

**NO VA LAND INVESTMENT GROUP CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**NO VA LAND INVESTMENT GROUP CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 38<sup>th</sup> amended Business Registration Certificate No. 0301444753 dated 24 November 2016.

#### Board of Management

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Cao Nhat Quan	Vice Chairman (from 26 October 2016)
Mr. Phan Thanh Huy	Member (from 21 July 2016)
Ms. Hoang Thu Chau	Member (from 11 November 2016)
Ms. Cong Huyen Ton Nu My Lien	Member (from 21 July 2016)
Mr. Nguyen Hieu Liem	Member (to 28 September 2016)
Mr. Vo Dinh Cuong	Member (to 21 July 2016)

#### Board of Supervision

Ms. Nguyen Thi Minh Thanh	Chief Supervisor
Mr. Nguyen Vu Duy	Member (from 21 July 2016)
Ms. Nguyen Anh Thi	Member (from 21 July 2016)
Mr. Pham Huu Quoc	Member (to 21 July 2016)
Mr. Tra Trong Nghia	Member (to 21 July 2016)

#### Board of General Directors

Mr. Phan Thanh Huy	General Director
Mr. Bui Cao Nhat Quan	Deputy General Director
Ms. Hoang Thu Chau	Deputy General Director
Mr. Bui Xuan Huy	Deputy General Director
Mr. Le Hong Phuc	Deputy General Director
Mr. Eric Chan Hong Wai	Deputy General Director (from 1 March 2016)
Ms. Vo Thi Thu Van	Deputy General Director (from 6 October 2016)

#### Legal representative

Mr. Bui Thanh Nhon	Chairman
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#### Registered office

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

#### Operation office

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

#### Auditor

PricewaterhouseCoopers (Vietnam) Ltd.

## NO VA LAND INVESTMENT GROUP CORPORATION

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

The Board of General Directors of No Va Land Investment Group Corporation ("the Company") is responsible for preparing the 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 2016 and of the results of its operations and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of General Directors is required to:

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

The Board of General Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable 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 General Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 5 to 80 which give a true and fair view of the financial position of the Group as at 31 December 2016 and of the results of its operations and cash flows for the year then ended, 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  
10 March 2017

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NO VA LAND INVESTMENT GROUP CORPORATION**

We have audited the accompanying consolidated financial statements of No Va Land Investment Group Corporation and its subsidiaries (together "the Group") which were prepared on 31 December 2016 and approved by the Chairman on 10 March 2017. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 80.

### **The Board of General Directors's Responsibility to the Consolidated Financial statements**

The Board of General Directors of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of General Directors determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Directors as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

For and on behalf of PricewaterhouseCoopers (Vietnam) Ltd.



Nguyễn Hoàng Nam  
Audit Practising Licence No.  
0849-2013-006-1  
Authorised signatory

Cao Thi Ngoc Loan  
Audit Practising Licence No.  
3030-2014-006-001

Report reference number: HCM5721  
Ho Chi Minh City, 10 March 2017

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

## NO VA LAND INVESTMENT GROUP CORPORATION

Form B 01 – DN/HN

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2016 VND	2015 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>30,288,729,450,391</b>	<b>18,133,289,908,529</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>4</b>	<b>3,336,969,432,791</b>	<b>3,859,710,163,282</b>
111	Cash		808,215,895,293	805,375,183,664
112	Cash equivalents		2,528,753,537,498	3,054,334,979,618
<b>120</b>	<b>Short-term investments</b>		<b>964,822,616,829</b>	<b>818,888,056,357</b>
123	Investments held to maturity	5(a)	964,822,616,829	818,888,056,357
<b>130</b>	<b>Short-term receivables</b>		<b>9,635,748,057,226</b>	<b>6,058,945,996,358</b>
131	Short-term trade accounts receivable	6	333,223,529,420	420,931,792,461
132	Short-term prepayments to suppliers	7	936,793,642,253	283,928,585,866
135	Short-term lending	8	3,313,658,593,511	1,267,616,016,535
136	Other short-term receivables	9(a)	5,065,734,101,184	4,092,329,912,657
137	Provision for doubtful debts – short term	10	(13,661,809,142)	(5,860,311,161)
<b>140</b>	<b>Inventories</b>	<b>11(a)</b>	<b>15,789,641,948,072</b>	<b>7,158,828,473,488</b>
141	Inventories		15,795,037,614,256	7,201,718,027,433
149	Provision for decline in value of inventories		(5,395,666,184)	(42,889,553,945)
<b>150</b>	<b>Other current assets</b>		<b>561,547,395,473</b>	<b>236,917,219,044</b>
151	Short-term prepaid expenses	12(a)	51,738,280,747	62,376,783,190
152	Value Added Tax to be reclaimed	20(b)	381,804,313,170	80,608,375,548
153	Other taxes receivable	20(a)	128,004,801,556	93,932,060,306

The notes on pages 11 to 80 are an integral part of these consolidated financial statements.

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

Code	ASSETS (continued)	Note	As at 31 December	
			2016 VND	2015 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>6,238,346,263,606</b>	<b>8,437,118,726,514</b>
<b>210</b>	<b>Long-term receivables</b>		<b>911,972,303,351</b>	<b>3,306,248,186,210</b>
212	Long-term advances to suppliers		953,750,090	147,000,000
216	Other long-term receivables	9(b)	911,018,553,261	3,306,101,186,210
<b>220</b>	<b>Fixed assets</b>		<b>148,823,215,155</b>	<b>87,792,452,983</b>
221	Tangible fixed assets	13	120,180,246,302	60,086,312,739
222	Cost		162,134,437,319	95,306,706,054
223	Accumulated depreciation		(41,954,191,017)	(35,220,393,315)
227	Intangible fixed assets	14	28,642,968,853	27,706,140,244
228	Cost		30,025,329,118	28,423,682,881
229	Accumulated amortisation		(1,382,360,265)	(717,542,637)
<b>230</b>	<b>Investment properties</b>	15	<b>1,945,013,110,252</b>	<b>1,082,785,523,673</b>
231	Cost		2,022,070,991,658	1,116,651,068,799
232	Accumulated depreciation		(77,057,881,406)	(33,865,545,126)
<b>240</b>	<b>Long-term assets in progress</b>		<b>285,199,310,593</b>	<b>1,069,151,366,643</b>
241	Long-term work in progress	11(b)	233,819,522,165	-
242	Construction in progress	16	51,379,788,428	1,069,151,366,643
<b>250</b>	<b>Long-term investments</b>	5(b)	<b>374,785,832,914</b>	<b>1,584,992,869,261</b>
252	Investments in associates, joint ventures		371,670,632,914	1,526,233,919,261
253	Investments in other entities		3,115,200,000	58,758,950,000
<b>260</b>	<b>Other long-term assets</b>		<b>2,572,552,491,341</b>	<b>1,306,148,327,744</b>
261	Long-term prepaid expenses	12(b)	288,077,446,389	160,651,074,570
262	Deferred income tax assets	38(a)	66,869,015,901	25,612,519,257
269	Goodwill	17	2,217,606,029,051	1,119,884,733,917
<b>270</b>	<b>TOTAL ASSETS</b>		<b>36,527,075,713,997</b>	<b>26,570,408,635,043</b>

The notes on pages 11 to 80 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
 (continued)

Code	RESOURCES	Note	As at 31 December	
			2016 VND	2015 VND
<b>300</b>	<b>LIABILITIES</b>		<b>26,480,185,576,926</b>	<b>20,475,199,219,625</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>15,011,223,881,816</b>	<b>13,354,623,721,533</b>
311	Short-term trade accounts payable	18	1,505,728,428,659	822,690,590,358
312	Short-term advances from customers	19	5,954,806,119,381	8,146,870,114,590
313	Tax and other payables to the State			
	Budget	20(b)	122,954,010,058	193,390,774,652
314	Payable to employees	21	172,542,007,199	92,448,123,775
315	Short-term accrued expenses	22	666,762,531,707	826,578,979,746
318	Short-term unearned revenue		2,201,411,807	2,300,539,353
319	Other short-term payables	23(a)	983,763,264,057	738,841,288,807
320	Short-term borrowings and finance			
	lease liabilities	24(a)	5,595,769,743,653	2,513,142,521,645
321	Provision for short-term liabilities		-	11,664,423,312
322	Bonus and welfare funds		6,696,365,295	6,696,365,295
<b>330</b>	<b>Long-term liabilities</b>		<b>11,468,961,695,110</b>	<b>7,120,575,498,092</b>
336	Long-term unearned revenue		35,480,545,489	72,396,304,425
337	Other long-term payables	23(b)	2,048,219,507,098	1,475,711,799,129
338	Long-term borrowings and finance			
	lease liabilities	24(b)	7,907,493,558,081	5,480,587,851,378
341	Deferred income tax liabilities	38(a)	1,477,768,084,442	91,879,543,160
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>10,046,890,137,071</b>	<b>6,095,209,415,418</b>
<b>410</b>	<b>Capital and reserves</b>		<b>10,046,890,137,071</b>	<b>6,095,209,415,418</b>
411	Owners' capital	25, 26	5,961,992,340,000	3,682,957,610,000
411a	- Ordinary shares with voting rights		5,893,692,340,000	3,504,657,610,000
411b	- Preference shares		68,300,000,000	178,300,000,000
412	Share premium	26	2,174,026,445,400	882,598,605,400
421	Undistributed earnings	26	952,449,830,514	550,370,777,697
421a	- Undistributed post-tax profits of the			
	previous years		496,880,777,697	134,948,113,685
421b	- Post-tax profit of current year		455,569,052,817	415,422,664,012
429	Non-controlling interests	27	958,421,521,157	979,282,422,321
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>36,527,075,713,997</b>	<b>26,570,408,635,043</b>

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

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 Tran Thi Thanh Van  
 Chief Accountant

\_\_\_\_\_  
 Bui Thanh Nhon  
 Chairman  
 10 March 2017



## NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN/HN

## CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2016 VND	2015 VND
01	Sales	7,369,463,145,396	6,692,627,652,016
02	Less deductions	(10,282,224,581)	(19,192,626,026)
10	Net sales	30 7,359,180,920,815	6,673,435,025,990
11	Cost of sales	31 (5,776,101,411,561)	(5,333,572,153,182)
20	Gross profit	1,583,079,509,254	1,339,862,872,808
21	Financial income	32 2,523,042,548,253	334,610,510,102
22	Financial expenses	33 (1,115,230,030,171)	(440,474,549,151)
23	- Including: Interest expenses	33 (863,073,263,518)	(351,425,428,041)
24	Profit sharing from investments in joint ventures and associates	498,537,487	992,746,135
25	Selling expenses	34 (165,484,975,281)	(238,914,350,343)
26	General and administration expenses	35 (641,600,989,722)	(359,824,463,054)
30	Net operating profit	2,184,304,599,820	636,252,766,497
31	Other income	36 44,524,814,573	32,757,004,998
32	Other expenses	37 (39,125,801,538)	(60,896,807,714)
40	Net other income/(expenses)	5,399,013,035	(28,139,802,716)
50	Net accounting profit before tax	2,189,703,612,855	608,112,963,781
51	Business income tax – current	38(b) (327,371,479,437)	(204,312,351,202)
52	Business income tax – deferred	38(a) (202,982,820,440)	37,959,337,948
60	Net profit after tax	1,659,349,312,978	441,759,950,527
<b>Attributable to:</b>			
61	Owners of the parent company	1,665,077,557,360	415,422,664,012
62	Non-controlling interests	(5,728,244,382)	26,337,286,515
70	Earnings per share	28(a) 3,396	1,374
71	Diluted earnings per share	28(b) 3,059	1,168

  
 Nguyen Ngoc Bang  
 Preparer

  
 Tran Thi Thanh Van  
 Chief Accountant



  
 Bui Thanh Nhon  
 Chairman  
 10 March 2017

The notes on pages 11 to 80 are an integral part of these consolidated financial statements.

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

		Year ended 31 December	
Code	Note	2016 VND	2015 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Net profit before tax</b>	<b>2,189,703,612,855</b>	<b>608,112,963,781</b>
	Adjustments for:		
02	Depreciation, amortisation and goodwill allocation	226,331,076,287	68,393,673,167
03	(Reversal)/provisions	(41,356,813,092)	51,972,653,196
04	Unrealised foreign exchange losses	34,551,090,149	21,879,821,943
05	Profits from investing activities	(2,228,127,795,722)	(331,279,777,789)
06	Interest expense, bonds issuance costs	910,387,721,293	359,337,521,058
<b>08</b>	<b>Operating profit before changes in working capital</b>	<b>1,091,488,891,770</b>	<b>778,416,855,356</b>
09	Decrease/(increase) in receivables	3,960,297,279,419	(4,625,495,394,936)
10	Decrease in inventories	93,805,533,648	279,858,958,947
11	(Decrease)/increase in payables	(3,561,263,899,138)	1,953,335,836,895
12	Increase in prepaid expenses	(99,019,085,556)	(120,603,156,057)
14	Interest paid	(849,017,262,276)	(519,785,506,480)
15	Business income tax paid	(431,733,905,624)	(47,093,302,287)
17	Other payments on operating activities	-	(128,200,000)
<b>20</b>	<b>Net cash inflows/(outflows) from operating activities</b>	<b>204,557,552,243</b>	<b>(2,301,493,908,562)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(215,251,612,635)	(33,647,160,381)
22	Proceeds from disposals of fixed assets and long-term assets	15,646,566,319	9,187,362,668
23	Loans granted, purchases of debt instruments of other entities	(7,672,922,664,879)	(6,399,955,276,371)
24	Collection of loans, proceeds from sales of debt instruments of other entities	6,258,296,050,163	6,462,652,418,650
25	Investments in other entities	(7,218,477,119,177)	(3,288,764,833,329)
26	Proceeds from divestment in other entities	2,048,210,045,846	-
27	Dividends and interest received	180,791,013,185	300,231,743,455
<b>30</b>	<b>Net cash outflows from investing activities</b>	<b>(6,603,707,721,178)</b>	<b>(2,950,295,745,308)</b>

The notes on pages 11 to 80 are an integral part of these consolidated financial statements.



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

		Year ended 31 December	
Code	Note	2016 VND	2015 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares and capital contribution	3,985,340,870,000	2,034,337,610,000
33	Proceeds from borrowings	12,884,785,455,043	7,012,431,454,579
34	Repayments of borrowings	(10,939,826,576,518)	(2,714,683,880,779)
36	Dividends paid	(54,639,219,932)	-
40	<b>Net cash inflows from financing activities</b>	<b>5,875,660,528,593</b>	<b>6,332,085,183,800</b>
50	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(523,489,640,342)</b>	<b>1,080,295,529,930</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>3,859,710,163,282</b>	<b>2,779,414,633,352</b>
61	Effect of foreign exchange differences	748,909,851	-
70	<b>Cash and cash equivalents at end of year</b>	<b>3,336,969,432,791</b>	<b>3,859,710,163,282</b>

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

  
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 Tran Thi Thanh Van  
 Chief Accountant

  
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 Bui Thanh Nhon  
 Chairman  
 10 March 2017





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****1 GENERAL INFORMATION**

No Va Land Investment Group Corporation ("the Company") is a joint stock company which was established in SR Vietnam pursuant to Business registration certificate No. 054350 which was issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1992 and the 38th amended Business registration certificate No. 0301444753 dated 24 November 2016. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business registration certificate as above.

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

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

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

The representative offices and branches of the Group include:

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

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

As at 31 December 2016, the Company had 38 subsidiaries and 5 associates as follows:

# NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

## 1 GENERAL INFORMATION (continued)

	No	Name	Place of incorporation and operation	Principal activity	2016		2015	
					% of ownership	% of voting rights	% of ownership	% of voting rights
I – Subsidiaries								
	1	No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	69.90	69.90	69.90	69.90
	2	No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	99.98	99.98
	3	No Va Festival Corporation	Ho Chi Minh City	Real estate trading	94.02	94.02	78.00	78.00
	4	No Va Land Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
	5	Nova Saigon Royal Real Estate Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.00	99.00
	6	Nova Phu Sa Ecotourism Joint Stock Company	Ho Chi Minh City	Real estate trading	99.00	99.00	99.00	99.00
	7	Sai Gon Housing And Infrastructure Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
	8	Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	99.99	99.99
	9	The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.81	99.80	99.80
	10	Thanh Nhon Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
	11	Nova Galaxy Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.90	99.90
	12	Nova Lexington Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
	13	Nova Phu Sa Investment and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	51.00	51.00
	14	Nova Sagel Company Limited	Ho Chi Minh City	Real estate trading	73.98	74.00	92.53	92.53
	15	Novaland Agent Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
	16	Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.63	99.63
	17	Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	65.00	65.00	65.00
	18	Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading, Warehouse and factory for lease	99.99	99.99	85.21	99.90
	19	Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	60.00	60.00
	20	Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.91	99.91
	21	Nova Nam A Company Limited	Ho Chi Minh City	Real estate trading	74.00	74.00	74.00	74.00
	22	Nova Sasco Company Limited	Ho Chi Minh City	Real estate trading	74.00	74.00	74.00	74.00
	23	No Va My Dinh Land Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
	24	Hung Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	70.00	70.00	69.94	70.00

# NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN/HN

## 1 GENERAL INFORMATION (continued)

	No	Name	Place of incorporation and operation	Principal activity	2016		2015	
					% of ownership	% of voting rights	% of ownership	% of voting rights
I – Subsidiaries (continued)								
	25	Thanh Nhon Investment Real Estate Company Limited	Ho Chi Minh City	Real estate trading	98.00	100.00	98.00	100.00
	26	Nova An Phu Company Limited	Ho Chi Minh City	Real estate trading	90.00	90.00	-	-
	27	Nova Phuc Nguyen Real Estate Development and Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
	28	Tuong Minh Investment and Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
	29	The 21st Century International Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.96	98.97	50.00	50.00
	30	Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.89	99.90	-	-
	31	Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	-	-
	32	Thanh Nien Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.70	99.80	-	-
	33	Nova Princess Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	-	-
	34	Phu Viet Tin Limited Company	Ho Chi Minh City	Real estate trading	99.89	99.90	-	-
	35	Nha Rong Investment and Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.97	-	-
	36	Mega Housing Joint Stock Company	Ho Chi Minh City	Real estate trading	84.99	84.99	49.90	49.90
	37	Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	62.89	74.00	-	-
	38	Vuong Cung Real Estate Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
II - Associates								
	1	Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Support activities related to transportation, real estate trading	27.64	27.64	27.91	27.91
	2	Nova Dong Hai Joint Stock Company	Ho Chi Minh City	Real estate trading	49.99	49.99	49.00	49.00
	3	Sai Gon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Electronic components and telecommunication trading	33.31	33.31	33.31	33.31
	4	Ben Thanh Housing Development Company Limited	Ho Chi Minh City	Real estate trading	25.00	25.00	25.00	25.00
	5	Sai Gon Golf Joint Stock Company	Ho Chi Minh City	Real estate trading	49.00	50.00	77.42	79.00

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

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

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised 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 consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

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

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

Inter-company transactions, balances and unrealised 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 recognised 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 recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

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

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

Unrealised 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 represented 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 recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. 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 the investments in subsidiaries or associates, the attributable amount of unamortised 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 amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

**2.6 Cash and cash equivalents**

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

**2.7 Trade receivables**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 recognised as inventories. Inventories are stated at the lower of cost and net realisable 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 realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete, slow-moving, defective inventory items and where cost is higher than net realisable values.

**2.9 Investments****(a) Investments held to maturity**

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

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

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

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

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

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

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

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Fixed assets (continued)***Depreciation and amortisation*

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

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

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

*Disposals*

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

*Construction in progress*

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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*

Investment properties 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 are recorded at historical cost and are not amortised.

The Group does not depreciate the investment properties held for price appreciation. Impairment of investment properties held for price appreciation is recognised 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 recognised as income or expense in the income statement.

**2.13 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly prepaid land rental, office rental, tools and equipment already put to use, sales commissions. 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 nature of economic transactions occurred.

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

**2.15 Accrued expenses**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 recognised 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 recognised for future operating losses.

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

**2.19 Provision for severance allowances**

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

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

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

**2.20 Unearned revenue**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

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

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

**2.23 Appropriation of net profit**

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

**Bonus and welfare fund**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

**(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividend income**

Income from dividend is recognised 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 or services provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.27 Financial expenses**

Finance expenses are expenses incurred in the period for financial activities including interest expenses, expenses of borrowing and issuing bonds, 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 the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses and sale commissions.

**2.29 General and administration expenses**

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

**2.30 Dividend distribution**

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

**2.31 Current and deferred income tax**

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

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

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

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

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

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

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

**2.33 Segment reporting**

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

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

**2.34 Accounting estimate**

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

**3 BUSINESS COMBINATION****(a) Acquisition of a group of companies: Nova Rivergate Company Limited ("Rivergate") and Thanh Nien Joint Stock Company ("Thanh Nien")**

In June 2016, the Group completed the acquisition of 99.9% interest in Rivergate with a consideration of VND936,201,410,000. Through this acquisition, the Group also controlled Thanh Nien because Rivergate held 99.8% interest in Thanh Nien.



**3 BUSINESS COMBINATION (continued)****(a) Acquisition of a group of companies: Nova Rivergate Company Limited ("Rivergate") and Thanh Nien Joint Stock Company ("Thanh Nien") (continued)**

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	26,568,523,345	-	26,568,523,345
Short-term receivables	720,835,870,211	-	720,835,870,211
Inventories	589,197,100,100	674,684,409,233	1,263,881,509,333
Other assets	30,596,372,524	-	30,596,372,524
	<b>1,367,197,866,180</b>		<b>2,041,882,275,413</b>
<b>Liabilities</b>			
Short-term borrowings and finance leases liabilities	820,620,875,073	-	820,620,875,073
Other liabilities	282,382,191,880	-	282,382,191,880
Deferred tax liabilities	-	134,936,881,847	134,936,881,847
	<b>1,103,003,066,953</b>		<b>1,237,939,948,800</b>
<b>Total identifiable net assets</b>	<b>264,194,799,227</b>		<b>803,942,326,613</b>
Goodwill			134,686,409,868
Non-controlling interests			(2,427,326,481)
Purchase consideration transferred			936,201,410,000
Cash acquired			(26,568,523,345)
Net cash outflow on acquisition			909,632,886,655

**3 BUSINESS COMBINATION (continued)****(b) Acquisition of Phu Viet Tin Company Limited (“Phu Viet Tin”)**

In June 2016, a subsidiary of the Group completed the acquisition of 99.9% interest in Phu Viet Tin with a consideration of VND976,187,315,000.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	6,044,547,619	-	6,044,547,619
Short-term receivables	833,642,806,637	-	833,642,806,637
Inventories	448,226,346,036	793,556,971,530	1,241,783,317,566
Other assets	24,958,122,791	-	24,958,122,791
	<b>1,312,871,823,083</b>		<b>2,106,428,794,613</b>
<b>Liabilities</b>			
Short-term borrowings and finance leases liabilities	990,316,435,328	-	990,316,435,328
Other liabilities	138,941,731,071	-	138,941,731,071
Deferred tax liabilities	-	158,711,394,306	158,711,394,306
	<b>1,129,258,166,399</b>		<b>1,287,969,560,705</b>
<b>Total identifiable net assets</b>	<b>183,613,656,684</b>		<b>818,459,233,908</b>
Goodwill			158,530,685,672
Non-controlling interests			(802,604,580)
Purchase consideration transferred			976,187,315,000
Cash acquired			(6,044,547,619)
Net cash outflow on acquisition			970,142,767,381



**3 BUSINESS COMBINATION (continued)****(c) Acquisition of a group of companies: Tuong Minh Investment and Real Estate Company Limited (“Tuong Minh”) and Phuong Dong Building Joint Stock Company (“Phuong Dong”)**

In May 2016, the Group completed the acquisition of 99.99% interest in Tuong Minh with a consideration of VND325,665,604,000. Through this acquisition, the Group also controlled Phuong Dong because Tuong Minh holds 99.9% interest in Phuong Dong.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	5,521,815,805	-	5,521,815,805
Short-term receivables	276,772,613,313	-	276,772,613,313
Inventories	195,683,834,280	158,727,871,488	354,411,705,768
Other assets	2,880,617,564	-	2,880,617,564
	<b>480,858,880,962</b>		<b>639,586,752,450</b>
<b>Liabilities</b>			
Short-term borrowings and finance leases liabilities	329,364,060,285	-	329,364,060,285
Other liabilities	11,716,175,104	-	11,716,175,104
Deferred tax liabilities	-	31,745,574,298	31,745,574,298
	<b>341,080,235,389</b>		<b>372,825,809,687</b>
<b>Total identifiable net assets</b>	<b>139,778,645,573</b>		<b>266,760,942,763</b>
Goodwill			59,230,370,957
Non-controlling interests			(325,709,720)
Purchase consideration transferred			325,665,604,000
Cash acquired			(5,521,815,805)
Net cash outflow on acquisition			320,143,788,195

**3 BUSINESS COMBINATION (continued)****(d) Acquisition of Nova Princess Residence Joint Stock Company (“Princess”)**

In May 2016, the Group completed the acquisition of 99.9% interest in Princess with a consideration of VND366,707,530,000.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	13,430,575,435	-	13,430,575,435
Short-term receivables	296,110,556,872	-	296,110,556,872
Inventories	585,068,287,996	93,022,117,585	678,090,405,581
Other assets	30,686,419,304	-	30,686,419,304
	<b>925,295,839,607</b>		<b>1,018,317,957,192</b>
<b>Liabilities</b>			
Short-term borrowings and finance leases liabilities	590,607,650,858	-	590,607,650,858
Deferred tax liabilities	-	18,604,423,517	18,604,423,517
Other liabilities	41,854,839,614	-	41,854,839,614
	<b>632,462,490,472</b>		<b>651,066,913,989</b>
<b>Total identifiable net assets</b>	<b>292,833,349,135</b>		<b>367,251,043,203</b>
Goodwill			(176,262,160)
Non-controlling interests			(367,251,043)
Purchase consideration transferred			366,707,530,000
Cash acquired			(13,430,575,435)
Net cash outflow on acquisition			353,276,954,565

**3 BUSINESS COMBINATION (continued)****(e) Acquisition of The 21st Century International Development Joint Stock Company ("The 21st Century")**

In September 2015, the Group completed the acquisition of 99.91% interest in Khai Hung Real Estate Company Limited ("Khai Hung") and then owned 50% interest in The 21st Century with the first consideration paid of VND1,306,822,860,000. As at 31 December 2015, according to the Board of General Directors, the Group did not control The 21st Century through acquisition of Khai Hung at this stage and this investment was presented under the equity method.

In April 2016, Khai Hung completed the additional acquisition of 32.46% interest in The 21st Century with the second consideration of VND2,648,988,523,362. Through this acquisition, the Group held 82.46% interest in The 21st Century and controlled this company. After gaining over the control, the Group made additional acquisition of 16.51% interest to own 98.97% interest in The 21st Century.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	376,257,092,308	-	376,257,092,308
Held to maturity investments	18,000,000,000	-	18,000,000,000
Other short-term receivables	907,768,712,503	-	907,768,712,503
Inventories	2,104,937,242,463	3,292,667,844,679	5,397,605,087,142
Other long-term receivables	1,332,959,320,000	-	1,332,959,320,000
Other assets	203,349,930,441	-	203,349,930,441
	<b>4,943,272,297,715</b>		<b>8,235,940,142,394</b>
<b>Liabilities</b>			
Short-term borrowings and finance lease liabilities	1,356,433,940,111	-	1,356,433,940,111
Deferred tax liabilities	-	658,533,568,936	658,533,568,936
Other liabilities	1,184,925,960,838	-	1,184,925,960,838
	<b>2,541,359,900,949</b>		<b>3,199,893,469,885</b>
<b>Total identifiable net assets</b>	<b>2,401,912,396,766</b>		<b>5,036,046,672,509</b>
Goodwill			1,343,458,274,347
Non-controlling interests			(883,226,302,773)
Purchase consideration transferred			5,496,278,644,083
First consideration in 2015 under the equity method			1,306,006,026,645
Revaluation of the investments in associate at the acquisition date (*)			1,541,284,094,076
Second consideration in 2016			2,648,988,523,362
Cash acquired			(376,257,092,308)
Net cash outflow on acquisition (**)			3,578,737,457,699

**3 BUSINESS COMBINATION (continued)****(e) Acquisition of The 21st Century International Development Joint Stock Company ("The 21st Century") (continued)**

(\*) This is the difference in revaluation of the initial investment of the Group in The 21st Century. The initial investment was presented as investments in associate as at 31 December 2015. The initial investment was revalued at fair value at the time the Group obtained the control of The 21st Century.

(\*\*) Net cash outflow on acquisition has been included VND1,306,822,860,000 paid out in 2015.

**(f) Acquisition of Nha Rong Investment and Commercial Joint Stock Company ("Nha Rong")**

In July 2016, No Va Con Au Company Limited (renamed as Nova Saigon Royal Real Estate Investment Limited Company since 15 September 2016) completed the acquisition 99.97% interest in Nha Rong with the total consideration of VND917,226,186,551. Through this acquisition, the Group held 99.96% interest in Nha Rong and also controlled this company.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	235,095,106	-	235,095,106
Other short-term receivables	300,382,869,614	-	300,382,869,614
Inventories	300,124,352,684	742,841,000,000	1,042,965,352,684
Other assets	6,463,930,091	-	6,463,930,091
	607,206,247,495	-	1,350,047,247,495
<b>Liabilities</b>			
Short-term borrowings and finance lease liabilities	475,898,662,638	-	475,898,662,638
Other liabilities	13,642,613,461	-	13,642,613,461
Deferred tax liabilities	-	148,568,200,000	148,568,200,000
	489,541,276,099		638,109,476,099
<b>Total identifiable net assets</b>	<b>117,664,971,396</b>		<b>711,937,771,396</b>
Goodwill			205,448,339,075
Non-controlling interests			(159,923,920)
Purchase consideration transferred			917,226,186,551
First consideration in 2015			50,583,750,000
Revaluation of the investments in associate at the acquisition date			55,767,289,431
Second consideration in 2016			810,875,147,120
Cash acquired			(235,095,106)
Net cash outflow on acquisition			861,223,802,014

**3 BUSINESS COMBINATION (continued)****(g) Acquisition of a group of companies: Mega Housing Joint Stock Company ("Mega Housing") and Mega Tie Limited Company ("Mega Tie")**

In July 2016, the Group completed the acquisition of 84.99% interest in Mega Housing with the total consideration of VND16,794,040,800. Through this acquisition, the Group also controlled Mega Tie because Mega Housing holds 74.00% interest in Mega Tie.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	195,522,248	-	195,522,248
Other short-term receivables	195,053,025,659	-	195,053,025,659
Inventories	24,827,909,687	-	24,827,909,687
Other assets	2,583,838,623	-	2,583,838,623
	<b>222,660,296,217</b>		<b>222,660,296,217</b>
<b>Liabilities</b>			
Short-term borrowings and finance leases liabilities	164,110,000,000	-	164,110,000,000
Other liabilities	2,685,981,059	-	2,685,981,059
	<b>166,795,981,059</b>		<b>166,795,981,059</b>
<b>Total identifiable net assets</b>	<b>55,864,315,158</b>	-	<b>55,864,315,158</b>
Goodwill			11,879,710,890
Non-controlling interests			(50,949,985,248)
Purchase consideration transferred			16,794,040,800
<i>First consideration in 2015</i>			2,354,880,585
<i>Revaluation of the investments in associate at the acquisition date</i>			440,560,215
<i>Second consideration in 2016</i>			13,998,600,000
Cash acquired			(195,522,248)
Net cash outflow on acquisition			16,157,958,337

**3 BUSINESS COMBINATION (continued)****(h) Acquisition of Vuong Cung Real Estate Company Limited (“Vuong Cung”)**

In July 2016, Group completed the acquisition of 99.99% interest in Vuong Cung with the total consideration of VND19,998,000,000.

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

	Book value at acquisition date VND	Fair values adjustment VND	Fair values recognised at acquisition date VND
<b>Assets</b>			
Cash and cash equivalents	312,826,517	-	312,826,517
Other short-term receivables	18,679,961,110	-	18,679,961,110
Other assets	892,384	-	892,384
<b>Total identifiable net assets</b>	<b>18,993,680,011</b>	-	<b>18,993,680,011</b>
Goodwill			1,006,219,357
Non-controlling interests			(1,899,368)
Purchase consideration transferred			19,998,000,000
Cash acquired			(312,826,517)
Net cash outflow on acquisition			19,685,173,483

**4 CASH AND CASH EQUIVALENTS**

	2016 VND	2015 VND
Cash on hand	679,014,510	436,098,315
Cash at bank	807,536,880,783	804,939,085,349
Cash equivalents (*)	2,528,753,537,498	3,054,334,979,618
	<u>3,336,969,432,791</u>	<u>3,859,710,163,282</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 4.5% to 5.5% per annum (at 31 December 2015: from 4% to 5.5% per annum).

As at 31 December 2016, cash and cash equivalents of VND1,137,281 million (at 31 December 2015: VND730,339 million) were pledged as collateral assets for the bank loans and VND943,271 million (at 31 December 2015: VND863,455 million) were managed by bank under purpose of borrowings for each project.

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**5 INVESTMENTS**

**(a) Investments held to maturity**

	2016		2015	
	Cost VND	Carrying value VND	Cost VND	Carrying value VND
Term deposits	964,822,616,829	964,822,616,829	818,888,056,357	818,888,056,357

The term deposits represent bank deposits in VND with original maturity of more than three months and less than one year at the commercial banks and earn interest at the rate ranging from 5.7% to 6.8% per annum (2015: from 5% to 7.3% per annum).

As at 31 December 2016, the term deposits of VND1,537 million (2015: VND42,783 million) were used as collateral assets for the bank loans of the Group and VND960,536 million (2015: 0 VND) were managed by bank under purpose of borrowings for each project.

**(b) Equity investments in other entities**

	2016				2015			
	Cost VND	Fair value VND	Provision VND		Cost VND	Fair value VND	Provision VND	
Investments in associates (i)	371,670,632,914	371,670,632,914	-		1,526,233,919,261	1,526,233,919,261	-	
Other long term investments (ii)	3,115,200,000	3,115,200,000	-		58,758,950,000	58,758,950,000	-	
	374,785,832,914	374,785,832,914	-		1,584,992,869,261	1,584,992,869,261	-	

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**5 INVESTMENTS (continued)**

**(b) Investments in other entities (continued)**

*(i) Investments in associates*

	Name	The principal activity	2016			2015		
			Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
	The 21st Century International Development Joint Stock Company	Real estate trading	-	(*)	-	1,342,635,516,042	(*)	-
	Phu Dinh Port Joint Stock Company	Service supporting in relation to transportation, real estate trading	133,176,686,804	(*)	-	93,097,780,664	(*)	-
	Sai Gon Golf Joint Stock Company	Real estate trading	150,598,742,092	(*)	-	-	(*)	-
	Ben Thanh Housing Development Company Limited	Real estate trading	63,560,189,142	(*)	-	60,600,000,000	(*)	-
	Sai Gon Electronics and Industrial Service Joint Stock Company	Electronics and telecommunication trading	14,297,950,313	(*)	-	14,999,154,301	(*)	-
	Nova Dong Hai Joint Stock Company	Real estate trading	10,037,064,563	(*)	-	10,003,418,179	(*)	-
	Mega Housing Joint Stock Company	Real estate trading	-	(*)	-	2,929,644,563	(*)	-
	Nova Bac Nam 79 Joint Stock Company	Real estate trading	-	(*)	-	1,968,405,512	(*)	-
			371,670,632,914		-	1,526,233,919,261		-

(\*) As at 31 December 2016 and 31 December 2015, 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 information was not available.



**5 INVESTMENTS (continued)****(b) Investments in other entities (continued)****(i) Investments in associates (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
Opening balance	1,526,233,919,261	15,787,773,973
Increase in additional investments	40,000,000,000	1,509,249,113,126
Profit sharing from investments in associates	498,537,487	992,746,135
Transfers from subsidiaries to associates	150,598,742,092	-
Additional investments to gain control	(1,342,290,520,919)	-
Others	(3,370,045,007)	204,286,027
	<hr/>	<hr/>
Closing balance	<u>371,670,632,914</u>	<u>1,526,233,919,261</u>

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**5 INVESTMENTS (continued)**

**(b) Investments in other entities (continued)**

**(ii) Other long-term investments**

No.	Name	Principal activity	2016			2015		
			Ownership and voting rights %	Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND
1	Nha Rong Investment and Commercial Joint Stock Company	Real estate trading	-	-	-	-	4,76	50,583,750,000
	Nam A Footwear Import	Customer products	11,80	3,115,200,000	(*)	-	11,80	3,115,200,000
	Export Joint Stock Company	trading	-	-	-	-	1,00	5,060,000,000
	Others							
2								
				3,115,200,000	-	-		58,758,950,000

(\*) As at 31 December 2016 and 31 December 2015, the Group did not disclose the fair value of these investments as they have not been listed in the stock market. There was no fair value information available of these investments.

**6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2016 VND</b>	<b>2015 VND</b>
<b>Trade receivables from sale of real estate</b>		
Third parties (*)	<u>319,117,669,711</u>	<u>331,021,543,478</u>
<b>Trade receivables from rendering services</b>		
Third parties (*)	14,105,859,709	87,710,248,983
Related parties (Note 41(b))	-	2,200,000,000
	<u>14,105,859,709</u>	<u>89,910,248,983</u>
<b>Total</b>	<u>333,223,529,420</u>	<u>420,931,792,461</u>

(\*) As at 31 December 2016 and 31 December 2015, 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**

	<b>2016 VND</b>	<b>2015 VND</b>
<b>Related parties (Note 41(b))</b>	52,000,000,000	-
<b>Third parties</b>	884,793,642,253	283,928,585,866
Tan Ky Construction Real Estate Trading Corporation	143,924,098,922	-
An Phu An Real Estate Company Limited	111,343,000,000	188,100,000
Florida Yachts International Company	93,757,653,303	-
American General Construction Company Limited	91,561,366,686	69,707,013,747
Construction and Building materials Joint Stock Company	75,996,448,616	-
Sai Gon General Service Corporation	46,070,042,873	43,610,714,560
Hoa Binh Construction & Real Estate Corporation	40,952,056,606	-
Phat Loc Construction Consultant Corporation	30,200,000,000	-
Mechanical Works And Construction Investment Joint Stock Company No.9	24,899,541,263	-
No.14 Construction Joint Stock Company	19,536,322,940	-
Ha Lo Trading Company Limited	17,036,498,056	10,429,972,561
Schindler Viet Nam Company Limited	16,539,669,467	-
Vietnam Festival Travel Company Limited	-	26,550,000,000
Others	172,976,943,521	133,442,784,998
	<u>936,793,642,253</u>	<u>283,928,585,866</u>

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

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

	2016 VND	2015 VND
<b>Related parties (Note 41(b))</b>	43,420,000,000	418,601,000,000
<b>Third parties (*)</b>	3,270,238,593,511	849,015,016,535
<i>CQ89 Real Estate Investment and     Development Limited Company</i>	2,106,700,000,000	-
<i>Gia Phu Real Estate Investment Limited     Company</i>	311,580,408,814	311,580,408,814
<i>Song Giang Investment and Development     Limited Company</i>	255,380,000,000	-
<i>Phu Viet Tin Limited Company</i>	-	160,716,923,359
<i>Thanh Nien Real Estate Joint Stock Company</i>	-	264,578,474,492
<i>Others</i>	596,578,184,697	112,139,209,870
	<u>3,313,658,593,511</u>	<u>1,267,616,016,535</u>

(\*) These are the short-term loans to third parties which are unsecured and earn interest at rate from 5.0% to 12.2% per annum (at 31 December 2015: from 5.3% to 12.5% per annum). The maturity of these loans are from 3 to 12 months.

As at 31 December 2016 and 31 December 2015, there was no balance of short-term lending which was past due or not past due but impaired.

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

	2016		2015	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for shares acquisition (*)	912,750,000,000	-	2,977,080,000,000	-
Deposits for the contract related to investment consultancy services (**)	2,600,713,192,246	-	246,400,000,000	-
Project development and investment co-operation (***)	248,061,940,913	-	274,397,440,716	-
Deposits for project transfers	233,420,000,000	-	172,650,239,160	-
Interest receivables from term deposits and lending	182,157,995,996	-	63,461,821,762	-
Deposits	125,996,829,272	-	15,583,525,000	-
Advances for project	366,734,361,189	-	1,413,807,911	-
Others	395,899,781,568	-	341,343,078,108	-
	<u>5,065,734,101,184</u>		<u>4,092,329,912,657</u>	

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

Third parties	4,705,049,035,768	-	1,627,137,525,908	-
Related parties (Note 41(b))	360,685,065,416	-	2,465,192,386,749	-
	<u>5,065,734,101,184</u>		<u>4,092,329,912,657</u>	

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

(\*\*) This balance represents deposits as an amount guaranteed for the investment consultancy agreements with partners that are mainly in relation to SSR Real Estate Investment and Development Limited Company and Trung Son A 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.

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

**9 OTHER RECEIVABLES****(b) Other long-term receivables**

	<b>2016</b>		<b>2015</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Deposits for the contract related to investment consultancy services (Note 9(a))	-	-	2,337,600,000,000	-
Project development and investment co-operation (Note 9(a))	782,536,582,050	-	964,336,582,050	-
Others	128,481,971,211	-	4,164,604,160	-
	<u>911,018,553,261</u>		<u>3,306,101,186,210</u>	

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

Third parties	504,619,777,261	-	2,899,702,410,210	-
Related parties (Note 41(b))	406,398,776,000	-	406,398,776,000	-
	<u>911,018,553,261</u>		<u>3,306,101,186,210</u>	

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10 DOUBTFUL DEBTS

	2016			2015		
	Cost VND	Recoverable amount VND	Number of overdue days Days	Cost VND	Recoverable amount VND	Number of overdue days Days
Short-term trade account receivables that are past due						
Vietnam Joint Stock Commercial Bank for Industry and Trade (*)	26,004,993,270	18,203,495,289	Below 1 year	-	-	-
Short-term prepayments to suppliers that are past due						
North Phi Kha Commerce Service Manufacturing Company Limited	5,860,311,161	-	Above 3 years	5,860,311,161	-	Above 3 years
	31,865,304,431	18,203,495,289		5,860,311,161	-	

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



**11 INVENTORIES****(a) Inventories**

	2016		2015	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties in construction progress (i)	15,127,829,614,894	-	3,238,919,778,815	-
Properties in construction completion (ii)	487,034,387,442	(5,395,666,184)	3,714,486,289,961	(42,889,553,945)
Property merchandises	176,783,952,157	-	248,311,958,657	-
Tools and equipments	3,389,659,763	-	-	-
	<u>15,795,037,614,256</u>	<u>(5,395,666,184)</u>	<u>7,201,718,027,433</u>	<u>(42,889,553,945)</u>
Provision for decline in value of inventories	(5,395,666,184)		(42,889,553,945)	
	<u>15,789,641,948,072</u>		<u>7,158,828,473,488</u>	

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

	2016 VND	2015 VND
Opening balance	(42,889,553,945)	(8,441,635,222)
Increase	(1,728,453,945)	(41,744,288,054)
Reversal	39,222,341,706	7,296,369,331
Closing balance	<u>(5,395,666,184)</u>	<u>(42,889,553,945)</u>

- (i) As at 31 December 2016, the properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects.
- (ii) As at 31 December 2016, the balance presents the properties in construction completion for sale.

As at 31 December 2016, inventories of the Group valued of VND2,314,035 million (as at 31 December 2015: VND1,948,497 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the year was VND111,971 million (as at 31 December 2015: VND21,452 million).

**11 INVENTORIES (continued)****(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**

	<b>2016 VND</b>	<b>2015 VND</b>
Tools and equipments	2,482,258,721	1,851,719,257
Deferred expenses	49,256,022,026	60,525,063,933
	<u>51,738,280,747</u>	<u>62,376,783,190</u>

**(b) Long-term prepaid expenses**

	<b>2016 VND</b>	<b>2015 VND</b>
Interest expenses from issuing bonds	92,425,330,834	-
Office renovation	52,001,544,127	39,079,022,851
Tools and equipments	21,268,916,161	23,908,525,990
Others deferred expenses	122,381,655,267	97,663,525,729
	<u>288,077,446,389</u>	<u>160,651,074,570</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
Opening balance	160,651,074,570	97,148,602,621
Increase	246,211,242,829	211,551,302,099
Transfers from construction in progress (Note 16)	15,667,954,697	-
Allocation	<u>(134,452,825,707)</u>	<u>(148,048,830,150)</u>
Closing balance	<u>288,077,446,389</u>	<u>160,651,074,570</u>

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**13 TANGIBLE FIXED ASSETS**

	Plant and Buildings VND	Machinery VND	Motor Vehicles VND	Office equipments VND	Other fixed assets VND	Total VND
<b>Historical cost</b>						
As at 1 January 2016	13,223,361,505	7,304,888,753	49,620,988,474	24,595,738,870	561,728,452	95,306,706,054
Reclassification	-	8,168,553,500	-	(8,228,243,500)	59,690,000	-
New purchases	39,746,072,552	2,765,289,613	36,087,175,637	7,311,835,413	343,200,000	86,253,573,215
Increase from acquisition subsidiaries	-	54,336,364	1,089,371,818	197,561,881	444,090,909	1,785,360,972
Transfers from construction in progress (Note 16)	6,173,813,491	-	3,177,536,000	-	-	9,351,349,491
Disposals	(9,581,077,800)	(1,033,877,356)	(18,627,470,894)	(397,217,272)	(401,818,182)	(30,041,461,504)
Decrease from liquidation of subsidiaries	-	-	(335,000,000)	(94,272,727)	(91,818,182)	(521,090,909)
As at 31 December 2016	49,562,169,748	17,259,190,874	71,012,601,035	23,385,402,665	915,072,997	162,134,437,319
<b>Accumulated depreciation</b>						
As at 1 January 2016	(8,766,741,505)	(2,020,455,123)	(14,847,550,531)	(9,331,495,550)	(254,150,606)	(35,220,393,315)
Reclassification	-	(5,548,382,903)	-	5,581,504,019	(33,121,116)	-
Charge for the year	(1,544,454,918)	(3,199,430,827)	(8,630,645,695)	(5,289,786,262)	(308,259,431)	(18,972,577,133)
Increase from acquisition of subsidiaries	-	(54,336,364)	(247,337,925)	(117,949,925)	(91,376,258)	(511,000,472)
Disposals	1,564,971,846	511,824,374	10,197,721,269	150,014,453	207,323,217	12,631,855,159
Decrease from liquidation of subsidiaries	-	-	27,916,665	10,942,424	79,065,655	117,924,744
As at 31 December 2016	(8,746,224,577)	(10,310,780,843)	(13,499,896,217)	(8,996,770,841)	(400,518,539)	(41,954,191,017)
<b>Net book value</b>						
As at 1 January 2016	4,456,620,000	5,284,433,630	34,773,437,943	15,264,243,320	307,577,846	60,086,312,739
As at 31 December 2016	40,815,945,171	6,948,410,031	57,512,704,818	14,388,631,824	514,554,458	120,180,246,302

Cost of fully depreciated tangible fixed assets but still in use was VND24,543 million (2015: VND10,783 million).

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

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14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Trade mark VND	Software VND	Total VND
<b>Historical cost</b>				
As at 1 January 2016	25,400,891,068	30,000,000	2,992,791,813	28,423,682,881
Reclassification	-	112,225,000	(112,225,000)	-
New purchases	-	-	1,721,646,237	1,721,646,237
Decrease from liquidation of subsidiaries	-	-	(120,000,000)	(120,000,000)
As at 31 December 2016	25,400,891,068	142,225,000	4,482,213,050	30,025,329,118
<b>Accumulated amortisation</b>				
As at 1 January 2016	-	(14,999,982)	(702,542,655)	(717,542,637)
Reclassification	-	(18,704,168)	18,704,168	-
Charge for the period	-	(66,112,500)	(718,705,128)	(784,817,628)
Decrease from liquidation of subsidiaries	-	-	120,000,000	120,000,000
As at 31 December 2016	-	(99,816,650)	(1,282,543,615)	(1,382,360,265)
<b>Net book value</b>				
As at 1 January 2016	25,400,891,068	15,000,018	2,290,249,158	27,706,140,244
As at 31 December 2016	25,400,891,068	42,408,350	3,199,669,435	28,642,968,853

As at 31 December 2016, cost of fully depreciated intangible fixed assets but still in use was VND167 million (2016: VND287 million). There were no intangible fixed assets pledged as collateral assets for bank loans granted to the Group.

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**15 INVESTMENT PROPERTIES FOR LEASING**

	Land use rights VND	Buildings VND	Buildings and structures VND	Infrastructure VND	Total VND
<b>Historical cost</b>					
As at 1 January 2016	44,138,299,530	85,023,755,031	52,444,906,363	935,044,107,875	1,116,651,068,799
Reclassification	49,078,589,103	(85,023,755,031)	970,989,273,803	(935,044,107,875)	-
Transfers from inventories	63,841,776,091	-	930,892,792,594	-	994,734,568,685
Transfers from construction in progress (Note 16)	-	-	10,819,815,083	-	10,819,815,083
Transfers to inventories	-	-	(100,134,460,909)	-	(100,134,460,909)
As at 31 December 2016	157,058,664,724	-	1,865,012,326,934	-	2,022,070,991,658
<b>Accumulated amortisation</b>					
As at 1 January 2016	-	(2,692,840,232)	(3,366,317,261)	(27,806,387,633)	(33,865,545,126)
Reclassification	-	2,692,840,232	(30,499,227,865)	27,806,387,633	-
Charge for the year	-	-	(44,894,791,220)	-	(44,894,791,220)
Transfers to inventories	-	-	1,702,454,940	-	1,702,454,940
As at 31 December 2016	-	-	(77,057,881,406)	-	(77,057,881,406)
<b>Net book value</b>					
As at 1 January 2016	44,138,299,530	82,330,914,799	49,078,589,102	907,237,720,242	1,082,785,523,673
As at 31 December 2016	157,058,664,724	-	1,787,954,445,528	-	1,945,013,110,252

As at 31 December 2016, there were no investment properties pledged as security for bank borrowings and bonds issued by the Group (2015: VND335,159 million).

**16 CONSTRUCTION IN PROGRESS**

	<b>2016 VND</b>	<b>2015 VND</b>
Purchase of fixed assets	6,133,252,000	4,424,673,000
Construction in progress	41,953,674,197	1,059,296,972,604
Overhaul of fixed assets	3,292,862,231	5,429,721,039
	<u>51,379,788,428</u>	<u>1,069,151,366,643</u>

Movements in the construction in progress during the year were as follows:

	<b>2016 VND</b>	<b>2015 VND</b>
Opening balance	1,069,151,366,643	85,775,562,901
Purchases	461,819,737,956	1,046,091,846,378
Transfers to tangible fixed assets (Note 13)	(9,351,349,491)	(59,386,097,912)
Transfers to investment properties for leasing (Note 15)	(10,819,815,083)	(3,329,944,724)
Transfers to inventories	(1,434,713,119,624)	-
Transfers to long-term prepaid expenses	(15,667,954,697)	-
Decrease due to impact of business combination	(7,861,433,012)	-
Other decreases	(1,177,644,264)	-
	<u>51,379,788,428</u>	<u>1,069,151,366,643</u>
Closing balance	<u>51,379,788,428</u>	<u>1,069,151,366,643</u>

**17 GOODWILL**

	<b>2016 VND</b>	<b>2015 VND</b>
Opening balance	1,119,884,733,917	102,371,310,691
Increase (*)	1,917,657,294,239	1,077,165,190,569
Decrease due to disposal of subsidiaries (**)	(597,391,461,867)	-
Allocation	(222,544,537,238)	(59,651,767,343)
	<u>2,217,606,029,051</u>	<u>1,119,884,733,917</u>
Closing balance	<u>2,217,606,029,051</u>	<u>1,119,884,733,917</u>

**17 GOODWILL (continued)**

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

	Goodwill VND	Allocation period Year
21st Century International Development Joint Stock Company	1,343,458,274,347	10
Nha Rong Investment and Commercial Joint Stock Company	205,448,339,075	10
Phu Viet Tin Limited Company	158,530,685,672	10
Nova RiverGate Limited Company	138,103,693,941	10
Phuong Dong Building Joint Stock Company	31,780,744,978	10
Tuong Minh Real Estate Investment Limited Company	27,449,625,979	10
Mega Tie Company Limited	10,928,628,686	
Mega Housing Joint Stock Company	951,082,204	10
Vuong Cung Real Estate Company Limited	1,006,219,357	10
	1,917,657,294,239	

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

(\*\*) Decrease in goodwill is mainly relating to divestment of group of subsidiaries including: Attland Corporation, Ha An Commercial Investment And Service Joint Stock Company, Me Linh Invest Joint Stock Company and Quang Truong Me Linh Investment Joint Stock Company (formerly known as Sabeco Pearl Investment Joint Stock Company).



**18 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>2016</b> <b>VND</b>	<b>2015</b> <b>VND</b>
<b>Third parties</b>		
Henry Enterprise Group Company Limited	679,680,395,588	-
Hoa Binh Real Estate and Investment Joint Stock Company	84,896,786,277	47,320,961,601
Cotec Building Joint Stock Company	81,672,729,738	132,393,794,691
Binh Dinh Building Joint Stock Company	42,444,326,009	-
Nova Home Joint Stock Company	41,374,058,935	-
Delta Civil and Industrial Construction Company Limited	30,676,894,152	-
Tai Viet Tin Construction Company Limited	30,575,354,224	-
Kien Phu Gia Limited Company	26,009,925,066	-
American General Construction Company Limited	21,883,830,416	-
P&M Commercial Refrigeration Service Company Limited	21,185,801,357	56,390,952,963
Hoang Phuc Investment Construction Housing Development Company Limited	20,000,000,000	104,311,242,881
No.1 Construction Joint Stock Company	-	25,275,609,131
Tan Son Nhat Airlines Service Joint Stock Company	7,338,988	55,380,000,000
South Rubber Industry Joint Stock Company	-	17,750,000,001
Others	425,320,987,909	382,707,069,895
<b>Related parties (Note 41(b))</b>	-	1,160,959,195
	<u>1,505,728,428,659</u>	<u>822,690,590,358</u>

As at 31 December 2016 and 31 December 2015, the Company had no short-term trade accounts payable overdue.

**19 SHORT-TERM ADVANCES FROM CUSTOMERS**

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

As at 31 December 2016 and 31 December 2015, there were no customers accounting for 10% or more than 10% in total balance of short – term advances from customers.

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

	<b>2016 VND</b>	<b>2015 VND</b>
Business income tax temporarily paid 1%	83,142,669,324	88,668,142,493
Overpaid business income tax	24,830,306,933	5,215,059,598
Overpaid value added tax	20,031,825,299	-
Others	-	48,858,215
	<u>128,004,801,556</u>	<u>93,932,060,306</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
Business income tax	36,614,066,025	126,344,426,169
Value added tax	82,859,123,162	61,868,885,936
Personal income tax	3,413,359,127	5,157,860,240
Others	67,461,744	19,602,307
	<u>122,954,010,058</u>	<u>193,390,774,652</u>

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**20 TAXES AND OTHER RECEIVABLES FROM AND 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 1.1.2016 VND	Arose during the year VND	Settled during the year VND	Impact of business combination VND	As at 31.12.2016 VND
<b>(a) Tax payables</b>					
Business income tax	126,344,426,169	322,024,940,688	(366,248,257,967)	-	36,614,066,025
Value added tax on domestic sales	61,868,885,936	637,093,155,189	(347,739,457,064)	-	82,859,123,162
Personal income tax	5,157,860,240	80,116,441,836	(82,672,807,623)	811,864,674	3,413,359,127
Others	19,602,307	200,964,356,473	(200,900,283,783)	(16,213,253)	67,461,744
<b>Total</b>	<b>193,390,774,652</b>	<b>1,240,198,894,186</b>	<b>(997,560,806,437)</b>	<b>795,651,421</b>	<b>122,954,010,058</b>
<b>(b) Tax receivables</b>					
Business income tax temporary paid 1%	(88,668,142,493)	5,904,448,514	(45,087,779,530)	-	(83,142,669,324)
VAT to be reclaimed	(80,608,375,548)	(557,139,384,956)	33,349,255,250	(91,623,379,370)	(381,804,313,170)
Overpaid value added tax	-	-	(20,031,825,299)	-	(20,031,825,299)
Overpaid business income tax	(5,215,059,598)	(114,390,311)	(20,397,868,127)	98,772,423	(24,830,306,933)
Others	(48,858,215)	-	-	48,858,215	-
<b>Total</b>	<b>(174,540,435,854)</b>	<b>(551,349,326,753)</b>	<b>(52,168,217,706)</b>	<b>(91,475,748,732)</b>	<b>(509,809,114,726)</b>

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**21 PAYABLES TO EMPLOYEES**

	<b>2016 VND</b>	<b>2015 VND</b>
Salary	161,463,623	1,142,118,477
13 <sup>th</sup> month salary, bonus	172,380,543,576	91,306,005,298
	<u>172,542,007,199</u>	<u>92,448,123,775</u>

**22 SHORT-TERM ACCRUED EXPENSES**

	<b>2016 VND</b>	<b>2015 VND</b>
Constructions costs	401,605,406,335	717,348,665,541
Interest expenses	201,705,978,172	85,197,671,541
Others	63,451,147,200	24,032,642,664
	<u>666,762,531,707</u>	<u>826,578,979,746</u>

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

Third parties	666,184,072,854	826,356,732,600
Related parties (Note 41(b))	578,458,853	222,247,146
	<u>666,762,531,707</u>	<u>826,578,979,746</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
Deposits for purchases of apartments and commercial units	26,679,764,500	412,957,077,187
Maintenance fund payables (i)	253,397,315,185	231,404,553,527
Payable for transfer of project	-	60,000,000,000
Project development and investment co-operation (Note23(b)(*))	270,000,000,000	-
Advances received (ii)	311,488,843,401	-
Others	122,197,340,971	34,479,658,093
	<u>983,763,264,057</u>	<u>738,841,288,807</u>

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

- (i) The maintenance fund payables represent 2% of the total net value of the contract which the Group collected from the residents for the maintenance of apartments. This amount will be transferred to the Residence Committee when the Residence Committee is established.
- (ii) This is advances from Nova Home Joint Stock Company with no interest and collateral assets.

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
Project development and investment co-operation (*)	2,044,034,432,000	1,472,949,631,299
- <i>Third parties</i>	1,764,824,432,000	139,990,311,299
- <i>Related parties (Note 41(b))</i>	279,210,000,000	1,332,959,320,000
Others	4,185,075,098	2,762,167,830
	<u>2,048,219,507,098</u>	<u>1,475,711,799,129</u>

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

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24 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 1.1.2016 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 31.12.2016 VND
<b>(a) Short-term borrowings</b>					
- Bank loans (*)	1,922,213,521,645	1,210,834,377,962	(2,477,013,521,645)	540,500,000,000	1,196,534,377,962
- Bonds (**)	580,989,000,000	-	(580,989,000,000)	1,296,000,000,004	1,296,000,000,004
- Borrowing from third parties (***)	-	5,783,416,262,200	(2,689,645,896,513)	-	3,093,770,365,687
- Borrowings from related parties (Note 41(b))	9,940,000,000	32,449,000,000	(32,924,000,000)	-	9,465,000,000
	<u>2,513,142,521,645</u>	<u>7,026,699,640,162</u>	<u>(5,780,572,418,158)</u>	<u>1,836,500,000,004</u>	<u>5,595,769,743,653</u>
<b>(b) Long-term borrowings</b>					
- Bank loans (*)	317,434,758,361	3,294,522,528,504	(1,119,478,158,360)	(540,500,000,000)	1,951,979,128,505
- Bonds (**)	4,435,802,093,017	4,132,882,336,563	(3,824,070,000,000)	(1,296,000,000,004)	3,448,614,429,576
- Borrowing from third parties (***)	676,200,000,000	2,590,900,000,000	(760,200,000,000)	-	2,506,900,000,000
- Borrowings from related parties (Note 41(b))	51,151,000,000	-	(51,151,000,000)	-	-
	<u>5,480,587,851,378</u>	<u>10,018,304,865,067</u>	<u>(5,754,899,158,360)</u>	<u>(1,836,500,000,004)</u>	<u>7,907,493,558,081</u>

**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

(\*) Details of closing balance of short-term bank loans are as follows:

	2016 VND	2015 VND
<b>(a) Short-term borrowings</b>		
Saigon Thuong Tin Commercial Joint Stock Bank – Transaction Center (i)	250,000,000,000	-
Saigon Thuong Tin Commercial Joint Stock Bank (ii)	160,000,000,000	-
Tien Phong Commercial Joint Stock Company - Sai Gon Branch (iii)	140,500,000,000	140,500,000,000
Southeast Asia Commercial Joint Stock Bank – Ho Chi Minh City Branch (iv)	181,200,000,000	440,978,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Nam Sai Gon Branch (v)	150,153,000,000	99,997,000,000
Viet Capital Commercial Joint Stock Bank - Gia Dinh Branch(vi)	98,828,896,087	75,000,000,000
Southeast Asia Commercial Joint Stock Bank (vii)	65,852,481,875	241,836,098,505
Tien Phong Commercial Joint Stock Company - Sai Gon Branch (viii)	150,000,000,000	-
National Citizen Bank – Transaction Center	-	449,989,000,000
Saigon Thuong Tin Commercial Joint Stock Bank	-	235,913,423,140
Nam A Commercial Joint Stock Bank - Ham Nghi Branch - Phu My Hung Office	-	100,000,000,000
Nam A Commercial Joint Stock Bank - Dong Nai Branch	-	75,000,000,000
Viet A Commercial Joint Stock Bank - Head Office	-	63,000,000,000
	<u>1,196,534,377,962</u>	<u>1,922,213,521,645</u>



## 24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

	2016 VND	2015 VND
<b>(b) Long-term borrowings</b>		
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch (ix)	1,206,433,940,112	-
Sai Gon Thuong Tin Commercial Joint Stock Bank – Transaction Center (i)	250,000,000,000	-
Tien Phong Commercial Joint Stock Bank – Sai Gon Branch (viii)	250,000,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh City Branch (x)	200,000,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Soc Trang Branch (xi)	45,545,188,393	-
Tien Phong Commercial Joint Stock Bank (iii)	-	140,500,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank	-	176,934,758,361
	<u>1,951,979,128,505</u>	<u>317,434,758,361</u>

- (i) 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 (13<sup>th</sup>) 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 (7<sup>th</sup>) month onwards. These borrowings are used to jointly invest with Nova Sasco Company Limited in order to develop Botanica Premier project. These borrowings are guaranteed by 16,700,000 shares of the Company owned by shareholders.
- (ii) These are borrowings in Vietnamese Dong under a credit facility of VND200,000,000,000 for a term of twelve (12) months to finance working capital of the Group. The interest rates of these borrowings are specified in each loan drawdown. As at 31 December 2016, the outstanding balance of these borrowings was VND160,000,000,000, bearing an interest rate of 10% per annum for the first six-month period. The interest rate applied for the period from the seventh (7<sup>th</sup>) month onwards will be defined as the interest rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3% per annum, adjusted for every three (3) months. These borrowings are guaranteed by 6,700,000 shares of the Company owned by shareholders.
- (iii) These loans are in Vietnamese Dong with maturing in 2017 and bearing an interest rate of 9.7% per annum. These loans are secured by: Properties owned by IVC Company Limited, third parties, that land is located at 100, Map No. 68 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang; the shares of shareholders in No Va Land Investment Group Corporation; the receivables from the contract of deposit, capital contribution and trading apartments, commercial floor under the project of complex and trading service at the address of 104 Pho Quang Street, Ward 2, Tan Binh District, Ho Chi Minh City which is owned by No Va Land Investment Group Corporation.

**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

- (iv) These are borrowings in Vietnam Dong under a credit facility of VND441,678,000,000 for a term of twelve (12) months from the loan agreement signing date on 25 May 2016 to finance working capital and deposits for share transfers of the Group. The interest rates of these borrowings are specified in each loan drawdown and equal to interest rate of collateral term deposits plus a margin of 1.1% per annum. These borrowings are guaranteed by the term deposit contract of VND185,888,000,000 owned by No Va Land Investment Group Corporation.
- (v) 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 2016, the Group had the outstanding balance of VND150,153,000,000 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%.
- (vi) This is a borrowing in Vietnamese Dong with a credit limit of VND100,000,000,000 for a term of six (6) months. Its interest rate will be determined specifically for each drawdown. As at 31 December 2016, the Group had outstanding balance of VND98,828,896,087 from this facility at an interest rate of 8.7% per annum. This loan is unsecured.
- (vii) These are borrowings in Vietnamese Dong with an initial credit facility of VND116,000,000,000 and then increasing to VND300,000,000,000 since 14 June 2016, maturing in twelve (12) months since the drawdown date. At 31 December 2016, the Group had the outstanding balance of VND65,852,481,875 including VND35,852,481,875 at an interest rate of 9.3% per annum and VND30,000,000,000 at an interest rate of 9.15% per annum. These borrowings are secured by: 16,707,807 shares of Phu Dinh Port Company owned by following parties: 8,377,850 shares owned by No Va Land Investment Joint Stock Company; 7,496,967 shares owned by Bach Hop Real Estate Co., Ltd.; 416,495 shares owned by No Va Con Au Company Limited (renamed as: Nova Saigon Royal Real Estate Investment Company Limited); 416,495 shares owned by Phuoc Long Investment and Development Company Limited.
- (viii) 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: real estate owned by I.V.C Limited Company, located at lot No.100, Truong Sa Street, Ngu Hanh Son District, Da Nang City; all capital contributed of the Company into Nova Nam A Company Limited with the value of VND216,080,000,000; ownership rights in Orchard Parkview project including assets formed on the land, trade receivables and rights of project formed in the future; and 22,173,000 shares of the Company owned by shareholders.

**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

- (ix) 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.
- (x) 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 7,650,000 shares of the Company owned by shareholders.
- (xi) These are borrowings in Vietnamese Dong with a credit limit of VND250,000,000,000 for a term of sixty (60) months to finance working capital of Con Au Eco-tourism Park Project. These borrowings bear a fixed interest rate of 9.4% per annum for the first thirty-six-month period since the first drawdown date. The interest rate applied from the thirty-seventh (37th) month onwards will be defined as the interest rate of the twenty-four-month deposits from individuals in Vietnamese Dong plus a margin of 3.6% per annum. The borrowings are secured by the land use rights, building ownership and other assets attached to the land belonging to Con Au Eco-tourism Park Project.

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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 2016			As at 31 December 2015		
	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
<b>Bonds issued at discount</b>						
Techcom Securities Limited Company (i)	1,150,000,000,000	(700,000,000,000)	450,000,000,000	-	-	-
<b>Bonds issued at par</b>						
Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	1,732,000,000,000	-	1,732,000,000,000	3,280,000,000,000	-	3,280,000,000,000
Military Joint Stock Commercial Bank (iii)	1,000,000,000,000	(600,000,000,000)	400,000,000,000	250,000,000,000	-	250,000,000,000
Techcom Securities Limited Company (iv)	500,000,000,000	-	500,000,000,000	350,000,000,000	-	350,000,000,000
Bao Viet Commercial Joint Stock Bank (v)	300,000,000,000	-	300,000,000,000	-	-	-
Tien Phong Commercial Joint Stock Bank (iii)	100,000,000,000	-	100,000,000,000	300,000,000,000	-	300,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	-	-	580,989,000,000	(580,989,000,000)	-
Vietnam Prosperity Joint Stock Commercial Bank	(37,385,570,420)	-	-	300,000,000,000	-	300,000,000,000
Bond issuance costs	4,744,614,429,580	3,999,999,996	(33,385,570,424)	(44,197,906,983)	-	(44,197,906,983)
	<u>4,744,614,429,580</u>	<u>(1,296,000,000,004)</u>	<u>3,448,614,429,576</u>	<u>5,016,791,093,017</u>	<u>(580,989,000,000)</u>	<u>4,435,802,093,017</u>

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

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

**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

(ii) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch, including:

- Package of bonds with a par value of VND2,000,000,000,000, maturing in May 2019 and bearing an interest rate from 10.5% to 10.8% per annum. The outstanding balance of these bonds at 31 December 2016 was VND996,000,000,000 and fully repaid prior to the maturity date by the Company on 12 January 2017; and
- Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4% per annum.

These facilities are secured by shares of the Company owned by shareholders, receivable rights relating to a project developed by the Company, capital contribution of the Company in Khai Hung Real Estate Limited Company ("Khai Hung") and a part of capital contribution of Khai Hung in The 21st Century Investment Development Joint Stock Company.

(iii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch, include:

- Package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders. The purpose of issuing these bonds is to expand operating scale and to contribute capital in the principal contract with Nha Rong Investment Trade Joint Stock Company to develop Saigon Royal Residence project. 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 pursuant to Bond sale purchase agreement No. 29112016/Novaland-Group/TPB-MB.
- Package of bonds with a par value of VND600,000,000,000, maturing in January 2019, bearing an interest rate of 10% per annum for the twelve (12) months. The interest rate applied for remaining period will be defined as a reference rate of plus 3.5% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) for the same period by four (4) banks including: Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Military Commercial Joint Stock Bank and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by receivable rights and properties formed in the future of Sunrise City project; land use rights and properties formed on two land lots of 913.8 m<sup>2</sup> and 2,261.5 m<sup>2</sup> located in Thao Dien Ward, District 2, Ho Chi Minh City; 13,750,000 shares of the parent company owned by shareholders; 73% of shares of Nova Sagel Company Limited owned by the parent company and deposit contracts of VND112,078,549,232 in Military Commercial Joint Stock Bank. The purpose of issuing these bonds is to expand operating scale of the Group. At the date of these consolidated financial statements, the Group had fully repaid these bonds and all collateral assets were unpledged.



**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

- (iv) Bonds issued at par value in Vietnamese Dong with a par value of VND500,000,000,000 to Techcom Securities Limited Company as the initial bonds buyer, maturing in December 2018, bearing an interest rate of 10.9% per annum 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 by four (4) banks including: Bank for Investment and Development of Vietnam – Transaction Center 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Center, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development – Transaction Center. These bonds are secured by shares of the Company's shareholders.
- (v) Bonds issued at par value in Vietnamese Dong to Bao Viet Joint Stock Bank – Head Office, maturing on 28 January 2018, bearing an interest rate of 10.25% per annum for the first two interest periods since January 2016. The interest rate applied for the remaining period will be defined as a reference rate plus 3.6% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by collateral assets including shares of the Company owned by the Company's shareholders. The purpose of issuing these bonds is to invest in Orchard Garden Project, Gardengate Project, Botanica Project, Orchard Parkview Project and other projects of the Group.

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

	2016 VND	2015 VND
<b>(a) Short-term borrowings</b>		
Nova Home Joint Stock Company	3,093,770,365,687	-
These are loans in Vietnamese Dong, maturing in 5 months, bear interest at the rate from 4.4% to 5.4% per annum and are unsecured.		
	2016 VND	2015 VND
<b>(b) Long-term borrowings</b>		
Credit Suisse AG- Singapore Branch (i)	1,367,400,000,000	676,200,000,000
GW Supernova Pte,Ltd. (ii)	1,139,500,000,000	-
	2,506,900,000,000	676,200,000,000

**24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

- (i) In July 2016, the Company, the facility agent and guarantee agent – Credit Suisse AG, Singapore Branch, signed a loan agreement with a credit facility of US\$100,000,000 and interest at a rate of LIBOR plus 5% per annum. The loan duration is thirty (30) months from the first date of drawdown ("termination date") and interest is repayable every three (3) months. If the initial public offering of shares of the Company ("Company IPO") does not occur by the termination date, the Company must pay all amounts due and owing in cash. In contrast, if the Company IPO occurs at any time prior to or on the termination date, the Company or lender may elect to convert the loan into shares pursuant to the provisions of the Share Repayment Agreement. At the time of conversion, the Company will issue ordinary shares as requested by the lender. As at 31 December 2016, the Board of General Directors of the Company estimated that the value of the convertible debt component was the same with the principal of the borrowing. Accordingly, there was no equity component recognised. In addition, the Company stock was officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 28 December 2016 with stock symbol "NVL".

As at 31 December 2016, the outstanding amount of US\$60,000,000, equivalent to VND1,367,400,000,000. In case the debt conversion option is exercised, the maximum shares to be converted will be 33,459,554 shares of the Company. As at the date of these consolidated financial statements, the loan was under conversion process.

- (ii) This borrowing is denominated in US dollar from GW Supernova PTE Ltd., with a credit facility of US\$50,000,000, maturing in thirty (30) months since the first date of drawdown (December 2016), including a portion of non-convertible borrowing amounting to US\$20,000,000 and the other portion of convertible borrowing amounting to US\$30,000,000. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. The principal is repaid at the maturity date. The borrowing is unsecured. The lender may elect to convert the convertible borrowing component into shares of the Company at any time after ten (10) months since the first drawdown or six (6) months since the conversion date of the borrowing from Credit Suisse AG, Singapore Branch (Note 21(\*\*\*)(i)), depending on which date comes first. As at 31 December 2016, the Board of General Directors of the Company estimated that the value of the convertible debt component was the same with the principal of the borrowing. Accordingly, there was no equity component recognised.

As at 31 December 2016, this borrowing is fully disbursed. In case the debt conversion option is exercised, the maximum shares to be converted will be 15,723,325 shares of the Company. As at the date of these consolidated financial statements, the loan had not yet been converted.

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

	2016		2015	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	589,369,234	6,830,000	350,465,761	17,830,000
Number of shares issued	589,369,234	6,830,000	350,465,761	17,830,000
Number of existing shares in circulation	589,369,234	6,830,000	350,465,761	17,830,000



**25 OWNERS' CAPITAL (continued)****(b) Movement of share capital**

	Ordinary shares	Preference shares	Total
As at 1 January 2015	230,000,000	-	<b>230,000,000</b>
New shares issued	120,465,761	17,830,000	<b>138,295,761</b>
As at 31 December 2015	350,465,761	17,830,000	<b>368,295,761</b>
Preference shares conversion	33,000,000	(11,000,000)	<b>22,000,000</b>
New shares issued	205,903,473	-	<b>205,903,473</b>
As at 31 December 2016	589,369,234	6,830,000	<b>596,199,234</b>

Par value per share: VND10,000.

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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 2015	2,300,000,000,000	-	35,718,605,400	331,007,731,063	2,666,726,336,463
Issuance of ordinary shares	974,657,610,000	-	-	-	974,657,610,000
Issuance of preference shares	-	178,300,000,000	881,380,000,000	-	1,059,680,000,000
Bonus shares from share premium	34,500,000,000	-	(34,500,000,000)	-	-
Dividends paid by shares	195,500,000,000	-	-	(195,500,000,000)	-
Profit for the year	-	-	-	415,422,664,012	415,422,664,012
Other decreases	-	-	-	(559,617,378)	(559,617,378)
As at 31 December 2015	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 (i)	1,017,039,570,000	-	-	-	1,017,039,570,000
Bonus shares from share premium (ii)	519,995,160,000	-	(519,995,160,000)	-	-
Issuance of ordinary shares (iii)	522,000,000,000	-	2,031,423,000,000	-	2,553,423,000,000
Converting preference shares to ordinary shares (iv)	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 for reference shares (v)	-	-	-	(53,490,000,000)	(53,490,000,000)
Change in ownership of subsidiaries (vi)	-	-	-	(1,209,508,504,543)	(1,209,508,504,543)
As at 31 December 2016	5,893,692,340,000	68,300,000,000	2,174,026,445,400	952,449,830,514	9,088,468,615,914

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

- (i) According to the Resolution of the General Meeting dated 3 February 2016, the Company issued 101,703,957 ordinary shares in cash for existing shareholders with proportion of each 1,000 shares has the right to purchase additional 342 new shares. As a result, the charter capital increased from VND3,682,957,610,000 to VND4,699,997,180,000.
- (ii) According to the Resolutions of the General Meeting dated 21 July 2016, the Company issued 51,999,516 ordinary shares from share premium for existing shareholders. As a result, the charter capital increased from VND4,699,997,180,000 to VND5,219,992,340,000.
- (iii) According to the Resolution of the General Meeting dated 3 November 2016, the Company issued 52,200,000 ordinary shares under private placement. The charter capital increased from VND5,219,992,340,000 to VND5,741,992,340,000 to supplement the business and investment capital and enhance the investment capability.
- (iv) According to the Resolution of the General Meeting dated 21 July 2016, the Company converted 11 million convertible preference shares into 33 million ordinary shares using the share premium. As a result, the charter capital increased from VND5,741,992,340,000 to VND5,961,992,340,000.
- (v) According to the Resolution of the Company's Annual General Meeting ("AGM") on 21 July 2016, the AGM approved dividend payment to the holders of the preference shares on 21 June 2016 pursuant to the provisions of dividend payment agreement with these shareholders after one year since the issuance date.
- (vi) These are adjustments impacting to owners' capital (post-tax undistributed earnings) due to change in ownership percentage of the parent company in subsidiaries as the parent already gained over control. Details of these effects are as below:

<b>Subsidiaries</b>	<b>Post-tax undistributed earnings increase/(decrease) VND</b>
The 21 <sup>st</sup> Century International Development Joint Stock Company	(1,071,517,104,543)
Nova Lexington Real Estate Joint Stock Company	(70,000,000,000)
The Prince Residence Joint Stock Company	(36,000,000,000)
Nova Galaxy Real Estate Joint Stock Company	(32,000,000,000)
Nova Sasco Limited Company	8,600,000
	<hr/> <hr/> (1,209,508,504,543)

**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:

	<b>2016 VND</b>	<b>2015 VND</b>
Details:		
Charter capital	871,671,325,519	906,263,386,453
Other funds	406,052	406,052
Post tax undistributed earnings	86,749,789,586	73,018,629,816
<b>Non-controlling interests</b>	<b>958,421,521,157</b>	<b>979,282,422,321</b>

Movements in non-controlling interests are as below:

	<b>2016 VND</b>	<b>2015 VND</b>
Opening balance	979,282,422,321	695,618,952,488
Net (loss)/profit allocated to non-controlling interest for the year	(5,728,244,382)	26,337,286,515
Acquisition of new subsidiaries	940,280,003,133	122,002,167,784
(Decrease)/increase due to change ownership percentage during the year	(456,762,798,943)	128,370,663,429
Decrease due to divestment of subsidiaries	(498,392,904,795)	-
Decrease due to dividends received	(1,149,219,932)	-
Others	892,263,755	6,953,352,105
Closing balance	<u>958,421,521,157</u>	<u>979,282,422,321</u>

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

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

	<b>2016</b>	<b>2015</b>
The Group's net profit after tax (VND)	1,665,077,557,360	415,422,664,012
Dividend on preference shares (VND)	(53,490,000,000)	-
Net profit attributable to shareholders (VND)	<u>1,611,587,557,360</u>	<u>415,422,664,012</u>
Weighted average number of ordinary shares in issue (shares)	474,606,674	302,268,407
Basic earnings per share (VND)	<u>3,396</u>	<u>1,374</u>

**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:

	2016	2015
The Group's net profit after tax (VND)	1,665,077,557,360	415,422,664,012
Net profit attributable to shareholders (VND)	1,665,077,557,360	415,422,664,012
Weighted average number of ordinary shares (shares)	474,606,674	302,268,407
Potential shares (shares) (*)	69,672,879	53,490,000
Weighted average number of ordinary shares including potential shares (shares)	544,279,553	355,758,407
Diluted earnings per share (VND)	3,059	1,168

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

**29 OFF BALANCE SHEET ITEMS**

	2016	2015
Gold (tael of gold)	4.4	2.4
Foreign currencies US\$	13,854,560	2,361

**30 REVENUE**

	<b>2016 VND</b>	<b>2015 VND</b>
<b>Sales from sale of real estate and rendering of services</b>		
Sale of real estate	6,641,625,495,259	6,029,404,819,161
Rendering of services for corporate management and project development consultancy	633,507,895,302	101,538,533,394
Sales from leasing properties	82,387,768,792	48,985,025,044
Others	11,941,986,043	512,699,274,417
	<u>7,369,463,145,396</u>	<u>6,692,627,652,016</u>
<b>Sales deductions</b>		
Trade discounts	(887,416,113)	-
Sales returns	(9,394,808,468)	(19,192,626,026)
	<u>(10,282,224,581)</u>	<u>(19,192,626,026)</u>
<b>Net sales from sale of real estate and rendering of services</b>		
Net sales of real estate	6,631,343,270,678	6,010,212,193,135
Net sales of rendering of services for corporate management and project development consultancy	633,507,895,302	101,538,533,394
Net sales from leasing properties	82,387,768,792	48,985,025,044
Others	11,941,986,043	512,699,274,417
	<u>7,359,180,920,815</u>	<u>6,673,435,025,990</u>

**31 COST OF SALES**

	<b>2016 VND</b>	<b>2015 VND</b>
Cost of real estate sold	5,096,423,899,209	4,571,608,087,441
Cost of rendering of services for corporate management and project development consultancy	603,834,889,042	221,140,937,815
Cost of leasing properties	66,989,670,540	26,831,105,401
Others	8,852,952,770	513,992,022,525
	<u>5,776,101,411,561</u>	<u>5,333,572,153,182</u>

**32 FINANCIAL INCOME**

	<b>2016 VND</b>	<b>2015 VND</b>
Interest income from deposits	184,209,664,925	166,312,385,637
Interest income from lending	173,413,124,016	166,424,941,603
Foreign exchange gains	24,182,746,881	1,274,535,046
Dividend income	269,040,000	106,608,200
Revaluation of investments at each business combination stage (*)	1,597,491,943,722	-
Interest income from shares transfer (**)	457,368,734,563	-
Interest from bargain purchase	3,593,546,233	-
Others	82,513,747,913	492,039,616
	<u>2,523,042,548,253</u>	<u>334,610,510,102</u>

(\*) This is the revaluation of the initial investment of the Group in The 21st Century, Nha Rong and Mega House at the time the Group controlled these companies (Note 3).

(\*\*) This amount is mainly relating to divestment of group of subsidiaries including: Attland Corporation, Ha An Commercial Investment And Service Joint Stock Company, Me Linh Invest Joint Stock Company and Quang Truong Me Linh Investment Joint Stock Company (formerly known as: Sabeco Pearl Investment Joint Stock Company).

**33 FINANCIAL EXPENSES**

	<b>2016 VND</b>	<b>2015 VND</b>
Interest expenses	863,073,263,518	351,425,428,041
Interest expenses from investment cooperation	55,285,496,805	20,954,977,441
Net loss from foreign currency translation at year-end	34,551,090,149	21,879,821,943
Payment discounts	17,124,316,699	29,731,722,799
Realised foreign exchange losses	14,501,149,994	5,920,632,148
Cost of issuing bonds	47,314,457,775	7,912,093,017
Loss from divestment of subsidiary	4,660,910,103	-
Others	78,719,345,128	2,649,873,762
	<u>1,115,230,030,171</u>	<u>440,474,549,151</u>

**NO VA LAND INVESTMENT GROUP CORPORATION**
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**34 SELLING EXPENSES**

	<b>2016 VND</b>	<b>2015 VND</b>
Staff costs	53,200,987,158	60,386,828,013
Material, package costs	370,452,973	1,014,398,957
Tools and supplies	1,971,773,920	5,378,422,000
Depreciation expense	2,270,015,328	2,012,031,499
Outside services expenses	87,710,106,551	140,135,898,409
Other cash expenses	19,961,639,351	29,986,771,465
	<u>165,484,975,281</u>	<u>238,914,350,343</u>

**35 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2016 VND</b>	<b>2015 VND</b>
Staff costs	197,367,837,877	141,503,990,849
Tools and supplies	710,598,349	2,187,934,766
Stationary expenses	3,807,245,822	11,226,489,499
Depreciation expense	5,110,069,954	6,729,874,325
Tax and other fees	4,622,911,716	2,488,407,311
(Reversal)/making provisions	(962,925,331)	17,524,734,473
Outside services expenses	111,745,823,728	59,186,633,189
Other cash expenses	96,654,890,369	59,324,631,299
Goodwill allocation (Note 17)	222,544,537,238	59,651,767,343
	<u>641,600,989,722</u>	<u>359,824,463,054</u>

**36 OTHER INCOME**

	<b>2016 VND</b>	<b>2015 VND</b>
Collection of penalties on contract violation	23,579,521,375	19,215,879,748
Gains on disposal of fixed assets	3,706,526,952	913,331,955
Income from sales of tools and scrap	2,909,410,023	-
Others	14,329,356,223	12,627,793,295
	<u>44,524,814,573</u>	<u>32,757,004,998</u>



**37 OTHER EXPENSES**

	<b>2016 VND</b>	<b>2015 VND</b>
Penalty expenses on contract violation	18,752,961,278	36,847,509,988
Losses on disposal of fixed assets	7,068,050,084	913,711,815
Others	13,304,790,176	23,135,585,911
	<u>39,125,801,538</u>	<u>60,896,807,714</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.

Movements in deferred income tax are as follows:

	<b>2016 VND</b>	<b>2015 VND</b>
Deferred tax assets	25,612,519,257	5,193,698,958
Deferred tax liabilities	(91,879,543,160)	-
Opening balance	(66,267,023,903)	5,193,698,958
Income statement (credited)/charge	(202,982,820,440)	37,959,337,948
Impact of business combination during the year (*)	(1,151,100,042,904)	(10,372,053,367)
Impact of divestments in subsidiaries	9,445,191,457	-
Adjustment for business combination of previous year (**)	-	(98,887,178,510)
Others	5,627,249	(160,828,932)
Closing balance	<u>(1,410,899,068,541)</u>	<u>(66,267,023,903)</u>
In which:		
Deferred tax assets	66,869,015,901	25,612,519,257
Deferred tax liabilities	<u>(1,477,768,084,442)</u>	<u>(91,879,543,160)</u>

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

The Group uses tax rate of 20% in year 2016 (2015: 20%) for determining deferred tax assets and deferred tax liabilities.

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

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

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

(\*\*) This is adjustment to recognise the deferred income tax arising from difference between carrying value and fair value of identifiable net assets of subsidiaries acquired by the Group in 2014 and it was adjusted in 2015.

**(b) Business income tax - current**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2015: 22%) as follows:

	2016 VND	2015 VND
Net accounting profit before tax	2,189,703,612,855	608,112,963,781
Tax calculated at a rate of 20% (2015: 22%)	437,940,722,571	133,784,852,032
Effect of:		
Income not subject to tax	(53,808,000)	-
Goodwill allocation	33,513,574,009	11,930,353,469
Expenses not deductible for tax purposes	13,942,509,249	2,768,371,076
Tax losses utilisation	(8,632,161,914)	(3,752,294,375)
Under provision from previous years	-	1,895,942,297
Temporary difference from previous years for which deferred tax liabilities was not recognised	190,977,184	2,768,343,205
Tax losses for which no deferred income tax asset was recognised	73,024,221,592	16,229,693,211
Impact of changes in tax rates	(6,621,042,363)	727,752,339
Gain from shares transfers of subsidiaries	(12,770,051,538)	-
Sharing profits from associates	(99,707,497)	-
Gain from subsidiaries acquisitions	(718,709,247)	-
Adjustment business income tax expense from previous years	637,775,831	-
Business income tax charge (*)	<u>530,354,299,877</u>	<u>166,353,013,254</u>
Charged/(credited) to income statement:		
Business income tax - current	327,371,479,437	204,312,351,202
Business income tax - deferred (Note 38(a))	202,982,820,440	(37,959,337,948)
	<u>530,354,299,877</u>	<u>166,353,013,254</u>

(\*) 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**

	<b>2016 VND</b>	<b>2015 VND</b>
Construction costs and land costs	13,923,563,008,197	4,571,608,087,441
Labour costs	250,568,825,035	261,184,110,040
Outside services expenses	199,455,930,279	199,960,756,638
Depreciation expense and goodwill allocation	287,196,723,219	91,844,278,613
Other cash expenses	128,095,882,500	89,695,679,329
	<u>14,788,880,369,230</u>	<u>5,214,292,912,061</u>

**40 ADDITIONAL INFORMATION FOR THE ITEMS OF CASH FLOWS THE STATEMENT****(a) Non-cash transactions affect the cash flows statement:**

	<b>2016 VND</b>	<b>2015 VND</b>
Bonus shares from share premium	519.995.160.000	34,500,000,000
Conversion of preference shares into ordinary shares	330,000,000,000	18,809,620,000
Dividends paid by shares	-	195,500,000,000
	<u></u>	<u></u>

**(b) Amount of borrowings actually withdrawn during the year**

	<b>2016 VND</b>	<b>2015 VND</b>
Proceeds from borrowings following normal borrowing contracts	8,839,287,576,255	2,760,552,454,579
Issuing bonds	4,045,497,878,788	4,251,879,000,000
	<u></u>	<u></u>

**(c) Amount of borrowings actually repaid during the year**

	<b>2016 VND</b>	<b>2015 VND</b>
Repayments for borrowings following normal borrowing contracts	(7,155,826,576,518)	(2,133,694,880,779)
Repayments for bonds	(3,784,000,000,000)	(580,989,000,000)
	<u></u>	<u></u>

**41 RELATED PARTY DISCLOSURES**

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	Phu Dinh Port Joint Stock Company
Associate	Nova Dong Hai Joint Stock Company
Associate	Ben Thanh Housing Development Company Limited
Associate	Sai Gon Golf Joint stock Company
Shareholder	Mr. Bui Thanh Nhon
Shareholder	Mr. Bui Cao Nhat Quan
Related Individual	Ms. Cao Thi Ngoc Suong
Related Individual	Mr. Bui Phan Phu Loc
Company owned by the shareholder	BNP Global Real Estate Joint Stock Company
Major shareholder of a subsidiary	Him Lam Joint Stock Company

**(a) Related party transactions**

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

**i) Sales of goods and services**

	2016 VND	2015 VND
Nova Dong Hai Joint Stock Company	357,045,455	137,500,000
Nova Bac Nam 79 Joint Stock Company (**)	-	2,200,000,000
Mega Housing Joint Stock Company (*)	-	15,400,000
BNP Global Real Estate Joint Stock Company	-	158,400,000
Truc Van Investment Consultancy Service Joint Stock Company (former name: Nova Investment Joint Stock Company) (**)	-	29,568,000
	<u>357,045,455</u>	<u>2,540,868,000</u>

**ii) Purchase of services**

Ben Thanh Housing Development Company Limited	25,873,944,785	9,584,604,740
Sai Gon Electronics and Industrial Service Joint Stock Company	-	5,788,102,947
Phu Dinh Port Joint Stock Company	9,880,143,090	-
Truc Van Investment Consultancy Service Joint Stock Company (former name: Nova Investment Joint Stock Company) (**)	-	3,964,300,000
	<u>35,754,087,875</u>	<u>19,337,007,687</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
<b>iii) Lending</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	43,420,000,000	1,560,000,000
BNP Global Real Estate Joint Stock Company	-	538,150,000,000
Truc Van Investment Consultancy Service Joint Stock Company (former name: Nova Investment Joint Stock Company) (**)	-	250,445,000,000
Nova Bac Nam 79 Joint Stock Company (**)	-	172,800,000,000
Mega Housing Joint Stock Company (*)	-	4,600,000,000
Mr. Bui Cao Nhat Quan	-	66,550,555,278
Mr. Nguyen Hieu Liem	-	30,000,000,000
	<u>43,420,000,000</u>	<u>1,064,105,555,278</u>
<b>iv) Payment for Lending</b>		
Mr. Bui Thanh Nhon	16,550,000,000	6,700,000,000
Mr. Bui Cao Nhat Quan	14,581,000,000	5,834,000,000
Mr. Bui Phan Phu Loc	11,020,000,000	3,660,000,000
Mrs. Cao Thi Ngoc Suong	9,000,000,000	3,000,000,000
	<u>51,151,000,000</u>	<u>19,194,000,000</u>
<b>v) Payment for investment co-operation</b>		
The 21st Century International Development Joint Stock Company (*)	-	160,000,000,000
Ben Thanh Housing Development Company Limited	-	40,660,000,000
Sai Gon Electronics and Industrial Service Joint Stock Company	-	5,950,239,160
	<u>-</u>	<u>206,610,239,160</u>
<b>vi) Deposits</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	5,000,000,000	-
Mr. Bui Cao Nhat Quan	57,436,400,000	-
	<u>62,436,400,000</u>	<u>-</u>
<b>vii) Collection of deposit</b>		
Mr. Bui Cao Nhat Quan	<u>57,436,400,000</u>	<u>-</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
<b>viii) Advance payment</b>		
Mr. Bui Thanh Nhon	29,062,157	267,492,788,594
Mr. Bui Cao Nhat Quan	10,444,530	627,067,955
	<u>39,506,687</u>	<u>268,119,856,549</u>
<b>ix) Collection of advance</b>		
Mr. Bui Thanh Nhon	928,394,256	281,840,505,604
Mr. Bui Cao Nhat Quan	744,299,660	190,445,447
	<u>1,672,693,916</u>	<u>282,030,951,051</u>
<b>x) Compensation of key management</b>		
Gross salaries and other benefits	<u>25,579,078,297</u>	<u>8,622,219,185</u>

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

	<b>2016 VND</b>	<b>2015 VND</b>
<b>i) Short-term trade accounts receivable (Note 6)</b>		
Nova Bac Nam 79 Joint Stock Company (**)	-	2,200,000,000
	<u>-</u>	<u>2,200,000,000</u>
<b>ii) Prepayments to suppliers (Note 7)</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	52,000,000,000	-
	<u>52,000,000,000</u>	<u>-</u>
<b>iii) Short-term lendings (Note 8)</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	43,420,000,000	1,560,000,000
Hanh Phuc Real Estates Joint Stock Company (*)	-	324,821,000,000
Mega Housing Joint Stock Company (*)	-	4,600,000,000
Nova Bac Nam 79 Joint Stock Company	-	87,620,000,000
	<u>43,420,000,000</u>	<u>418,601,000,000</u>

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
<b>iv) Other short-term receivables (Note 9(a))</b>		
The 21st Century International Development Joint Stock Company (*)	-	2,405,380,000,000
Sai Gon Golf Joint Stock Company	300,000,000,000	-
Ben Thanh Housing Development Company Limited	41,330,603,446	42,457,801,723
Sai Gon Electronics and Industrial Service Joint Stock Company	19,354,461,970	15,721,397,797
Mr. Bui Thanh Nhon	-	899,332,099
Mr. Bui Cao Nhat Quan	-	733,855,130
	<u>360,685,065,416</u>	<u>2,465,192,386,749</u>
<b>v) Other long-term receivables (Note 9(b))</b>		
Him Lam Joint Stock Company	405,000,000,000	405,000,000,000
Ben Thanh Housing Development Company Limited	1,398,776,000	1,398,776,000
	<u>406,398,776,000</u>	<u>406,398,776,000</u>
<b>vi) Short-term trade accounts payable (Note 18)</b>		
Truc Van Investment Consultancy Service Joint Stock Company (former name: Nova Investment Joint Stock Company)	-	622,600,000
Sai Gon Electronics and Industrial Service Joint Stock Company	-	407,198,000
Ben Thanh Housing Development Company Limited	-	131,161,195
	<u>-</u>	<u>1,160,959,195</u>

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
<b>vii) Short-term accrued expenses (Note 22)</b>		
Nova Dong Hai Joint Stock Company	476,902,153	31,927,778
Ben Thanh Housing Development Company Limited	101,556,700	-
Mr. Bui Thanh Nhon	-	15,239,792
Mr. Bui Cao Nhat Quan	-	156,644,493
Ms. Cao Thi Ngoc Suong	-	8,287,500
Mr. Bui Phan Phu Loc	-	10,147,583
	<u>578,458,853</u>	<u>222,247,146</u>
<b>viii) Other long-term payables (Note 23(b))</b>		
The 21st Century International Development Joint Stock Company (*)	-	1,332,959,320,000
Sai Gon Golf Joint Stock Company	279,210,000,000	-
	<u>279,210,000,000</u>	<u>1,332,959,320,000</u>
<b>ix) Short-term borrowings (Note 24(a))</b>		
Nova Dong Hai Joint Stock Company	<u>9,465,000,000</u>	<u>9,940,000,000</u>
<b>x) Long-term borrowings (Note 24(b))</b>		
Mr. Bui Thanh Nhon	-	16,550,000,000
Mr. Bui Cao Nhat Quan	-	14,581,000,000
Ms. Cao Thi Ngoc Suong	-	9,000,000,000
Mr. Bui Phan Phu Loc	-	11,020,000,000
	<u>-</u>	<u>51,151,000,000</u>

(\*) During the year and until 31 December 2016, these companies became into subsidiaries and were consolidated in the consolidated financial statements of the Group.

(\*\*) During the year and until 31 December 2016, these companies were no longer related parties of the Group.



**42 COMMITMENTS UNDER OPERATING LEASES**

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
Within one year	53,136,534,887	42,755,249,786
Between two and five years	94,247,338,548	114,836,627,948
Over five years	335,786,527,210	348,676,662,697
	<u>483,170,400,645</u>	<u>506,268,540,431</u>

**43 CAPITAL COMMITMENTS**

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

	<b>2016</b>	<b>2015</b>
	<b>VND</b>	<b>VND</b>
Construction costs of project	6,207,364,208,252	1,018,544,721,194
	<u>6,207,364,208,252</u>	<u>1,018,544,721,194</u>

**44 SEGMENT REPORTING***Business activity segments:*

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

*Geographical segments:*

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

**45 COMPARATIVE FIGURES**

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

**46 EVENTS AFTER THE BALANCE SHEET DATE**

As at the date of these consolidated financial statements, the Group had fully repaid bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch and Military Commercial Joint Stock Bank – North Sai Gon Branch with a par value of VND 960,000,000,000 and 600,000,000,000. Accordingly, all assets secured for this borrowing were unpledged (Note 24(b)).

The consolidated financial statements were approved by the Chairman on 10 March 2017.



Nguyen Ngoc Bang  
Preparer



Tran Thi Thanh Van  
Chief Accountant



Bui Thanh Nhon  
Chairman

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