

**Investment and Trading of Real Estate  
Joint Stock Company**

Separate financial statements

31 December 2017

# Investment and Trading of Real Estate Joint Stock Company

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# Investment and Trading of Real Estate Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code ITC in accordance with the Decision No. 115/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The current principal activities of the Company are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Truong Minh Thuan	Chairman	appointed on 1 March 2017
Mr. Nguyen Thuc Quang	Chairman	resigned on 28 February 2017
Mr. Vo Huu Hai	Member	appointed on 27 April 2017
Ms. Dang Thi Ngoc Tuyen	Member	
Mr. Nguyen Manh	Member	
Mr. Tran Huu Khanh	Member	

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Phan Thi Hong Lien	Head of the Board of Supervision
Mr. Le Quang Son	Member
Ms. Ho Thi Luu	Member

### MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Truong Minh Thuan	General Director
Mr. Doan Huu Chi	Deputy General Director cum Chief Accountant

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Truong Minh Thuan.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Investment and Trading of Real Estate Joint Stock Company

## REPORT OF MANAGEMENT

Management of Investment and Trading of Real Estate Joint Stock Company ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2017.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2017 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

For and on behalf of management:



Truong Minh Thuan  
General Director

28 March 2018



Ernst & Young Vietnam Limited  
28th Floor, Bitexco Financial Tower  
2 Hai Trieu Street, District 1  
Ho Chi Minh City, S.R. of Vietnam

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Reference: 60792124/19357153

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of Investment and Trading of Real Estate Joint Stock Company**

We have audited the accompanying separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as prepared on 28 March 2018 and set out on pages 5 to 40, which comprise the separate balance sheet as at 31 December 2017, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

The Company's management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these separate 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

### **Opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2017, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

### **Emphasis of matter**

We draw attention to Note 2.1 of the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 28 March 2018 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

### **Ernst & Young Vietnam Limited**



Ernest Yoong Chin Kang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2018-004-1



Nguyen Thi Nhu Quynh  
Auditor  
Audit Practicing Registration Certificate  
No. 3040-2014-004-1

Ho Chi Minh City, Vietnam

28 March 2018

SEPARATE BALANCE SHEET  
as at 31 December 2017

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>3,064,432,322,613</b>	<b>2,925,033,560,771</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>43,658,881,289</b>	<b>39,364,906,958</b>
111	1. Cash		18,658,881,289	18,364,906,958
112	2. Cash equivalents		25,000,000,000	21,000,000,000
<b>130</b>	<b>II. Current accounts receivables</b>		<b>312,094,566,752</b>	<b>252,192,557,146</b>
131	1. Short-term trade receivables	5	161,339,596,727	88,665,151,316
132	2. Short-term advances to suppliers	6	145,223,653,740	135,686,067,863
136	3. Other short-term receivables	7	14,039,316,285	31,639,337,967
137	4. Provision for doubtful short-term receivables	5, 7	(8,508,000,000)	(3,798,000,000)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>2,690,882,846,520</b>	<b>2,630,095,821,413</b>
141	1. Inventories		2,707,735,918,773	2,643,753,253,666
149	2. Provision for obsolete inventories		(16,853,072,253)	(13,657,432,253)
<b>150</b>	<b>IV. Other current assets</b>		<b>17,796,028,052</b>	<b>3,380,275,254</b>
151	1. Short-term prepaid expenses	9	16,147,416,768	1,731,663,970
153	2. Tax and other receivables from the State	17	1,648,611,284	1,648,611,284
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>463,557,681,223</b>	<b>414,728,160,889</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>10,942,914,392</b>	<b>4,490,561,358</b>
211	1. Long-term trade receivables	5	3,528,095,449	3,998,346,579
216	2. Other long-term receivables	7	13,623,565,771	7,108,961,607
219	3. Provision for doubtful long-term receivables	5, 7	(6,208,746,828)	(6,616,746,828)
<b>220</b>	<b>II. Fixed assets</b>		<b>57,485,952,236</b>	<b>51,714,688,841</b>
221	1. Tangible fixed assets	10	19,912,873,986	14,141,610,591
222	Cost		39,697,471,569	31,879,289,751
223	Accumulated depreciation		(19,784,597,583)	(17,737,679,160)
227	2. Intangible fixed assets	11	37,573,078,250	37,573,078,250
228	Cost		37,573,078,250	37,573,078,250
229	Accumulated amortisation		-	-
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>47,171,562,797</b>	<b>49,854,646,011</b>
231	1. Cost		67,077,080,348	67,077,080,348
232	2. Accumulated depreciation		(19,905,517,551)	(17,222,434,337)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>2,835,163,636</b>	<b>3,636,363,636</b>
242	1. Construction in progress		2,835,163,636	3,636,363,636
<b>250</b>	<b>V. Long-term investments</b>	<b>13</b>	<b>344,290,943,198</b>	<b>304,315,708,525</b>
251	1. Investment in a subsidiary	13.1	34,000,000,000	34,000,000,000
252	2. Investments in associates	13.2	284,168,068,238	239,448,938,645
253	3. Investments in other entities	13.3	42,755,320,000	42,755,320,000
254	4. Provision for diminution in value of long-term investments	13.2, 13.3	(16,632,445,040)	(11,888,550,120)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>831,144,964</b>	<b>716,192,518</b>
261	1. Long-term prepaid expenses		405,323,608	173,942,266
262	2. Deferred tax assets	28.3	425,821,356	542,250,252
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,527,990,003,836</b>	<b>3,339,761,721,660</b>

SEPARATE BALANCE SHEET (continued)  
as at 31 December 2017

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,947,713,468,400</b>	<b>1,812,797,542,524</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,281,324,986,205</b>	<b>965,759,479,829</b>
311	1. Short-term trade payables	15	95,318,472,872	386,981,449,027
312	2. Short-term advances from customers	16	399,210,761,704	126,470,931,232
313	3. Statutory obligations	17	11,226,495,810	19,782,536,271
315	4. Short-term accrued expenses	18	70,189,438,491	71,118,666,182
318	5. Short-term unearned revenues		335,317,967	1,283,631,148
319	6. Other short-term payables	19	43,323,482,800	23,364,974,596
320	7. Short-term loans	20	661,721,016,561	336,757,291,373
<b>330</b>	<b>II. Non-current liabilities</b>		<b>666,388,482,195</b>	<b>847,038,062,695</b>
332	1. Long-term advances from customers	16	298,474,899,790	165,291,855,511
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
338	3. Long-term loans	20	359,755,293,503	673,005,773,803
342	4. Long-term provisions		2,696,016,364	3,278,160,843
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,580,276,535,436</b>	<b>1,526,964,179,136</b>
<b>410</b>	<b>I. Capital</b>	<b>21.1</b>	<b>1,580,276,535,436</b>	<b>1,526,964,179,136</b>
411	1. Share capital		690,866,880,000	690,866,880,000
411a	- Shares with voting rights		690,866,880,000	690,866,880,000
412	2. Share premium		748,683,126,824	748,683,126,824
415	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
418	4. Investment and development fund		58,982,340,425	57,548,003,887
421	5. Undistributed earnings		91,569,305,798	39,691,286,036
421a	- Undistributed earnings up to prior year		13,943,866,698	11,045,398,810
421b	- Undistributed earnings of current year		77,625,439,100	28,645,887,226
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>3,527,990,003,836</b>	<b>3,339,761,721,660</b>



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director


28 March 2018



SEPARATE INCOME STATEMENT  
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	22.1	598,006,857,885	271,236,973,411
11	2. Cost of goods sold and services rendered	23	(492,437,560,775)	(217,957,321,298)
20	3. Gross profit from sale of goods and rendering of services		105,569,297,110	53,279,652,113
21	4. Finance income	22.2	7,197,774,564	1,402,309,593
22	5. Finance expenses	24	(5,905,638,079)	(5,019,599,150)
23	<i>In which: Interest expense</i>		(1,133,460,140)	(4,953,649,286)
25	6. Selling expenses	25	(7,534,807,159)	(3,138,798,773)
26	7. General and administrative expenses	25	(25,397,844,549)	(18,652,849,693)
30	8. Operating profit		73,928,781,887	27,870,714,090
31	9. Other income	26	8,580,741,479	3,320,269,717
32	10. Other expenses	26	(4,767,655,370)	(2,447,816,762)
40	11. Other profit	26	3,813,086,109	872,452,955
50	12. Accounting profit before tax		77,741,867,996	28,743,167,045
51	13. Current corporate income tax expense		-	-
52	14. Deferred tax expense	28.3	(116,428,896)	(97,279,819)
60	15. Net profit after tax		77,625,439,100	28,645,887,226


Pham Van Khanh  
Preparer

Doan HUU CHI  
Chief AccountantTrương Minh Thuận  
General Director

28 March 2018

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>77,741,867,996</b>	<b>28,743,167,045</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 12	4,730,001,637	3,994,786,163
03	Provisions (reversal of provisions)		12,823,679,399	3,539,209,574
05	Profits from investing activities		(7,197,774,564)	(3,878,591,856)
06	Interest expenses	24	1,133,460,140	4,953,649,286
<b>08</b>	<b>Operating income before changes in working capital</b>		<b>89,231,234,608</b>	<b>37,352,220,212</b>
09	(Increase) decrease in receivables		(71,216,555,640)	44,302,060,695
10	Increase in inventories		(63,982,665,107)	(1,009,166,464,998)
11	Increase in payables		31,962,103,238	306,234,970,854
12	Increase in prepaid expenses		(14,647,134,140)	(1,353,439,781)
14	Interest paid		(1,275,793,487)	(5,322,121,524)
<b>20</b>	<b>Net cash flows used in operating activities</b>		<b>(29,928,810,528)</b>	<b>(627,952,774,542)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(4,630,000,000)	(3,667,727,272)
22	Proceeds from disposals of fixed assets and other long-term assets		-	3,842,500,000
25	Payments for investments in other entities		(44,719,129,593)	-
26	Proceeds from sale of investments in other entities		64,387,570,000	5,000,000,000
27	Interest and dividends received		7,471,099,564	1,247,489,593
<b>30</b>	<b>Net cash flows from investing activities</b>		<b>22,509,539,971</b>	<b>6,422,262,321</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	20	443,170,536,261	820,498,469,850
34	Repayment of borrowings	20	(431,457,291,373)	(167,207,968,344)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>11,713,244,888</b>	<b>653,290,501,506</b>

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash and cash equivalents		4,293,974,331	31,759,989,285
60	Cash and cash equivalents at the beginning of the year		39,364,906,958	7,604,917,673
70	Cash and cash equivalents at end of year	4	43,658,881,289	39,364,906,958



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 March 2018

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at 31 December 2017 and for the year then ended

## 1. CORPORATE INFORMATION

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code ITC in accordance with the Decision No. 115/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The current principal activities of the Company are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2017 was 126 (31 December 2016: 117).

## 2. BASIS OF PREPARATION

### 2.1 *Purpose of preparing the separate financial statements*

The Company has a subsidiary as disclosed in Note 13.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2017 dated 28 March 2018.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiary.

### 2.2 *Accounting standards and system*

The separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying separate financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**2. BASIS OF PREPARATION (continued)**

**2.3 *Applied accounting documentation system***

The Company's applied accounting documentation system is the Journal Voucher system.

**2.4 *Fiscal year***

The Company's fiscal year applicable for the preparation of its separate financial statements starts on 1 January and ends on 31 December.

**2.5 *Accounting currency***

The separate financial statements are prepared in VND which is also the Company's accounting currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

**3.2 *Inventories - inventory properties***

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss value of work-in-progress, and other inventories owned by the Company, based on appropriate evidence of impairment available at the separate balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Receivables*

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the separate balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

#### 3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

##### *Land use rights*

Land use rights are recorded as an intangible fixed asset on the separate balance sheet as the Company obtained the land use right certificate prior to 2003 according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for its intended use and is not amortised given indefinite useful life.

#### 3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	13 – 25 years
Machinery and equipment	5 – 10 years
Means of transportation	7 – 10 years
Office equipment	3 – 5 years

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation. Investment properties held for capital appreciation are not depreciated/amortised but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land and buildings	25 – 50 years
--------------------	---------------

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the separate income statement in the period of retirement or disposal in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

#### 3.10 *Investment*

##### *Investment in a subsidiary*

Investment in a subsidiary over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Investment* (continued)

##### *Investments in associates*

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting.

Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognized as income in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for diminution in value of investments*

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the separate income statement.

#### 3.11 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### 3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases and decreases to the accrued amount other than actual payment to employee will be taken to the separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

#### 3.13 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.14 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

##### *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or of in-depth investments.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of completed property*

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

##### *Construction contract*

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers at the separate balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the year in which they are incurred.

##### *Rental income*

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the separate balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

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

**3.16 Taxation (continued)**

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the separate balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except :

- ▶ Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each separate balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each separate balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the separate balance sheet date.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ Either the same taxable entity; or
- ▶ When the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

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

**3.17 Related parties**

Parties are considered to be related parties of the group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

**4. CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	8,902,732,819	79,541,168
Cash in banks	9,756,148,470	18,285,365,790
Cash equivalents (*)	<u>25,000,000,000</u>	<u>21,000,000,000</u>
<b>TOTAL</b>	<b><u>43,658,881,289</u></b>	<b><u>39,364,906,958</u></b>

(\*) Cash equivalents represent short-term bank deposits at commercial banks with original maturities of less than three months and earn interest at the rate of 4.3% per annum.

**5. TRADE RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>161,339,596,727</b>	<b>88,665,151,316</b>
Hush Creative Company Limited	-	9,345,000,000
Nam Hai Construction Co., Ltd	12,647,143,000	-
Thai Duong Joint Stock Company	8,100,000,000	8,100,000,000
Other customers	140,592,453,727	80,565,151,316
<b>Long-term</b>	<b>3,528,095,449</b>	<b>3,998,346,579</b>
Trade receivables from other parties	<u>3,528,095,449</u>	<u>3,998,346,579</u>
<b>TOTAL</b>	<b><u>164,867,692,176</u></b>	<b><u>92,663,497,895</u></b>
Provision for doubtful short-term receivables	(8,508,000,000)	(2,838,000,000)
Provision for doubtful long-term receivables	(3,490,346,579)	(3,898,346,579)

Details of trade receivables are as below:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from sale of land lots and apartments (*)	137,090,009,642	75,952,027,300
Receivables from provision of construction services	24,459,467,946	12,673,117,737
Others	<u>3,318,214,588</u>	<u>4,038,352,858</u>
<b>TOTAL</b>	<b><u>164,867,692,176</u></b>	<b><u>92,663,497,895</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**5. TRADE RECEIVABLES (continued)**

- (\*) Receivables from sales of land lots and apartments mainly include (i) the remaining 5% - 10% pending for the completion of the legal procedure to hand over lands and apartments to the customers or (ii) the remaining amount of the contract price. Details by project are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
The Stars Village, Long Thoi – Nha Be project (ii)	120,958,409,587	47,692,459,095
6B project (i)	10,103,728,389	11,166,379,389
An Phu An Khanh project (ii)	-	9,345,000,000
An Khang Building (i)	1,674,032,217	2,818,468,367
Thin Vuong Building (i)	2,230,239,449	2,667,920,449
Phong Phu project (i)	2,101,760,000	2,239,960,000
Binh Hoa project (i)	21,840,000	21,840,000
<b>TOTAL</b>	<b><u>137,090,009,642</u></b>	<b><u>75,952,027,300</u></b>

**6. SHORT-TERM ADVANCES TO SUPPLIERS**

Short-term advances to suppliers represent non-interest bearing advances to sub-contractors and the State related to the following real estate projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
People's Committee of Dak Nong Province – Thien Phu, Dak Nong project	20,300,000,000	20,300,000,000
Long Binh Joint Stock Company – Long Binh project, District 9	19,899,197,600	19,899,197,600
Saigon Vien Dong Limited Company – Lot No.6, 6B project	12,927,603,431	12,927,603,431
Lac Thanh Limited Company – The Stars Village, Long Thoi – Nha Be project	-	9,463,344,300
Other suppliers	45,157,745,557	41,852,272,312
Related parties (Note 29)	46,939,107,152	31,243,650,220
<b>TOTAL</b>	<b><u>145,223,653,740</u></b>	<b><u>135,686,067,863</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>14,039,316,285</b>	<b>31,639,337,967</b>
Advances to suppliers of real estate projects (*)	7,444,760,000	16,800,000,000
<i>Saigon Cho Lon Investment &amp; Real Estate</i>		
<i>Joint Stock Company</i>	5,650,000,000	8,000,000,000
<i>May Thang Long Joint Stock Company</i>	1,794,760,000	8,800,000,000
Others	6,594,556,285	14,839,337,967
<b>Long-term</b>	<b>13,623,565,771</b>	<b>7,108,961,607</b>
Advances to suppliers of real estate projects (*)	-	2,450,000,000
<i>Saigon Cho Lon Investment &amp; Real Estate</i>		
<i>Joint Stock Company</i>	-	850,000,000
<i>May Thang Long Joint Stock Company</i>	-	1,600,000,000
Ngoc Phuc Trading and Construction Co., Ltd	8,522,604,164	-
Others	5,100,961,607	4,658,961,607
<b>TOTAL</b>	<b><u>27,662,882,056</u></b>	<b><u>38,748,299,574</u></b>
Provision for short-term doubtful debts	-	(960,000,000)
Provision for long-term doubtful debts	(2,718,400,249)	(2,718,400,249)
<i>In which:</i>		
<i>Other parties</i>	25,222,980,449	36,477,072,967
<i>Related parties (Note 29)</i>	2,439,901,607	2,271,226,607

(\*) These amounts represent advance paid to these real estate companies in prior years in order that the Company could receive the completed land lots. However, management decided to cease the Company's investments in the real estate projects. Therefore, the advance paid to these entities were agreed to be refunded at cost to the Company according to the relevant agreements.

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 8. INVENTORIES

Inventories represent costs incurred for the following on-going real estate projects:

	Ending balance		Beginning balance		VND
	Cost	Provision	Cost	Provision	
Terra Royal project (i)	1,474,574,330,988	-	1,242,364,685,032	-	
The Stars Village,					
Long Thoi – Nha Be project (ii)	884,464,286,894	-	1,060,421,621,508	-	
6A project	131,864,913,107	-	130,558,094,925	-	
Long Phuoc, District 9 project (iii)	115,974,275,419	-	115,974,275,419	-	
Binh Trung Dong – District 2 project	28,848,790,056	-	28,848,790,056	-	
Lot 6, 7 & 8 – 6B project	22,775,590,785	-	22,762,681,695	-	
Other projects	49,233,731,524	(16,853,072,253)	42,823,105,031	(13,657,432,253)	
<b>TOTAL</b>	<b>2,707,735,918,773</b>	<b>(16,853,072,253)</b>	<b>2,643,753,253,666</b>	<b>(13,657,432,253)</b>	

(i) Land use right at No. 106 Ly Chinh Thang Street, District 3 was pledged to obtain the loan from a commercial bank (Note 20).

(ii) Land use right of 49,504.3 square meters on total land of 562,143.9 square meters of The Stars Village, Long Thoi – Nha Be project was pledged to obtain the loans from commercial banks (Note 20).

(iii) Land use right of 126,105 square meters on total land of 153,660 square meters of Long Phuoc, District 9 project was pledged to obtain the loans from a commercial bank (Note 20).

## Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 9. SHORT-TERM PREPAID EXPENSES

This amount mainly represents the sale commission of The Stars Village, Long Thoi – Nha Be project of VND 13,568,010,468 and Terra Royal project of VND 2,579,406,300.

### 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					VND
Beginning balance	25,919,071,552	378,456,812	4,254,115,509	1,327,645,878	31,879,289,751
Transfer from construction in progress	-	7,818,181,818	-	-	7,818,181,818
Ending balance	25,919,071,552	8,196,638,630	4,254,115,509	1,327,645,878	39,697,471,569
<i>In which:</i>					
Fully depreciated	4,280,813,180	378,456,812	2,348,951,873	1,296,282,242	8,304,504,107
<b>Accumulated depreciation:</b>					
Beginning balance	12,603,809,636	378,456,812	3,460,378,939	1,295,033,773	17,737,679,160
Depreciation for the year	865,530,335	933,712,121	238,063,844	9,612,123	2,046,918,423
Ending balance	13,469,339,971	1,312,168,933	3,698,442,783	1,304,645,896	19,784,597,583
<b>Net carrying amount:</b>					
Beginning balance	13,315,261,916	-	793,736,570	32,612,105	14,141,610,591
Ending balance	12,449,731,581	6,884,469,697	555,672,726	22,999,982	19,912,873,986

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

#### 11. INTANGIBLE FIXED ASSETS

This amount represents land use rights at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 and No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 with carrying amount of VND 26,471,477,820 and VND 11,101,600,430, respectively, were pledged to obtain the loans from commercial banks (*Note 20*).

#### 12. INVESTMENT PROPERTIES

	VND
	<i>Land and buildings (*)</i>
<b>Cost:</b>	
Beginning balance and ending balance	<u>67,077,080,348</u>
<b>Accumulated depreciation:</b>	
Beginning balance	17,222,434,337
Depreciation for the year	<u>2,683,083,214</u>
Ending balance	<u>19,905,517,551</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>49,854,646,011</u>
Ending balance	<u>47,171,562,797</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2017. However, given that these properties are currently leased out and income generating, it is management's assessment that these properties' market values are still higher than their carrying value at the separate balance sheet date.

(\*) Including in total land and buildings value, details of properties are secured for bank loans as follows:

- Land use rights and associated assets of An Khang premises, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City were pledged to obtain the loan from a commercial bank (*Note 20*).
- Land use rights and associated assets at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2 were pledged to obtain the loans from a commercial bank (*Note 20*).

#### **Revenue and expense relating to investment properties**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Rental income generating from leasing of investment properties	9,633,426,724	9,410,623,162
Direct operating expenses of investment properties that generated rental income during the period	<u>(1,697,689,307)</u>	<u>(4,556,705,432)</u>
<b>NET</b>	<u><b>7,935,737,417</b></u>	<u><b>4,853,917,730</b></u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 13. LONG-TERM INVESTMENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>VND</i>
Investment in a subsidiary	34,000,000,000	34,000,000,000
Investments in associates	284,168,068,238	239,448,938,645
Investments in other entities	42,755,320,000	42,755,320,000
Provision for diminution in long-term investments	<u>(16,632,445,040)</u>	<u>(11,888,550,120)</u>
<b>TOTAL</b>	<b><u>344,290,943,198</u></b>	<b><u>304,315,708,525</u></b>

#### 13.1 *Investment in a subsidiary*

Investment in a subsidiary represents the Company's investment in Intresco Construction Joint Stock Company ("IC") which is a shareholding company established in accordance with the Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services. As at 31 December 2017, the Company hold 85% equity share in IC.

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 13. LONG-TERM INVESTMENTS (continued)

### 13.2 Investments in associates

Name	Business activities	Status	Ending balance		Beginning balance			
			% ownership	% voting right	% ownership	% voting right		
							Amount	VND
Pham Gia Construction Limited Company	Real estate	Operating	46.19	46.19	46.19	46.19	150,968,925,000	150,968,925,000
Saigon Binh Duong Joint Stock Company	Real estate	Operating	37.4	64.38	22.49	22.49	112,199,143,238	67,480,013,645
Long Binh Construction – Trading – Producing Joint Stock Company	Real estate	Operating	36.36	36.36	36.36	36.36	21,000,000,000	21,000,000,000
<b>TOTAL</b>							<u>284,168,068,238</u>	<u>239,448,938,645</u>
Provision for diminution in value of investments in associates							<u>(7,707,445,040)</u>	<u>(2,963,550,120)</u>
<b>NET</b>							<u>276,460,623,198</u>	<u>236,485,388,525</u>

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 13. LONG-TERM INVESTMENTS (continued)

### 13.3 Other long-term investments

	Ending balance		Beginning balance	
	Amount VND	Number of shares ownership %	Amount VND	Number of shares ownership %
Gia Dinh Development Investment Corporation	34,000,000,000	2,125,000 5.31	34,000,000,000	2,125,000 5.31
Bac Trung Nam Housing Development Joint Stock Company	5,466,500,000	54,665 10.93	5,466,500,000	54,665 10.93
Saigon Mangden Joint Stock Company	3,100,000,000	310,000 1.61	3,100,000,000	310,000 1.61
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	188,820,000	18,882 0.06	188,820,000	18,882 0.06
<b>TOTAL</b>	<b>42,755,320,000</b>		<b>42,755,320,000</b>	
Provision for diminution in value of other long-term investments	(8,925,000,000)		(8,925,000,000)	
<b>NET</b>	<b>33,830,320,000</b>		<b>33,830,320,000</b>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**14. BORROWING COSTS**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Capitalized in real estate projects	108,082,777,284	67,812,552,438
Interest expense (Note 24)	<u>1,133,460,140</u>	<u>4,953,649,286</u>
<b>TOTAL</b>	<b><u>109,216,237,424</u></b>	<b><u>72,766,201,724</u></b>

**15. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to other parties	18,632,154,370	332,001,432,022
<i>Finance Department of Ho Chi Minh City -</i>		
<i>land use fee for Terra Royal project (*)</i>	-	303,109,369,312
<i>Other suppliers</i>	<u>18,632,154,370</u>	<u>28,892,062,710</u>
Trade payables to related parties (Note 29)	<u>76,686,318,502</u>	<u>54,980,017,005</u>
<b>TOTAL</b>	<b><u>95,318,472,872</u></b>	<b><u>386,981,449,027</u></b>

**16. ADVANCES FROM CUSTOMERS**

Advances from customers are the amounts received in advance in respect of the sale of apartment units and land lots of the following Company's projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>399,210,761,704</b>	<b>126,470,931,232</b>
The Stars Village, Long Thoi – Nha Be project	298,379,469,311	78,963,372,027
Advance received from transfer the investment		
in Pham Gia Construction Limited Company	64,387,570,000	-
Lot 6, 7 & 8 - 6B project	17,554,360,673	19,957,034,673
Other projects	<u>18,889,361,720</u>	<u>27,550,524,532</u>
<b>Long-term</b>	<b>298,474,899,790</b>	<b>165,291,855,511</b>
6A project	109,799,029,000	100,549,029,000
Terra Royal project	145,242,173,311	23,231,462,062
Lot 6, 7 & 8 - 6B project	23,107,818,700	20,899,610,700
Binh Trung Dong – District 2 project	8,601,378,000	8,601,378,000
Other projects	<u>11,724,500,779</u>	<u>12,010,375,749</u>
<b>TOTAL</b>	<b><u>697,685,661,494</u></b>	<b><u>291,762,786,743</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

#### 17. STATUTORY RECEIVABLES AND OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
<b>Payable</b>				
Value-added tax	15,130,976,018	15,000,717,128	(22,131,830,229)	7,999,862,917
Personal income tax	377,202,429	3,297,489,670	(2,875,562,265)	799,129,834
Other taxes	4,274,357,824	(415,373,660)	(1,431,481,105)	2,427,503,059
<b>TOTAL</b>	<b><u>19,782,536,271</u></b>	<b><u>17,882,833,138</u></b>	<b><u>(26,438,873,599)</u></b>	<b><u>11,226,495,810</u></b>
<b>Receivable</b>				
Overpaid corporate income tax	1,648,611,284	-	-	1,648,611,284

#### 18. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expense	28,918,964,311	53,721,237,655
Penalty for late payment	37,029,639,910	14,731,115,349
Construction costs	2,348,102,270	2,366,313,178
Others	1,892,732,000	300,000,000
<b>TOTAL</b>	<b><u>70,189,438,491</u></b>	<b><u>71,118,666,182</u></b>

#### 19. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Dividends payable	27,170,761,724	3,144,546,924
Land compensation for The Stars Village, Long Thoi – Nha Be project payable to land owners	-	6,418,555,000
Others	16,152,721,076	13,801,872,672
<b>TOTAL</b>	<b><u>43,323,482,800</u></b>	<b><u>23,364,974,596</u></b>

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

20. LOANS

	Beginning balance	Drawdown	Repayment	Reclassification	VND Ending balance
<b>Short-term</b>	<b>336,757,291,373</b>	<b>396,421,016,561</b>	<b>(336,457,291,373)</b>	<b>265,000,000,000</b>	<b>661,721,016,561</b>
Bank loans (Note 20.1)	195,018,480,776	396,421,016,561	(195,018,480,776)	-	396,421,016,561
Loans from other organizations	30,000,000,000	-	(30,000,000,000)	-	-
Loan from an individual (Note 20.3)	300,000,000	-	-	-	300,000,000
Current portion of long-term loan (Note 20.2)	111,438,810,597	-	(111,438,810,597)	265,000,000,000	265,000,000,000
<b>Long-term</b>	<b>673,005,773,803</b>	<b>46,749,519,700</b>	<b>(95,000,000,000)</b>	<b>(265,000,000,000)</b>	<b>359,755,293,503</b>
Bank loan (Note 20.2)	673,005,773,803	46,749,519,700	(95,000,000,000)	(265,000,000,000)	359,755,293,503
<b>TOTAL</b>	<b>1,009,763,065,176</b>	<b>443,170,536,261</b>	<b>(431,457,291,373)</b>	<b>-</b>	<b>1,021,476,310,064</b>

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 20. LOANS (continued)

### 20.1 Details of short-term bank loans are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
VND					
<b>Lien Viet Post Joint Stock Commercial Bank</b>					
Loan Contract No. HDTD5002017260 dated 29 June 2017	26,916,000,000	From 29 June 2017 to 28 June 2018	Finance for the development of its real estate projects and working capital requirements	8.5-10.1	Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City; and land use rights and associated assets of An Khang department, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City (Notes 11 and 12)
<b>Vietnam Bank for Agriculture and Rural Development</b>					
Loan Contract No. 6220-LAV-2015000640/HDTD dated 25 June and appendix No. 6220-LAV-2015000640/PLHDTD/1 dated 15 November 2015; No. 6220-LAV-2016000690/HDTD dated 4 July 2016	20,338,305,851	From 11 August 2017 to 29 June 2018	Finance for the development of its real estate projects and working capital requirements	9.3	Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City; land use rights and associated assets at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City; land use rights of 126,105 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City; and land use rights of 49,504.3 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8, 11 and 12)

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 20. LOANS (continued)

### 20.1 Details of short-term bank loans are as follows: (continued)

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
<b>Vietnam Bank for Agriculture and Rural Development (continued)</b>					
Loan Contract No. 6220-LAV-201700865 dated 25 July 2017	99,166,710,710	29 August 2017 to 28 June 2018	Finance for the development of its real estate projects and working capital requirements	9.3	Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City; land use rights and associated assets at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City; land use rights of 115,793 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City; and land use rights of 49,504.3 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8, 11 and 12)
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No. 13500/17MN/HĐTD dated 25 September 2017	250,000,000,000	25 September 2018	To pay land use fee of the Terra Royal project	11.35	Land use rights and associated assets at Long Thoi - Nhon Duc - Nha Be; land use rights and associated assets at 83 Ly Chinh Thang Street, District 3, Ho Chi Minh City; and land use rights and associated assets at 106 Ly Chinh Thang Street, Ward 8, District 3, Ho Chi Minh City (Note 8)
<b>TOTAL</b>	<b>396,421,016,561</b>				



# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 20. LOANS (continued)

### 20.2 Details of long-term bank loan are as follows:

Lender	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No.2235TT/15/HDTDTDH-DN/068	624,755,293,503	From 17 September 2017 to 24 August 2019	To finance Terra Royal project	10.5 - 11.5	Benefits arising from The Stars Village, Long Thoi – Nha Be project – Phase 1; real estate and benefits arising from Terra Royal project; and land use rights and associated assets at No. 106 Ly Chinh Thang Street, Ward 8, District 3, Ho Chi Minh City (Note 8)
<i>In which:</i>					
Current portion	265,000,000,000				
Long-term loan	359,755,293,503				

### 20.3 Loan from an individual

This represents unsecured short-term loan amounting to VND 300,000,000 obtained from an individual for the purpose of financing the land compensation of The Stars Village, Long Thoi – Nha Be project for a period twelve (12) months at the interest rates of 14% per annum.

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 21. OWNERS' EQUITY

### 21.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
<b>Previous year</b>						
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	57,548,003,887	(214,385,910,966)	1,498,318,291,910
Movement (*)	-	(225,431,309,776)	-	-	225,431,309,776	-
Net profit for the year	-	-	-	-	28,645,887,226	28,645,887,226
Ending balance	690,866,880,000	748,683,126,824	(9,825,117,611)	57,548,003,887	39,691,286,036	1,526,964,179,136
<b>Current year</b>						
Beginning balance	690,866,880,000	748,683,126,824	(9,825,117,611)	57,548,003,887	39,691,286,036	1,526,964,179,136
Net profit for the year	-	-	-	-	77,625,439,100	77,625,439,100
Dividends declared	-	-	-	-	(24,026,214,800)	(24,026,214,800)
Profit appropriation	-	-	-	1,434,336,538	(1,434,336,538)	-
Other decrease	-	-	-	-	(286,868,000)	(286,868,000)
Ending balance	690,866,880,000	748,683,126,824	(9,825,117,611)	58,982,340,425	91,569,305,798	1,580,276,535,436

(\*) In 2016, the Company transferred an amount of VND 225,431,309,776 from share premium to undistributed earnings in accordance with Resolution of the Annual General Meeting No.06/NQ-DHDCD dated 26 April 2016.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**21. OWNERS' EQUITY (continued)**

**21.2 Capital transactions with owners and distribution of dividends and profits**

	VND	
	Current year	Previous year
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Declared dividends	24,026,214,800	-

**21.3 Shares**

	Ending balance		Beginning balance	
	Quantity	Amount VND	Quantity	Amount VND
<b>Authorized shares</b>	69,086,688	690,866,880,000	69,086,688	690,866,880,000
<b>Issued shares</b>				
<i>Issued and paid-up shares</i>				
<i>Ordinary shares</i>	69,086,688	690,866,880,000	69,086,688	690,866,880,000
<b>Treasury shares</b>				
<i>Ordinary shares</i>	440,360	9,825,117,611	440,360	9,825,117,611
<b>Shares in circulation</b>				
<i>Ordinary shares</i>	68,646,328	681,041,762,389	68,646,328	681,041,762,389

**22. REVENUES**

**22.1 Revenue from sale of goods and rendering of services**

	VND	
	Current year	Previous year
<b>Net revenue</b>	<u>598,006,857,885</u>	<u>271,236,973,411</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	476,491,590,646	199,296,144,239
<i>Revenue from construction contracts</i>	106,108,160,795	57,294,664,308
<i>Revenue from other services</i>	15,407,106,444	14,646,164,864

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**22. REVENUES (continued)**

**22.2 Finance income**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Dividends received	5,857,450,000	941,689,000
Interest income	1,340,324,564	460,620,593
<b>TOTAL</b>	<b><u>7,197,774,564</u></b>	<b><u>1,402,309,593</u></b>

**23. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of real estate properties	385,793,904,731	156,425,893,423
Cost of construction services	101,853,212,344	54,100,275,261
Cost of other services rendered	4,790,443,700	7,431,152,614
<b>TOTAL</b>	<b><u>492,437,560,775</u></b>	<b><u>217,957,321,298</u></b>

**24. FINANCE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision for diminution in value of investments	4,743,894,920	59,987,568
Interest expense	1,133,460,140	4,953,649,286
Others	28,283,019	5,962,296
<b>TOTAL</b>	<b><u>5,905,638,079</u></b>	<b><u>5,019,599,150</u></b>

**25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>7,534,807,159</b>	<b>3,138,798,773</b>
Sale commission	7,534,807,159	2,946,711,679
Others	-	192,087,094
<b>General and administrative expenses</b>	<b>25,397,844,549</b>	<b>18,652,849,693</b>
Labour costs	9,703,128,067	6,392,325,500
External service fee	5,144,296,571	3,691,543,246
Depreciation (Note 10)	2,046,918,423	1,311,702,949
Provision for short-term doubtful debt	4,302,000,000	2,982,000,000
Others	4,201,501,488	4,275,277,998
<b>TOTAL</b>	<b><u>32,932,651,708</u></b>	<b><u>21,791,648,466</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>8,580,741,479</b>	<b>3,320,269,717</b>
Penalty for late payment and cancellation of sale contracts	5,666,675,726	899,245,080
Leasing income	1,575,529,638	1,670,135,187
Others	1,338,536,115	750,889,450
<b>Other expenses</b>	<b>(4,767,655,370)</b>	<b>(2,447,816,762)</b>
Land compensation for Binh Hoa project	(1,888,376,861)	-
Land rental fee	(1,575,529,638)	(1,669,079,634)
Net book value of disposed fixed assets	-	(180,035,247)
Others	(1,303,748,871)	(598,701,881)
<b>NET OTHER PROFIT</b>	<b><u>3,813,086,109</u></b>	<b><u>872,452,955</u></b>

## 27. PRODUCTION AND OPERATION COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Development cost	385,793,904,731	156,425,893,423
Labour cost	9,703,128,067	6,392,325,500
Sales commission	7,534,807,159	2,946,711,679
Provision for bad debt	4,302,000,000	2,982,000,000
Depreciation ( <i>Notes 10, 12</i> )	4,730,001,637	3,994,786,163
External service fee	106,997,508,915	57,791,818,507
Others	6,308,861,974	9,215,434,492
<b>TOTAL</b>	<b><u>525,370,212,483</u></b>	<b><u>239,748,969,764</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**28. CORPORATE INCOME TAX**

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The tax returns filed by Company are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

**28.1 CIT expense**

	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	
Deferred tax expense	<u>(116,428,896)</u>	<u>(97,279,819)</u>

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	
<b>Accounting profit before tax</b>	<u><b>77,741,867,996</b></u>	<u><b>28,743,167,045</b></u>
At CIT rate applied for the Company	15,548,373,599	5,748,633,409
<i>Adjustments to increase:</i>		
Non-deductible expenses	3,064,375,373	839,414,922
<i>Adjustments to decrease:</i>		
Tax loss carried forward	(17,324,830,076)	(6,302,430,712)
Dividends received	<u>(1,171,490,000)</u>	<u>(188,337,800)</u>
<b>CIT expense</b>	<u><b>116,428,896</b></u>	<u><b>97,279,819</b></u>

**28.2 Current tax**

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**28. CORPORATE INCOME TAX (continued)**

**28.3 Deferred CIT**

The following are the deferred tax assets recognized by the Company, and the movements thereon, during the current and previous period:

	Separate		Separate		VND
	balance sheet		income statement		
	Ending balance	Beginning balance	Current year	Previous year	
Accrual for severance pay	247,546,000	363,974,896	(116,428,896)	(97,279,819)	
Internal unrealised profit	178,275,356	178,275,356	-	-	
<b>Deferred income tax assets</b>	<b>425,821,356</b>	<b>542,250,252</b>			
<b>Net deferred tax expense</b>			<b>(116,428,896)</b>	<b>(97,279,819)</b>	

**28.4 Tax losses carried forward**

The Company is eligible to carry tax losses forward to offset against taxable profits arising within five (5) years subsequent to the year in which the loss was incurred. At 31 December 2017, the Company had accumulated tax losses of VND 194,030,110,041 (31 December 2016: VND 280,654,260,419) available for offset against future taxable profits. Details are as follows:

Originating year	Can be utilized up to	Tax loss amount (*)	Utilized up to 31 December 2017	Forfeited	VND
					Unutilized at 31 December 2017
2014	2019	284,042,164,481	(90,012,054,440) (**)	-	194,030,110,041

(\*) Estimated tax losses above as per the Company's CIT declaration have not been audited by the local tax authorities as of the date of these separate financial statements.

(\*\*) This amount includes tax loss utilized up to 31 December 2016 of VND 3,387,904,062 and tax loss utilized in this current year of VND 86,624,150,378.

No deferred income tax assets were recognised in respect of the accumulated tax losses because utilization of tax loss against future taxable profit cannot be ascertained at this stage.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

## 29. TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company with related parties during the current and previous year were as follows:

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Intresco Construction Joint Stock Company	Subsidiary	Construction services rendered	202,335,657,421	69,463,320,250
		Dividend	5,310,800,000	-
		Payment on behalf	1,134,963,009	193,327,389
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fee	2,857,750,463	5,195,291,280
Gia Dinh Development Investment Corporation	Related party	Repayment of borrowings	30,000,000,000	4,519,333,333
		Interest expense	1,388,499,999	2,916,614,500
		Rental fee	1,241,916,000	1,241,916,000
Sai Gon Binh Duong Joint stock Company	Related party	Capital contributed	44,719,129,593	-
		Advance	642,000,000	205,000,000
Bac Trung Nam Housing Development Joint Stock Company	Related party	Dividends	546,650,000	819,975,000
		Rental income	594,008,183	573,829,092
		Rendering of services	126,496,000	150,203,600
Long Binh Construction - Trading - Producing Joint Stock Company	Associate	Dividends income	-	100,000,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	Related party	Dividends income	-	21,714,000

### *Terms and conditions of transactions*

The purchase of goods from related parties during the year was made on the basis of signed contracts.

Outstanding balances at are unsecured, interest free and will be settled in cash. For the year ended 31 December 2017, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND</i>	
			<i>Receivable (payable)</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Short-term advances to suppliers</i></b>				
Intresco Construction Joint Stock Company	Subsidiary	Advance for construction services	34,366,344,397	15,527,361,956
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fee	12,572,762,755	15,716,288,264
<b>TOTAL</b>			<b><u>46,939,107,152</u></b>	<b><u>31,243,650,220</u></b>
<b><i>Other short-term receivables</i></b>				
Sai Gon Binh Duong Joint stock Company	Associate	Interest income Advance	1,592,901,607 847,000,000	1,592,901,607 405,000,000
Bac Trung Nam Housing Development Joint Stock Company	Related party	Dividends income	-	273,325,000
<b>TOTAL</b>			<b><u>2,439,901,607</u></b>	<b><u>2,271,226,607</u></b>
<b><i>Short-term trade payables</i></b>				
Intresco Construction Joint Stock Company	Subsidiary	Construction services rendered	(75,125,663,957)	(53,419,362,460)
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	(1,560,654,545)	(1,560,654,545)
<b>TOTAL</b>			<b><u>(76,686,318,502)</u></b>	<b><u>(54,980,017,005)</u></b>
<b><i>Short-term loan</i></b>				
Gia Dinh Development Investment Corporation	Related party	Loan	-	(30,000,000,000)

Remuneration to members of the Board of Directors and management:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	<u>2,911,530,000</u>	<u>2,307,068,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

### 30. CAPITAL COMMITMENT

At 31 December 2017, the Company had outstanding commitments of VND 296,035,169,100 (31 December 2016: VND 823,101,877,309) relating to the development of ongoing residential projects.

### 31. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the separate balance sheet date that requires adjustments or disclosures to be made in the separate financial statements of the Company.



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Truong Minh Thuan  
General Director

28 March 2018