT-BTC - Guiding on the preparation and presentation of consolidated financial statements.

Subsidiaries

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

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

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

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

Non-controlling transactions and interests

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

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

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

Joint ventures and associates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Joint ventures and associates (continued)***

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

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

2.5 Goodwill

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

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

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

2.6 Cash and cash equivalents

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

2.7 Trade receivables

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

2.8 Inventories

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

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

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

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

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

(b) Investments in joint ventures and associates

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

(c) Investments in equity of other entities

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

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

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

Depreciation/amortization

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

Buildings	5 - 7 years
Machinery	3 - 7 years
Motor vehicles	6 - 10 years
Office equipment	3 - 7 years
Software	2 - 7 years
Trade mark	3 years
Others	3 - 4 years

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

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Construction in progress*

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

2.11 Leased assets

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

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

2.12 Investment properties

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

Depreciation and amortization

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

Buildings	6 - 50 years
-----------	--------------

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

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

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Prepaid expenses**

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

2.14 Payables

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

Payables are reclassified on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.15 Accrued expenses

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

2.16 Borrowing costs

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

2.17 Borrowing

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

2.18 Provisions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Provision for severance allowances**

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

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

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

2.20 Unearned revenue

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

2.21 Convertible bonds

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

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

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

2.22 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.

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

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

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

2.23 Appropriation of net profit

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

Bonus and welfare fund

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

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

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

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

(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 Group;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(c) Interest income**

Interest income is recognized on an earned basis.

(d) Dividend income

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

2.25 Sales deductions

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

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

2.26 Cost of sales

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

2.27 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of lending and borrowing, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.

2.28 Selling expenses

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

2.29 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance; medical insurance; labour union fees; unemployment insurance of administrative staff; expenses of office materials; tools and supplies; depreciation of fixed assets used for administration; provision for bad debts; outside services (electricity, water, telephone, fax, asset warranty, fire and explosive accident insurance,...); and other cash expenses (entertainment, customer, conference,...).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Dividend distribution**

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

2.31 Current and deferred income tax

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

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

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

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

2.32 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.33 Segment reporting**

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

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

2.34 Accounting estimate

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

3 BUSINESS COMBINATION**(a) Acquisition of Bach Hop Real Estate Company Limited (“Bach Hop”)**

In February 2017, the Group completed the acquisition 99.99% of voting shares of Bach Hop with a consideration of VND212,978,700,000.

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

	Book value at acquisition date VND	Fair value adjustment VND	Fair values recognized at acquisition date VND
Assets			
Cash and cash equivalents	328,941,925	-	328,941,925
Investment in associates, joint ventures	212,699,604,660	-	212,699,604,660
Other assets	20,603,998	-	20,603,998
	<u>213,049,150,583</u>		<u>213,049,150,583</u>
Liabilities	<u>16,500,000</u>	-	<u>16,500,000</u>
Total identifiable net assets	<u>213,032,650,583</u>		<u>213,032,650,583</u>
Goodwill from business combination			(32,647,318)
Non-controlling interests			(21,303,265)
Purchase consideration transferred			212,978,700,000
Cash acquired			(328,941,925)
Net cash outflow on acquisition			<u>212,649,758,075</u>

(b) Acquisition of Phu Dinh Port Joint Stock Company (“Phu Dinh Port”)

In March 2017, the Group completed the acquisition 83.45% of voting shares of Phu Dinh Port with a consideration of VND1,527,105,470,093.

3 BUSINESS COMBINATION (continued)**(b) Acquisition of Phu Dinh Port Joint Stock Company ("Phu Dinh Port") (continued)**

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

	Book value at acquisition date	Fair value adjustment	Fair values recognized at acquisition date
	VND	VND	VND
Asset			
Cash and cash equivalents	113,568,838,315	-	113,568,838,315
Short term receivables	515,749,639,180	(11,703,911,936)	504,045,727,244
Inventories	216,861,362,663	722,325,543,758	939,186,906,421
Fixed assets	126,756,479,709	(880,395,039)	125,876,084,670
Deferred tax asset	1,313,752,870	-	1,313,752,870
Other assets	47,116,040,560	-	47,116,040,560
	<u>1,021,366,113,297</u>		<u>1,731,107,350,080</u>
Liabilities			
Liabilities	20,094,770,305	-	20,094,770,305
Deferred tax liabilities	-	141,948,247,357	141,948,247,357
	<u>20,094,770,305</u>		<u>162,043,017,662</u>
Total identifiable net assets	<u>1,001,271,342,992</u>		<u>1,569,064,332,418</u>
Goodwill from business combination			217,692,875,048
Non-controlling interests			(259,651,737,373)
Total purchase consideration transferred			<u>1,527,105,470,093</u>
<i>First consideration which measured at equity method</i>			492,995,002,699
<i>at the date had control</i>			
<i>Revaluation of the investments in associate at the acquisition date</i>			347,311,267,394
<i>Second consideration at the date had control</i>			686,799,200,000
Cash acquired			<u>(113,568,838,315)</u>
Net cash outflow on acquisition			<u>1,066,225,364,384</u>

3 BUSINESS COMBINATION (continued)**(c) Acquisition of Sai Gon Gon Company Limited ("Sai Gon Gon")**

In April 2017, the Group completed the acquisition 98.02% of voting shares of Sai Gon Gon with a consideration of VND1,423,039,842,584.

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

	Book value at acquisition date VND	Fair value adjustment VND	Fair values recognized at acquisition date VND
Asset			
Cash and cash equivalents	265,163,256	-	265,163,256
Short term receivables	20,781,597,678	(12,315,033,445)	8,466,564,233
Inventories	259,666,571,571	1,363,200,000,000	1,622,866,571,571
Other assets	284,310,775,116	-	284,310,775,116
	<u>565,024,107,621</u>		<u>1,915,909,074,176</u>
Liabilities			
Liabilities	366,217,653,159	(5,500,000,000)	360,717,653,159
Deferred tax liabilities	-	271,276,993,311	271,276,993,311
	<u>366,217,653,159</u>		<u>631,994,646,470</u>
Total identifiable net assets	<u>198,806,454,462</u>		<u>1,283,914,427,706</u>
Goodwill from business combination			148,800,627,816
Non-controlling interests			(9,675,212,938)
Total purchase consideration transferred			<u>1,423,039,842,584</u>
<i>First consideration which measured at equity method</i>			<i>150,459,350,619</i>
<i>at the date had control</i>			
<i>Revaluation of the investments in associate at the acquisition date</i>			<i>627,136,359,890</i>
<i>Second consideration at the date had control</i>			<i>645,444,132,075</i>
Cash acquired			<u>(265,163,256)</u>
Net cash outflow on acquisition			<u>795,638,319,438</u>

3 BUSINESS COMBINATION (continued)**(d) Acquisition of Gia Duc Real Estate Company Limited (“Gia Duc”)**

In April 2017, the Group completed the acquisition 99.99% of voting shares of Gia Duc with a consideration of VND1,938,950,000,000.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognized at acquisition date VND
Asset			
Cash and cash equivalents	415,073,059	-	415,073,059
Investment in associates, joint ventures	1,938,776,000,000	-	1,938,776,000,000
Other assets	20,189,712,949	-	20,189,712,949
	<u>1,959,380,786,008</u>		<u>1,959,380,786,008</u>
Liabilities	<u>20,758,271,728</u>	-	<u>20,758,271,728</u>
Total identifiable net assets	<u>1,938,622,514,280</u>		<u>1,938,622,514,280</u>
Goodwill from business combination			521,347,971
Non-controlling interests			(193,862,251)
Purchase consideration transferred			1,938,950,000,000
Cash acquired			(415,073,059)
Net cash outflow on acquisition			<u>1,938,534,926,941</u>

4 CASH AND CASH EQUIVALENTS

	30/06/2017 VND	31/12/2016 VND
Cash on hand	691,546,194	679,014,510
Cash at bank	426,317,571,381	807,536,880,783
Cash equivalents (*)	<u>4,285,585,846,401</u>	<u>2,528,753,537,498</u>
	<u>4,712,594,963,976</u>	<u>3,336,969,432,791</u>

(*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earn an interest rate from 3.4% to 6.0% per annum (at 31 December 2016: from 4.5% to 5.5% per annum).

As at 30 June 2017, cash and cash equivalents of VND617,831 million (at 31 December 2016: VND1,137,281 million) were pledged as collateral assets for the bank loans and VND870,931 million (at 31 December 2016: VND943,271 million) were managed by bank under purpose of borrowings for each project.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

5 INVESTMENTS

(a) Investments held to maturity

Short-term

	30/06/2017			31/12/2016		
	Cost VND	Provision VND	Carrying value VND	Cost VND	Provision VND	Carrying value VND
Term deposits	1,013,170,069,469	-	1,013,170,069,469	964,822,616,829	-	964,822,616,829

The term deposits represent bank deposits in VND with original maturity of more than three months and less than one year at the commercial banks with interest from 5.5% to 9.0% per annum (as at 31 December 2016: from 5.7% to 6.8% per annum).

As at 30 June 2017, short-term deposits of VND11,634 million (as at 31 December 2016: VND1,537 million) were pledged as collateral assets and none short-term deposits (as at 31 December 2016: VND960,536 million) were managed by bank under purpose of borrowings for each project.

(b) Equity investments in other entities

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in associates, joint ventures (i)	88,194,655,750	-	371,670,632,914	-
Investments in other entities (ii)	561,335,240,000	-	3,115,200,000	-
	649,529,895,750	-	374,785,832,914	-

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

5 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(i) Investments in associates and joint ventures

	30/06/2017		31/12/2016	
Name	Cost VND	Fair value VND	Cost VND	Fair value VND
Ben Thanh House One Member Ltd., Co		(*)	63,560,189,142	(*)
Sai Gon Electronics and Industrial Service Joint Stock Company		(*)	14,297,950,313	(*)
Nova Dong Hai Joint Stock Company		(*)	10,037,064,563	(*)
Sai Gon Golf Joint Stock Company	-	(*)	150,598,742,092	(*)
Phu Dinh Port Joint Stock Company	-	(*)	133,176,686,804	(*)
	88,194,655,750		371,670,632,914	

(ii) Investments in other entities

	30/06/2017		31/12/2016			
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Hoang Huy Investment & Development Joint Stock Company	474,229,599,182	(*)	-	-	(*)	-
Chan Phong Investment & Development Joint Stock Company	83,990,440,818	(*)	-	-	(*)	-
Nam A Footwear Import Export Joint Stock Company	3,115,200,000	(*)	-	3,115,200,000	(*)	-
	561,335,240,000		-	3,115,200,000		-

(*) As at 30 June 2017 and 31 December 2016, the Group was not able to disclose the fair value of these investments as they have not been listed in the stock market. As a result, their fair values were not available.

5 INVESTMENTS (continued)**(b) Equity investments in other entities (continued)**

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

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Opening balance	371,670,632,914	1,526,233,919,261
Increase in additional investments	-	40,000,000,000
Transfers from subsidiaries to associates	-	150,598,742,092
Profit sharing from investments in associates	1,470,811,494	498,537,487
Additional investments to gain control and become subsidiaries	(283,746,788,658)	(1,342,290,520,919)
Decrease due to dividend received	(1,200,000,000)	(1,200,000,000)
Others	-	(2,170,045,007)
Closing balance	<u>88,194,655,750</u>	<u>371,670,632,914</u>

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30/06/2017 VND	31/12/2016 VND
Trade receivables from sales of properties		
Related parties (Note 41(b))	42,324,948,220	42,324,948,220
Third parties (*)	271,551,870,454	276,792,721,491
Trade receivables from rendering services		
Third parties (*)	<u>27,903,283,686</u>	<u>14,105,859,709</u>
	<u>341,780,102,360</u>	<u>333,223,529,420</u>

(*) As at 30 June 2017 and 31 December 2016, there were no third party customers accounting for 10% or more of total the short-term trade accounts receivable balance. Provisions for short-term trade accounts receivable are presented at Note 10.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/06/2017 VND	31/12/2016 VND
Related parties (Note 41(b))	-	52,000,000,000
Third parties		
Sai Gon General Services Joint Stock Company	320,345,308,392	46,070,042,873
An Phu An Real Estate One Member Company Limited	111,531,100,000	111,343,000,000
Sai Gon Co.op Investment and Development Corporation	102,500,000,000	-
American General Construction Company Limited	105,566,432,818	91,561,366,686
Florida Yachts International Company	62,005,207,646	93,757,653,303
Construction and Building Material Joint Stock Company	62,457,484,403	75,996,448,616
Mechanical Works and Construction Investment Joint Stock Company No.9	13,598,166,119	24,899,541,263
Hoa Binh Real Estate and Investment Joint Stock Company	19,309,177,753	40,952,056,606
Tan Ky Construction Real Estate Trading Corporation	-	143,924,098,922
Others	362,929,148,983	256,289,433,984
	<u>1,160,242,026,114</u>	<u>936,793,642,253</u>

Provisions for short-term prepayments to suppliers are presented at Note 10.

8 SHORT-TERM LENDING

	30/06/2017 VND	31/12/2016 VND
Related parties (Note 41(b))	43,420,000,000	43,420,000,000
Third parties (*)	3,124,571,193,511	3,270,238,593,511
<i>CQ89 Real Estate Investment and Development Limited Company</i>	1,872,412,600,000	2,106,700,000,000
<i>Gia Phu Real Estate Investment Limited Company</i>	354,480,408,814	311,580,408,814
<i>Song Giang Investment and Development Limited Company</i>	-	255,380,000,000
Others	897,678,184,697	596,578,184,697
	<u>3,167,991,193,511</u>	<u>3,313,658,593,511</u>

(*) These are the short-term loans to third parties which are unsecured and earn interest at rate from 5.0% to 12.0% per annum (at 31 December 2016: from 5.0% to 12.2% per annum). The maturity of these loans are from 3 to 12 months.

As at 30 June 2017 and 31 December 2016, there was no balance of short-term lending which was past due or not past due but impaired.

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

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for the acquisition of shares (*)	638,217,500,000	-	912,750,000,000	-
Deposits for the contract of investment consultancy service (**)	797,845,590,097	-	2,600,713,192,246	-
Project development and investment co-operation (***)	1,448,061,940,913	-	248,061,940,913	-
Deposits for project transfer	15,000,000,000	-	233,420,000,000	-
Interest receivables from term deposits and lending	375,420,126,431	-	182,157,995,996	-
Deposits	289,937,889,092	-	125,996,829,272	-
Advances for the project	361,994,777,777	-	366,734,361,189	-
Others	470,193,888,618	-	395,899,781,568	-
	<u>4,396,671,712,928</u>		<u>5,065,734,101,184</u>	

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

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	4,334,773,358,030	-	4,705,049,035,768	-
Related parties (Note 41(b))	<u>61,898,354,898</u>	<u>-</u>	<u>360,685,065,416</u>	<u>-</u>

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

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

(***) Balance represents project development and investment co-operation with related parties and third parties. These amounts will be repaid in full to the Group at the end of the projects. The Group will be entitled to a fixed interest amount annually; in addition, the Group will receive profits at the end of the projects in accordance with agreed sharing ratio in the agreement.

9 OTHER RECEIVABLES (continued)

(b) Other long-term receivables

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Project development and business co- operation	475,472,682,050	-	782,536,582,050	-
Others	183,539,500,049	-	128,481,971,211	-
	<u>659,012,182,099</u>	<u>-</u>	<u>911,018,553,261</u>	<u>-</u>

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

Third parties	252,613,406,099	-	504,619,777,261	-
Related parties (Note 41(b))	<u>406,398,776,000</u>	<u>-</u>	<u>406,398,776,000</u>	<u>-</u>

10 DOUBTFUL DEBTS

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Short-term advance to suppliers that are past due				
North Phi Kha Commerce Service Manufacturing Company Limited	5,860,311,161	5,860,311,161	5,860,311,161	5,860,311,161
Short-term trade account receivables that are past due				
Vietnam Joint Stock Commercial Bank for Industry and Trade (*)	-	-	26,004,993,270	7,801,497,981
	5,860,311,161	5,860,311,161	31,865,304,431	13,661,809,142

(*) As of the date of these consolidated financial statements, amount receivable from Vietnam Joint Stock Commercial Bank for Industry and Trade was fully collected.

11 INVENTORIES

(a) Inventories

	30/06/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties in construction progress (i)	19,105,284,428,128	-	15,127,829,614,894	-
Properties in construction completion (ii)	685,703,244,993	(2,539,653,410)	487,034,387,442	(5,395,666,184)
Property merchandises	233,780,018,182	(306,473,520)	176,783,952,157	-
Other merchandises	8,324,311,025	-	3,389,659,763	-
	20,033,092,002,328	(2,846,126,930)	15,795,037,614,256	(5,395,666,184)

11 INVENTORIES (continued)

Movements in inventories provision during the period were as follows:

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Beginning of period/year	(5,395,666,184)	(42,889,553,945)
Increase	-	(1,728,453,945)
Reversal	2,549,539,254	39,222,341,706
End of period/year	<u>(2,846,126,930)</u>	<u>(5,395,666,184)</u>

(i) As at 30 June 2017, the properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects.

(ii) As at 30 June 2017, the balance presents the properties in construction completion for sale.

As at 30 June 2017, inventories of the Group valued of VND4,248,719 million (as at 31 December 2016: VND 2,314,035 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the period was VND115,336 million (as at 31 December 2016: VND111,971 million).

(b) Long-term work in progress

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

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

	30/06/2017 VND	31/12/2016 VND
Tools and equipments	1,736,578,413	2,482,258,721
Short-term prepaid expenses	<u>51,441,985,594</u>	<u>49,256,022,026</u>
	<u>53,178,564,007</u>	<u>51,738,280,747</u>

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

	30/06/2017 VND	31/12/2016 VND
Long-term prepaid expenses	215,221,827,373	174,383,199,394
Interest expenses from issuing bonds	51,878,865,562	92,425,330,834
Tools and equipments	16,301,063,612	21,268,916,161
	<u>283,401,756,547</u>	<u>288,077,446,389</u>

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

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Beginning of period/year	288,077,446,389	160,651,074,570
Increase	97,994,021,470	261,879,197,526
Allocation	(102,669,711,312)	(134,452,825,707)
End of period/year	<u>283,401,756,547</u>	<u>288,077,446,389</u>

NO VA LAND INVESTMENT GROUP CORPORATION

13 TANGIBLE FIXED ASSETS

	Buildings	Plants and machinery	Motor vehicles	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
As at 1 Jan 2017	49,562,169,748	17,259,190,874	71,012,601,035	23,385,402,665	915,072,997	162,134,437,319
New purchases	-	181,000,000	6,993,364,363	11,449,239,107	-	18,623,603,470
Acquisition of subsidiaries	182,753,347,656	845,891,874	12,834,875,321	175,288,727	-	196,609,403,578
Disposals	(1,329,117,545)	(875,812,500)	(3,199,425,091)	(210,259,316)	-	(5,614,614,452)
Reclassification	(36,550,000)	-	-	36,550,000	-	-
Reclassification to intangible fixed assets	(1,202,042,000)	-	-	-	-	(1,202,042,000)
As at 30 Jun 2017	229,747,807,859	17,410,270,248	87,641,415,628	34,836,221,183	915,072,997	370,550,787,915
Accumulated depreciation						
As at 1 Jan 2017	(8,746,224,577)	(10,310,780,843)	(13,499,896,217)	(8,996,770,841)	(400,518,539)	(41,954,191,017)
Charge for the period	(2,822,851,502)	(1,457,876,934)	(5,927,342,305)	(2,912,188,803)	(178,072,608)	(13,298,332,152)
Acquisition of subsidiaries	(66,381,160,984)	(364,790,874)	(3,607,357,298)	(57,185,288)	-	(70,410,494,444)
Disposals	1,056,895,319	170,296,898	665,827,147	164,641,650	-	2,057,661,014
As at 30 Jun 2017	(76,893,341,744)	(11,963,151,753)	(22,368,768,673)	(11,801,503,282)	(578,591,147)	(123,605,356,599)
Net book value						
As at 1 Jan 2017	40,815,945,171	6,948,410,031	57,512,704,818	14,388,631,824	514,554,458	120,180,246,302
As at 30 Jun 2017	152,854,466,115	5,447,118,495	65,272,646,955	23,034,717,901	336,481,850	246,945,431,316

Cost of fully depreciated fixed assets but still in use was VND15,655 million (as at 31 December 2016: VND15,143 million).

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Trade mark VND	Software VND	Total VND
Historical cost				
As at 1 January 2017	25,400,891,068	142,225,000	4,482,213,050	30,025,329,118
New purchases	-	-	1,114,284,366	1,114,284,366
Reclassification from tangible fixed assets	1,202,042,000	-	-	1,202,042,000
Disposals	(2,862,937,000)	-	-	(2,862,937,000)
Acquisition of subsidiaries	-	-	150,000,000	150,000,000
As at 30 June 2017	23,739,996,068	142,225,000	5,746,497,416	29,628,718,484
Accumulated amortization				
As at 1 January 2017	-	(99,816,650)	(1,282,543,615)	(1,382,360,265)
Charge for the period	(640,297,789)	(28,056,252)	(529,913,315)	(1,198,267,356)
Acquisition of subsidiaries	320,148,895	-	(22,250,000)	297,898,895
Divestment from subsidiaries	-	-	(120,000,000)	(120,000,000)
As at 30 June 2017	(320,148,894)	(127,872,902)	(1,954,706,930)	(2,402,728,726)
Net book value				
As at 1 January 2017	25,400,891,068	42,408,350	3,199,669,435	28,642,968,853
As at 30 June 2017	23,419,847,174	14,352,098	3,791,790,486	27,225,989,758

As at 30 June 2017, Cost of fully depreciated intangible fixed assets but still in use was VND287 million (2016: VND167 million).

15 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Total VND
Historical cost			
As at 1 January 2017	157,058,664,724	1,865,012,326,934	2,022,070,991,658
Transfers from inventories	1,134,191,474	51,085,141,922	52,219,333,396
Transfers to inventories	-	(66,995,967,206)	(66,995,967,206)
Disposal	-	(4,028,035,204)	(4,028,035,204)
As at 30 June 2017	<u>158,192,856,198</u>	<u>1,845,073,466,446</u>	<u>2,003,266,322,644</u>
Accumulated amortization			
As at 1 January 2017	-	(77,057,881,406)	(77,057,881,406)
Charge for the period	-	(26,860,973,279)	(26,860,973,279)
Transfers to inventories	-	1,518,953,029	1,518,953,029
Disposal	-	895,118,928	895,118,928
As at 30 June 2017	<u>-</u>	<u>(101,504,782,728)</u>	<u>(101,504,782,728)</u>
Net book value			
As at 1 January 2017	<u>157,058,664,724</u>	<u>1,787,954,445,528</u>	<u>1,945,013,110,252</u>
As at 30 June 2017	<u>158,192,856,198</u>	<u>1,743,568,683,718</u>	<u>1,901,761,539,916</u>

As at 30 June 2017, investment properties pledged as security for bank borrowings and bonds issued by the Group are VND1,100,294 million (as at 31 December 2016, there were no investment properties being pledged as security for bank borrowings and bonds issued by the Group).

16 CONSTRUCTION IN PROGRESS

	30/06/2017 VND	31/12/2016 VND
Purchase of fixed assets	117,695,237,340	6,133,252,000
Construction in progress	19,352,245,301	41,953,674,197
Overhaul of fixed assets	45,372,761,903	3,292,862,231
	<u>182,420,244,544</u>	<u>51,379,788,428</u>

16 CONSTRUCTION IN PROGRESS (continued)

Movement of construction in progress is as below:

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Beginning of period/year	51,379,788,428	1,069,151,366,643
Increase in the period/year	145,008,752,276	461,819,737,956
Transfer to fixed asset	-	(9,351,349,491)
Transfer to investment property	-	(10,819,815,083)
Transfer to inventory	-	(1,434,713,119,624)
Transfer to long term prepaid expense	(6,900,000,000)	(15,667,954,697)
Decrease due to impact of business combination	-	(7,861,433,012)
Other decreases	(7,068,296,160)	(1,177,644,264)
End of period/year	<u>182,420,244,544</u>	<u>51,379,788,428</u>

17 GOODWILL

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Beginning of period/year	2,217,606,029,051	1,119,884,733,917
Increase in the period/year (*)	367,014,850,835	1,917,657,294,239
Decrease due to disposal/merger subsidiary	(147,580,022,312)	(597,391,461,867)
Amortization	(124,497,904,922)	(222,544,537,238)
End of period/year	<u>2,312,542,952,652</u>	<u>2,217,606,029,051</u>

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

	Goodwill VND	Allocated time Year
Phu Dinh Port Joint Stock Company	217,692,875,048	10
Gia Duc Real Estate Company Limited	521,347,971	10
Sai Gon Gon Company Limited	148,800,627,816	10
	<u>367,014,850,835</u>	

18 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30/06/2017 VND	31/12/2016 VND
Third parties		
Henry Enterprise Group Limited	619,680,395,588	679,680,395,588
Hoa Binh Real Estate and Investment Joint Stock Company	178,784,404,173	84,896,786,277
American General Construction Limited	177,026,268,636	21,883,830,416
Nova Home Trading Joint Stock Company	100,900,376,356	41,374,058,935
Dai Viet Development and Construction Investment Joint Stock Company	44,451,528,488	24,548,119,849
Phat Loc Construction Consultant Corporation	11,000,000,000	25,000,000,000
Binh Dinh Construction Limited	4,977,914,940	42,444,326,009
Cotec Building Joint Stock Company	-	81,672,729,738
Others	448,923,958,833	504,228,181,847
Related parties	-	-
	<u>1,585,744,847,014</u>	<u>1,505,728,428,659</u>

As at 30 June 2017 and 31 December 2016, the Company had no short-term trade accounts payable overdue.

19 SHORT-TERM ADVANCES FROM CUSTOMERS

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

As at 30 June 2017 and 31 December 2016, there were no customers accounting for 10% or more than 10% in total balance of short – term advances from customers.

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

	30/06/2017 VND	31/12/2016 VND
Business income tax temporarily paid 1%	87,099,317,522	83,142,669,324
Overpaid business income tax	41,255,544,260	24,830,306,933
Overpaid value added tax	2,514,005,747	20,031,825,299
Others	114,914,814	-
	<u>130,983,782,343</u>	<u>128,004,801,556</u>

(b) Taxes and other payables to the State Budget

	30/06/2017 VND	31/12/2016 VND
Business income tax	99,971,714,937	36,614,066,025
Value added tax	28,118,807,878	82,859,123,162
Personal income tax	5,294,602,526	3,413,359,127
Others	26,588,334	67,461,744
	<u>133,411,713,675</u>	<u>122,954,010,058</u>

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

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

	As at 01.01.2017 VND	Arose during the period VND	Settled during the period VND	Impact of business combination VND	As at 30.06.2017 VND
(a) Tax payables					
Business income tax	36,614,066,025	234,583,117,630	(171,138,030,951)	(87,437,767)	99,971,714,937
Value added tax on domestic sales	82,859,123,162	106,539,353,956	(161,279,669,240)	-	28,118,807,878
Personal income tax	3,413,359,127	71,623,731,822	(69,811,432,943)	68,944,520	5,294,602,526
Others	67,461,744	50,526,176,049	(50,567,049,459)	-	26,588,334
Total	122,954,010,058	463,272,379,457	(452,796,182,593)	(18,493,247)	133,411,713,675
(b) Tax receivables					
Business income tax temporary paid 1%	(83,142,669,324)	14,388,357,376	(18,345,005,574)	-	(87,099,317,522)
VAT to be reclaimed	(381,804,313,170)	(77,351,745,638)	-	(16,561,698,778)	(475,717,757,586)
Overpaid value added tax	(20,031,825,299)	20,000,000,000	(2,482,180,448)	-	(2,514,005,747)
Overpaid business income tax	(24,830,306,933)	(16,294,711,510)	-	(130,525,817)	(41,255,544,260)
Others	-	90,793,217	(64,492,824)	(141,215,207)	(114,914,814)
Total	(509,809,114,726)	(59,167,306,555)	(20,891,678,846)	(16,833,439,802)	(606,701,539,929)

21 PAYABLES TO EMPLOYEES

	30/06/2017 VND	31/12/2016 VND
Salary	1,637,595,818	161,463,623
13th month salary, bonus	124,806,580,530	172,380,543,576
	<u>126,444,176,348</u>	<u>172,542,007,199</u>

22 SHORT-TERM ACCRUED EXPENSES

	30/06/2017 VND	31/12/2016 VND
Constructions costs	854,999,070,663	401,605,406,335
Interest expenses	264,323,928,138	201,705,978,172
Others	90,647,292,768	63,451,147,200
	<u>1,209,970,291,569</u>	<u>666,762,531,707</u>

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

Third parties	1,209,279,243,791	666,184,072,854
Related parties (Note 41(b))	691,047,778	578,458,853
	<u>1,209,970,291,569</u>	<u>666,762,531,707</u>

23 OTHER PAYABLES**(a) Short-term**

	30/06/2017 VND	31/12/2016 VND
Deposits for purchase of apartment, commercial plots	6,764,051,280	26,679,764,500
Sinking fund payables (i)	309,120,603,935	253,397,315,185
Project development and investment co-operation (Note 23(b)(*))	200,000,000,000	270,000,000,000
Advances	-	311,488,843,401
Others	171,768,203,533	122,197,340,971
	<u>687,652,858,748</u>	<u>983,763,264,057</u>

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

(b) Long-term

	30/06/2017 VND	31/12/2016 VND
Project development and investment (*)	2,097,644,432,000	2,044,034,432,000
- Third parties	2,097,644,432,000	1,764,824,432,000
- Related parties (Note 41(b))	-	279,210,000,000
Others	4,508,103,511	4,185,075,098
	<u>2,102,152,535,511</u>	<u>2,048,219,507,098</u>

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

24 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 01/01/2017 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 30/06/2017 VND
(a) Short-term borrowings					
- Bank loans (*)	1,196,534,377,962	578,342,207,620	(579,477,300,002)	383,334,000,000	1,578,733,285,580
- Issued bonds (**)	1,296,000,000,004	994,000,000,000	(595,500,000,004)	1,125,000,000,000	2,819,500,000,000
- Borrowings from third parties (***)	3,093,770,365,687	3,857,117,287,892	(5,010,254,884,938)	-	1,940,632,768,641
- Borrowings from related parties (Note 41(b))	9,465,000,000	-	-	-	9,465,000,000
	5,595,769,743,653	5,429,459,495,512	(6,185,232,184,944)	1,508,334,000,000	6,348,331,054,221
(b) Long-term borrowings					
- Bank loans (*)	1,951,979,128,505	753,226,701,983	-	(383,334,000,000)	2,321,871,830,488
- Issued bonds (**)	3,448,614,429,576	4,021,028,917,647	(1,032,722,000,000)	(1,125,000,000,000)	5,311,921,347,223
- Borrowings from third parties (***)	2,506,900,000,000	(1,000,000,000)	(1,367,400,000,000)	-	1,138,500,000,000
- Borrowings from related parties (Note 41(b))	-	-	-	-	-
	7,907,493,558,081	4,773,255,619,630	(2,400,122,000,000)	(1,508,334,000,000)	8,772,293,177,711

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

(a) Short-term borrowings

	30/06/2017 VND	31/12/2016 VND
Vietnam Prosperity Joint Stock Commercial Bank (i)	451,800,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank (ix)	33,334,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank (ii)	160,000,000,000	160,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (iii)	500,000,000,000	250,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Saigon South Branch (iv)	200,599,285,580	150,153,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (v)	200,000,000,000	150,000,000,000
Viet Capital Commercial Joint Stock Bank - Gia Dinh Branch (vi)	33,000,000,000	98,828,896,087
Southeast Asia Commercial Joint Stock Bank - Ho Chi Minh City Branch	-	181,200,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	140,500,000,000
Southeast Asia Commercial Joint Stock Bank	-	65,852,481,875
	<u>1,578,733,285,580</u>	<u>1,196,534,377,962</u>

(b) Long-term borrowings

	30/06/2017 VND	31/12/2016 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade HCM Branch (vii)	1,206,433,940,112	1,206,433,940,112
Malayan Banking Berhad (Maybank) - HCM Branch (viii)	682,570,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (iii)	-	250,000,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (v)	150,000,000,000	250,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank (ix)	166,666,000,000	200,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Soc Trang Branch (x)	116,201,890,376	45,545,188,393
	<u>2,321,871,830,488</u>	<u>1,951,979,128,505</u>

(i) These are borrowings in Vietnam Dong under a credit facility of VND451,800,000,000 for a term of twelve (12) months. The interest rate of these borrowings is 11% per annum and adjusted every three (3) months equivalent the lowest tiered interest rate of the twelve-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 3.5% per annum. These borrowings were secured by the Company's contributed capital into Sai Gon Gon Limited Company and project development rights in a project in District 9, Ho Chi Minh City.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(ii) These are borrowings in Vietnamese Dong under a credit facility of VND200,000,000,000 for a term of twelve (12) months to finance working capital of the Group. The interest rates of these borrowings are specified in each loan drawdown. As at 30 June 2017, the outstanding balance of these borrowings was VND160,000,000,000, bearing an interest rate of 10% per annum for the first six-month period. The interest rate applied for the period from the seventh (7th) month onwards will be defined as the interest rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3% per annum, adjusted for every three (3) months. These borrowings are guaranteed by shares of the Company owned by shareholders.

(iii) These are borrowings in Vietnamese Dong under a credit facility of VND500,000,000,000, maturing in twenty-four (24) months from the date of drawdown. The principal is repaid on three-month basis since the thirteenth (13th) month. These borrowings bear an interest rate of 10% per annum for the first six-month period and at a rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3% per annum from the seventh (7th) month onwards. These borrowings are guaranteed by shares of the Company owned by shareholders.

(iv) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of twelve (12) months to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 30 June 2017, the Group had the outstanding balance of VND200,599,285,580 which bears an interest rate of 7% per annum. These borrowings are guaranteed by deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance to be 10% at all time.

(v) These are borrowings in Vietnamese Dong with a credit limit of VND400,000,000,000, which are due for repayment within thirty-six (36) months since the drawdown date. The principal and interest are paid on a three-month basis since the thirteenth (13th) month. Interest rate is fixed at 9.5% per annum and adjusted for every three months equivalent the corporate lending rate for twelve (12) months plus a margin of 1.7% per annum. The collateral assets include: capital contributed of the Company into Nova Nam A Company Limited; assets rights in Orchard Parkview project.

(vi) This is a borrowing in Vietnamese Dong with a credit limit of VND200,000,000,000 for a term of six (6) months. Its interest rate will be determined specifically for each drawdown. As at 30 June 2017, the Group had outstanding balance of VND33,000,000,000 from this facility at an interest rate of 8.6% per annum. This loan is unsecured.

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

(viii) These are syndicated loans granted by a group of lenders including Maybank Ho Chi Minh, Maybank Labuan (Malaysia) and Vietinbank Filiale Deutschland, in which, Maybank Ho Chi Minh is agent and collateral agent responsible for receiving and handling collaterals. The total credit amount is USD30 million, in which, the corresponding shares of lenders are Maybank Ho Chi Minh (US\$1 million equivalent to VND22.24 billion on drawdown date), Maybank Lubuan (US\$14 million) and Vietinbank Filiale Deutschland (US\$15 million), with a term of 30 months. Borrowings in US\$ bear an interest rate of three-month LIBOR plus 5.5% per annum and those in VND bear a basic interest rate of Maybank Ho Chi Minh plus 3.04% per annum. These borrowings are secured by total car park area of three Sunrise City projects (South, Central, North) and two commercial plots of Sunrise City South project.

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

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(x) These are borrowings in Vietnamese Dong with a credit limit of VND250,000,000,000 for a term of sixty (60) months to finance working capital of Con Au Eco-tourism Park Project. This borrowing bears a fixed interest rate of 9.4% per annum for the first thirty-six-month period since the first drawdown date. The interest rate applied from the thirty-seventh (37th) month onwards will be defined as the interest rate of the twenty-four-month deposits from individuals in Vietnamese Dong plus a margin of 3.6% per annum. The borrowings are secured by the land use rights, building ownership and other assets attached to the land belonging to Con Au Eco-tourism Park Project.

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

(a) Short-term issued bonds

	30/06/2017 VND	31/12/2016 VND
Short-term issued bonds		
Vietnam Prosperity Joint Stock Commercial Bank (i)	1,000,000,000,000	-
Bond issued costs	(5,500,000,000)	-
Current portion of long-term bonds		
Techcom Securities Limited Company (ii)	1,150,000,000,000	700,000,000,000
Bao Viet Commercial Joint Stock Bank (viii)	300,000,000,000	-
Military Commercial Joint Stock Bank (iv)	250,000,000,000	-
Tien Phong Commercial Joint Stock Bank (iv)	125,000,000,000	-
Military Commercial Joint Stock Bank	-	600,000,000,000
Bond issued costs	-	(3,999,999,996)
	<u>2,819,500,000,000</u>	<u>1,296,000,000,004</u>

(i) Bonds issued at par value of VND1,000,000,000,000, maturing in June 2018, bearing an interest rate of 10.5% per annum for the first interest period. The interest rate applied for the remaining period is adjusted every month with an interest rate being defined as a reference rate plus a margin of 3.0% per annum. These bonds are secured by project development rights in a project in District 9, Ho Chi Minh City.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term issued bonds

	As at 30 June 2017		As at 31 December 2016	
	Principal VND	Long-term borrowings VND	Principal VND	Long-term borrowings VND
Bonds issued at discount				
Techcom Securities Limited Company (ii)	1,150,000,000,000	(1,150,000,000,000)	1,150,000,000,000	(700,000,000,000)
Bonds issued at par				
Indovina Bank Limited (iii)	1,050,000,000,000	1,050,000,000,000	-	-
Vietnam Technological and Commercial Joint Stock Bank (iii)	1,000,000,000,000	1,000,000,000,000	-	-
Techcom Securities Limited Company (iii)	250,000,000,000	250,000,000,000	-	-
Military Commercial Joint Stock Bank (iv)	1,000,000,000,000	750,000,000,000	-	-
Tien Phong Commercial Joint Stock Bank (iv)	500,000,000,000	(125,000,000,000)	100,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade (v)	736,000,000,000	736,000,000,000	1,732,000,000,000	-
Techcom Securities Limited Company (vi)	500,000,000,000	500,000,000,000	500,000,000,000	-
Military Commercial Joint Stock Bank (vii)	500,000,000,000	500,000,000,000	1,000,000,000,000	(600,000,000,000)
Bao Viet Commercial Joint Stock Bank (viii)	300,000,000,000	(300,000,000,000)	300,000,000,000	-
Bao Viet Group (ix)	200,000,000,000	200,000,000,000	-	-
Bond issued costs	(49,078,652,777)	(49,078,652,777)	(37,385,570,420)	3,999,999,996
	<u>7,136,921,347,223</u>	<u>(1,825,000,000,000)</u>	<u>4,744,614,429,580</u>	<u>(1,296,000,000,004)</u>
		<u>5,311,921,347,223</u>		<u>(33,385,570,424)</u>
				<u>3,448,614,429,576</u>

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(ii) Bonds issued at discount to Techcom Securities Limited Company as the initial bond buyer, include:

- Package of bonds with par value of VND700,000,000,000 at the price of VND634,173,582,430, bearing interest at a rate of 0% per annum and maturing in September 2017. These issued bonds were pledged by shares of the Company owned by shareholders.
- Package of bonds with par value of VND450,000,000,000 at the price of VND389,419,211,877, bearing interest at a rate of 0% per annum and maturing in April 2018. These issued bonds were pledged by shares of the Company owned by shareholders.

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

- Package of bonds with a par value of VND500,000,000,000, maturing in February 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company's shareholders. The initial bond buyer is 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 two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company's shareholders. The initial bond buyers are Indovina Limited Bank, Vietnam Technological and Commercial Joint Stock Bank, and Techcombank Securities Company Limited with disbursement amount of VND550,000,000,000, VND1,000,000,000,000, and VND250,000,000,000 respectively.

(iv) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch (MB) and Tien Phong Joint Stock Commercial Bank (TPB). Package of bonds with a total par value of VND1,500,000,000,000 (MB: VND1,000,000,000,000 and TPB: VND500,000,000,000) and the final maturity date in 2021, bears an interest rate of 10% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: assets relating to Lakeview project and a part of contributed capital of the Company into Project Owner.

(v) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch. Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4% per annum. Collaterals include shares of the Company owned by shareholders, receivable rights relating to a project developed by the Company, capital contribution of the Company into Project Owner.

(vi) Bonds issued at par value in Vietnamese Dong with a par value of VND500,000,000,000 to Techcom Securities Limited Company as the initial bonds buyer, maturing in December 2018, bearing an interest rate of 10.9% per annum. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) for the same 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's shareholders.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(vii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch include package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders. On 29 November 2016, Military Joint Stock Commercial Bank – North Sai Gon Branch transferred bonds of VND100,000,000,000 to Tien Phong Commercial Joint Stock Bank, then repurchased these bonds in 2017. As at 30 June 2017, the creditor of VND500,000,000,000 package of bonds is Military Joint Stock Commercial Bank – North Sai Gon Branch.

(viii) Bonds issued at par value in Vietnamese Dong to Bao Viet Joint Stock Bank – Head Office, maturing on 28 January 2018, bearing an interest rate of 10.25% per annum for the first two interest periods since January 2016. The interest rate applied for the remaining period will be defined as a reference rate plus 3.6% 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 Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by the Company's shareholders.

(ix) Bonds issued at par value in Vietnamese Dong to Bao Viet Group as the initial bonds buyer, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest period. The interest will be adjusted for 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 rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) for the same period by four (4) banks including: Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Vietnam Bank for Agriculture and Rural Development – Transaction Center. These bonds are secured by shares of the Company owned by shareholders.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

	30/06/2017 VND	31/12/2016 VND
(a) Short-term borrowings		
Nova Home Joint Stock Company (i)	1,929,146,546,419	3,093,770,365,687
Other companies (ii)	11,486,222,222	-
	<u>1,940,632,768,641</u>	<u>3,093,770,365,687</u>
	30/06/2017 VND	31/12/2016 VND
(a) Long-term borrowings		
Credit Suisse AG- Singapore Branch (iii)	-	1,367,400,000,000
Gw Supernova Pte.Ltd (iv)	1,138,500,000,000	1,139,500,000,000
	<u>1,138,500,000,000</u>	<u>2,506,900,000,000</u>

(i) These are borrowings in Vietnamese Dong, maturing in 5 months, bear interest at the rate from 4.4% to 5.4% per annum and are unsecured.

(ii) These are borrowings in Vietnamese Dong, maturing in 5 months, bear interest at the rate from 5.0% to 5.5% per annum and are unsecured.

(iii) In July 2016, the Company, the facility agent and guarantee agent – Credit Suisse AG, Singapore Branch, signed a loan agreement with a credit facility of US\$100,000,000 and interest at a rate of LIBOR plus 5% per annum. The loan duration is thirty (30) months from the first date of drawdown ("termination date") and interest is repayable every three (3) months. If the initial public offering of shares of the Company ("Company IPO") does not occur by the termination date, the Company must pay all amounts due and owing in cash. In contrast, if the Company IPO occurs at any time prior to or on the termination date, the Company or lender may elect to convert the loan into shares pursuant to the provisions of the Share Repayment Agreement. At the time of conversion, the Company will issue ordinary shares as requested by the lender.

As at 28 June 2017, the debt is converted into 33,459,554 shares of the Company.

(iv) This borrowing is denominated in US dollar from GW Supernova PTE Ltd., with a credit facility of US\$50,000,000, maturing in thirty six (36) months since the first date of drawdown (December 2016), including a portion of non-convertible borrowing amounting to US\$20,000,000 and the other portion of convertible borrowing amounting to US\$30,000,000. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. The principal is repaid at the maturity date. 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 or six (6) months since the conversion date of the borrowing from Credit Suisse AG, Singapore Branch (Note 24(***)(iii)), depending on which date comes first. As at 30 June 2017, the Board of General Directors of the Company estimated that the value of the convertible debt component was the same with the principal of the borrowing. Accordingly, there was no equity component recognised.

As at 30 June 2017, this borrowing is fully disbursed. In case the debt conversion option is exercised, the maximum shares to be converted will be 15,723,325 shares of the Company. As at the date of these consolidated financial statements, the loan had not yet been converted.

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

	30/06/2017		31/12/2016	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>622,828,788</u>	<u>6,830,000</u>	<u>589,369,234</u>	<u>6,830,000</u>
Number of shares issued	<u>622,828,788</u>	<u>6,830,000</u>	<u>589,369,234</u>	<u>6,830,000</u>
Number of existing shares in circulation	<u>622,828,788</u>	<u>6,830,000</u>	<u>589,369,234</u>	<u>6,830,000</u>

(b) Movement of share capital

	Ordinary shares (VND10,000)	Preference shares (VND10,000)	Total (VND10,000)
As at 1 Jan 2016	350,465,761	17,830,000	368,295,761
Preference shares conversion	33,000,000	(11,000,000)	22,000,000
New shares issued	<u>205,903,473</u>	-	205,903,473
As at 31 Dec 2016	<u>589,369,234</u>	<u>6,830,000</u>	596,199,234
Private placement of ordinary shares to swap debt	<u>33,459,554</u>	-	33,459,554
As at 30 Jun 2017	<u>622,828,788</u>	<u>6,830,000</u>	629,658,788

Par value per share: VND10,000.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

26 MOVEMENTS IN OWNERS' EQUITY

	Ordinary shares	Preference shares	Share premium	Post-tax Undistributed earnings	Tổng cộng
	VND	VND	VND	VND	VND
As at 1 January 2016	3,504,657,610,000	178,300,000,000	882,598,605,400	550,370,777,697	5,115,926,993,097
Issuance of ordinary shares	1,017,039,570,000	-	-	-	1,017,039,570,000
Bonus shares from share premium	519,995,160,000	-	(519,995,160,000)	-	-
Issuance of ordinary shares via private placements	522,000,000,000	-	2,031,423,000,000	-	2,553,423,000,000
Converting preference shares to ordinary shares	330,000,000,000	(110,000,000,000)	(220,000,000,000)	-	-
Profit for the year	-	-	-	1,665,077,557,360	1,665,077,557,360
Dividends paid	-	-	-	(53,490,000,000)	(53,490,000,000)
Change in ownership of subsidiaries	-	-	-	(1,209,508,504,543)	(1,209,508,504,543)
As at 31 December 2016	5,893,692,340,000	68,300,000,000	2,174,026,445,400	952,449,830,514	9,088,468,615,914
Private placement of ordinary shares to swap debt (*)	334,595,540,000	-	1,032,804,460,000	-	1,367,400,000,000
Profit for the period	-	-	-	833,287,942,088	833,287,942,088
Change in ownership of subsidiaries	-	-	-	(87,663,696,594)	(87,663,696,594)
As at 30 Jun 2017	6,228,287,880,000	68,300,000,000	3,206,830,905,400	1,698,074,076,008	11,201,492,861,408

(*) In June 2017, 33,459,554 ordinary shares were issued to swap with total debt of US\$60,000,000 of Credit Suisse AG, Singapore Branch.

27 NON - CONTROLLING INTERESTS

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

	30/06/2017 VND	31/12/2016 VND
Details:		
Charter capital	1,054,237,996,470	871,671,325,519
Share premium	38,495	-
Other funds	20,074,676	406,052
Undistributed earnings	30,771,396,267	86,749,789,586
Non-controlling interests	1,085,029,505,908	958,421,521,157

Movements in non-controlling interests are as below:

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Beginning of period/year	958,421,521,157	979,282,422,321
Net profit/(loss) allocated to non-controlling interest for the period/year	7,881,326,491	(5,728,244,382)
Acquisition of new subsidiaries	269,542,115,827	940,280,003,133
Change in ownership percentage of Non-controlling interests	(147,623,313,406)	(456,762,798,943)
Decrease due to disposal of subsidiaries	(2,736,890,797)	(498,392,904,795)
Decrease due to dividend receipt	(245,160,000)	(1,149,219,932)
Others	(210,093,364)	892,263,755
End of period/year	1,085,029,505,908	958,421,521,157

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

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

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Net profit attributable to shareholders (VND)	833,287,942,088	1,553,725,771,099
Dividend on preference shares	(10,245,000,000)	(33,000,000,000)
Profit calculation of basic earnings per share	823,042,942,088	1,520,725,771,099
Weighted average number of ordinary shares in issue (shares)	589,923,812	433,965,295
Basic earnings per share (VND)	1,395	3,504

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

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

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Net profit attributable to shareholders (VND)	833,287,942,088	1,553,725,771,099
Profit calculation of basic earnings per share	833,287,942,088	1,553,725,771,099
Weighted average number of ordinary shares	589,923,812	433,965,295
Potential shares (shares) (*)	36,213,325	53,490,000
Weighted average number of ordinary shares including potential shares (shares)	626,137,137	487,455,295
Diluted earnings per share (VND)	1,331	3,187

(*) There are potential shares with assumption they will be converted from the preference shares (Note 24) and the convertible loan packages (Note 23).

29 OFF BALANCE SHEET ITEMS

	30/06/2017	31/12/2016
Tael of gold	44	24
USD	US\$364,248	US\$13,854,560

30 REVENUE

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Sales from sale of real estate and rendering of services		
Sale of real estate	2,938,991,649,584	4,496,067,038,673
Rendering of services for corporate management and project development consultancy	382,202,394,392	442,039,960,858
Sales from leasing properties	40,402,820,643	28,854,925,427
Others	12,247,914,370	-
	3,373,844,778,989	4,966,961,924,958
Sales deductions		
Trade discounts	(33,080,825,953)	-
Sales returns	(7,493,070,238)	(808,448,080)
	(40,573,896,191)	(808,448,080)
Net sales from sale of real estate and rendering of services		
Net sales of real estate	2,898,417,753,393	4,495,258,590,593
Net sales of rendering of services for corporate management and project development consultancy	382,202,394,392	442,039,960,858
Net sales from leasing properties	40,402,820,643	28,854,925,427
Others	12,247,914,370	-
	3,333,270,882,798	4,966,153,476,878

31 COST OF SALES

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Cost of real estate sold	2,088,204,049,051	3,336,255,031,462
Cost of rendering of services for corporate management and project development consultancy	388,429,681,944	367,109,482,862
Cost of leasing properties	39,066,308,261	9,018,310,492
Others	7,962,406,202	-
	<u>2,523,662,445,458</u>	<u>3,712,382,824,816</u>

32 FINANCIAL INCOME

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Interest income on bank deposits	84,753,031,998	79,045,212,817
Interest income from lending	142,259,737,880	74,996,061,659
Interest income from investment co-operation contracts	14,341,283,332	-
Realized foreign exchange gains	303,155,842	13,124,023
Gains on revaluation of foreign currency accounts	82,541,716	5,985,653,717
Dividend, profits shared	141,600,000	1,384,080,000
Revaluation investments at each business combination stage (*)	974,447,627,284	1,272,287,934,450
Others	10,958,317,277	185,248,296
	<u>1,227,287,295,329</u>	<u>1,433,897,314,962</u>

(*) This is the revaluation of the initial investment of the Group in Phu Dinh Port Joint Stock Company and Sai Gon Gon Company Limited at the time the Group controlled the companies (Note 3).

33 FINANCIAL EXPENSES

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Interest expenses on bank loans	414,134,187,089	312,792,739,221
Interest expenses on loans from individuals and entities	43,387,150,646	6,557,512,767
Interest expenses on investment co-operation contracts	30,630,599,165	-
Bond issue cost	25,528,917,643	-
Payment discount	6,528,411,346	6,411,102,399
Unrealized foreign exchange losses	258,184,172	20,027,125
Realized foreign exchange losses	1,926,297,222	27,917,448
Loss on disposal of subsidiaries	708,140,853	-
Others	12,881,244,298	19,420,497,963
	<u>535,983,132,434</u>	<u>345,229,796,923</u>

34 SELLING EXPENSES

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Staff costs	14,663,125,500	20,442,849,052
Material, package costs	89,837,508	235,185,200
Tool and supplies	659,713,010	2,142,101,338
Depreciation expense	618,049,559	1,191,187,596
Outside services expenses	34,044,184,280	77,751,443,521
Other cash expenses	34,445,510,352	8,347,693,934
	<u>84,520,420,209</u>	<u>110,110,460,641</u>

35 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Staff costs	38,234,078,277	97,921,646,294
Tools and supplies	414,057,376	843,963,237
Stationary	1,701,256,377	6,607,157,465
Depreciation expense	2,727,110,737	4,773,922,551
Tax and other fees	846,611,698	2,527,637,154
Provision	(7,551,016,905)	-
Outside services expenses	39,789,481,698	20,657,662,541
Other cash expenses	32,229,362,259	31,024,253,382
Allocation of goodwill	124,497,904,922	86,135,812,237
	<u>232,888,846,439</u>	<u>250,492,054,861</u>

36 OTHER INCOME

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Collection of penalties on contract violation	5,797,573,938	4,303,710,433
Gains on disposal of fixed assets	1,022,493,750	9,809,973,485
Gains on disposal of tools and equipment	553,324,514	-
Others	2,973,266,810	18,929,905,266
	<u>10,346,659,012</u>	<u>33,043,589,184</u>

37 OTHER EXPENSES

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Penalty expenses on contract violation	9,119,791,777	9,996,415,069
Net book value of disposed fixed assets	5,211,995,593	13,395,315,132
Others	4,592,075,334	7,190,355,382
	<u>18,923,862,704</u>	<u>30,582,085,583</u>

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

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

Movement in deferred income tax is as follows:

	For the six-month period ended 30/06/2017 VND	For the year ended 31/12/2016 VND
Deferred tax assets	66,869,015,901	25,612,519,257
Deferred tax liabilities	(1,477,768,084,442)	(91,879,543,160)
Beginning of period	(1,410,899,068,541)	(66,267,023,903)
Income statement charge	(100,101,947,892)	(202,982,820,440)
Business combination during the period/year (*)	(411,911,487,798)	(1,151,100,042,904)
Disposal of subsidiaries	158,711,394,306	9,445,191,457
Others	-	5,627,249
End of period/year	<u>(1,764,201,109,925)</u>	<u>(1,410,899,068,541)</u>
In which:		
Deferred tax assets	59,808,030,534	66,869,015,901
Deferred tax liabilities	<u>(1,824,009,140,459)</u>	<u>(1,477,768,084,442)</u>

Deferred tax assets mainly arise from unrealized profits incurring from business combination.

The Group uses tax rate of 20% in Quarter 1 2017 (2016: 20%) for determining deferred tax assets and deferred tax liabilities.

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

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

(b) Business income tax - current

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2016: 20%) as follows:

38 BUSINESS INCOME TAX (continued)**(b) Business income tax - current (continued)**

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Net accounting profit before tax	1,176,396,941,389	1,984,818,491,451
Tax calculated at a rate of 20% (2016: 20%)	235,279,388,278	396,963,698,290
Effect of:		
Non-taxable income	(28,320,000)	(822,975,897)
Allocation of goodwill	24,896,226,920	17,227,162,447
Expenses not deductible for tax purposes	(2,984,456,416)	15,329,636,283
Use of tax loss	(12,588,356,723)	-
Temporary difference for which deferred tax asset is not recognized in previous years	(85,786,264)	11,243,563,727
Tax loss for which deferred tax asset is not recognized	92,231,957,732	5,826,718,169
Difference from share transfer of subsidiaries in consolidated financial statement compared to separate financial statement	144,982,235	-
Gain/(loss) in associate	(294,162,299)	-
Gain on acquisition subsidiaries in period	(6,529,464)	-
Adjustment of tax expense in previous years	(1,337,271,189)	-
Business income tax charge (*)	335,227,672,810	445,767,803,019
Charged to income statement:		
Business income tax - current	235,125,724,918	241,148,673,400
Business income tax - deferred (Note 38(a))	100,101,947,892	204,619,129,619
	335,227,672,810	445,767,803,019

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

39 COST OF OPERATION BY FACTOR

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
Construction and land costs	6,316,689,958,980	10,738,999,406,153
Labor costs	52,897,203,777	487,442,275,719
Outside services expenses	73,833,665,978	245,431,977,212
Depreciation expense and allocation of goodwill	164,370,833,459	108,767,196,995
Other cash expenses	70,386,348,580	91,620,665,046
	6,678,178,010,774	11,672,261,521,125

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT**(a) Amount of borrowings actually withdrawn during the period**

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Proceeds from borrowings following normal borrowing contracts	6,161,314,975,273	326,123,087,462
Issuing bonds	3,963,278,000,000	908,523,621,161

(b) Amount of borrowings actually repaid during the period

	For the six-month period ended	
	30/06/2017	30/06/2016
	VND	VND
Repayments for borrowings following normal borrowing contracts	(6,201,172,184,940)	(1,341,631,444,361)
Repayments for bonds	(996,000,000,000)	(2,830,364,000,000)

41 RELATED PARTY TRANSACTIONS

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

Relationship	Name
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Nova Dong Hai Joint Stock Company
Associate	Ben Thanh House One Member Company Limited
Associate	Sai Gon Golf Limited
Shareholder	Mr. Bui Thanh Nhon
Shareholder	Mr. Bui Cao Nhat Quan
Shareholder	Diamond Properties Joint Stock Company
Major shareholder of a subsidiary	Him Lam Joint Stock Company

41 RELATED PARTY TRANSACTIONS (continued)**(a) Related party transactions**

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

	For the six-month period ended	
	30/06/2017 VND	30/06/2016 VND
i) Sales of goods and services		
Nova Dong Hai Joint Stock Company	75,454,548	165,000,000
Mega Housing Joint Stock Company (*)	-	13,200,000
	<u>75,454,548</u>	<u>178,200,000</u>
ii) Purchase of services		
Ben Thanh House One Member Company Limited	18,858,104,394	5,196,526,830
Sai Gon Electronics and Industrial Service Joint Stock Company	-	2,249,984,346
Phu Dinh Port Joint Stock Company (*)	-	4,900,711,200
	<u>18,858,104,394</u>	<u>12,347,222,376</u>
iii) Lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	43,420,000,000
iv) Interest on borrowings		
Mr. Bui Cao Nhat Quan	-	792,586,161
Mr. Bui Thanh Nhon	-	863,148,747
	-	<u>1,655,734,908</u>
v) Interest on lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	1,964,755,000	1,862,423,333
vi) Deposit		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	5,000,000,000
Mr. Bui Cao Nhat Quan	-	57,436,400,000
	-	<u>62,436,400,000</u>
vii) Compensation of key management		
Gross salaries and other benefits	<u>24,824,072,417</u>	<u>9,185,805,228</u>

41 RELATED PARTY TRANSACTIONS (continued)

(b) Period/year end balances with related parties

	30/06/2017 VND	31/12/2016 VND
i) Trade accounts receivable (Note 6)		
Diamond Properties Joint Stock Company	42,324,948,220	42,324,948,220
ii) Short-term prepayments to suppliers (Note 7)		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	52,000,000,000
iii) Short-term lending (Note 8)		
Sai Gon Electronics and Industrial Service Joint Stock Company	43,420,000,000	43,420,000,000
iv) Other short-term receivables (Note 9(a))		
Sai Gon Golf Limited Company (*)	-	300,000,000,000
Ben Thanh House One Member Company Limited	40,579,137,928	41,330,603,446
Sai Gon Electronics and Industrial Service Joint Stock Company	21,319,216,970	19,354,461,970
	61,898,354,898	360,685,065,416
v) Other long-term receivables (Note 9(b))		
Him Lam Joint Stock Company	405,000,000,000	405,000,000,000
Ben Thanh House One Member Company Limited	1,398,776,000	1,398,776,000
	406,398,776,000	406,398,776,000
vi) Short-term accrued expenses (Note 22)		
Nova Dong Hai Joint Stock Company	691,047,778	476,902,153
Ben Thanh House One Member Company Limited	-	101,556,700
	691,047,778	578,458,853
vii) Other long-term payables (Note 23(b))		
Sai Gon Golf Joint Stock Company (*)	-	279,210,000,000

41 RELATED PARTY TRANSACTIONS (continued)**(b) Period/year end balances with related parties (continued)**

	30/06/2017 VND	31/12/2016 VND
<i>viii) Short-term borrowings (Note 24(a))</i>		

Nova Dong Hai Joint Stock Company	9,465,000,000	9,465,000,000
-----------------------------------	---------------	---------------

(*) During the period and until 30 June 2017, these companies became into subsidiaries and were consolidated in the consolidated financial statements of the Group.

42 COMMITMENTS UNDER OPERATING LEASES

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

	30/06/2017 VND	31/12/2016 VND
Within one year	28,071,391,287	53,136,534,887
Between two and five years	46,392,916,374	94,247,338,548
Over five years	348,676,662,697	335,786,527,210
	<u>423,140,970,358</u>	<u>483,170,400,645</u>

43 CAPITAL COMMITMENTS

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

	30/06/2017 VND	31/12/2016 VND
Cost of project construction	<u>6,277,123,797,131</u>	<u>6,207,364,208,252</u>

44 SEGMENT REPORTING*Business activity segments:*

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

Geographical segments:

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

45 COMPARATIVE FIGURES

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

46 EVENTS AFTER THE BALANCE SHEET DATE SEGMENT REPORTING

There has been no significant events occurring after the year ended 30 June 2017 to the date of the interim consolidated financial statements.

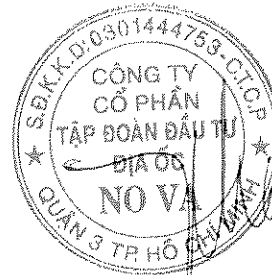
The interim consolidated financial statements were approved by the Board of General Directors on 28 July 2017.



Nguyen Ngoc Bang
Preparer



Tran Thi Thanh Van
Chief Accountant



Phan Thanh Huy
General Director
28 July 2017