

NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
QUARTER IV 2017**



NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			31/12/2017 VND	31/12/2016 VND
100	CURRENT ASSETS		7,336,717,166,620	11,309,645,554,183
110	Cash and cash equivalents	3	1,455,689,692,352	2,153,027,696,086
111	Cash		290,577,542,976	472,905,282,697
112	Cash equivalents		1,165,112,149,376	1,680,122,413,389
120	Short-term investments		430,671,476,752	763,286,000,000
123	Investments held to maturity	4(a)	430,671,476,752	763,286,000,000
130	Short-term receivables		2,342,507,152,135	5,560,440,373,728
131	Short-term trade accounts receivable	5	109,056,528,946	84,012,548,202
132	Short-term prepayments to suppliers	6	386,783,515,155	168,329,639,170
135	Short-term lending	7	232,671,600,222	979,893,920,814
136	Other short-term receivables	8(a)	1,613,995,507,812	4,328,204,265,542
140	Inventories	10	2,834,153,744,542	2,610,152,630,939
141	Inventories		2,834,153,744,542	2,610,152,630,939
150	Other current assets		273,695,100,839	222,738,853,430
151	Short-term prepaid expenses	11(a)	33,811,409,608	34,273,189,647
152	Value Added Tax to be reclaimed		177,546,505,795	127,296,421,310
153	Other taxes receivable	18	62,337,185,436	61,169,242,473

The notes on pages 10 to 63 are an integral part of these separate financial statements.

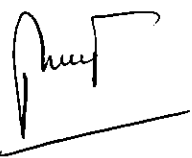
SEPARATE BALANCE SHEET
(continued)


Code	ASSETS (continued)	Note	As at	
			31/12/2017 VND	31/12/2016 VND
200	LONG-TERM ASSETS		19,658,383,070,708	12,518,233,917,576
210	Long-term receivables		193,670,726,330	907,906,778,261
216	Other long-term receivables	8(b)	193,670,726,330	907,906,778,261
220	Fixed assets		134,599,843,385	119,757,184,853
221	Tangible fixed assets	12(a)	89,870,796,906	91,174,216,022
222	Cost		124,401,270,278	116,042,582,070
223	Accumulated depreciation		(34,530,473,372)	(24,868,366,048)
227	Intangible fixed assets	12(b)	44,729,046,479	28,582,968,831
228	Cost		50,149,950,044	29,773,073,718
229	Accumulated depreciation		(5,420,903,565)	(1,190,104,887)
230	Investment properties	13	1,314,479,799,383	308,170,066,254
231	Cost		1,331,862,308,547	316,018,036,048
232	Accumulated depreciation		(17,382,509,164)	(7,847,969,794)
240	Long-term assets in progress		292,558,067,073	280,223,268,503
241	Long-term work in progress	14	224,136,375,352	233,819,522,165
242	Construction in progress	15	68,421,691,721	46,403,746,338
250	Long-term investments		17,648,684,947,467	10,742,536,587,895
251	Investments in subsidiaries	4(b)	16,617,792,887,467	10,529,415,042,895
252	Investments in associates, joint ventures	4(b)	1,030,892,060,000	210,006,345,000
253	Investments in other entities	4(b)	-	3,115,200,000
260	Other long-term assets		74,389,687,070	159,640,031,810
261	Long-term prepaid expenses	11(b)	73,413,813,498	158,664,158,238
262	Deferred income tax assets	23	975,873,572	975,873,572
270	TOTAL ASSETS		26,995,100,237,328	23,827,879,471,759

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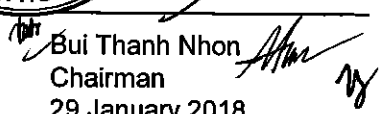
SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			31/12/2017 VND	31/12/2016 VND
300	LIABILITIES		15,809,695,857,146	14,612,306,536,789
310	Short-term liabilities		6,476,875,113,684	7,870,294,471,354
311	Short-term trade accounts payable	16	109,079,438,699	279,143,774,099
312	Short-term advances from customers	17	541,931,205,610	2,237,975,628,156
313	Tax and other payables to the State Budget	18	15,397,184,292	2,693,533,635
314	Payable to employees		110,459,905,841	167,232,393,967
315	Short-term accrued expenses	19	569,188,320,866	368,158,915,150
318	Short-term unearned revenue	20(a)	1,505,790,703	143,941,448
319	Other short-term payables	21(a)	822,614,019,388	754,774,450,500
320	Short-term borrowings	22(a)	4,301,150,382,990	4,053,475,469,104
322	Bonus and welfare funds		5,548,865,295	6,696,365,295
330	Long-term liabilities		9,332,820,743,462	6,742,012,065,435
336	Long-term unearned revenue	20(b)	65,749,720,031	-
337	Other long-term payables	21(b)	244,556,717,870	240,952,447,466
338	Long-term borrowings	22(b)	9,022,514,305,561	6,501,059,617,969
400	OWNERS' EQUITY		11,185,404,380,182	9,215,572,934,970
410	Capital and reserves		11,185,404,380,182	9,215,572,934,970
411	Owners' capital	25	6,496,587,880,000	5,961,992,340,000
411a	- Ordinary shares with voting rights		6,428,287,880,000	5,893,692,340,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	25	3,206,830,905,400	2,174,026,445,400
421	Undistributed earnings	25	1,481,985,594,782	1,079,554,149,570
421a	- Undistributed post-tax profits of the previous years		1,054,789,149,570	222,549,105,278
421b	- Post-tax profit of current year		427,196,445,212	857,005,044,292
440	TOTAL RESOURCES		26,995,100,237,328	23,827,879,471,759


Do Phuong Thuy
Preparer


Tran Thi Thanh Van
Chief Accountant




Bui Thanh Nhon
Chairman
29 January 2018

The notes on pages 10 to 63 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Items	Note	For the period ended			
			Quarter IV/2017	Quarter IV/2016	31/12/2017	31/12/2016
			VND	VND	VND	VND
01	Sales	28	443,990,938,735	1,193,262,294,598	2,997,814,436,871	3,739,648,758,345
02	Less deductions		(114,555,247)	(887,416,113)	(4,395,144,584)	(6,776,714,246)
10	Net sales		443,876,383,488	1,192,374,878,485	2,993,419,292,287	3,732,872,044,099
11	Cost of sales	29	(318,112,174,295)	(1,073,200,806,854)	(2,736,582,160,890)	(3,368,590,289,217)
20	Gross profit		125,764,209,193	119,174,071,631	256,837,131,397	364,281,754,882
21	Financial income	30	617,517,030,924	367,517,674,484	1,676,500,005,991	1,446,337,089,286
22	Financial expenses	31	(535,517,934,403)	(250,703,671,751)	(1,311,898,120,465)	(812,634,467,272)
23	- Including: Interest expenses		(441,994,222,091)	(216,482,905,201)	(1,166,913,635,086)	(677,897,599,474)
25	Selling expenses	32	(26,619,007,386)	(5,709,590,277)	(70,744,142,906)	(17,966,476,584)
26	General and administration expenses	33	(46,890,758,855)	(44,258,591,217)	(110,145,123,074)	(129,282,004,958)
30	Net operating profit		134,253,539,473	186,019,892,870	440,549,750,943	850,735,895,354
31	Other income		2,738,816,801	8,823,980,465	10,657,894,231	24,313,394,126
32	Other expenses		(14,857,649,032)	(5,869,334,098)	(24,011,199,962)	(18,044,245,188)
40	Net other income/(expenses)	34	(12,118,832,231)	2,954,646,367	(13,353,305,731)	6,269,148,938
50	Net accounting profit before tax		122,134,707,242	188,974,539,237	427,196,445,212	857,005,044,292

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NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT
(continued)

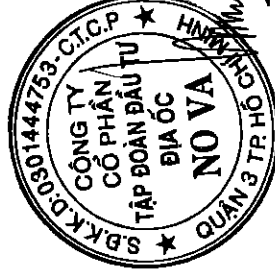
Code	Note	For the period ended	
		31/12/2017	31/12/2016
		VND	VND
51 Business income tax - current	35	-	-
52 Business income tax - deferred	23, 35	-	-
60 Net profit after tax		122,134,707,242	188,974,539,237
		427,196,445,212	857,005,044,292

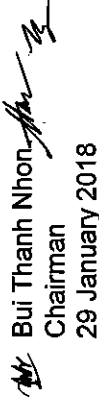


Do Phuong Thuy
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Tran Thi Thanh Van
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Bui Thanh Nhon
Chairman
29 January 2018

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SEPARATE CASH FLOW STATEMENT
(Indirect method)

Items	Code	Note	For the period ended	
			31/12/2017 VND	31/12/2016 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		427,196,445,212	857,005,044,292
2. Adjustments for:				
- Depreciation and amortisation	02		28,497,320,448	16,679,619,532
- Unrealised foreign exchange (gain)/losses	04		(5,156,804,641)	33,704,935,561
- Profits from investing activities	05		(1,664,913,840,881)	(1,332,454,210,667)
- Interest expense	06		1,207,436,011,071	677,897,599,474
3. Operating profit before changes in working capital	08		(6,940,868,791)	252,832,988,192
- Decrease/(Increase) in receivables	09		3,387,167,647,438	(1,891,404,222,956)
- Increase in inventories	10		(271,143,758,657)	(1,388,040,945,405)
- Decrease in payables	11		(2,018,809,539,304)	(2,424,522,605,042)
- Decrease/(Increase) in prepaid expenses	12		121,842,254,160	(60,965,550,427)
- (Increase)/decrease in trading securities	13		-	-
- Interest paid	14		(798,960,863,057)	(579,758,818,599)
- Business income tax paid	15		(1,167,942,963)	(67,153,094,070)
Net cash outflows from operating activities	20		411,986,928,826	(6,159,012,248,307)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(1,042,079,304,474)	(160,785,964,624)
2. Proceeds from disposals of fixed assets and other long-term assets	22		3,782,828,295	10,245,671,963
3. Loans granted, purchases of debt instruments of other entities	23		(898,268,929,392)	(2,912,909,048,050)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		1,978,105,773,232	2,348,466,894,228
5. Investments in other entities	25		(7,497,424,490,000)	(5,187,538,384,000)
6. Proceeds from divestment in other entities	26		669,138,898,895	2,053,093,700,000
7. Dividends and interest received	27		1,337,650,118,231	1,362,270,232,641
Net cash outflows from investing activities	30		(5,449,095,105,213)	(2,487,156,897,842)

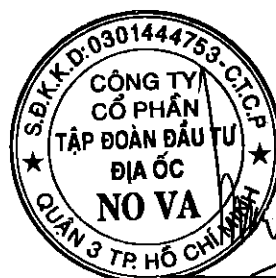
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SEPARATE CASH FLOW STATEMENT
(Indirect method)
(continued)

Items	Code	Note	For the period ended	
			31/12/2017 VND	31/12/2016 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares	31		200,000,000,000	3,570,462,570,000
2. Proceeds from borrowings	33		12,515,475,954,629	12,547,797,361,811
3. Repayments of borrowings	34		(8,358,606,729,136)	(7,078,344,802,819)
4. Dividends paid	36		(17,100,000,000)	(53,490,000,000)
Net cash inflows from financing activities	40		4,339,769,225,493	8,986,425,128,992
Net decrease in cash and cash equivalents	50		(697,338,950,894)	340,255,982,843
Cash and cash equivalents at beginning of year	60		2,153,027,696,086	1,811,176,648,805
Effect of foreign exchange differences	61		947,160	1,595,064,439
Cash and cash equivalents at end of year	70		1,455,689,692,352	2,153,027,696,087

Do Phuong Thuy
Preparer

Tran Thi Thanh Van
Chief Accountant



Bui Thanh Nhon
Chairman
29 January 2018

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 dated 18 September 1992 and the 41th amended with Business registration certificate No. 0301444753 dated 17 January 2018. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business registration certificate as above.

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

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

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

As at 31 December 2017, the Company had 30 direct subsidiaries and 3 direct associates as presented in Note 4(b) of the financial statements – Equity investments in other entities. Besides, the Company had 10 indirect subsidiaries as below:

Indirect subsidiaries

No.	Name	Principal activity	% of voting right	Charter capital VND
1	The 21st Century International Development Limited Company	Real estate trading	98.97	2,534,458,265,952
2	Nova Richstar Joint Stock Company	Real estate trading	99.99	724,000,000,000
3	Gia Phu Real Estate Company Limited	Real estate trading	99.99	1,065,000,000,000
4	Nova Riverside Real Estate Company Limited	Real estate trading	99.98	1,115,144,468,745
5	Nha Rong Investment and Trade Joint Stock Company	Real estate trading	99.97	327,426,000,000
6	Mega Tie Company Limited	Real estate trading	99.99	191,400,000,000
7	Phuong Dong Building Joint Stock Company	Real estate trading	99.90	182,000,000,000
8	Sai Gon Golf Company Limited	Real estate trading	100.00	490,000,000,000
9	Merufa-Nova Company Limited	Real estate trading	99.99	125,000,000,000
10	Nhat Hoa Real Estate Joint Stock Company	Real estate trading	99.99	510,000,000,000

As at 31 December 2017, the Company had 1,575 employees (31 December 2016: 2,129 employees).

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

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

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

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

Users of these separate financial statements should read them together with the consolidated financial statements of the Group for the period ended 31 December 2017 in order to obtain full information of the financial position and results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

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

2.3 Currency

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

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

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

2.4 Cash and cash equivalents

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

2.5 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year end. Bad debts are written off when identified. In year, there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Inventories**

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

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

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

Investments held to maturity include term deposits. Those investments are accounted for at cost less provision.

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

(b) Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

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

(c) Investments in associates

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

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

(d) Investments in equity of other entities

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Fixed assets***Tangible fixed assets and intangible fixed assets*

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

Depreciation and amortisation

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

Buildings	5 – 25 years
Machinery	3 – 7 years
Motor vehicles	4 – 8 years
Office equipment	3 – 8 years
Software and Trademark	3 – 7 years

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

Disposals

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

Construction in progress

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

2.9 Leased assets

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investment properties**

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

Depreciation

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

Buildings and structures	6 – 50 years
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Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

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

2.11 Prepaid expenses

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

2.12 Payables

Classifications of payables are based on their nature.

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

2.13 Borrowing costs

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

2.14 Borrowings and finance lease liabilities

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 relate to the borrowings (other than payable interest), such as expenses for verification, audit, application... are recognised in the income statement when incurred. Where these expenses arise from borrowings for purposes of investment, construction or production of assets in progress, they shall be capitalised in accordance with the accounting policy stated in Note 2.13.

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

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

2.16 Provisions

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

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

2.17 Provisions for severance allowance

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

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

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

2.18 Unearned revenue

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

2.19 Convertible bonds

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Share capital**

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

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

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

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

2.21 Appropriation of net profit

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition (continued)****(b) Sale of services**

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

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

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

2.23 Sales deductions

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

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

2.24 Cost of sales

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

2.25 Financial expenses

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

2.26 Selling expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, outside services (electricity, water, telephone, fax, assets insurance, fire and explosive accidents insurance,...) and other cash expenses.

2.28 Current and deferred income tax

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

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

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

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

2.29 Dividend distribution

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

2.30 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Segment reporting**

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

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

3 CASH AND CASH EQUIVALENTS

	31/12/2017	31/12/2016
	VND	VND
Cash on hand	259,981,745	477,267,791
Cash at bank	290,317,561,231	472,428,014,906
Cash equivalents (*)	1,165,112,149,376	1,680,122,413,389
	<u>1,455,689,692,352</u>	<u>2,153,027,696,086</u>

(*) Cash equivalents are term deposits at banks with original maturity of 3 months or less and earn an interest rate from 4.2% per annum to 5.5% per annum (2016: from 4.5% per annum to 5.5% per annum).

As at 31 December 2017, cash and cash equivalents of VND372,692,373,222 (31.12.2016: VND1,008,296,470,998) were pledged as collateral assets for the bank loans and VND551,331,145,017 (31.12.2016: VND538,498,003,623) were managed by banks in relation to borrowings for project development.

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4 INVESTMENTS

(a) Investments held-to-maturity

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Book value VND	Book value VND
Short-term deposits	430,671,476,752	-	430,671,476,752	763,286,000,000

The short-term deposits represent bank deposits in VND with original maturity of 12 months and earn interest at the rate from 5.0% to 6.5% per annum (2016: from 6.5% per annum to 6.8% per annum).

As at 31 December 2017 and 31 December 2016, the Company did not use these short-term deposits as collateral or guarantee.

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4 INVESTMENTS (continued)

(b) Equity investments in other entities

(i) Investments in subsidiaries

No.	Name	Principal activity	31/12/2017				31/12/2016			
			Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND
1	Nova Phuc Nguyen Real Estate Company Limited	Real estate trading	99.89	189,981,000,000	(*)	-	99.99	189,981,000,000	(*)	-
2	Vuong Cung Investment and Real Estate Company Limited	Real estate trading	-	-	(*)	-	99.99	19,998,000,000	(*)	-
3	Sai Gon Housing And Infrastructure Development Joint Stock Company	Real estate trading	98.00	5,880,000,000	(*)	-	98.00	5,880,000,000	(*)	-
4	Nova Nippon Joint Stock Company	Real estate trading	99.98	19,996,000,000	(*)	-	99.98	19,996,000,000	(*)	-
5	Nova An Phu Company Limited	Real estate trading	92.27	234,500,000,000	(*)	-	90.00	18,000,000,000	(*)	-
6	Nova Sagel Company Limited	Real estate trading	73.00	267,910,000,000	(*)	-	73.00	267,910,000,000	(*)	-
7	Nova Sasco Company Limited	Real estate trading	99.99	528,310,550,000	(*)	-	74.00	318,191,400,000	(*)	-
8	Nova Galaxy Real Estate Joint Stock Company	Real estate trading	-	-	(*)	-	99.98	292,126,098,895	(*)	-
9	Nova Saigon Royal Investment Limited Company	Real estate trading	99.99	327,393,300,000	(*)	-	99.99	327,393,300,000	(*)	-
10	Khai Hung Real Estate Company Limited	Real estate trading	95.97	3,773,925,000,000	(*)	-	99.99	3,773,925,000,000	(*)	-
11	No Va My Dinh Land Joint Stock Company	Real estate trading	99.98	19,996,000,000	(*)	-	99.98	19,996,000,000	(*)	-

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(i) Investments in subsidiaries (continued)

No.	Name	Principal activity	31/12/2017		31/12/2016	
			Ownership p and voting rights %	Ownership and voting rights %	Cost VND	Fair value VND
25	Nova Rivergate Company Limited	Real estate trading	99.77	99.90	936,201,410,000	(*)
26	Nova Lucky Palace Company Limited	Real estate trading	99.99	99.99	199,990,000,000	(*)
27	No Va Thao Dien Company Limited	Real estate trading	100.00	100.00	1,102,995,000,000	(*)
28	Nova Princess Residence Joint Stock Company	Real estate trading	99.90	99.90	366,707,530,000	(*)
29	Bach Hop Real Estate Company Limited	Real estate trading	99.99	-	212,978,700,000	(*)
30	Phu Dinh Port Joint Stock Company	Transportation support, real estate trading	59.73	-	941,511,225,000	(*)
31	Gia Duc Real Estate Company Limited	Real estate trading	99.99	-	1,938,950,000,000	(*)
32	Thanh Nhon Investment and Real Estate Company Limited	Real estate trading	98.48	-	1,300,000,000,000	(*)
33	Ngoc Linh Hoa Joint Stock Company	Real estate trading	99.83	-	579,000,000,000	(*)
34	Nova Property Management Company Limited	Real estate trading	99.99	-	138,986,100,000	(*)
					16,617,792,887,467	
					10,529,415,042,895	

(*) As at 31 December 2017, the Board of Management of the Company did not disclose the fair value of these investments as they have not been listed in the stock market. There were no fair value information available of these investments.

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(ii) Investments in associates

		31/12/2017				31/12/2016				
No.	Name	Principal activity	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND
1	Saigon Electronics and Industrial Service Joint Stock Company	Trading electronic equipment, telecommunications	33.31	14,792,060,000	(*)	-	33.31	14,792,060,000	(*)	-
2	Phu Dinh Port Joint Stock Company	Transportation support, real estate trading	-	-	(*)	-	25.39	124,616,285,000	(*)	-
3	Huy Minh Real Estate Joint Stock Company (Old name: Nova Dong Hai Joint Stock Company)	Real estate trading	-	-	(*)	-	49.99	9,998,000,000	(*)	-
4	Ben Thanh Housing Service and Development Joint Stock Company	Real estate trading	25.00	60,600,000,000	(*)	-	25.00	60,600,000,000	(*)	-
5	Sun City Real Estate Investment & Development Company Limited	Real estate trading	49.00	955,500,000,000	(*)	-	-	-	(*)	-
				<u>1,030,892,060,000</u>				<u>210,006,345,000</u>		

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(iii) Other long-term investments

		31/12/2017		31/12/2016	
No.	Name	Principal activity	Owner ship and voting rights %	Owner ship and voting rights %	
			Cost VND	Fair value VND	Provision VND
1	Nam A Footwear Import Export Joint Stock Company	Retail of commodity; Retail of fabrics, wool, yarn thread and textiles; Production and trading of shoes, bags	-	(*)	(*)
				11.8	3,115,200,000
					-

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2017 VND	31/12/2016 VND
Third parties	69,032,398,302	41,687,599,982
Related parties (Note 39(b))	40,024,130,644	42,324,948,220
	109,056,528,946	84,012,548,202

As at 31 December 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. In addition, there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2017 VND	31/12/2016 VND
Third parties		
Saigon General Service Joint Stock Company	320,189,629,546	46,070,042,873
American General Construction Company Limited	3,022,049,660	47,813,651,373
Others	63,571,835,949	56,219,775,619
Related parties (Note 39(b))	-	18,226,169,305
	386,783,515,155	168,329,639,170

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7 SHORT-TERM LENDING

	As at 31/12/2016 VND	Reclassification (*) VND	Increase VND	Decrease VND	As at 31/12/2017 VND
Third parties	361,580,408,814	(311,580,408,814)	293,000,000,000	(343,000,000,000)	-
- Gia Phu Real Estate Company Limited	311,580,408,814	(311,580,408,814)	-	-	-
- The Sunrise Bay Company Limited	50,000,000,000	-	-	(50,000,000,000)	-
- Ngoc Minh Investment and Real estate Company Limited	-	-	293,000,000,000	(293,000,000,000)	-
Related parties (Note 39(b))	618,313,512,000	311,580,408,814	164,500,000,000	(861,722,320,592)	232,671,600,222
	<u>979,893,920,814</u>	<u>-</u>	<u>457,500,000,000</u>	<u>(1,204,722,320,592)</u>	<u>232,671,600,222</u>

These are short-term loans to third parties and related parties which are unsecured, earn interest at the rate from 9.0% per annum to 10.9% per annum (2016: from 9.0% per annum to 10.9% per annum) and will fall due in May 2018.

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

(*) Reclassification: As at 31 December 2016, Gia Phu Real Estate Company Limited is third party, but became related party from 1 September 2017.

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

	31/12/2017		31/12/2016	
	Book value VND	Provision VND	Book value VND	Provision VND
- Deposits for investment consulting services	406,589,287,268	-	1,649,213,192,246	-
- Deposits for share acquisitions	49,000,000,000	-	912,750,000,000	-
- Project development and investment co-operation (i)	836,285,567,556	-	992,987,508,469	-
- Deposits for project transfers	-	-	233,420,000,000	-
- Interest receivables	158,404,717,510	-	151,942,972,120	-
- Deposit	25,272,708,234	-	9,717,607,272	-
- Advance	309,624,769	-	238,390,727	-
- Dividend	76,890,000,000	-	-	-
- Others	61,243,602,475	-	377,934,594,708	-
	<u>1,613,995,507,812</u>		<u>4,328,204,265,542</u>	

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

	31/12/2017		31/12/2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	519,430,710,941	-	3,172,663,687,825	-
Related parties (Note 39(b))	1,094,564,796,871	-	1,155,540,577,717	-
	<u>1,613,995,507,812</u>		<u>4,328,204,265,542</u>	

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

Name	Nature	31/12/2017 VND	31/12/2016 VND
SSR Real Estate Investment and Development Limited Company	Deposits for investment consulting services	349,587,342,268	1,649,213,192,246

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

	31/12/2017		31/12/2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposit for Project development and investment co-operation contract	-	-	152,536,582,050	-
Project development and investment co-operation (i)	176,916,527,546	-	741,360,000,000	-
Others	16,754,198,784	-	14,010,196,211	-
	193,670,726,330		907,906,778,261	

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

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

	31/12/2017		31/12/2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	15,355,422,784	-	165,148,002,261	-
Related parties (Note 39(b))	178,315,303,546	-	742,758,776,000	-
	193,670,726,330		907,906,778,261	

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

Name	Nature	31/12/2017		31/12/2016	
District 2 Public Service One Member Company Limited	Deposit for Project development and investment co-operation	-	-	152,536,582,050	-
		-		152,536,582,050	

As at 31 December 2017 and 31 December 2016, there was no balance of other long-term receivables which was past due or not past due but impaired.

9 DOUBTFUL DEBTS

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

10 INVENTORIES

	31/12/2017 VND	31/12/2016 VND
Properties in construction progress (i)	2,594,144,119,683	2,322,029,985,082
Completed properties (ii)	52,201,030,543	117,568,777,173
Property merchandises	182,564,853,964	167,349,686,941
Other merchandises	5,243,740,352	3,204,181,743
	2,834,153,744,542	2,610,152,630,939
Provision	-	-
	2,834,153,744,542	2,610,152,630,939

- (i) The properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects. As at 31 December 2017, the projects were in construction progress and they were expected to be completed and handed over in 2018.
- (ii) As at 31 December 2017, the balance of completed properties mainly represents the value of Orchard Garden project which is located at 128 Hong Ha street, Phu Nhuan district, Ho Chi Minh City. Currently, the project is on progress that delivers 99,98% of products for customers, and continues to hand over in 2018.

As at 31 December 2017, there are no receivable rights pledged as collateral assets for the loans granted to third parties.

Total amount of interest expenses capitalised into value of properties during the period was VND22,093 million (2016: VND68,175 million).

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

	31/12/2017 VND	31/12/2016 VND
Deferred expenses which were allocated based on revenue from sale of real estate	11,055,396,704	27,622,052,863
Other deferred expenses	2,056,712,682	-
Prepaid expenses	19,865,034,607	4,840,544,058
Tools and supplies	834,265,615	1,810,592,726
	33,811,409,608	34,273,189,647

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

	31/12/2017 VND	31/12/2016 VND
Interest expenses from issuing bonds	10,189,090,507	92,425,330,834
Deferred expenses which were allocated based on revenue from sale of real estate	6,006,651,430	2,379,920,906
Tools and supplies	6,695,901,714	13,488,733,162
Other deferred expenses	50,522,169,847	50,370,173,336
	73,413,813,498	158,664,158,238

Movements in long-term prepaid expenses were as follows:

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Opening balance	158,664,158,238	69,885,729,393
Transfers from construction in progress (Note 15)	27,130,420,628	15,190,220,524
Increase	19,062,578,804	155,808,401,478
Allocation	(131,443,344,172)	(82,220,193,157)
Closing balance	73,413,813,498	158,664,158,238

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12 FIXED ASSETS

(a) Tangible fixed assets

	Buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Historical cost						
As at 1 January 2017	46,726,685,352	5,157,336,139	53,427,667,034	10,631,893,545	99,000,000	116,042,582,070
New purchases	2,512,691,463	1,480,605,000	3,731,940,802	10,455,824,988	-	18,181,062,253
Reclassification	-	-	-	5,164,242,732	-	5,164,242,732
Disposals	(979,117,543)	(1,202,214,500)	(6,421,000,000)	-	-	(8,602,332,043)
Reclassification	(6,384,284,734)	-	-	-	-	(6,384,284,734)
As at 31 December 2017	41,875,974,538	5,435,726,639	50,738,607,836	26,251,961,265	99,000,000	124,401,270,278
Accumulated depreciation						
As at 1 January 2017	(7,494,231,662)	(2,498,620,743)	(11,056,727,503)	(3,728,286,152)	(90,499,988)	(24,868,366,048)
Charge for the year	(1,606,552,608)	(978,998,923)	(8,144,130,187)	(3,881,575,670)	(8,500,012)	(14,619,757,400)
Disposals	1,855,053,843	240,240,180	2,862,356,053	-	-	4,957,650,076
As at 31 December 2017	(7,245,730,427)	(3,237,379,486)	(16,338,501,637)	(7,609,861,822)	(99,000,000)	(34,530,473,372)
Giá trị còn lại						
As at 1 January 2017	39,232,453,690	2,658,715,396	42,370,939,531	6,903,607,393	8,500,012	91,174,216,022
As at 31 December 2017	34,630,244,111	2,198,347,153	34,400,106,199	18,642,099,443	-	89,870,796,906

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND10,075 million (31.12.2016: VND8,269 million).

As at 31 December 2017 and 31 December 2016, there were no tangible fixed assets pledged as collateral assets for the bank loans.

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12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software and Trademark VND	Total VND
Historical cost			
As at 1 January 2017	25,400,891,068	4,372,182,650	29,773,073,718
New purchases	10,947,650,000	11,009,494,134	21,957,144,134
Reclassification	1,394,894,192	-	1,394,894,192
Disposal	-	(112,225,000)	(112,225,000)
Transfer to inventories	(2,862,937,000)	-	(2,862,937,000)
As at 31 December 2017	34,880,498,260	15,269,451,784	50,149,950,044
Accumulated amortisation			
As at 1 January 2017	-	(1,190,104,887)	(1,190,104,887)
Charge for the year	-	(4,343,023,678)	(4,343,023,678)
Disposals	-	112,225,000	112,225,000
As at 31 December 2017	-	(5,420,903,565)	(5,420,903,565)
Net book value			
As at 1 January 2017	25,400,891,068	3,182,077,763	28,582,968,831
As at 31 December 2017	34,880,498,260	9,848,548,219	44,729,046,479

As at 31 December 2017 and 31 December 2016, there were no fully depreciated intangible fixed assets but still in use, and no intangible fixed assets pledged as collateral assets for bank loans.

13 INVESTMENT PROPERTIES FOR LEASING

	Land use rights VND	Buildings and structures VND	Total VND
Historical cost			
As at 1 January 2017	82,786,289,102	233,231,746,946	316,018,036,048
New purchases	930,957,140,000	2,400,000,000	933,357,140,000
Transfers from inventories (*)	1,472,297,333	81,014,835,166	82,487,132,499
As at 31 December 2017	1,015,215,726,435	316,646,582,112	1,331,862,308,547
Accumulated amortisation			
As at 1 January 2017	-	(7,847,969,794)	(7,847,969,794)
Charge for the year	-	(9,534,539,370)	(9,534,539,370)
As at 31 December 2017	-	(17,382,509,164)	(17,382,509,164)
Net book value			
As at 1 January 2017	82,786,289,102	225,383,777,152	308,170,066,254
As at 31 December 2017	1,015,215,726,435	299,264,072,948	1,314,479,799,383

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

As at 31 December 2017 and 31 December 2016, there were no investment properties pledged as collateral assets for the bank loans.

14 LONG-TERM WORK IN PROGRESS

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

15 CONSTRUCTION IN PROGRESS

	31/12/2017 VND	31/12/2016 VND
Office renovation	20,731,302,400	14,577,221,839
Showhouse	17,524,910,657	10,649,238,917
Software	28,522,073,344	6,267,620,938
Others	1,643,405,320	14,909,664,644
	68,421,691,721	46,403,746,338

15 CONSTRUCTION IN PROGRESS (continued)

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

	For the period ended	
	31/12/2017	31/12/2016
	VND	VND
Beginning of the period/year	46,403,746,338	14,194,103,852
Purchase	74,097,998,889	90,826,086,006
Transfers to intangible fixed assets	(5,514,040,802)	(8,305,228,732)
Transfers to investment properties	-	(33,943,350,000)
Transfers to inventories	(200,691,702)	-
Transfers to short-term prepaid expenses	(3,835,466,021)	(15,190,220,524)
Transfers to long-term prepaid expenses (Note 11)	(27,130,420,628)	-
Transfers to selling expenses	(2,809,298,066)	(868,917,000)
Transfers to general and administrative expenses	(358,623,475)	(308,727,264)
Others	(12,231,512,812)	-
	68,421,691,721	46,403,746,338

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31/12/2017	31/12/2016
	VND	VND
Third parties		
- Hoa Binh Construction and Real Estate Joint Stock Company	-	47,199,278,188
- Transportation and Public works Company Limited	12,796,268,508	-
- An Phong Construction Company Limited	154,330,935	15,861,330,842
- Others	96,128,839,256	216,083,165,069
Related parties	-	-
	109,079,438,699	279,143,774,099

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

17 SHORT-TERM ADVANCES FROM CUSTOMERS

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

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18 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

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

	As at 31/12/2016 VND	Payable during the year VND	Net off VND	Settled during the year VND	As at 31/12/2017 VND
(a) Tax payables					
Corporate income tax	-	-	-	-	-
Personal income tax	2,626,071,891	104,303,345,844	-	(94,840,836,851)	12,088,580,884
VAT on domestic sales	-	146,736,856,153	(146,200,664,778)	(536,191,375)	-
Others	67,461,744	27,363,976,536	-	(24,122,834,872)	3,308,603,408
	<u>2,693,533,635</u>	<u>278,404,178,533</u>	<u>(146,200,664,778)</u>	<u>(119,499,863,098)</u>	<u>15,397,184,292</u>
(b) Tax receivables					
VAT to be reclaimed	(127,296,421,310)	(195,406,263,886)	146,200,664,778	-	(176,502,020,418)
Overpaid VAT	-	(1,044,485,377)	-	-	(1,044,485,377)
Business income tax temporarily paid 1%	(41,166,077,595)	-	35,671,343,248	(225,947,581)	(5,720,681,928)
Overpaid business income tax	(20,003,164,878)	-	(35,671,343,248)	(941,995,382)	(56,616,503,508)
	<u>(188,465,663,783)</u>	<u>(196,450,749,263)</u>	<u>146,200,664,778</u>	<u>(1,167,942,963)</u>	<u>(239,883,691,231)</u>

19 SHORT-TERM ACCRUED EXPENSES

	31/12/2017 VND	31/12/2016 VND
Interest expenses	439,993,820,358	127,428,471,170
Construction costs	54,200,516,870	232,296,351,842
Others	74,993,983,638	8,434,092,138
	569,188,320,866	368,158,915,150

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

	31/12/2017 VND	31/12/2016 VND
Third parties		
<i>Gw Supernova Pte.Ltd</i>	103,299,274,452	1,899,166,591
<i>Others</i>	355,790,552,646	321,567,046,908
Related parties (Note 39(b))	110,098,493,768	44,692,701,651
	569,188,320,866	368,158,915,150

20 UNEARNED REVENUES**(a) Short-term unearned revenues**

	31/12/2017 VND	31/12/2016 VND
Third parties	136,696,085	143,941,448
Related parties (Note 39(b))	1,369,094,618	-
	1,505,790,703	143,941,448

(b) Long-term unearned revenues

Third parties	-	-
Related parties (Note 39(b))	65,749,720,031	-
	65,749,720,031	-

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

	31/12/2017 VND	31/12/2016 VND
Project development and investment co-operation	-	70,000,000,000
Dividends advanced from subsidiaries	-	251,896,476,000
Maintenance fund payables (i)	81,935,205,651	60,684,897,246
Deposits (ii)	9,032,478,355	13,511,478,355
Others	731,646,335,382	358,681,598,899
	822,614,019,388	754,774,450,500

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

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

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

	31/12/2017 VND	31/12/2016 VND
Third parties	126,864,019,388	167,131,654,500
<i>Dang Khanh Real Estate Company Limited</i>	-	70,000,000,000
<i>Others</i>	126,864,019,388	97,131,654,500
Related parties (Note 39(b))	695,750,000,000	587,642,796,000
	822,614,019,388	754,774,450,500

(b) Other long-term payables

	31/12/2017 VND	31/12/2016 VND
Project development and investment co-operation	-	240,324,432,000
Others	244,556,717,870	628,015,466
	244,556,717,870	240,952,447,466

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

Third parties	556,717,870	115,452,447,466
<i>Dang Khanh Real Estate Company Limited</i>	-	113,000,000,000
<i>American Investment Development Company Limited</i>	-	1,824,432,000
<i>Others</i>	556,717,870	628,015,466
Related parties (Note 37(b))	244,000,000,000	125,500,000,000
	244,556,717,870	240,952,447,466

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22 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 01/01/2017 VND	Increase VND	Decrease VND	Foreign exchange differences VND	Current portion of long-term borrowings VND	As at 31/12/2017 VND
(a) Short-term borrowings						
- Bank loans(*)	874,834,377,962	460,542,207,620	(1,261,834,377,962)	-	518,155,500,000	591,697,707,620
- Borrowings from related parties (**)	1,443,301,832,600	1,570,400,000,000	(1,204,249,157,230)	-	-	1,809,452,675,370
- Borrowings from third parties (***)	1,035,339,258,542	3,003,207,060,237	(4,038,546,318,779)	-	-	-
- Bonds (****)	700,000,000,000	-	(700,000,000,000)	-	1,900,000,000,000	1,900,000,000,000
	4,053,475,469,104	5,034,149,267,857	(7,204,629,853,971)	-	2,418,155,500,000	4,301,150,382,990
(b) Long-term borrowings						
- Bank loans(*)	545,545,188,393	1,684,966,686,772	(1,048,666,875,165)	(290,000,000)	(518,155,500,000)	663,399,500,000
- Borrowings from related parties (**)	-	-	-	-	-	-
- Borrowings from third parties (***)	2,506,900,000,000	2,662,445,000,000	(2,322,795,000,000)	(4,675,000,000)	-	2,841,875,000,000
- Bonds (****)	3,482,000,000,000	5,000,000,000,000	(1,016,000,000,000)	-	(1,900,000,000,000)	5,566,000,000,000
- Bond issuance costs(****)	(33,385,570,424)	(55,897,000,000)	40,522,375,985	-	-	(48,760,194,439)
	6,501,059,617,969	9,291,514,686,772	(4,346,939,499,180)	(4,965,000,000)	(2,418,155,500,000)	9,022,514,305,561

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

	31/12/2017 VND	31/12/2016 VND
(a) Short-term borrowings		
Saigon Thuong Tin Commercial Joint Stock Bank – Head Office (i)	250,000,000,000	250,000,000,000
Saigon Thuong Tin Commercial Joint Stock Bank – Centre Branch	-	160,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Nam Sai Gon Branch (ii)	73,542,207,620	150,153,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (iii)	200,000,000,000	150,000,000,000
Viet Capital Commercial Joint Stock Bank - Gia Dinh Branch	-	98,828,896,087
Southeast Asia Joint Stock Commercial Bank	-	65,852,481,875
Maybank International Labuan Branch (iv)	20,461,500,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (iv)	34,102,500,000	-
The Shanghai & Savings Bank - Offshore Banking Branch (iv)	6,820,500,000	-
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (iv)	2,224,000,000	-
Chailease International Financial Services Co., Ltd (iv)	4,547,000,000	-
	591,697,707,620	874,834,377,962
(b) Long-term borrowings		
Saigon Thuong Tin Commercial Joint Stock Bank – Head Office (i)	-	250,000,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (iii)	50,000,000,000	250,000,000,000
Maybank International Labuan Branch (iv)	184,153,500,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (iv)	306,922,500,000	-
The Shanghai & Savings Bank - Offshore Banking Branch (iv)	61,384,500,000	-
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (iv)	20,016,000,000	-
Chailease International Financial Services Co., Ltd (iv)	40,923,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Soc Trang Branch	-	45,545,188,393
	663,399,500,000	545,545,188,393

(i) These are borrowings in Vietnamese Dong under a credit facility of VND500 billion, 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 (6) and from the seventh month (7th) onwards, at a rate of the thirteen-month (13) saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3% per annum, adjusted for every three months. These borrowings are guaranteed by shares of the Company owned by shareholders.

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(ii) 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 31 December 2017, the Company had the outstanding balance of VND93,542,207,620 which bears an interest rate of 7% per annum. These borrowings are guaranteed by the Company's deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, not below 10% of credit limit.

(iii) 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 (3) basis since the thirteenth (13th) month. Interest rate is fixed at 9.5% per annum and adjusted for every three (3) months equaling 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; asset rights relating to Orchard Parkview project.

(iv) This is syndicated loan between Maybank Ho Chi Minh City, Maybank Labuan (Malaysia) and Vietinbank Filiale Deutschland. Maybank Ho Chi Minh City is agent and representative to receive and handle with collaterals. Loan amount is US\$30 million with respective parties as Maybank Ho Chi Minh City (US\$ 1 million, equivalent to VND 22.24 billion), Maybank Labuan (US\$ 14 million) và Vietinbank Filiale Deutschland (US\$15 million) for a term of 30 months. The borrowing in US dollar is bearing an interest of 3-month LIBOR plus a margin of 5.5% per annum and borrowing in Vietnam Dong is bearing an interest of basic lending interest of Maybank Ho Chi Minh City plus a margin of 3.04%. These borrowings are secured by total square of parking areas of three Sunrise City projects (South, Central, North) and two commercial blocks of Sunrise City South. As at 21 July 2017 and 23 October 2017, Maybank Labuan transferred a portion of US\$ 3 million to The Shanghai & Savings Bank and US\$2 million to Chailease International Financial Services Co., Ltd.

(**) These are loans from related parties, maturing in June 2018, bear interest at a rate from 4.3% to 11% per annum and are unsecured.

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

	31/12/2017 VND	31/12/2016 VND
(a) Short-term borrowings		
Nova Homes Trading Joint Stock Company	-	1,035,339,258,542
	-	1,035,339,258,542
(b) Long-term borrowings		
Credit Suisse AG, Singapore Branch (i)	750,255,000,000	1,367,400,000,000
Crane Investments Limited In Respect Of Series 211 (i)	954,870,000,000	-
GW Supernova Pte. Ltd. (ii)	1,136,750,000,000	1,139,500,000,000
	2,841,875,000,000	2,506,900,000,000

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(i) These are borrowings according to the loan agreement and appendixs with the adjusted credit facility of US\$125,000,000, which Credit Suisse AG, Singapore Branch is the facility agent and the guarantee agent. The loan duration is forty-two (42) months from the first date of drawdown, the principal is repayable every six (6) months from the eighteenth (18th) month since the first date of drawdown to maturity. Interest rate is defined as LIBOR rate plus a margin of 5.5% per annum and repayable every three (3) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 13%. The borrowing is unsecured. As at 31 December 2017, these borrowings are disbursed by US\$75 millions.

(ii) 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 drawdown date (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 principal is repaid at the maturity date. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 15%. The borrowing is unsecured. The lender may elect to convert the convertible borrowing component into shares of the Company at any time after ten (10) months since the first drawdown date or six (6) months since the conversion date of the borrowing from Credit Suisse AG, Singapore Branch (has already been converted on 28 June 2017), depending on which date comes first. As at 31 December 2017, the Board of General Directors of the Company estimated that the value of the convertible debt component was the same as the principal of the borrowing. Accordingly, there was no equity component recognised.

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 separate financial statements, the loan has not yet been converted.

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

	31/12/2017 VND	31/12/2016 VND
(a) Current portion of long-term bonds		
Bonds issued at discount		
Techcom Securities Limited Company (i)	450,000,000,000	700,000,000,000
Bonds issued at par		
Bao Viet Commercial Joint Stock Bank (ii)	300,000,000,000	-
Military Commercial Joint Stock Bank - North Sai Gon Branch (iv)	250,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (vii)	275,000,000,000	-
Tien Phong Commercial Joint Stock Bank (iv)	125,000,000,000	-
Techcom Securities Limited Company (v)	500,000,000,000	-
	1,900,000,000,000	700,000,000,000

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

	31/12/2017 VND	31/12/2016 VND
(b) Long-term issued bonds		
Bonds issued at discount		
Techcom Securities Limited Company (i)	-	450,000,000,000
Bonds issued at par		
Bao Viet Commercial Joint Stock Bank (ii)	-	300,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch (iii)	500,000,000,000	400,000,000,000
Tien Phong Commercial Joint Stock Bank (iii)	-	100,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon (iv)	750,000,000,000	-
Tien Phong Commercial Joint Stock Bank (iv)	375,000,000,000	-
Techcom Securities Limited Company (v)	-	500,000,000,000
Indovina Bank Limited (vi)	1,050,000,000,000	-
Vietnam Technological and Commercial Joint Stock Bank (vi)	1,000,000,000,000	-
Techcom Securities Limited Company (vi)	250,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (vii)	441,000,000,000	1,732,000,000,000
Bao Viet Group (viii)	200,000,000,000	-
Vietnam Technological and Commercial Joint Stock Bank (ix)	500,000,000,000	-
Techcom Securities Limited Company (ix)	500,000,000,000	-
	5,566,000,000,000	3,482,000,000,000

(i) 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. As at 31 December 2017, these bond were settled.
- 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.

(ii) Bonds issued at par value in Vietnamese Dong to Bao Viet Joint Stock Commercial Bank – Head Office, maturing on 28 January 2018, bearing an interest rate of 10.25% per annum for the first two (2) interest periods since January 2016 and the reference rate is calculated by average of the interest rate offered for twelve-month (12) deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development will be defined as a reference rate plus 3.6% per annum. These bonds are secured by collateral assets including shares of the Company owned by the Company owned by shareholders.

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(iii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch. Package of bonds with a par value of VND500,000,000,000, maturing in 2019, is 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 the average of the interest rate on 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 purchasing all of these bonds in 2017. As at 31 December 2017, the creditor of VND500,000,000,000 package of bonds is Military Joint Stock Commercial Bank – North Sai Gon Branch.

(iv) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch (MB) and Tien Phong Commercial Joint Stock Bank (TPB). Package of bonds with a par value of VND1,500,000,000,000 (MB: VND1,000,000,000,000 and TPB: VND500,000,000,000) maturing in 2021 and bearing an interest rate of 10% per annum for the first year. The interest rate applied for remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month (12) deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: assets relating to a Company's project and part of shares owned by the Company in subsidiary.

(v) Bonds issued at par value in Vietnamese Dong with a par value of VND500,000,000,000 to Techcom Securities Company Limited as the initial bonds buyer, maturing in December 2018, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The interest will be adjusted for every six (6) months from the issuance date to the maturity date. The reference rate is calculated by average of the interest rates offered for the twelve-month (12) deposits from individuals in Vietnamese Dong (paid in arrears) for the same period declared on 7th working day before the first day of the period by four (4) banks including: Bank for Investment and Development of Vietnam – Transaction Center 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Center, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development – Transaction Center. These bonds are secured by shares of the Company owned by shareholders.

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(vi) 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 a margin of 4.5% per annum. The reference rate is calculated by average of the interest rate of deposits 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 shareholders. The initial bond buyer was Indovina Limited Bank.

- Package of bonds with a par value of VND1,800,000,000,000, maturing in March 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus a margin 4.5% per annum. The reference rate is calculated by average of the interest rate of deposits in Vietnamese Dong (paid in arrears) by four (4) banks including: Banak for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders. The initial bond buyers were Indovina Limited Bank, Vietnam Technological and Commercial Joint Stock Bank, and Techcombank Securities Company Limited with respective value of VND550,000,000,000, VND1,000,000,000,000, and VND250,000,000,000.

(vii) 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 (12) deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4% 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) as at defined rate. These bonds are secured by shares of the Company owned by shareholders, receivables relating to a Company's project, part of shares owned by the Company in subsidiary.

(viii) 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 Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders.

(ix) Bonds issued at par value in Vietnamese Dong with total par value of VND1,000,000,000,000, maturing in August 2019 and bearing an interest of 10.9% per annum for the first two (02) interest period. 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 rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) for the same period declared on 7th working day before the first day of the period by four (4) banks including: Vietnam Joint Stock Commercial Bank for Industry and Trade (Ha Noi Branch), Joint Stock Commercial Bank for Foreign Trade of Vietnam (Transaction Center), Vietnam Bank for Agriculture and Rural Development (Transaction Center) and Bank for Investment and Development of Viet Nam (Transaction Center I). These bonds are secured by shares of the Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Limited Company.

23 DEFERRED INCOME TAX

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

	31/12/2017 VND	31/12/2016 VND
Deferred income tax assets:		
Deferred tax assets to be recovered after more than 12 months	975,873,572	975,873,572

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

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Beginning of year	975,873,572	2,716,864,882
Income statement charge	-	(1,740,991,310)
End of year	975,873,572	975,873,572

The deferred income tax assets mainly arise from the temporary differences relating to depreciation of fixed assets, capitalised interest expense and accrual for other operating expenses. The Company uses tax rate of 20% in year 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.

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

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

Year of tax	Status of tax authorities' review	Tax loss incurred	Loss utilised	Tax loss carried forward
2016	Finalized	-	-	181,172,619,981
2017	Outstanding	865,940,102,481	-	865,940,102,481
		865,940,102,481	-	1,047,112,722,462

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

	31/12/2017		31/12/2016	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	642,828,788	6,830,000	589,369,234	6,830,000
Number of shares issued	642,828,788	6,830,000	589,369,234	6,830,000
Number of existing shares	642,828,788	6,830,000	589,369,234	6,830,000

(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 01 January 2016	350,465,761	17,830,000	368,295,761
New shares issued	205,903,473		205,903,473
Conversion of preference shares into ordinary shares	33,000,000	(11,000,000)	22,000,000
As at 31 December 2016	589,369,234	6,830,000	596,199,234
New shares issued for converting debts	33,459,554	-	33,459,554
New shares issued for ESOP	20,000,000	-	20,000,000
As at 31 December 2017	642,828,788	6,830,000	649,658,788

Par value per share: VND10,000.

25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2017	5,961,992,340,000	2,174,026,445,400	1,079,554,149,570	9,215,572,934,970
Private placement of ordinary shares to swap debt (*)	334,595,540,000	1,032,804,460,000	-	1,367,400,000,000
New shares issued for ESOP (**)	200,000,000,000	-	-	200,000,000,000
Dividends paid	-	-	(24,765,000,000)	(24,765,000,000)
Profit for the period	-	-	427,196,445,212	427,196,445,212
As at 31 December 2017	6,496,587,880,000	3,206,830,905,400	1,481,985,594,782	11,185,404,380,182

26 MOVEMENTS IN OWNERS' EQUITY (continued)

- (*) According to the resolution of the Annual General Meeting of Shareholders on 27 April 2017, the General Meeting of Shareholders approved the private placement of ordinary shares to swap the debt at Credit Suisse AG, Singapore Branch under the Credit Agreement signed on 28 June 2016 into ordinary shares.
- (**) According to Annual General Meeting Resolution No.09/2017/NQ-NVLG dated 27 April 2017 and the Resolution No.16/2017/NQ-NVLG dated 10 August 2017, the Company issued 20,000,000 ordinary shares for Employee Stock Ownership Plan ("ESOP") which issue price is VND10,000 per share.

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

	31/12/2017	31/12/2016
Gold (tale of gold)	24	24
USD	4,160.69	13,446,129.85

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases are VND68,849,478,134 and VND81,695,822,000 for the period ended 31 December 2017 and 31 December 2016, respectively (Note 40).

28 REVENUE

	For the period ended	
	31/12/2017	31/12/2016
	VND	VND
Sale		
Rendering of services for corporate management, project development consultancy, sale consultancy and office administration	1,303,733,128,893	1,030,568,368,448
Revenue from sale of real estate	820,791,284,800	1,343,594,743,672
Revenue from transfers of real estate agreement	815,587,838,071	1,314,472,367,613
Revenue from leasing properties	57,702,185,107	51,013,278,612
	2,997,814,436,871	3,739,648,758,345
Sales deductions		
Trade discounts	(4,395,144,584)	(887,416,113)
Sale returns	-	(5,889,298,133)
Net revenue from sale of real estate and rendering of services		
Net revenue from rendering of services for corporate management, project development consultancy, sale consultancy and office administration	1,303,733,128,893	1,030,568,368,448
Net revenue from sale of real estate	816,396,140,216	1,336,818,029,426
Net revenue from transfers of real estate agreement	815,587,838,071	1,314,472,367,613
Net revenue from leasing properties	57,702,185,107	51,013,278,612
	2,993,419,292,287	3,732,872,044,099

29 COST OF SALES

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Cost of from rendering of services for corporate management, project development consultancy, sale consultancy and office administration	1,232,484,286,688	987,877,031,458
Cost of real estate sold	680,212,520,564	1,063,077,413,518
Cost of transfers of real estate agreement	791,711,193,933	1,292,427,715,275
Cost of leasing properties	32,174,159,705	25,208,128,966
	2,736,582,160,890	3,368,590,289,217

30 FINANCIAL INCOME

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Interest income from deposits and loans	359,648,362,689	251,531,242,737
Dividend income	1,308,335,303,000	1,080,113,176,465
Foreign exchange gains	5,884,445,340	24,014,952,486
Others	2,631,894,962	90,677,717,598
	1,676,500,005,991	1,446,337,089,286

31 FINANCIAL EXPENSES

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Interest expenses	1,166,913,635,086	648,285,262,920
Payment discounts	2,172,467,016	12,606,943,762
Realised foreign exchange losses	5,298,090,654	48,176,433,278
Bond Issuance Costs	40,522,375,985	29,612,336,554
Others	96,991,551,724	73,953,490,758
	1,311,898,120,465	812,634,467,272

32 SELLING EXPENSES

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Staff costs	507,516,443	583,042,682
Materials, packages	19,840,070	-
Tools and equipment	255,701,887	-
Depreciation charge	-	-
Outside services	37,725,613,993	9,606,752,266
Others	32,235,470,513	7,776,681,636
	70,744,142,906	17,966,476,584

33 GENERAL AND ADMINISTRATION EXPENSES

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Staff costs	2,929,784,583	9,999,726,755
Tools and supplies	386,364	1,030,880
Office stationary	518,860,701	-
Depreciation charge	2,500,511,821	-
Tax and other fees	2,835,000	1,769,446
Outside services	53,626,860,006	64,372,703,100
Others	50,565,884,599	54,906,774,777
	110,145,123,074	129,282,004,958

34 OTHER INCOME AND OTHER EXPENSES

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Other income		
Fines	7,400,117,636	13,442,741,158
Others	3,257,776,595	10,870,652,968
	10,657,894,231	24,313,394,126
Other expenses		
The residual value of liquidated assets	3,069,824,808	-
Fines	20,619,128,084	10,773,877,227
Others	322,247,070	7,270,367,961
	24,011,199,962	18,044,245,188
Net other (expenses)/income	(13,353,305,731)	6,269,148,938

35 BUSINESS INCOME TAX

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

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Net accounting profit before tax	427,196,445,212	857,005,044,292
Tax calculated at a rate of 20% (2016: 20%)	85,439,289,042	171,401,008,858
Effect of:		
Expenses not deductible for tax purposes	3,039,751,061	3,321,638,324
Income not subject to tax	(261,667,060,600)	(216,022,635,293)
Tax losses for which no deferred income tax assets	173,188,020,496	-
Business income tax charge (*)	-	(41,299,988,111)

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Charged to income statement:		
Business income tax - current	-	-
Business income tax - deferred (Note 22)	-	-
	-	-

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

36 EXPENSES BY FACTOR

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Construction costs and land costs	1,370,968,702,299	2,223,197,664,044
Labour costs	3,437,301,026	190,339,343,446
Depreciation charge	28,497,320,448	16,679,619,532
Outside services	91,352,473,999	166,757,648,583
Others	83,598,979,134	135,264,697,501
	1,577,854,776,906	2,732,238,973,106

37 SEGMENT REPORTING*Geographical segment*

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

Business activity segment

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

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

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Lending following normal loan contracts	457,500,000,000	2,912,909,048,050

b) Amount of loan actually withdrawn during the year

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Collection of lending following normal loan contracts	1,204,722,320,592	2,348,466,894,228

c) Amount of borrowings actually withdrawn during the year

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Proceeds from borrowings following normal borrowing contracts	7,515,475,954,629	9,395,492,361,811
Proceeds from bonds issuance	5,000,000,000,000	3,152,305,000,000

d) Amount of borrowings actually repaid during the year

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
Repayments for borrowings following normal borrowing contracts	6,642,606,729,136	4,794,344,802,819
Repayments for bonds	1,716,000,000,000	2,284,000,000,000

39 RELATED PARTY DISCLOSURES

During the year, the Company had transactions and balances with related parties as follows:

Relationship	Name
Subsidiary	No Va Land Investment Joint Stock Company
Subsidiary	No Va Thao Dien Company Limited
Subsidiary	Nova Festival Corporation
Subsidiary	No Va Land Company Limited
Subsidiary	Nova Saigon Royal Investment Limited Company
Subsidiary	Red Wood Joint Stock Company (Old name: Nova Phu Sa Ecotourism Joint Stock Company)
Subsidiary	Sai Gon Housing And Infrastructure Development J.S.C
Subsidiary	Nova Lucky Palace Company Limited
Subsidiary	The Prince Residence Joint Stock Company
Subsidiary	Thanh Nhon Investment Real Estate Joint Stock Company
Subsidiary	Sai Gon Golf Company Limited
Subsidiary	Nova Galaxy Real Estate Joint Stock Company
Subsidiary	Nova Lexington Real Estate Joint Stock Company
Subsidiary	Nova Phu Sa Joint Stock Company
Subsidiary	Nova Sagel Company Limited
Subsidiary	Noaland Agent Company Limited
Subsidiary	Phuoc Long Investment and Development Company Limited
Subsidiary	Vung Tau Youth Hotel and Travel Joint Stock Company
Subsidiary	Nova Richstar Joint Stock Company
Subsidiary	Nova Nippon Joint Stock Company
Subsidiary	Khai Hung Real Estate Company Limited
Subsidiary	Nova Nam A Company Limited
Subsidiary	Nova Sasco Company Limited
Subsidiary	No Va My Dinh Land Joint Stock Company
Subsidiary	Hung Duc Real Estate Company Limited
Subsidiary	Nova An Phu Company Limited
Subsidiary	Nova Phuc Nguyen Real Estate Company Limited
Subsidiary	Tuong Minh Investment and Real Estate Company Limited
Subsidiary	The 21st Century International Development Company Limited
Subsidiary	Phuong Dong Building Joint Stock Company
Subsidiary	Nova Rivergate Company Limited
Subsidiary	Nova Princess Residence Joint Stock Company
Subsidiary	Nha Rong Investment and Trade Joint Stock Company
Subsidiary	Mega Housing Joint Stock Company
Subsidiary	Mega Tie Company Limited
Subsidiary	Bach Hop Real Estate Company Limited
Subsidiary	Phu Dinh Port Joint Stock Company
Subsidiary	Gia Duc Real Estate Company Limited
Subsidiary	Gia Phu Real Estate Company Limited
Subsidiary	Nova Riverside Real Estate Company Limited
Subsidiary	Ha An Commerical Investment and Service Joint Stock Company
Subsidiary	Me Linh Square Investment Joint Stock Company
Subsidiary	Nhat Hoa Real Estate Joint Stock Company
Subsidiary	Merufa-Nova Company Limited
Subsidiary	Nova Property Management Company Limited

39 RELATED PARTY DISCLOSURES (CONTINUED)

Associate	Sai Gon Electronics and Industrial Service JSC
Associate	Nova Hospitality Joint Stock Company (Old name: Huy Minh Real Estate Joint Stock Company)
Associate	Sun City Real Estate Investment & Development Company Limited
Associate	Vinh Hoi Investment Company Limited
Associate	Ben Thanh House Joint Stock Company
Shareholder	Mr. Bui Thanh Nhon
Shareholder	Mr. Bui Cao Nhat Quan
Shareholder's related party	Mr. Bui Phan Phu Loc
Shareholder's related party	Ms. Cao Thi Ngoc Suong
Shareholder	Diamond Properties Joint Stock Company

(a) Related party transactions

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

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
i) Sales of goods and services (VAT inclusive)		
The 21st Century International Development Company Limited	318,648,699,887	27,635,256,000
Nova Property Management Company Limited	41,303,886	-
Gia Phu Real Estate Company Limited	63,890,663,296	-
Nova Rivergate Company Limited	59,497,306,988	52,919,136,119
Nova Richstar Joint Stock Company	56,138,478,000	54,201,444,000
Nova Phuc Nguyen Real Estate Company Limited	39,650,171,207	33,300,327,304
Nova Sagel Company Limited	34,265,871,600	48,797,100,000
Nova Sasco Company Limited	33,084,300,004	35,456,256,000
Nova Lucky Palace Company Limited	28,693,172,869	49,504,834,459
Noaland Agent Company Limited	27,320,538,277	12,162,677,032
Phuong Dong Building Joint Stock Company	25,793,345,755	10,778,953,156
Nha Rong Investment and Trade Joint Stock Company	25,812,375,600	7,864,923,000
Nova Nam A Company Limited	19,396,695,596	33,872,848,281
Nova Princess Residence Joint Stock Company	15,156,420,133	17,025,316,000
Phu Dinh Port Joint Stock Company	12,023,898,700	-
Nova Festival Corporation	11,895,063,861	27,180,795,610
Nhat Hoa Real Estate Joint Stock Company	9,682,128,413	-
No Va Land Investment Joint Stock Company	7,769,165,501	9,858,191,126
Mega Tie Company Limited	3,385,643,715	33,000,000
Sai Gon Golf Company Limited	2,439,290,700	3,252,387,600
Merufa-Nova Company Limited	1,891,862,414	-
Nova An Phu Company Limited	1,427,381,778	-
Nova Lexington Real Estate Joint Stock Company	186,116,999	14,034,943,655
The Prince Residence Joint Stock Company	157,291,765	6,956,418,390
Nova Saigon Royal Investment Limited Company	149,999,996	250,800,000
Sai Gon Housing And Infrastructure Development J.S.C	149,999,996	224,400,000
No Va Land Company Limited	132,000,000	-
Nova Phu Sa Joint Stock Company	99,999,998	302,500,000
Red Wood Joint Stock Company (Old name: Nova Phu Sa Ecotourism Joint Stock Company)	99,999,998	264,000,000

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
i) Sales of goods and services (VAT inclusive) (continued)		
Novagroup Joint Stock Company	83,999,996	-
Thanh Nhon Investment Real Estate Joint Stock Company	83,999,996	26,400,000
No Va Thao Dien Company Limited	83,999,996	13,200,000
Mega Housing Joint Stock Company	83,999,996	13,200,000
No Va My Dinh Land Joint Stock Company	83,999,996	26,400,000
Bach Hop Real Estate Company Limited	77,399,996	-
Vinh Hoi Investment Company Limited	70,799,996	-
Nova Hospitality Joint Stock Company (Old name: Huy Minh Real Estate Joint Stock Company)	66,000,000	-
Nova Nippon Joint Stock Company	66,000,000	302,500,000
Gia Duc Real Estate Company Limited	55,999,997	-
Sun City Real Estate Investment & Development Company Limited	37,800,000	-
Nova Galaxy Real Estate Joint Stock Company	-	8,021,428,250
Vung Tau Youth Hotel and Travel Joint Stock Company	-	236,500,000
Hung Duc Real Estate Company Limited	-	231,000,000
Ha An Commerical Investment and Service Joint Stock Company	-	27,500,000
	799,673,186,903	454,774,635,982
ii) Transfer real estate from subsidiaries		
Nova Festival Corporation	251,995,599,183	176,244,712,784
Nova Phuc Nguyen Real Estate Company Limited	118,889,135,025	531,130,609,153
Gia Phu Real Estate Company Limited	134,102,484,621	-
Nova Rivergate Company Limited	39,648,534,089	585,052,393,339
	544,635,752,918	1,292,427,715,276
iii) Lending		
Khai Hung Real Estate Company Limited	83,200,000,000	351,310,000,000
Nova An Phu Company Limited	29,900,000,000	88,130,000,000
Nova Saigon Royal Investment Limited Company	8,500,000,000	241,150,000,000
Nova Phuc Nguyen Real Estate Company Limited	-	442,899,302,070
Mega Housing Joint Stock Company	-	130,881,000,000
Nova Festival Corporation	-	85,632,630,000
No Va Land Investment Joint Stock Company	-	95,000,000,000
Sai Gon Electronics and Industrial Service JSC	-	43,420,000,000
No Va Thao Dien Company Limited	-	12,700,000,000
Nova Rivergate Company Limited	-	163,657,331,961
Me Linh Square Investment Joint Stock Company	-	500,000,000
	121,600,000,000	1,655,280,264,031

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

		For the period ended	
		31/12/2017	31/12/2016
		VND	VND
iv) Loan collection			
Khai Hung Real Estate Company Limited	126,900,000,000	288,384,505,595	
Nova Phuc Nguyen Real Estate Company Limited	85,608,399,778	467,496,225,429	
No Va Land Investment Joint Stock Company	49,677,512,000	45,322,488,000	
Nova Rivergate Company Limited	10,320,000,000	417,915,806,453	
Nova An Phu Company Limited	118,030,000,000	-	
Nova Saigon Royal Investment Limited Company	-	241,150,000,000	
Nova Festival Corporation	-	130,063,940,024	
No Va Thao Dien Company Limited	-	12,700,000,000	
Sai Gon Electronics and Industrial Service JSC	-	1,560,000,000	
Me Linh Square Investment Joint Stock Company	-	500,000,000	
Mega Housing Joint Stock Company	116,706,000,000	14,175,000,000	
	507,241,911,778	1,619,267,965,501	
v) Receipts of investment co-operation			
Thanh Nhon Investment Real Estate Joint Stock Company	-	230,000,000,000	
Nova Richstar Joint Stock Company	244,000,000,000	-	
	244,000,000,000	230,000,000,000	
vi) Repayment of investment co-operation			
The 21st Century International Development Company Limited	175,256,918,969	1,018,213,000,000	
Nova Galaxy Real Estate Joint Stock Company	125,500,000,000	406,000,000,000	
No Va Land Investment Joint Stock Company	-	230,000,000,000	
Thanh Nhon Investment Real Estate Joint Stock Company	-	155,500,000,000	
	300,756,918,969	1,809,713,000,000	

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

		For the period ended	
		31/12/2017	31/12/2016
		VND	VND
vii) Borrowings			
Nova Richstar Joint Stock Company	400,000,000,000	159,000,000,000	
The 21st Century International Development Company Limited	510,500,000,000	-	
Nova Festival Corporation	211,900,000,000	69,554,000,000	
Nova Galaxy Real Estate Joint Stock Company	169,000,000,000	-	
Nova Rivergate Company Limited	124,000,000,000	770,048,000,000	
Nova Sasco Company Limited	103,000,000,000	193,500,000,000	
Phuong Dong Building Joint Stock Company	81,000,000,000	246,600,000,000	
The Prince Residence Joint Stock Company	-	346,000,000,000	
Phuoc Long Investment and Development Company Limited	-	279,000,000,000	
Nova Nam A Company Limited	-	249,730,000,000	
Nha Rong Investment and Trade Joint Stock Company	-	120,000,000,000	
Nova Lexington Real Estate Joint Stock Company	-	84,000,000,000	
No Va Land Investment Joint Stock Company	-	68,300,000,000	
Nova Saigon Royal Investment Limited Company	-	33,600,000,000	
Nova Sagel Company Limited	-	28,000,000,000	
Nova Lucky Palace Company Limited	-	21,020,000,000	
Nova Princess Residence Joint Stock Company	-	8,813,836,342	
Nova An Phu Company Limited	-	8,750,000,000	
Nova Phu Sa Joint Stock Company	-	5,700,000,000	
Novaland Agent Company Limited	-	1,000,000,000	
	1,599,400,000,000	2,692,615,836,342	
viii) Repayments of borrowings			
Nova Richstar Joint Stock Company	400,000,000,000	159,000,000,000	
Phuoc Long Investment and Development Company Limited	259,000,000,000	20,000,000,000	
Nova Galaxy Real Estate Joint Stock Company	-	12,300,000,000	
Nova Sasco Company Limited	186,700,000,000	31,800,000,000	
Nova Festival Corporation	145,466,157,230	31,000,000,000	
Nova Rivergate Company Limited	103,583,000,000	134,100,167,400	
Nova Lexington Real Estate Joint Stock Company	84,000,000,000	-	

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	For the period ended	
	31/12/2017 VND	31/12/2016 VND
viii) Repayments of borrowings (continued)		
The 21st Century International Development Company Limited	20,000,000,000	-
Nova Phu Sa Joint Stock Company	200,000,000	200,000,000
The Prince Residence Joint Stock Company	-	346,000,000,000
Nha Rong Investment and Trade Joint Stock Company	-	120,000,000,000
Nova Nam A Company Limited	-	249,730,000,000
No Va Land Investment Joint Stock Company	-	68,300,000,000
Nova Saigon Royal Investment Limited Company	-	33,600,000,000
Nova Lucky Palace Company Limited	-	21,020,000,000
Nova Sagel Company Limited	-	16,000,000,000
Nova Princess Residence Joint Stock Company	-	8,813,836,342
Nova An Phu Company Limited	-	8,750,000,000
Noaland Agent Company Limited	-	1,000,000,000
Mr. Bui Phan Phu Loc	-	11,020,000,000
Mr. Bui Thanh Nhon	-	16,550,000,000
Mr. Bui Cao Nhat Quan	-	14,581,000,000
Ms. Cao Thi Ngoc Suong	-	9,000,000,000
	1,198,949,157,230	1,312,765,003,742
ix) Interest income		
Nova Saigon Royal Investment Limited Company	53,940,412,501	20,060,861,327
Nova Sasco Company Limited	48,748,826,390	37,310,358,332
Nova Nam A Company Limited	37,957,074,566	35,199,999,998
Khai Hung Real Estate Company Limited	23,186,732,605	4,956,506,393
Mega Housing Joint Stock Company	12,473,602,129	5,645,327,091
Nova An Phu Company Limited	11,742,319,455	4,133,525,249
Nova Phuc Nguyen Real Estate Company Limited	9,444,361,222	19,103,294,946
Sai Gon Electronics and Industrial Service JSC	4,553,310,664	-
No Va Land Investment Joint Stock Company	955,295,194	2,392,678,065
Nova Rivergate Company Limited	684,302,012	7,813,943,786
Nova Festival Corporation	-	5,663,960,136
Nha Rong Investment and Trade Joint Stock Company	-	1,020,833,333
No Va Thao Dien Company Limited	-	46,864,999
Me Linh Square Investment Joint Stock Company	-	5,450,000
	203,686,236,738	143,353,603,655

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

		For the period ended	
		31/12/2017	31/12/2016
		VND	VND
x) Interest expenses			
Nova Rivergate Company Limited	37,956,997,482	25,488,177,448	
The 21st Century International Development Company Limited	26,429,484,020	-	
Phuong Dong Building Joint Stock Company	13,219,130,411	7,036,320,000	
Nova Richstar Joint Stock Company	10,060,273,973	3,219,450,000	
Nova Sasco Company Limited	9,703,403,197	8,104,888,888	
Phuoc Long Investment and Development Company Limited	7,016,608,335	143,902,778	
Nova Festival Corporation	6,374,748,972	700,617,501	
Gia Phu Real Estate Company Limited	2,573,698,630	-	
Nova Sagel Company Limited	608,333,334	564,444,446	
Nova Lexington Real Estate Joint Stock Company	365,863,426	1,825,000,000	
Nova Phu Sa Joint Stock Company	185,569,447	259,513,890	
Nova Galaxy Real Estate Joint Stock Company	156,260,274	143,291,667	
Nova Nam A Company Limited	-	8,639,463,889	
Mr. Bui Cao Nhat Quan	-	1,473,383,453	
Nova Lucky Palace Company Limited	-	1,380,430,113	
Mr. Bui Thanh Nhon	-	1,098,287,323	
The Prince Residence Joint Stock Company	-	999,625,001	
Mr. Bui Phan Phu Loc	-	893,135,751	
Ms. Cao Thi Ngoc Suong	-	732,370,395	
Nova Saigon Royal Investment Limited Company	-	648,958,334	
No Va Land Investment Joint Stock Company	-	443,333,333	
Nova An Phu Company Limited	-	101,111,111	
Nova Princess Residence Joint Stock Company	-	86,179,733	
Nha Rong Investment and Trade Joint Stock Company	-	33,333,333	
Novaland Agent Company Limited	-	22,763,889	
	114,650,371,501	64,037,982,276	
xi) Short-term unearned revenues			
Nova Property Management Company Limited	37,548,987	-	
	37,548,987		
xii) Compensation of key management			
Gross salaries and other benefits	35,024,121,743	25,579,078,298	

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

	31/12/2017 VND	31/12/2016 VND
i) Short-term trade accounts receivable (Note 5)		
Diamond Properties Joint Stock Company	40,024,130,644	42,324,948,220
	40,024,130,644	42,324,948,220
ii) Short-term prepayment to suppliers (Note 6)		
Nova Festival Corporation	-	18,226,169,305
	-	18,226,169,305
iii) Short-term lending (Note 7)		
Khai Hung Real Estate Company Limited	130,240,000,000	173,940,000,000
Mega Housing Joint Stock Company	-	116,706,000,000
Nova An Phu Company Limited	-	88,130,000,000
Nova Phuc Nguyen Real Estate Company Limited	50,511,600,222	136,120,000,000
Sai Gon Electronics and Industrial Service JSC	43,420,000,000	43,420,000,000
Nova Saigon Royal Investment Limited Company	8,500,000,000	-
No Va Land Investment Joint Stock Company	-	49,677,512,000
Nova Rivergate Company Limited	-	10,320,000,000
	232,671,600,222	618,313,512,000
iv) Other short-term receivables (Note 8(a))		
Nova Saigon Royal Investment Limited Company	570,584,867,912	516,644,455,411
Ben Thanh House Joint Stock Company	39,827,672,410	41,330,603,446
Khai Hung Real Estate Company Limited	27,189,285,260	4,002,552,667
Sai Gon Electronics and Industrial Service JSC	23,907,772,634	19,354,461,970
Mega Housing Joint Stock Company	-	5,645,327,091
Nova An Phu Company Limited	-	4,133,525,249
Nova Phuc Nguyen Real Estate Company Limited	11,541,315,321	7,488,554,333
Nova Sasco Company Limited	344,623,883,334	257,986,105,555
The 21st Century International Development Company Limited	-	295,984,250,596
No Va Land Investment Joint Stock Company	76,890,000,000	2,392,678,065
Nova Rivergate Company Limited	-	578,063,334
	1,094,564,796,871	1,155,540,577,717
v) Other long-term receivables (Note 8(b))		
Nova Sasco Company Limited	-	341,360,000,000
Nova Nam A Company Limited	176,916,527,546	400,000,000,000
Ben Thanh House Joint Stock Company	1,398,776,000	1,398,776,000
	178,315,303,546	742,758,776,000

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

	31/12/2017 VND	31/12/2016 VND
vi) Other short-term payables (Note 21(a))		
Gia Duc Real Estate Company Limited	695,750,000,000	-
Nova Richstar Joint Stock Company	-	-
The 21st Century International Development Company Limited	-	335,746,320,000
Phuoc Long Investment and Development Company Limited	-	219,810,000,000
The Prince Residence Joint Stock Company	-	32,086,476,000
	695,750,000,000	587,642,796,000
vii) Other long-term payables (Note 21(b))		
Nova Galaxy Real Estate Joint Stock Company	-	125,500,000,000
Nova Richstar Joint Stock Company	244,000,000,000	-
	244,000,000,000	125,500,000,000
viii) Short-term accrued expenses (Note 19)		
Nova Rivergate Company Limited	63,445,174,918	25,488,177,448
Phuong Dong Building Joint Stock Company	20,452,730,411	7,233,600,000
The 21st Century International Development Company Limited	18,467,961,949	-
Nova Sasco Company Limited	256,438,356	8,104,888,888
Nova Richstar Joint Stock Company	-	-
Nova Festival Corporation	3,541,523,703	700,617,501
Nova Sagel Company Limited	1,172,777,780	564,444,446
Gia Phu Real Estate Company Limited	2,636,986,301	-
Nova Galaxy Real Estate Joint Stock Company	-	271,000,000
Phuoc Long Investment and Development Company Limited	-	143,902,778
Nova Phu Sa Joint Stock Company	-	259,513,890
Nova Lexington Real Estate Joint Stock Company	-	1,825,000,000
Ben Thanh House Joint Stock Company	124,900,350	101,556,700
	110,098,493,768	44,692,701,651

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

	31/12/2017 VND	31/12/2016 VND
ix) Short-term borrowings (Note 22(a))		
Nova Rivergate Company Limited	656,364,832,600	635,947,832,600
Nova Richstar Joint Stock Company	-	-
Phuong Dong Building Joint Stock Company	327,600,000,000	246,600,000,000
The 21st Century International Development Company Limited	490,500,000,000	-
Nova Festival Corporation	104,987,842,770	38,554,000,000
Gia Phu Real Estate Company Limited	140,000,000,000	-
Nova Sasco Company Limited	78,000,000,000	161,700,000,000
Nova Sagel Company Limited	12,000,000,000	12,000,000,000
Phuoc Long Investment and Development Company Limited	-	259,000,000,000
Nova Phu Sa Joint Stock Company	-	5,500,000,000
Nova Lexington Real Estate Joint Stock Company	-	84,000,000,000
	<u>1,809,452,675,370</u>	<u>1,443,301,832,600</u>

40 COMMITMENTS UNDER OPERATING LEASES

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

	31/12/2017 VND	31/12/2016 VND
Within one year	50,293,359,874	39,822,327,200
Between two and five years	18,556,118,260	41,873,494,800
	<u>68,849,478,134</u>	<u>81,695,822,000</u>

41 CAPITAL COMMITMENTS

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

	31/12/2017 VND	31/12/2016 VND
Construction costs of projects	199,089,741,792	824,270,733,559

42 EVENTS AFTER THE BALANCE SHEET DATE SEGMENT REPORTING

According to Decision No. 004/2018-QD.HDQT-NVLG dated 12 January 2018, the Board of Directors ("BOD") approved issuance policy of Employee Stock Ownership Plan ("ESOP"), with the number of estimated issued shares is 9,809,962 shares which are unconditional vested shares. As at the date of the consolidated financial statements, the shares under ESOP have not been issued yet.

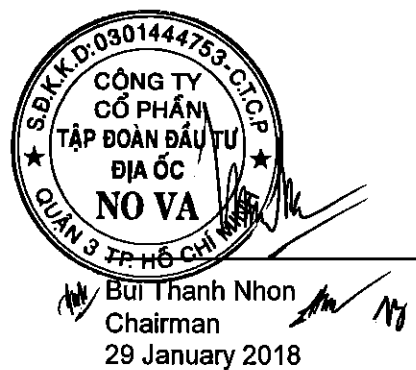
The interim separate financial statements were approved by the Board of Management on 29 January 2018.



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Thanh Nhon
Chairman
29 January 2018

CTGP ★