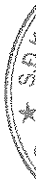


NO VA LAND INVESTMENT GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
QUARTER IV 2017**



NO VA LAND INVESTMENT GROUP CORPORATION

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

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NO VA LAND INVESTMENT GROUP CORPORATION

CORPORATE INFORMATION

Business Registration Certificate	No. 054350 dated 18 September 1992 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 41st amended Business Registration Certificate No. 0301444753 dated 17 January 2018.	
Board of Directors	Mr. Bui Thanh Nhon Mr. Bui Xuan Huy Ms. Hoang Thu Chau Ms. Nguyen Thanh Bich Thuy Mr. Phan Thanh Huy	Chairman Member Member Member Member
Audit committee	Ms. Nguyen Thanh Bich Thuy Ms. Nguyen Thi Minh Thanh Ms. Vo Thi Thu Van Mr. David Proctor	Chairman Member Member Member
Board of Management	Mr. Bui Xuan Huy Ms. Hoang Thu Chau	General Director Deputy General Director
Registered office	313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3, Ho Chi Minh City, Vietnam	
Representative office	65 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	

NO VA LAND INVESTMENT GROUP CORPORATION

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

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing consolidated financial statements which give a true and fair view of the financial position of the Company and its subsidiaries (together, "the Group") as at 31 December 2017 and the results of its operations and cash flows for the year then ended. In preparing for these consolidated financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 3 to 73 which give a true and fair view of the financial position of the Group as at 31 December 2017 and of the results of its operations and cash flows for the year ended 31 December 2017 in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Bui Thanh Nhon
Chairman

Ho Chi Minh City, SR Vietnam
29 January 2018

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31/12/2017 VND	31/12/2016 VND
100	CURRENT ASSETS		40,923,465,853,502	30,288,729,450,391
110	Cash and cash equivalents	4	6,650,160,994,741	3,336,969,432,791
111	Cash		1,198,110,884,846	808,215,895,293
112	Cash equivalents		5,452,050,109,895	2,528,753,537,498
120	Short-term investments		512,509,850,676	964,822,616,829
123	Investments held to maturity	5(a)	512,509,850,676	964,822,616,829
130	Short-term receivables		5,998,164,901,016	9,635,748,057,226
131	Short-term trade accounts receivable	6	390,715,866,371	333,223,529,420
132	Short-term prepayments to suppliers	7	1,771,344,474,280	936,793,642,253
135	Short-term lending	8(a)	625,605,206,171	3,313,658,593,511
136	Other short-term receivables	9(a)	3,210,499,354,194	5,065,734,101,184
137	Provision for doubtful debts - short term	10	-	(13,661,809,142)
140	Inventories	11(a)	26,886,296,867,411	15,789,641,948,072
141	Inventories		26,893,818,547,663	15,795,037,614,256
149	Provision for decline in value of inventories		(7,521,680,252)	(5,395,666,184)
150	Other current assets		876,333,239,658	561,547,395,473
151	Short-term prepaid expenses	12(a)	104,024,633,186	51,738,280,747
152	Value Added Tax to be reclaimed	20(a)	649,739,747,874	381,804,313,170
153	Other taxes receivable	20(a)	122,568,858,598	128,004,801,556

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.


CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			31/12/2017 VND	31/12/2016 VND
200	NON-CURRENT ASSETS		8,300,996,138,739	6,238,346,263,606
210	Long-term receivables		654,401,516,832	911,972,303,351
212	Long-term advances to suppliers		953,750,090	953,750,090
215	Long-term lending	8(b)	449,644,400,000	-
216	Other long-term receivables	9(b)	203,803,366,742	911,018,553,261
220	Fixed assets		326,609,439,362	148,823,215,155
221	Tangible fixed assets	13	281,845,599,120	120,180,246,302
222	Cost		411,168,923,089	162,134,437,319
223	Accumulated depreciation		(129,323,323,969)	(41,954,191,017)
227	Intangible fixed assets	14	44,763,840,242	28,642,968,853
228	Cost		50,544,832,543	30,025,329,118
229	Accumulated amortization		(5,780,992,301)	(1,382,360,265)
230	Investment properties	15	2,944,616,534,199	1,945,013,110,252
231	Cost		3,055,632,258,276	2,022,070,991,658
232	Accumulated depreciation		(111,015,724,077)	(77,057,881,406)
240	Long-term assets in progress		361,032,817,716	285,199,310,593
241	Long-term work in progress	11(b)	224,136,375,352	233,819,522,165
242	Construction in progress	16	136,896,442,364	51,379,788,428
250	Long-term investments	5(b)	1,042,972,935,246	374,785,832,914
252	Investments in associates, joint ventures		1,042,972,935,246	371,670,632,914
253	Investments in other entities		-	3,115,200,000
260	Other long-term assets		2,971,362,895,384	2,572,552,491,341
261	Long-term prepaid expenses	12(b)	449,352,171,677	288,077,446,389
262	Deferred income tax assets	38(a)	115,783,534,333	66,869,015,901
269	Goodwill	17	2,406,227,189,374	2,217,606,029,051
270	TOTAL ASSETS		49,224,461,992,241	36,527,075,713,997

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

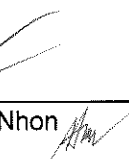
CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			31/12/2017 VND	31/12/2016 VND
300	LIABILITIES		35,968,071,488,821	26,480,185,576,926
310	Current liabilities		22,415,696,187,952	15,011,223,881,816
311	Short-term trade accounts payable	18	2,648,333,517,795	1,505,728,428,659
312	Short-term advances from customers	19	8,848,256,383,261	5,954,806,119,381
313	Taxes and other payables to the State Budget	20(b)	346,162,021,432	122,954,010,058
314	Payable to employees	21	114,949,661,694	172,542,007,199
315	Short-term accrued expenses	22	1,382,586,375,115	666,762,531,707
318	Short-term unearned revenue		1,974,280,808	2,201,411,807
319	Other short-term payables	23(a)	1,318,999,855,808	983,763,264,057
320	Short-term borrowings	24(a)	7,748,878,980,646	5,595,769,743,653
322	Bonus and welfare funds		5,555,111,393	6,696,365,295
330	Non-current liabilities		13,552,375,300,869	11,468,961,695,110
336	Long-term unearned revenue		27,481,411,249	35,480,545,489
337	Other long-term payables	23(b)	1,664,029,225,075	2,048,219,507,098
338	Long-term borrowings	24(b)	10,200,873,745,673	7,907,493,558,081
341	Deferred income tax liabilities	38(a)	1,659,990,918,872	1,477,768,084,442
400	OWNERS' EQUITY		13,256,390,503,420	10,046,890,137,071
410	Capital and reserves		13,256,390,503,420	10,046,890,137,071
411	Owners' capital	25, 26	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	26	3,206,830,905,400	2,174,026,445,400
421	Undistributed earnings	26	2,907,218,106,652	952,449,830,514
421a	- Undistributed post-tax profits of the previous periods		927,684,830,514	496,880,777,697
421b	- Post-tax profit of the current period		1,979,533,276,138	455,569,052,817
429	Non-controlling interests	27	645,753,611,368	958,421,521,157
440	TOTAL RESOURCES		49,224,461,992,241	36,527,075,713,997


 Nguyen Ngoc Bang
 Preparer


 Tran Thi Thanh Van
 Chief Accountant




 Bùi Thanh Nhon
 Chairman
 29 January 2018

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Quarter 4/2017 VND	Quarter 4/2016 VND	For the year ended	
				31/12/2017 VND	31/12/2016 VND
01	Sales	5,945,889,664,123	183,938,445,190	11,759,393,956,148	7,369,463,145,396
02	Less deductions	(50,262,781,827)	(887,416,113)	(127,057,926,975)	(10,282,224,581)
10	Net sales	5,895,626,882,296	183,051,029,077	11,632,336,029,173	7,359,180,920,815
11	Cost of sales	(4,299,323,073,955)	(25,611,847,705)	(8,375,505,074,901)	(5,776,101,411,561)
20	Gross profit	1,596,303,808,341	157,439,181,372	3,256,830,954,272	1,583,079,509,254
21	Financial income	254,745,613,557	627,442,750,467	1,696,524,125,589	2,523,042,548,253
22	Financial expenses	(575,306,566,060)	(407,767,963,124)	(1,463,309,502,095)	(1,115,230,030,171)
23	- Including: Interest expenses	(438,359,407,275)	(275,542,998,454)	(1,205,387,997,120)	(863,073,263,518)
24	Share of profit/(loss) from associates	16,761,825,195	(1,871,869,092)	12,079,426,593	498,537,487
25	Selling expenses	(131,912,579,053)	(28,607,347,114)	(258,292,397,030)	(165,484,975,281)
26	General and administration expenses	(176,223,813,880)	(163,075,558,251)	(676,193,753,758)	(641,600,989,722)
30	Net operating profit	984,368,288,100	183,559,194,258	2,567,638,853,571	2,184,304,599,820
31	Other income	47,510,950,988	(3,234,833,355)	62,422,616,018	44,524,814,573
32	Other expenses	(19,155,638,971)	7,711,226,172	(41,562,445,470)	(39,125,801,538)
40	Net other income	28,355,312,017	4,476,392,817	20,860,170,548	5,399,013,035
50	Net accounting profit before tax	1,012,723,600,117	188,035,587,075	2,588,499,024,119	2,189,703,612,855
51	Business income tax – current	(356,753,819,197)	(44,242,031,633)	(810,647,531,519)	(327,371,479,437)
52	Business income tax – deferred	61,729,235,269	(45,313,069,399)	283,791,739,656	(202,982,820,440)
60	Net profit after tax	717,699,016,189	98,480,486,043	2,061,643,232,256	1,659,349,312,978

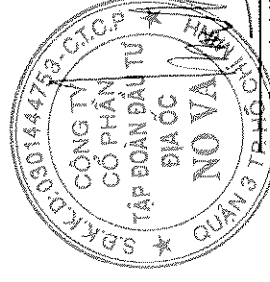
The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT
(continued)

Code	Note	For the year ended	
		Quarter 4/2017 VND	Quarter 4/2016 VND
			31/12/2017 VND
			31/12/2016 VND
	Attributable to:		
61	Net profit after tax attributable to shareholders of the parent company	711,171,386,719	99,631,714,045
62	Net profit/(loss) after tax attributable to non-controlling interests	6,527,629,470	(1,151,228,002)
70	Basic earnings per share	1,132	168
71	Diluted earnings per share	1,165	208
			3,318
			3,290
			3,198
			2,955
			(5,728,244,382)
			1,665,077,557,360



Tran Thi Thanh Van
Chief Accountant

Bui Thanh Nhon
Chairman
29 January 2018

Nguyen Ngoc Bang
Preparer

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the year ended	
		31/12/2017 VND	31/12/2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	2,588,499,024,119	2,189,703,612,855
	Adjustments for:		
02	Depreciation, amortization and goodwill allocation	484,833,728,737	226,331,076,287
03	Reversal of provisions	(5,689,095,922)	(41,356,813,092)
04	Unrealized foreign exchange gains/(losses)	(5,083,914,401)	34,551,090,149
05	Profits from investing activities	(1,464,413,967,698)	(2,228,127,795,722)
06	Interest expenses, bond issuance costs	1,251,160,373,101	910,387,721,293
08	Operating profit before changes in working capital	2,849,306,147,936	1,091,488,891,770
09	Decrease in receivables	1,919,050,031,993	3,960,297,279,419
10	(Increase)/Decrease in inventories	(1,720,735,562,101)	93,805,533,648
11	Increase/(Decrease) in payables	376,726,427,403	(3,561,263,899,138)
12	Increase in prepaid expenses	(118,688,935,374)	(99,019,085,556)
14	Interest paid	(1,104,335,516,660)	(849,017,262,276)
15	Business income tax paid	(652,457,047,620)	(431,733,905,624)
20	Net cash inflows from operating activities	1,548,865,545,577	204,557,552,243
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,129,651,141,626)	(215,251,612,635)
22	Proceeds from disposals of fixed assets	8,353,511,141	15,646,566,319
23	Loans granted, purchases of debt instruments of other entities	(1,466,446,465,713)	(7,672,922,664,879)
24	Collection of loans, proceeds from sales of debt instruments of other entities	4,918,484,078,283	6,258,296,050,163
25	Investments in other entities	(6,367,994,960,329)	(7,218,477,119,177)
26	Proceeds from divestment in other entities	1,793,455,062,483	2,048,210,045,846
27	Interest received	486,615,118,973	180,791,013,185
30	Net cash outflows from investing activities	(1,757,184,796,788)	(6,603,707,721,178)

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)
(continued)

(continued)

		For the year ended	
Code	Note	31/12/2017 VND	31/12/2016 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	286,871,900,000	3,985,340,870,000
32	Capital withdrawal, buying back issued stocks	(405,000,000,000)	-
33	Proceeds from borrowings	17,207,325,658,255	12,884,785,455,043
34	Repayments of borrowings	(13,499,500,855,745)	(10,939,826,576,518)
36	Dividends paid	(68,165,097,000)	(54,639,219,932)
40	Net cash inflows from financing activities	3,521,531,605,510	5,875,660,528,593
50	Net increase/(decrease) in cash and cash equivalents	3,313,212,354,299	(523,489,640,342)
60	Cash and cash equivalents at beginning of the year	4 3,336,969,432,791	3,859,710,163,282
61	Effect of foreign exchange differences	(20,792,349)	748,909,851
70	Cash and cash equivalents at end of the year	4 6,650,160,994,741	3,336,969,432,791

Nguyen Ngoc Bang
Preparer

Tran Thi Thanh Van
Chief Accountant



Bui Thanh Nhon
Chairman
29 January 2018

The notes on pages 10 to 73 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED 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 initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1992 and the 41st amended 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 Company's stock was officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 28 December 2016 with stock symbol "NVL" pursuant to Decision No. 500/QD-SGDHCM issued by General Director of HOSE on 19 December 2016.

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

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

As at 31 December 2017, the Group had 1,581 employees (2016: 2,227 employees).

As at 31 December 2017, the Group had 40 subsidiaries and 3 associates (as at 31 December 2016: 38 subsidiaries and 5 associates) as follows:

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

		31/12/2017		31/12/2016	
Name	Location	The principal activity	% of ownership	% of voting right	% of voting right
I - Subsidiaries					
No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	91.76	91.76	69.90
No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	100.00
No Va Festival Corporation	Ho Chi Minh City	Real estate trading	94.02	94.02	94.02
No Va Land Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00
Nova Saigon Royal Investment Limited Company	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99
Sai Gon Housing And Infrastructure Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00
Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00
The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.81	99.81
Thanh Nhon Investment Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.11	99.12	98.00
Nova Sagel Company Limited	Ho Chi Minh City	Real estate trading	73.99	74.00	74.00
Novaland Agent Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00
Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99
Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	65.00	65.00
Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading, factory and warehouse lease	99.98	99.99	99.99
Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98
Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99
Nova Nam A Company Limited	Ho Chi Minh City	Real estate trading	83.17	83.17	74.00
Nova Sasco Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	74.00
No Va My Dinh Land Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98
Thanh Nhon Investment Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	100.00	98.00
Nova An Phu Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	90.00
Nova Phuc Nguyen Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.89	99.99
Tuong Minh Investment and Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99
The 21st Century International Development Company Limited	Ho Chi Minh City	Real estate trading	98.96	98.97	98.96

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Location	The principal activity	31/12/2017		31/12/2016	
			% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)						
Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.89	99.90	99.89	99.90
Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.77	99.77	99.90	99.90
Nova Princess Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
Nha Rong Investment and Trade Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.97	99.96	99.97
Mega Housing Joint Stock Company	Ho Chi Minh City	Real estate trading	98.60	98.60	84.99	84.99
Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	98.59	99.99	62.89	74.00
Bach Hop Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Transportation support, real estate trading	83.45	83.45	-	-
Gia Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
Sai Gon Golf Company Limited	Ho Chi Minh City	Real estate trading	99.12	100.00	-	-
Gia Phu Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.98	99.99	-	-
Nova Riverside Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.97	99.98	-	-
Ngoc Linh Hoa Joint Stock Company	Ho Chi Minh City	Real estate trading	99.83	100.00	-	-
Nova Property Management Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.83	-	-
Merufa-Nova Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.99	-	-
Nhat Hoa Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.90	-	-
Vuong Cung Real Estate Investment Company Limited	Ho Chi Minh City	Real estate trading	-	-	99.99	99.99
Hung Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	-	-	70.00	70.00
Nova Galaxy Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	99.98	99.98
Nova Phu Sa Ecotourism Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	99.00	99.00
Nova Lexington Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	99.90	99.90
Nova Phu Sa Investment and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	99.98	99.98

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Location	The principal activity	31/12/2017		31/12/2016	
			% of ownership	% of voting right	% of ownership	% of voting right
II - Associates						
Sai Gon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Electronic equipments, telecommunications trading	33.31	33.31	33.31	33.31
Ben Thanh House One Member Limited Company	Ho Chi Minh City	Real estate trading	25.00	25.00	25.00	25.00
Sun City Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	49.00	49.00	-	-
Huy Minh Joint Stock Company (previous name: Nova Dong Hai Joint Stock Company)	Ho Chi Minh City	Real estate trading	-	-	49.99	49.99
Sai Gon Golf Limited Company	Ho Chi Minh City	Real estate trading	-	-	49.00	50.00
Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Transportation support, real estate trading	-	-	27.64	27.64

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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

2.2 Fiscal year

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

2.3 Currency

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

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

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

2.4 Basis of consolidation

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

Subsidiaries

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

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

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

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

Non-controlling transactions and interests

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

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

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

Joint ventures and associates

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

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

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

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

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

2.5 Goodwill

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

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

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

2.6 Cash and cash equivalents

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

2.7 Trade receivables

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

2.8 Inventories

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

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

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

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

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

(b) Investments in joint ventures and associates

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

(c) Investments in equity of other entities

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

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

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

Depreciation/amortization

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

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

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

Disposals

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

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

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

2.11 Leased assets

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

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

2.12 Investment properties

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

Depreciation and amortization

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

Buildings	6 - 50 years
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Land use rights with indefinite useful life is recorded at historical cost and is not amortized.

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

Disposals

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

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

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

2.14 Payables

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

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

2.15 Accrued expenses

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

2.16 Borrowing costs

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

2.17 Borrowings

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

2.18 Provisions

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

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

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

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

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

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

2.20 Unearned revenue

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

2.21 Convertible bonds

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

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

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

2.22 Share capital

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

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

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

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

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

2.23 Appropriation of net profit

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

Bonus and welfare fund

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

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

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

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

(b) Sale of services

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

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

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

Interest income is recognized on an earned basis.

(d) Dividend income

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

2.25 Sales deductions

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

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

2.26 Cost of sales

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

2.27 Financial expenses

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

2.28 Selling expenses

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

2.29 General and administration expenses

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

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

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

2.31 Current and deferred income tax

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

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

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

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

2.32 Related parties

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

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

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

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

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

2.34 Accounting estimate

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

3 BUSINESS COMBINATION**3.1 Acquisition of companies****(a) Acquisition of Bach Hop Real Estate Company Limited (“Bach Hop”)**

On 24 February 2017, the Group completed the acquisition of 99.99% of voting shares of Bach Hop with a consideration of VND212,978,700,000.

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

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

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(b) Acquisition of Phu Dinh Port Joint Stock Company ("Phu Dinh Port")**

On 23 March 2017, the Group completed the acquisition of 83.45% of voting shares of Phu Dinh Port with a consideration of VND1,520,038,533,551.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	113,568,838,315
Short term receivables	504,045,727,244
Inventories	939,186,906,421
Fixed assets	125,876,084,670
Deferred tax asset	4,911,136,870
Other assets	47,116,040,560
	<u>1,734,704,734,080</u>
Liabilities	
Liabilities	38,081,690,305
Deferred tax liabilities	141,948,247,357
	<u>180,029,937,662</u>
Total identifiable net assets	<u>1,554,674,796,418</u>
Goodwill from business combination	222,650,683,358
Non-controlling interests	(257,286,946,225)
Total purchase consideration transferred	<u>1,520,038,533,551</u>
<i>First consideration which measured at equity method at the date had control</i>	492,995,002,699
<i>Revaluation of the investments in associate at the acquisition date</i>	340,244,330,852
<i>Second consideration at acquisition date</i>	686,799,200,000
Cash acquired	(113,568,838,315)
Accumulated profit shares from associate	(257,954,039)
Net cash outflow on acquisition	<u>1,065,967,410,345</u>

The goodwill of VND222,650,683,358 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Phu Dinh Port.

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(c) Acquisition of Saigon Golf Company Limited (“Saigon Golf”)**

On 14 April 2017, the Group completed the acquisition of 98.02% of voting shares of Saigon Golf with a consideration of VND1,422,789,842,584.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	265,163,256
Short term receivables	8,466,564,233
Inventories	1,622,366,571,571
Other assets	284,310,775,116
	<u>1,915,409,074,176</u>
Liabilities	
Liabilities	360,717,653,159
Deferred tax liabilities	271,176,993,311
	<u>631,894,646,470</u>
Total identifiable net assets	<u>1,283,514,427,706</u>
Goodwill from business combination	149,037,021,109
Non-controlling interests	(9,761,606,231)
Total purchase consideration transferred	<u>1,422,789,842,584</u>
<i>First consideration is accounted using equity method</i>	150,459,350,619
<i>Revaluation of the investments in associate at the acquisition date</i>	626,886,359,890
<i>Second consideration at acquisition date</i>	645,444,132,075
Cash acquired	(265,163,256)
Accumulated profit shares from associate	(459,350,619)
	<u>795,178,968,819</u>
Net cash outflow on acquisition	

The goodwill of VND149,037,021,109 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Saigon Golf.

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(d) Acquisition of Gia Duc Real Estate Company Limited (“Gia Duc”)**

On 26 April 2017, the Group completed the additional acquisition of 99.99% of voting shares of Gia Duc with the consideration of VND1,938,950,000,000.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents (*)	1,380,971,033,059
Investment in equity of other entities (*)	558,220,040,000
Other assets	20,189,712,949
	<u>1,959,380,786,008</u>
Liabilities	<u>20,758,271,728</u>
Total identifiable net assets	<u>1,938,622,514,280</u>
Goodwill from business combination	521,347,971
Non-controlling interests	(193,862,251)
Purchase consideration transferred	1,938,950,000,000
Cash acquired	<u>(1,380,971,033,059)</u>
Net cash outflow on acquisition	<u>557,978,966,941</u>

The goodwill of VND521,347,971 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Gia Duc.

(*) On 24 March 2017, Gia Duc's investment in other entities was VND1,938,776,000,000. Then, this investment was reduced to VND558,220,040,000 because the investee reduced its capital. The difference of VND1,380,555,960,000 was paid back to Gia Duc in cash during the period.

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(e) Acquisition of Gia Phu Real Estate Company Limited (“Gia Phu”)**

On 23 August 2017, the Group completed the additional acquisition of 99.96% of voting shares of Gia Phu with the consideration of VND1,312,493,000,000.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	189,901,177,618
Short term receivables	1,546,076,269,596
Inventories	3,235,747,113,467
Deferred tax asset	9,858,618,092
Other assets	71,450,897,999
	<u>5,053,034,076,772</u>
Liabilities	
Liabilities	3,676,970,084,384
Deferred tax liabilities	70,001,266,549
	<u>3,746,971,350,933</u>
Total identifiable net assets	<u>1,306,062,725,839</u>
Goodwill from business combination	6,558,892,248
Non-controlling interests	(128,618,087)
Purchase consideration transferred	1,312,493,000,000
Cash acquired	(189,901,177,618)
	<u>1,122,591,822,382</u>
Net cash outflow on acquisition	

The goodwill of VND6,558,892,248 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Gia Phu.

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(f) Acquisition of a group of companies: Nova Riverside Real Estate Company Limited ("Nova Riverside") and Anh Sao Real Estate Company Limited ("Anh Sao")**

On 18 August 2017, the Group completed the additional acquisition of 99.98% of voting shares of Nova Riverside with the consideration of VND1,114,948,187,500. Through this acquisition, the Group also controlled Anh Sao because Nova Riverside held 99.99% interest in Anh Sao.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	663,771,535
Short term receivables	1,465,814,421,091
Inventories	2,447,029,855,498
Deferred tax asset	64,630,576,814
Other assets	99,710,811,432
	<u>4,077,849,436,370</u>
Liabilities	<u>3,219,059,789,520</u>
Total identifiable net assets	<u>858,789,646,850</u>
Goodwill from business combination	256,555,800,905
Non-controlling interests	(397,260,255)
Purchase consideration transferred	<u>1,114,948,187,500</u>
Cash acquired	<u>(663,771,535)</u>
Net cash outflow on acquisition	<u>1,114,284,415,965</u>

The goodwill of VND256,555,800,905 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and the group of companies Nova Riverside and Anh Sao.

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(g) Acquisition of Merufa-Nova Company Limited (“Merufa-Nova”)**

On 12 October 2017, the Group completed the additional acquisition of 99.89% of voting shares of Merufa-Nova with the consideration of VND130,240,000,000.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	1,485,578,315
Short term receivables	82,454,032,441
Inventories	161,432,230,694
Deferred tax asset	264,052,907
Other assets	23,144,921,639
	<u>268,780,815,996</u>
Liabilities	
Liabilities	133,768,370,522
Deferred tax liabilities	2,213,731,421
	<u>135,982,101,943</u>
Total identifiable net assets	<u>132,798,714,053</u>
Gain on bargain	(2,425,745,009)
Non-controlling interests	(132,969,044)
	<u>130,240,000,000</u>
Purchase consideration transferred	130,240,000,000
Cash acquired	(1,485,578,315)
	<u>128,754,421,685</u>
Net cash outflow on acquisition	

3 BUSINESS COMBINATION (continued)**3.1 Acquisition of companies (continued)****(h) Acquisition of Nhat Hoa Real Estate Joint Stock Company (“Nhat Hoa”)**

On 12 October 2017, the Group completed the additional acquisition of 99.81% of voting shares of Merufa-Nova with the consideration of VND585,010,759,109.

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

	Fair values recognized at acquisition date VND
Asset	
Cash and cash equivalents	155,252,799
Short term receivables	695,457,779,294
Inventories	1,165,677,786,315
Deferred tax asset	2,668,187,281
Other assets	28,757,775,372
	<u>1,892,716,781,061</u>
Liabilities	
Liabilities	1,303,697,953,178
Deferred tax liabilities	17,936,638,115
	<u>1,321,634,591,293</u>
Total identifiable net assets	<u>571,082,189,768</u>
Goodwill from business combination	14,031,988,140
Non-controlling interests	(103,418,799)
Purchase consideration transferred	585,010,759,109
Cash acquired	(155,252,799)
	<u>584,855,506,310</u>
Net cash outflow on acquisition	

The goodwill of VND14,031,988,140 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Nhat Hoa.

3.2 Disposals and Mergers of companies**(a) Disposal of Vuong Cung Real Estate Investment Company Limited (“Vuong Cung”)**

On 9 March 2017, the Group disposed the entire 99.99% equity interest in Vuong Cung with a total consideration of VND19,998,000,000. The loss of VND392,941,245 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement of profit or loss (Note 33).

(b) Disposal of Hung Duc Real Estate Investment Company Limited (“Hung Duc”)

On 30 April 2017, the Group disposed the entire 70.00% equity interest in Hung Duc with a total consideration of VND174,825,000,000. The loss of VND315,199,608 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 33).

3 BUSINESS COMBINATION (continued)**3.2 Disposals and Merger of companies****(c) Disposal of Nova Galaxy Real Estate Joint Stock Company (“Galaxy”)**

On 3 August 2017, the Group disposed the entire 99.98% equity interest in Galaxy with a total consideration of VND624,059,698,895. The gain of VND63,404,939,309 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 32).

(d) Disposal of Nova Lexington Real Estate Joint Stock Company (“Lexington”)

On 24 August 2017, the Group disposed the entire 99.90% equity interest in Lexington with a total consideration of VND647,212,700,000. The gain of VND29,079,181,869 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 32).

(e) Disposal of Nova Phu Sa Ecotourism Joint Stock Company (“Nova Phu Sa Ecotourism”)

On 30 August 2017, the Group disposed the entire 99.00% equity interest in Nova Phu Sa Ecotourism with a total consideration of VND5,940,000,000. The loss of VND31,644,250 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 33).

(f) Disposal of Nova Phu Sa Investment and Development Joint Stock Company (“Nova Phu Sa Investment”)

On 30 August 2017, the Group disposed the entire 99.98% equity interest in Nova Phu Sa Investment with a total consideration of VND5,998,800,000. The loss of VND49,985,790 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 33).

(g) Merger of Phu Viet Tin Company Limited into Nova Phuc Nguyen Real Estate Development and Investment Company Limited

On 13 April 2017, the Group completely merged Phu Viet Tin Company Limited into Nova Phuc Nguyen Real Estate Development and Investment Company Limited. Accordingly, Phu Viet Tin Company Limited was liquidated from merging date.

(h) Merger of Thanh Nien Real Estate Joint Stock Company into Nova Rivergate Company Limited

On 17 August 2017, the Group completely merged Thanh Nien Real Estate Joint Stock Company into Nova Rivergate Company Limited. Accordingly, Thanh Nien Real Estate Joint Stock Company was liquidated from merging date.

(i) Merger of Anh Sao Real Estate Company Limited into Nova Riverside Company Limited

On 14 September 2017, the Group completely merged Anh Sao Real Estate Company Limited into Nova Riverside Company Limited. Accordingly, Anh Sao Real Estate Company Limited was liquidated from merging date.

4 CASH AND CASH EQUIVALENTS

	31/12/2017 VND	31/12/2016 VND
Cash on hand	1,720,245,875	679,014,510
Cash at bank	1,196,390,638,971	807,536,880,783
Cash equivalents (*)	5,452,050,109,895	2,528,753,537,498
	<u>6,650,160,994,741</u>	<u>3,336,969,432,791</u>

(*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earn an interest rate from 2.3% to 6.0% per annum (at 31 December 2016: from 4.5% to 5.5% per annum).

As at 31 December 2017, cash and cash equivalents of VND482,252 million (at 31 December 2016: VND1,137,281 million) were pledged as collateral assets for the bank loans and VND1,463,426 million (at 31 December 2016: VND943,271 million) were managed by bank under purpose of borrowings for each project.

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5 INVESTMENTS

(a) Investments held to maturity

Short-term

	31/12/2017			31/12/2016		
	Cost VND	Provision VND	Carrying value VND	Cost VND	Provision VND	Carrying value VND
Term deposits	512,509,850,676	-	512,509,850,676	964,822,616,829	-	964,822,616,829

The term deposits represent bank deposits in VND with original maturity of more than three months and the remaining term not exceed twelve months at the commercial banks with interest from 5.0% to 9.0% per annum (as at 31 December 2016: from 5.7% to 6.8% per annum).

As at 31 December 2017, the term deposits of VND11,671 million (as at 31 December 2016: VND1,537 million) were pledged as collateral assets and term deposits of VND40,500 million (as at 31 December 2016: VND960,536 million) were managed by bank under purpose of borrowings for each project.

(b) Equity investments in other entities

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in associates, joint ventures (i)	1,042,972,935,246	-	371,670,632,914	-
Investments in other entities (ii)	-	-	3,115,200,000	-
	1,042,972,935,246	-	374,785,832,914	-

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5 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(i) Investments in associates and joint ventures

		31/12/2017	31/12/2016	
Name	The principal activity	Cost VND	Fair value VND	Fair value VND
Sun City Real Estate Investment & Development Company Limited	Real estate trading	972,603,328,661	(*)	(*)
Ben Thanh House One Member Ltd., Co	Real estate trading	65,803,452,997	(*)	(*)
Sai Gon Electronics and Industrial Service Joint Stock Company	Electronic equipments, telecommunications trading	4,566,153,588	(*)	(*)
Huy Minh Joint Stock Company (previous name: Nova Dong Hai Joint Stock Company)	Real estate trading	-		(*)
Sai Gon Golf Joint Stock Company	Real estate trading	-		(*)
Phu Dinh Port Joint Stock Company	Transportation services, real estate trading	-		(*)
		<u>1,042,972,935,246</u>		<u>371,670,632,914</u>

(ii) Investments in other entities

		31/12/2017	31/12/2016	
Name	The principal activity	Cost VND	Fair value VND	Fair value VND
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	-	(*)	(*)
		<u></u>	<u></u>	<u></u>

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



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

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

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Opening balance	371,670,632,914	1,526,233,919,261
Increase in additional investments	1,315,207,564,660	40,000,000,000
Transfers from subsidiaries to associates	-	150,598,742,092
Profit sharing from investments in associates	12,079,426,593	498,537,487
Transfers from associates to subsidiaries	(643,454,353,318)	(1,342,290,520,919)
Others	(12,530,335,603)	(3,370,045,007)
Closing balance	<u>1,042,972,935,246</u>	<u>371,670,632,914</u>

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2017 VND	31/12/2016 VND
Trade receivables from sales of properties		
Related parties (Note 41(b))	40,183,233,814	42,324,948,220
Third parties (*)	308,351,265,168	276,792,721,491
Trade receivables from rendering other services		
Third parties (*)	<u>42,181,367,389</u>	<u>14,105,859,709</u>
	<u>390,715,866,371</u>	<u>333,223,529,420</u>

(*) 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. Provisions for short-term trade accounts receivable are presented at Note 10.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2017 VND	31/12/2016 VND
Related parties (Note 41(b))	-	52,000,000,000
Third parties		
MIK International Trading Joint Stock Company	500,000,000,000	-
Sai Gon General Services Joint Stock Company	320,189,629,546	46,070,042,873
Kien A Investment and Service Company Limited	200,000,000,000	-
Florida Yachts International Company	62,005,207,646	93,757,653,303
Tan Ky Construction Real Estate Trading Corporation	-	143,924,098,922
An Phu An Real Estate One Member Company Limited	-	111,343,000,000
Others	<u>689,149,637,088</u>	<u>489,698,847,155</u>
	<u>1,771,344,474,280</u>	<u>936,793,642,253</u>

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

8 LENDING**(a) Short-term lending**

	31/12/2017 VND	31/12/2016 VND
Related parties (Note 41(b))	43,420,000,000	43,420,000,000
Third parties	582,185,206,171	3,270,238,593,511
Thinh Vuong Real Estate Investment Limited Company (Note 8(b))	350,000,000,000	-
CQ89 Real Estate Investment and Development Limited Company (*)	-	2,106,700,000,000
Gia Phu Real Estate Investment Limited Company (*)	-	311,580,408,814
Song Giang Investment and Development Limited Company (*)	-	255,380,000,000
Others (*)	232,185,206,171	596,578,184,697
	<u>625,605,206,171</u>	<u>3,313,658,593,511</u>

(*) These are the short-term lendings to third parties which are unsecured and earn interest at rate from 5.0% to 10.9% per annum (at 31 December 2016: from 5.0% to 12.2% per annum). The maturity of these lendings are from 5 to 12 months.

(b) Long-term lending

This is long-term lending to Thinh Vuong Real Estate Investment Limited Company which are unsecured and earn interest at rate 10.6% per annum. The maturity of this lending is 36 months. As at 31 December 2017, the amount which is due for collection within 12 months is VND350,000,000,000 (Note 8(a)).

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

9 OTHER RECEIVABLES

(a) Other short-term receivables

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for the contract of investment consultancy service (*)	406,589,287,268	-	2,600,713,192,246	-
Interest receivable from deposits, lending and investment co-operation	360,154,008,671	-	182,157,995,996	-
Advances for the project	351,489,334,396	-	366,734,361,189	-
Deposits for the acquisition of shares (**)	49,000,000,000	-	912,750,000,000	-
Project development and investment co-operation (***)	1,831,712,600,000	-	248,061,940,913	-
Deposits	107,146,699,034	-	125,996,829,272	-
Deposits for project transfer	-	-	233,420,000,000	-
Others	104,407,424,825	-	395,899,781,568	-
	<u>3,210,499,354,194</u>		<u>5,065,734,101,184</u>	

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

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	3,146,763,909,150	-	4,705,049,035,768	-
Related parties (Note 41(b))	<u>63,735,445,044</u>	-	<u>360,685,065,416</u>	-

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

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

(***) Balance represents project development and investment co-operation with CQ89 Investment and Development Real Estate Company Limited. These amounts will be repaid in full to the Group at the end of the projects. The Group will be entitled to a fixed interest amount annually; in addition, the Group will receive profits at the end of the projects in accordance with agreed sharing ratio in the agreement.

9 OTHER RECEIVABLES (continued)

(b) Other long-term receivables

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits to Planning and Investment Department	186,484,661,758	-	114,284,000,000	-
Project development and business co-operation	-	-	782,536,582,050	-
Others	17,318,704,984	-	14,197,971,211	-
	<u>203,803,366,742</u>	<u>-</u>	<u>911,018,553,261</u>	<u>-</u>

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

Third parties	202,404,590,742	-	504,619,777,261	-
Related parties (Note 41(b))	<u>1,398,776,000</u>	<u>-</u>	<u>406,398,776,000</u>	<u>-</u>

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10 DOUBTFUL DEBTS

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

11 INVENTORIES

(a) Inventories

	31/12/2017		31/12/2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties in construction progress (i)	24,204,174,606,321	-	15,127,829,614,894	-
Properties in construction completion (ii)	2,449,747,339,621	(3,276,069,352)	487,034,387,442	(5,395,666,184)
Property merchandises	226,949,654,864	(4,245,610,900)	176,783,952,157	-
Tools and equipments	12,946,946,857	-	3,389,659,763	-
	26,893,818,547,663	(7,521,680,252)	15,795,037,614,256	(5,395,666,184)
Provision for decline in value of inventories	(7,521,680,252)		(5,395,666,184)	
	26,886,296,867,411		15,789,641,948,072	

11 INVENTORIES (continued)

Movements in inventories provision during the year were as follows:

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Beginning of the year	(5,395,666,184)	(42,889,553,945)
Increase	(4,846,915,964)	(1,728,453,945)
Reversal	2,720,901,896	39,222,341,706
End of the year	<u>(7,521,680,252)</u>	<u>(5,395,666,184)</u>

(i) As at 31 December 2017, the properties in construction progress mainly include land costs, construction costs, consulting and designing fees paid to constructors and other costs relating to the projects.

(ii) As at 31 December 2017, the balance presents the properties in construction completion for sale.

As at 31 December 2017, inventories of the Group valued of VND7,406,736 million (as at 31 December 2016: VND 2,314,035 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the year was VND131,293 million (as at 31 December 2016: VND111,971 million).

(b) Long-term work in progress

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

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

	31/12/2017 VND	31/12/2016 VND
Tools and equipments	1,072,191,258	2,482,258,721
Deferred expenses	<u>102,952,441,928</u>	<u>49,256,022,026</u>
	<u>104,024,633,186</u>	<u>51,738,280,747</u>

12 PREPAID EXPENSES (continued)

(b) Long-term prepaid expenses

	31/12/2017 VND	31/12/2016 VND
Deferred expenses	391,198,457,586	174,383,199,394
Compensation cost for land clearance	41,932,114,168	-
Interest expenses from issuing bonds	8,296,729,396	92,425,330,834
Tools and equipments	7,924,870,527	21,268,916,161
	<u>449,352,171,677</u>	<u>288,077,446,389</u>

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

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Beginning of the year	288,077,446,389	160,651,074,570
Increase	308,946,758,502	242,660,269,430
Transferred from construction in progress	27,130,420,628	15,667,954,697
Acquisition of subsidiaries	117,203,900,546	3,550,973,399
Allocation	(235,203,626,186)	(134,391,192,497)
Disposal of subsidiaries	(56,802,728,202)	(61,633,210)
End of the year	<u>449,352,171,677</u>	<u>288,077,446,389</u>

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13 TANGIBLE FIXED ASSETS

	Buildings	Plants and machinery	Motor vehicles	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
As at 1 Jan 2017	49,562,169,748	17,259,190,874	71,012,601,035	23,385,402,665	915,072,997	162,134,437,319
New purchases	4,942,267,284	5,398,663,101	19,537,922,546	7,360,203,713	-	37,239,056,644
Acquisition of subsidiaries	203,599,248,691	976,893,101	1,693,777,859	1,178,465,361	-	207,448,385,012
Transfer from construction in progress	-	-	38,303,709,498	-	-	38,303,709,498
Disposals	(1,329,117,543)	(1,974,086,773)	(12,919,497,732)	(210,259,316)	-	(16,432,961,364)
Reclassification	(6,384,284,734)	-	-	5,164,242,732	-	(1,220,042,002)
Disposal of subsidiaries	-	(3,414,089,100)	(3,606,693,819)	(8,709,415,193)	(573,463,906)	(16,303,662,018)
As at 31 Dec 2017	250,390,283,446	18,246,571,203	114,021,819,387	28,168,639,962	341,609,091	411,168,923,089
Accumulated depreciation						
As at 1 Jan 2017	(8,746,224,577)	(10,310,780,843)	(13,499,896,217)	(8,996,770,841)	(400,518,539)	(41,954,191,017)
Charge for the year	(7,817,532,255)	(2,377,953,658)	(11,573,285,020)	(5,395,142,719)	(230,881,557)	(27,394,795,209)
Acquisition of subsidiaries	(72,502,462,575)	(413,005,914)	(720,383,511)	(536,725,487)	-	(74,172,577,487)
Disposals	1,056,895,321	1,012,112,453	4,056,793,215	164,641,650	-	6,290,442,639
Reclassification	875,936,298	-	-	(875,936,298)	-	-
Disposal of subsidiaries	-	2,365,339,789	1,005,159,086	4,186,400,641	350,897,589	7,907,797,105
As at 31 Dec 2017	(87,133,387,788)	(9,724,288,173)	(20,731,612,447)	(11,453,533,054)	(280,502,507)	(129,323,323,969)
Net book value						
As at 1 Jan 2017	40,815,945,171	6,948,410,031	57,512,704,818	14,388,631,824	514,554,458	120,180,246,302
As at 31 Dec 2017	163,256,895,658	8,522,283,030	93,290,206,940	16,715,106,908	61,106,584	281,845,599,120

As at 31 December 2017, cost of fully depreciated fixed assets but still in use was VND17,343 million (as at 31 December 2016: VND24,543 million).

There were no tangible fixed assets pledged as collateral assets for bank loans granted to the Group.

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14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Trade mark VND	Software VND	Total VND
Historical cost				
As at 1 January 2017	25,400,891,068	142,225,000	4,482,213,050	30,025,329,118
New purchases	11,122,502,190	-	7,945,021,233	19,067,523,423
Transfer from construction in progress	-	-	3,057,100,000	3,057,100,000
Acquisition of subsidiaries	-	-	150,000,000	150,000,000
Reclassification	1,220,042,002	-	-	1,220,042,002
Disposals	(2,862,937,000)	(112,225,000)	-	(2,975,162,000)
As at 31 December 2017	34,880,498,260	30,000,000	15,634,334,283	50,544,832,543
Accumulated amortization				
As at 1 January 2017	-	(99,816,650)	(1,282,543,615)	(1,382,360,265)
Charge for the year	-	(42,408,350)	(4,326,198,686)	(4,368,607,036)
Acquisition of subsidiaries	-	-	(142,250,000)	(142,250,000)
Disposals	-	112,225,000	-	112,225,000
As at 31 December 2017	-	(30,000,000)	(5,750,992,301)	(5,780,992,301)
Net book value				
As at 1 January 2017	25,400,891,068	42,408,350	3,199,669,435	28,642,968,853
As at 31 December 2017	34,880,498,260	-	9,883,341,982	44,763,840,242

As at 31 December 2017, Cost of fully depreciated intangible fixed assets but still in use was VND351 million (2016: VND167 million).

There were no intangible fixed assets pledged as collateral assets for bank loans granted to the Group.



15 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Total VND
Historical cost			
As at 1 January 2017	157,058,664,724	1,865,012,326,934	2,022,070,991,658
New purchases	930,957,140,000	2,400,000,000	933,357,140,000
Transfers from inventories	-	390,346,006,607	390,346,006,607
Transfers to inventories	-	(102,697,411,793)	(102,697,411,793)
Disposal	-	(4,028,035,204)	(4,028,035,204)
Disposal of subsidiaries	-	(183,416,432,992)	(183,416,432,992)
As at 31 December 2017	<u>1,088,015,804,724</u>	<u>1,967,616,453,552</u>	<u>3,055,632,258,276</u>
Accumulated amortization			
As at 1 January 2017	-	(77,057,881,406)	(77,057,881,406)
Charge for the year	-	(49,797,055,229)	(49,797,055,229)
Transfers to inventories	-	2,793,412,320	2,793,412,320
Disposal	-	895,118,928	895,118,928
Disposal of subsidiaries	-	12,150,681,310	12,150,681,310
As at 31 December 2017	<u>-</u>	<u>(111,015,724,077)</u>	<u>(111,015,724,077)</u>
Net book value			
As at 1 January 2017	<u>157,058,664,724</u>	<u>1,787,954,445,528</u>	<u>1,945,013,110,252</u>
As at 31 December 2017	<u>1,088,015,804,724</u>	<u>1,856,600,729,475</u>	<u>2,944,616,534,199</u>

As at 31 December 2017, investment properties pledged as security for bank borrowings by the Group was VND1,271,830 million (as at 31 December 2016: nil).

16 CONSTRUCTION IN PROGRESS

	31/12/2017 VND	31/12/2016 VND
Purchase of assets	89,582,304,871	8,624,757,938
Office renovation	20,731,302,400	23,467,075,191
Showhouse	20,211,429,150	13,870,661,095
Others	6,371,405,943	5,417,294,204
	<u>136,896,442,364</u>	<u>51,379,788,428</u>

16 CONSTRUCTION IN PROGRESS (continued)

Movement of construction in progress is as below:

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Beginning of the year	51,379,788,428	1,069,151,366,643
Increase in the year	176,621,475,784	461,819,737,956
Transfer to fixed asset	(41,360,809,498)	(9,351,349,491)
Transfer to investment property	-	(10,819,815,083)
Transfer to inventory	(1,380,309,663)	(1,434,713,119,624)
Transfer to prepaid expense	(30,965,886,649)	(15,667,954,697)
Other decreases	(17,397,816,038)	(9,039,077,276)
End of the year	<u>136,896,442,364</u>	<u>51,379,788,428</u>

17 GOODWILL

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Beginning of the year	2,217,606,029,051	1,119,884,733,917
Increase in the year (*)	649,355,733,731	1,917,657,294,239
Decrease due to disposal of subsidiaries (**)	(54,862,071,860)	(597,391,461,867)
Decrease due to merger of subsidiaries (**)	(146,640,884,246)	-
Amortization	(259,231,617,302)	(222,544,537,238)
End of the year	<u>2,406,227,189,374</u>	<u>2,217,606,029,051</u>

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

	Goodwill VND	Allocated time Year
Phu Dinh Port Joint Stock Company	222,650,683,358	10
Gia Duc Real Estate Company Limited	521,347,971	10
Sai Gon Golf Company Limited	149,037,021,109	10
Gia Phu Real Estate Company Limited	6,558,892,248	10
Nova Riverside Real Estate Company Limited	256,555,800,905	10
Nhat Hoa Real Estate Joint Stock Company	14,031,988,140	10
	<u>649,355,733,731</u>	

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

(**) Decrease in goodwill is mainly relating to divestment of Vuong Cung Real Estate Investment Company Limited, Nova Galaxy Real Estate Joint Stock Company, Nova Lexington Real Estate Joint Stock Company and merger of Phu Viet Tin Company Limited into Nova Phuc Nguyen Real Estate Development and Investment Company Limited, a subsidiary.

18 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31/12/2017 VND	31/12/2016 VND
Third parties		
Henry Enterprise Group Limited	619,680,395,588	679,680,395,588
Nova Homes Trading Joint Stock Company	336,914,898,682	41,374,058,935
Hoa Binh Real Estate and Investment Joint Stock Company	493,562,576,250	84,896,786,277
Others (*)	1,198,175,647,275	699,777,187,859
Related parties	-	-
	<u>2,648,333,517,795</u>	<u>1,505,728,428,659</u>

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

(*) As at 31 December 2017 and 31 December 2016, there were no suppliers accounting for 10% or more than 10% of this balance.

19 SHORT-TERM ADVANCES FROM CUSTOMERS

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

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

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

	31/12/2017 VND	31/12/2016 VND
VAT to be reclaimed	649,739,747,874	381,804,313,170
Business income tax temporarily paid 1%	62,481,003,869	83,142,669,324
Overpaid business income tax	60,027,108,901	24,830,306,933
Overpaid value added tax	-	20,031,825,299
Others	60,745,828	-
	<u>772,308,606,472</u>	<u>509,809,114,726</u>

(b) Taxes and other payables to the State Budget

	31/12/2017 VND	31/12/2016 VND
Business income tax	207,324,266,996	36,614,066,025
Value added tax	120,814,880,491	82,859,123,162
Personal income tax	12,962,075,302	3,413,359,127
Others	5,060,798,643	67,461,744
	<u>346,162,021,432</u>	<u>122,954,010,058</u>

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

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

	As at 01.01.2017	Arose during the year	Settled during the year	Impact of business combination	As at 31.12.2017
	VND	VND	VND	VND	VND
(a) Tax receivables					
Business income tax temporary paid 1%	(83,142,669,324)	91,563,597,970	(70,974,810,686)	72,878,171	(62,481,003,869)
VAT to be reclaimed	(381,804,313,170)	(208,859,743,121)	-	(59,075,691,583)	(649,739,747,874)
Overpaid value added tax	(20,031,825,299)	20,031,825,299	-	-	-
Overpaid business income tax	(24,830,306,933)	(33,623,699,474)	(1,226,928,488)	(346,174,006)	(60,027,108,901)
Others	-	95,514,120	(61,492,824)	(94,767,124)	(60,745,828)
Total	(509,809,114,726)	(130,792,505,206)	(72,263,231,998)	(59,443,754,542)	(772,308,606,472)
(b) Tax payables					
Business income tax	36,614,066,025	751,713,173,523	(580,255,308,446)	(747,664,106)	207,324,266,996
Value added tax on domestic sales	82,859,123,162	429,935,516,601	(391,979,759,272)	-	120,814,880,491
Personal income tax	3,413,359,127	109,504,722,068	(100,036,618,585)	80,612,692	12,962,075,302
Others	67,461,744	320,047,409,798	(315,054,072,899)	-	5,060,798,643
Total	122,954,010,058	1,611,200,821,990	(1,387,325,759,202)	(667,051,414)	346,162,021,432

21 PAYABLES TO EMPLOYEES

	31/12/2017 VND	31/12/2016 VND
Salary	1,449,930,286	161,463,623
13th month salary, bonus	113,499,731,408	172,380,543,576
	<u>114,949,661,694</u>	<u>172,542,007,199</u>

22 SHORT-TERM ACCRUED EXPENSES

	31/12/2017 VND	31/12/2016 VND
Construction costs	552,464,269,227	401,605,406,335
Interest expenses on borrowings and investment co-operation	522,156,467,006	201,705,978,172
Others	307,965,638,882	63,451,147,200
	<u>1,382,586,375,115</u>	<u>666,762,531,707</u>

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

Third parties	1,382,461,474,765	666,184,072,854
Related parties (Note 41(b))	124,900,350	578,458,853
	<u>1,382,586,375,115</u>	<u>666,762,531,707</u>

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

	31/12/2017 VND	31/12/2016 VND
Sinking fund payables (i)	358,058,792,927	253,397,315,185
Project development and investment co-operation (Note 23(b)(*))	735,820,000,000	270,000,000,000
Deposits for purchase of apartment, commercial plots	11,200,981,253	26,679,764,500
Advances	-	311,488,843,401
Others	213,920,081,628	122,197,340,971
	<u>1,318,999,855,808</u>	<u>983,763,264,057</u>

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

(b) Long-term

	31/12/2017 VND	31/12/2016 VND
Project development and investment (*)	1,660,275,400,000	2,044,034,432,000
- Third parties	1,660,275,400,000	1,764,824,432,000
- Related parties (Note 41(b))	-	279,210,000,000
Others	3,753,825,075	4,185,075,098
	<u>1,664,029,225,075</u>	<u>2,048,219,507,098</u>

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

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24 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 01/01/2017 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 31/12/2017 VND
(a) Short-term borrowings					
- Bank loans (*)	1,196,534,377,962	1,632,342,207,620	(1,763,534,377,962)	1,335,230,000,000	2,400,572,207,620
- Issued bonds (**)	1,296,000,000,004	2,011,046,222,222	(3,307,046,222,226)	1,900,000,000,000	1,900,000,000,000
- Borrowings from third parties (***)	3,093,770,365,687	9,356,654,787,735	(9,002,118,380,396)	-	3,448,306,773,026
- Borrowings from related parties (Note 41(b))	9,465,000,000	-	(9,465,000,000)	-	-
	5,595,769,743,653	13,000,043,217,577	(14,082,163,980,584)	3,235,230,000,000	7,748,878,980,646
(b) Long-term borrowings					
- Bank loans (*)	1,951,979,128,505	1,613,346,686,772	(388,336,875,165)	(1,335,230,000,000)	1,841,758,940,112
- Issued bonds (**)	3,448,614,429,576	5,040,522,375,985	(1,071,897,000,000)	(1,900,000,000,000)	5,517,239,805,561
- Borrowings from third parties (***)	2,506,900,000,000	1,702,375,000,000	(1,367,400,000,000)	-	2,841,875,000,000
	7,907,493,558,081	8,356,244,062,757	(2,827,633,875,165)	(3,235,230,000,000)	10,200,873,745,673



24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

(a) Short-term borrowings

	31/12/2017 VND	31/12/2016 VND
Vietnam Prosperity Joint Stock Commercial Bank (i)	451,800,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank (ii)	897,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (vii)	360,000,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (iii)	250,000,000,000	250,000,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (iv)	200,000,000,000	150,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh City Branch (v)	100,002,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Saigon South Branch (vi)	73,542,207,620	150,153,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (viii)	34,140,000,000	-
Maybank International Labuan Branch (viii)	20,484,000,000	-
The Shanghai & Savings Bank - Offshore Banking (viii)	6,828,000,000	-
Chailease International Financial Service (viii)	4,552,000,000	-
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (viii)	2,224,000,000	-
Southeast Asia Commercial Joint Stock Bank - Ho Chi Minh City Branch	-	181,200,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank	-	160,000,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	140,500,000,000
Viet Capital Commercial Joint Stock Bank - Gia Dinh Branch	-	98,828,896,087
Southeast Asia Commercial Joint Stock Bank	-	65,852,481,875
	<u>2,400,572,207,620</u>	<u>1,196,534,377,962</u>

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term borrowings

	31/12/2017 VND	31/12/2016 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade HCM Branch (vii)	846,433,940,112	1,206,433,940,112
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (viii)	306,885,000,000	-
Maybank International Labuan Branch (viii)	184,131,000,000	-
The Shanghai & Savings Bank - Offshore Banking (viii)	61,377,000,000	-
Chailease International Financial Service (viii)	40,918,000,000	-
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (viii)	20,016,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (ix)	232,000,000,000	-
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch (iv)	50,000,000,000	250,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh City Branch (v)	99,998,000,000	200,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (iii)	-	250,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Soc Trang Branch	-	45,545,188,393
	<u>1,841,758,940,112</u>	<u>1,951,979,128,505</u>

(i) These are borrowings in Vietnamese Dong under a credit facility of VND451,800,000,000, maturing in twelve (12) months. These borrowings bear an interest rate of 11% per annum and adjusted for every three months. The adjusted interest rate will be defined as the lowest tiered interest rate of the twelve-month saving deposits (paid in arrears) plus a margin of 3.5% per annum. These borrowings are guaranteed by shares in Sai Gon Golf Company Limited and development right of a project in District 9, Ho Chi Minh City.

(ii) These are borrowings under 02 credit contracts with total credit facility of VND1,437,000,000,000, for a term of 40 months and the grace period is 18 months from disbursement date. The interest rate is 11% per annum and adjusted every 3 months at the lowest rate of twelve-month saving deposit (paid in arrears) plus a margin of 3.5% per annum. These borrowings are guaranteed by Sunrise Riverside project.

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

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

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

(vi) 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 Group had the outstanding balance of VND73,542,207,620 which bears an interest rate of 7% per annum. These borrowings are guaranteed by deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, not exceed 10%.

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

(viii) This is syndicated loan between Maybank Ho Chi Minh City, Maybank Labuan (Malaysia), Vietinbank Filiale Deutschland, The Shanghai & Savings Bank and Chailease International Financial Service. Maybank Ho Chi Minh City is the agent and representative to receive and deal with collaterals. Loan amount is US\$30 million, in which with respective parties as Maybank Ho Chi Minh City (US\$1 million, equivalent to VND22.24 billion), Maybank Labuan (US\$9 million), Vietinbank Filiale Deutschland (US\$15 million), The Shanghai & Savings Bank (US\$3 million) and Chailease International Financial Service (US\$2 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 Vietnamese Dong is bearing an interest of basic lending interest of Maybank Ho Chi Minh City plus a margin of 3.04% per annum. These borrowings are secured by parking areas of three Sunrise City projects and two commercial blocks of Sunrise City South project.

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

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24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

	As at 31 December 2017			As at 31 December 2016		
	Principal VND	Current portion of long-term borrowings VND	Long-term borrowings VND	Principal VND	Current portion of long-term borrowings VND	Long-term borrowings VND
Bonds issued at discount						
Techcom Securities Limited Company (i)	450,000,000,000	(450,000,000,000)	-	1,150,000,000,000	(700,000,000,000)	450,000,000,000
Bonds issued at par						
Indovina Bank Limited (ii)	1,050,000,000,000	-	1,050,000,000,000	-	-	-
Vietnam Technological and Commercial Joint Stock Bank	1,000,000,000,000	-	1,000,000,000,000	-	-	-
Techcom Securities Limited Company (ii)	250,000,000,000	-	250,000,000,000	-	-	-
Vietnam Technological and Commercial Joint Stock Bank	500,000,000,000	-	500,000,000,000	-	-	-
Techcom Securities Limited Company (iii)	500,000,000,000	-	500,000,000,000	-	-	-
Military Commercial Joint Stock Bank (iv)	1,000,000,000,000	(250,000,000,000)	750,000,000,000	-	-	-
Tien Phong Commercial Joint Stock Bank (iv)	500,000,000,000	(125,000,000,000)	375,000,000,000	100,000,000,000	-	100,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade (v)	716,000,000,000	(275,000,000,000)	441,000,000,000	1,732,000,000,000	-	1,732,000,000,000
Techcom Securities Limited Company (vi)	500,000,000,000	(500,000,000,000)	-	500,000,000,000	-	500,000,000,000
Military Commercial Joint Stock Bank (vii)	500,000,000,000	-	500,000,000,000	1,000,000,000,000	(600,000,000,000)	400,000,000,000
Bao Viet Commercial Joint Stock Bank (viii)	300,000,000,000	(300,000,000,000)	-	300,000,000,000	-	300,000,000,000
Bao Viet Group (ix)	200,000,000,000	-	200,000,000,000	-	-	-
Bond issued costs	(48,760,194,439)	-	(48,760,194,439)	(37,385,570,420)	3,999,999,996	(33,385,570,424)
	<u>7,417,239,805,561</u>	<u>(1,900,000,000,000)</u>	<u>5,517,239,805,561</u>	<u>4,744,614,429,580</u>	<u>(1,296,000,000,004)</u>	<u>3,448,614,429,576</u>

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(i) Bonds issued at discount to Techcom Securities Company Limited as the initial bonds buyer, including:

- 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 bonds have been paid.
- 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, include:

- Package of bonds with a par value of VND500,000,000,000, maturing in February 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial buyer was Indovina Limited Bank.
- Package of bonds with a par value of VND1,800,000,000,000, maturing in March 2019, bearing an interest rate of 10.9% per annum for the first two (2) interest period. The interest rate applied for the remaining period will be defined as a reference rate plus a margin of 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial buyers were Indovina Limited Bank, Techcom Joint Stock Commercial Bank and Techcom Securities Company Limited with respective value of VND550,000,000,000, VND1,000,000,000,000 and VND250,000,000,000.

(iii) 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. These bonds are secured by shares of Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Limited Company.

(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 10.0% per annum for the first year. The interest rate applied for remaining period will be defined as a reference rate of plus a margin of 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including assets of Lakeview City project, part of shares owned by the Company in subsidiary.

(v) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch. Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. 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.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

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

(vii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch include package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10.0% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders. On 29 November 2016, Military Joint Stock Commercial Bank – North Sai Gon Branch transferred bonds of VND100,000,000,000 to Tien Phong Commercial Joint Stock Bank, then repurchased these bonds in 2017. As at 31 December 2017, the creditor of VND500,000,000,000 package of bonds is Military Joint Stock Commercial Bank – North Sai Gon Branch.

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

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

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(***) 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 (i)	3,340,306,773,026	3,093,770,365,687
Binh An Investment and Development Real Estate Joint Stock Company (ii)	108,000,000,000	-
	<u>3,448,306,773,026</u>	<u>3,093,770,365,687</u>
	31/12/2017 VND	31/12/2016 VND
(b) Long-term borrowings		
GW Supernova Pte. Ltd. (iii)	1,136,750,000,000	1,139,500,000,000
Credit Suisse AG- Singapore Branch (iv)	750,255,000,000	1,367,400,000,000
Crane Investment .Ltd (iv)	954,870,000,000	-
	<u>2,841,875,000,000</u>	<u>2,506,900,000,000</u>

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

(ii) This is borrowing in Vietnamese Dong, maturing in 6 months, bear interest at the rate 11% per annum and are unsecured.

(iii) 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 Management of the Company estimated that the value of the convertible debt component was the same as the principal of the borrowing. Accordingly, there was no equity component recognised.

In case the debt conversion option is exercised, the maximum shares to be converted will be 15,723,325 shares of the Company. As at the date of these consolidated financial statements, the loan has not yet been converted.

(iv) 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.

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

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

(b) Movement of share capital

	Ordinary shares (VND10,000)	Preference shares (VND10,000)	Total (VND10,000)
As at 1 January 2016	350,465,761	17,830,000	368,295,761
Preference shares conversion	33,000,000	(11,000,000)	22,000,000
New shares issued	<u>205,903,473</u>	<u>-</u>	<u>205,903,473</u>
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 plan	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>
As at 31 December 2017	<u>642,828,788</u>	<u>6,830,000</u>	<u>649,658,788</u>

Par value per share: VND10,000.

NO VA LAND INVESTMENT GROUP CORPORATION

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26 MOVEMENTS IN OWNERS' EQUITY

	Ordinary shares VND	Preference shares VND	Share premium VND	Post-tax Undistributed earnings VND	Total VND
As at 1 January 2016	3,504,657,610,000	178,300,000,000	882,598,605,400	550,370,777,697	5,115,926,993,097
Issuance of ordinary shares	1,017,039,570,000	-	-	-	1,017,039,570,000
Bonus shares from share premium	519,995,160,000	-	(519,995,160,000)	-	-
Issuance of ordinary shares via private placements	522,000,000,000	-	2,031,423,000,000	-	2,553,423,000,000
Converting preference shares to ordinary shares	330,000,000,000	(110,000,000,000)	(220,000,000,000)	-	-
Profit for the year	-	-	-	1,665,077,557,360	1,665,077,557,360
Dividends paid	-	-	-	(53,490,000,000)	(53,490,000,000)
Change in ownership of subsidiaries	-	-	-	(1,209,508,504,543)	(1,209,508,504,543)
As at 31 December 2016	5,893,692,340,000	68,300,000,000	-	-	9,088,468,615,914
Issuance of ordinary shares for converting debts (i)	334,595,540,000	-	1,032,804,460,000	-	1,367,400,000,000
Issuance of ordinary shares for ESOP (ii)	200,000,000,000	-	-	-	200,000,000,000
Profit for the year	-	-	-	2,033,481,810,322	2,033,481,810,322
Dividends paid	-	-	-	(24,765,000,000)	(24,765,000,000)
Transferring the loss previously recognised in undistributed earnings (iii)	-	-	-	102,000,000,000	102,000,000,000
Change in ownership of subsidiaries (iv)	-	-	-	(155,948,534,184)	(155,948,534,184)
As at 31 December 2017	6,428,287,880,000	68,300,000,000	1,032,804,460,000	1,954,768,276,138	12,610,636,892,052

(i) According to Annual General Meeting Resolution No.07/2017/NQ-NVLG dated 27 April 2017, the Company issued 33,459,554 ordinary shares to convert the borrowing of US\$60,000,000, equivalent to VND1,367,400,000,000 from Credit Suisse AG - Singapore Branch in accordance to Credit Agreement on 28 June 2016.

26 MOVEMENTS IN OWNERS' EQUITY (continued)

- (ii) 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.
- (iii) The loss which previously recognised in undistributed earnings are transferred to Income statement in this period due to the entire divestment in Nova Galaxy Real Estate Joint Stock Company and Nova Lexington Real Estate Joint Stock Company.
- (iv) These adjustments are in owners' equity (particularly, undistributed earnings) due to change in the Company's ownership portion in subsidiaries after the Company had control on these subsidiaries. Details of adjustments related to change in ownership of subsidiaries are as follows:

Subsidiaries	Undistributed earnings increase/(decrease) VND
Nova Sasco Company Limited	(104,330,509,489)
Nova Nam A Company Limited	(51,492,388,743)
Nova Richstar Joint Stock Company	(48,312,967,373)
No Va Land Investment Joint Stock Company	28,633,330,084
Mega Tie Company Limited	14,126,362,599
Sai Gon Golf Company Limited	5,458,948,502
Mega Housing Joint Stock Company	(3,079,791,335)
Others	3,048,481,571
	<u>(155,948,534,184)</u>

27 NON - CONTROLLING INTERESTS

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

	31/12/2017 VND	31/12/2016 VND
Details:		
Charter capital	500,423,132,544	871,671,325,519
Share premium	38,495	-
Other funds	19,705,357	406,052
Undistributed earnings	145,310,734,972	86,749,789,586
Non-controlling interests	<u>645,753,611,368</u>	<u>958,421,521,157</u>

27 NON - CONTROLLING INTERESTS (continued)

Movements in non-controlling interests are as below:

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Beginning of the year	958,421,521,157	979,282,422,321
Net profit/(loss) allocated to non-controlling interest for the year	28,161,421,934	(5,728,244,382)
Increase due to acquisition and establishment of new subsidiaries	269,039,884,157	940,280,003,133
Decrease due to change in ownership of subsidiaries	(489,372,722,733)	(455,870,535,188)
Decrease due to divestment of subsidiaries	(77,096,396,147)	(498,392,904,795)
Decrease due to dividend received	(43,400,097,000)	(1,149,219,932)
End of the year	645,753,611,368	958,421,521,157

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

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

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Net profit attributable to shareholders (VND)	2,033,481,810,322	1,665,077,557,360
Dividend on preference shares (VND)	(20,490,000,000)	(53,490,000,000)
Profit calculation of basic earnings per share (VND)	2,012,991,810,322	1,611,587,557,360
Weighted average number of ordinary shares in issue (shares)	606,675,910	503,975,449
Basic earnings per share (VND)	3,318	3,198

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

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

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Net profit attributable to shareholders (VND)	2,033,481,810,322	1,665,077,557,360
Adjustment (VND) (*)	81,801,728,027	30,299,647,770
Profit calculation of basic earnings per share (VND)	2,115,283,538,349	1,695,377,205,130
Weighted average number of ordinary shares	606,675,910	503,975,449
Potential shares (shares) (**)	36,213,325	69,672,879
Weighted average number of ordinary shares including potential shares (shares)	642,889,235	573,648,328
Diluted earnings per share (VND)	3,290	2,955

(*) This is the interest expenses after tax relating to the convertible borrowing from GW Supernova Pte. Ltd. (Note 24).

(**) There are potential shares with assumption they will be converted in the future from convertible loans and the preference shares (Note 24 and 26).

29 OFF BALANCE SHEET ITEMS

	31/12/2017	31/12/2016
Tael of gold	2.4	4.4
USD	US\$2,053,377	US\$13,854,560

30 REVENUE

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Sales from sale of real estate and rendering of services		
Sale of real estate	11,052,768,852,428	6,641,625,495,259
Rendering of services for corporate management, project development and sales consultancy	573,152,244,351	633,507,895,302
Sales from leasing properties	88,333,076,089	82,387,768,792
Others	45,139,783,280	11,941,986,043
	<u>11,759,393,956,148</u>	<u>7,369,463,145,396</u>
Sales deductions		
Trade discounts	(115,752,929,282)	(887,416,113)
Sale returns	(11,304,997,693)	(9,394,808,468)
	<u>(127,057,926,975)</u>	<u>(10,282,224,581)</u>
Net sales from sale of real estate and rendering of services		
Net sales of real estate	10,925,710,925,453	6,631,343,270,678
Net sales of rendering of services for corporate management, project development and sales consultancy	573,152,244,351	633,507,895,302
Net sales from leasing properties	88,333,076,089	82,387,768,792
Others	45,139,783,280	11,941,986,043
	<u>11,632,336,029,173</u>	<u>7,359,180,920,815</u>

31 COST OF SALES

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Cost of real estate sold	7,742,490,495,967	5,096,423,899,209
Cost of rendering of services for corporate management, project development and sales consultancy	524,448,993,318	603,834,889,041
Cost of leasing properties	76,829,508,148	66,989,670,540
Others	31,736,077,468	8,852,952,771
	<u>8,375,505,074,901</u>	<u>5,776,101,411,561</u>

32 FINANCIAL INCOME

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Revaluation investments at each business combination stage (*)	967,130,690,742	1,597,491,943,722
Interest income on term deposits	206,823,488,341	184,209,664,925
Interest income from lending	191,749,654,634	173,413,124,016
Interest income from late payment	128,106,141,828	4,741,380
Interest income from co-operation contract	100,834,558,219	82,177,110,463
Gain from share transfer	92,484,121,178	457,368,734,563
Gain on bargain	2,458,392,327	3,593,546,233
Realized foreign exchange gains	76,031,931	22,567,818,224
Others	6,861,046,389	2,215,864,727
	<u>1,696,524,125,589</u>	<u>2,523,042,548,253</u>

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

33 FINANCIAL EXPENSES

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Interest expenses on borrowings from banks	1,099,523,851,495	701,994,188,648
Interest expenses on borrowings from other individuals and organisations	105,864,145,625	161,079,074,870
Interest expenses on investment co-operation contracts	95,185,121,202	55,285,496,805
Bond issue cost	45,772,375,981	47,314,457,775
Payment discount	12,516,681,896	17,124,316,699
Realized foreign exchange losses	4,574,531,071	14,501,149,994
Unrealized foreign exchange losses	797,896,356	34,551,090,149
Loss on disposal of subsidiaries	789,770,893	4,660,910,103
Others	98,285,127,576	78,719,345,128
	<u>1,463,309,502,095</u>	<u>1,115,230,030,171</u>

34 SELLING EXPENSES

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Staff costs	36,034,631,422	53,200,987,158
Material, package costs	118,847,858	370,452,973
Tool and supplies	902,913,104	1,971,773,920
Depreciation expense	685,652,426	2,270,015,328
Outside services expenses	96,745,923,391	87,710,106,551
Other cash expenses	123,804,428,829	19,961,639,351
	<u>258,292,397,030</u>	<u>165,484,975,281</u>

35 GENERAL AND ADMINISTRATION EXPENSES

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Staff costs	62,917,354,083	197,367,837,877
Tools and supplies	700,745,057	710,598,349
Stationary	3,561,124,297	3,807,245,822
Depreciation expense	5,777,153,496	5,110,069,954
Tax and other fees	4,239,846,620	4,622,911,716
Provision	(7,545,666,905)	(962,925,331)
Outside services expenses	103,610,834,995	111,745,823,728
Other cash expenses	97,059,860,567	96,654,890,369
Allocation of goodwill (Note 17)	259,231,617,302	222,544,537,238
Write-off goodwill due to merger of subsidiaries (Note 17)	146,640,884,246	-
	<u>676,193,753,758</u>	<u>641,600,989,722</u>

36 OTHER INCOME

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Collection of penalties on contract violation	51,705,401,436	23,579,521,375
Gains on disposal of fixed assets	529,135,163	3,706,526,952
Gains on disposal of tools and equipment	4,127,751,204	2,909,410,023
Others	6,060,328,215	14,329,356,223
	<u>62,422,616,018</u>	<u>44,524,814,573</u>

37 OTHER EXPENSES

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Penalty expenses on contract violation	20,560,400,132	18,752,961,278
Loss on disposal of fixed assets	4,895,131,202	7,068,050,084
Others	16,106,914,136	13,304,790,176
	<u>41,562,445,470</u>	<u>39,125,801,538</u>

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

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

Movement in deferred income tax is as follows:

	For the year ended 31/12/2017 VND	For the year ended 31/12/2016 VND
Deferred tax assets	66,869,015,901	25,612,519,257
Deferred tax liabilities	(1,477,768,084,442)	(91,879,543,160)
Beginning of the year	(1,410,899,068,541)	(66,267,023,903)
Income statement charge	283,791,739,656	(202,982,820,440)
Business combination during the year (*)	(421,674,326,488)	(1,151,100,042,904)
Disposal of subsidiaries	4,574,270,834	9,445,191,457
Others	-	5,627,249
End of the year	<u>(1,544,207,384,539)</u>	<u>(1,410,899,068,541)</u>
In which:		
Deferred tax assets	115,783,534,333	66,869,015,901
Deferred tax liabilities	<u>(1,659,990,918,872)</u>	<u>(1,477,768,084,442)</u>

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

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

The Group uses the tax rate of 20% for determining deferred tax assets and deferred tax liabilities in 2016 and 2017.

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.

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

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

	For the year ended	
	31/12/2017	31/12/2016
	VND	VND
Net accounting profit before tax	2,588,499,024,119	2,189,703,612,855
Tax calculated at a rate of 20%	517,699,804,824	437,940,722,571
Effect of:		
Income not subject to tax	(425,597,168)	(53,808,000)
Allocation of goodwill	51,846,323,460	33,513,574,009
Expenses not deductible for tax purposes	8,783,268,783	13,942,509,249
Use of tax loss	(12,774,267,142)	(8,632,161,914)
Temporary difference for which deferred tax asset is not recognized in previous years	(35,167,794)	190,977,184
Tax loss for which deferred tax asset is not recognized	219,585,217,475	73,024,221,592
Difference from share transfer of subsidiaries	(18,338,870,057)	(12,770,051,538)
Loss in associate	(2,415,885,319)	(99,707,497)
Gain on acquisition subsidiaries in the year	(491,678,465)	(718,709,247)
Adjustment of tax expense in previous years	29,323,733	637,775,831
Adjustment for merger of subsidiaries (*)	(236,606,680,467)	-
Effect of change in tax rate	-	(6,621,042,363)
Business income tax charge (**)	526,855,791,863	530,354,299,877
Charged to income statement:		
Business income tax - current	810,647,531,519	327,371,479,437
Business income tax - deferred	(283,791,739,656)	202,982,820,440
	526,855,791,863	530,354,299,877

(*) This includes deferred tax liabilities arising from the difference between the fair value and the book value at the acquisition date when the Group acquired Phu Viet Tin Limited Company and Thanh Nien Real Estate Joint Stock Company. During the period, Phu Viet Tin Limited Company was merged into Nova Phuc Nguyen Real Estate Development and Investment Limited Company, Thanh Nien Real Estate Joint Stock Company was merged into Nova Rivergate Company Limited, therefore deferred tax liabilities were reverted in the period (Note 3). This also includes goodwill decrease and loss due to merger of subsidiaries.

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

39 COST OF OPERATION BY FACTOR

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Real estate development costs for selling	18,828,455,366,285	13,923,563,008,197
Labor costs	537,184,574,721	736,353,993,269
Outside services expenses	323,314,850,787	336,076,173,698
Depreciation expense and goodwill allocation	340,651,236,818	287,196,723,219
Write-off goodwill due to merger of subsidiaries (Note 17)	146,640,884,246	-
Other cash expenses	230,387,766,332	128,099,512,500
	<u>20,406,634,679,189</u>	<u>15,411,289,410,883</u>

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

(a) Amount of borrowings actually withdrawn during the year

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Proceeds from borrowings following normal borrowing contracts	12,263,222,658,255	8,839,287,576,255
Issuing bonds	4,944,103,000,000	4,045,497,878,788

(b) Amount of borrowings actually repaid during the year

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
Repayments for borrowings following normal borrowing contracts	(12,483,500,855,745)	(7,155,826,576,518)
Repayments for bonds	(1,016,000,000,000)	(3,784,000,000,000)

41 RELATED PARTY TRANSACTIONS

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

Relationship	Name
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Huy Minh Real Estate Joint Stock Company (previous name: Nova Dong Hai Joint Stock Company)
Associate	Ben Thanh House One Member Company Limited
Shareholder	Mr. Bui Thanh Nhon
Shareholder	Mr. Bui Cao Nhat Quan
Related party of shareholder	Mrs. Cao Thi Ngoc Suong
Related party of shareholder	Mr. Bui Phan Phu Loc
Company owned by the shareholder	Diamond Properties Joint Stock Company

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

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

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
i) Sales of goods and services		
Huy Minh Real Estate Joint Stock Company (**)	110,000,003	357,045,455
	<u>110,000,003</u>	<u>357,045,455</u>
ii) Purchase of services		
Ben Thanh House One Member Company Limited	18,939,165,316	25,873,944,785
Sai Gon Electronics and Industrial Service Joint Stock Company	-	2,249,984,346
Phu Dinh Port Joint Stock Company (*)	-	9,880,143,090
	<u>18,939,165,316</u>	<u>38,004,072,221</u>
iii) Lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	43,420,000,000
iv) Interest from borrowings		
Huy Minh Real Estate Joint Stock Company (**)	415,276,875	444,974,375
Mr. Bui Thanh Nhon	-	1,098,287,323
Mr. Bui Cao Nhat Quan	-	1,473,383,453
Mr. Bui Phan Phu Loc	-	893,135,751
Mrs. Cao Thi Ngoc Suong	-	732,370,395
	<u>415,276,875</u>	<u>4,642,151,297</u>
v) Interest on lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	4,553,310,664	3,859,743,333
vi) Deposits		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	5,000,000,000
Mr. Bui Cao Nhat Quan	-	57,436,400,000
	<u>-</u>	<u>62,436,400,000</u>

41 RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

	For the year ended	
	31/12/2017 VND	31/12/2016 VND
vii) Advance		
Mr. Bui Cao Nhat Quan	-	10,144,530
viii) Collection of advance		
Mr. Bui Cao Nhat Quan	-	10,144,530
ix) Compensation of key management		
Gross salaries and other benefits	35,024,121,743	25,579,078,297

(b) Year end balances with related parties

	31/12/2017 VND	31/12/2016 VND
i) Trade accounts receivable (Note 6)		
Diamond Properties Joint Stock Company	40,024,130,644	42,324,948,220
Ben Thanh House One Member Company Limited	159,103,170	-
	40,183,233,814	42,324,948,220
ii) Short-term prepayments to suppliers (Note 7)		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	52,000,000,000
iii) Short-term lending (Note 8(a))		
Sai Gon Electronics and Industrial Service Joint Stock Company	43,420,000,000	43,420,000,000
iv) Other short-term receivables (Note 9(a))		
Ben Thanh House One Member Company Limited	39,827,672,410	41,330,603,446
Sai Gon Electronics and Industrial Service Joint Stock Company	23,907,772,634	19,354,461,970
Sai Gon Golf Limited Company (*)	-	300,000,000,000
	63,735,445,044	360,685,065,416
v) Other long-term receivables (Note 9(b))		
Him Lam Joint Stock Company (**)	-	405,000,000,000
Ben Thanh House One Member Company Limited	1,398,776,000	1,398,776,000
	1,398,776,000	406,398,776,000

41 RELATED PARTY TRANSACTIONS (continued)**(b) Year end balances with related parties (continued)**

	31/12/2017 VND	31/12/2016 VND
<i>vi) Short-term accrued expenses (Note 22)</i>		
Huy Minh Real Estate Joint Stock Company (**)	-	476,902,153
Ben Thanh House One Member Company Limited	124,900,350	101,556,700
	<u>124,900,350</u>	<u>578,458,853</u>
<i>vii) Other long-term payables (Note 23(b))</i>		
Sai Gon Golf Joint Stock Company (*)	-	279,210,000,000
	<u>-</u>	<u>279,210,000,000</u>
<i>viii) Short-term borrowings (Note 24(a))</i>		
Huy Minh Real Estate Joint Stock Company (**)	-	9,465,000,000
	<u>-</u>	<u>9,465,000,000</u>

(*) During the year and until 31 December 2017, these companies became subsidiaries and were consolidated in the consolidated financial statements of the Group.

(**) As at 31 December 2017, these companies were not related parties of the Group.

42 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	51,798,974,424	53,136,534,887
Between two and five years	25,319,743,416	94,247,338,548
Over five years	-	335,786,527,210
	<u>77,118,717,840</u>	<u>483,170,400,645</u>

43 CAPITAL COMMITMENTS

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

	31/12/2017 VND	31/12/2016 VND
Cost of project construction	<u>6,081,197,094,885</u>	<u>6,207,364,208,252</u>

44 SEGMENT REPORTING*Business activity segments:*

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

Geographical segments:

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


45 COMPARATIVE FIGURES

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

46 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 consolidated financial statements were approved by the Chairman on 29 January 2018.



Nguyen Ngoc Bang
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Thanh Nhon
Chairman
29 January 2018 