

Investment and Trading of Real Estate Joint Stock Company

Interim separate financial statements

30 June 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 period 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 period 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 period 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 period 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 interim separate financial statements of the Company for the six-month period ended 30 June 2017.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim 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 interim separate financial statements; and
- ▶ prepare the interim 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 interim 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 interim separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2017 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

For and on behalf of management 



Trương Minh Thuận
General Director

28 August 2017



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Reference: 60792124/19307153/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as prepared on 28 August 2017 and set out on pages 5 to 41, which comprise the interim separate balance sheet as at 30 June 2017, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2017, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the interim separate financial statements. The Company prepared the interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 28 August 2017 expressed an unmodified conclusion.

Our review conclusion on the interim separate financial statement is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Ernest Young Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No. 1891-2013-004-1

Ho Chi Minh City, Vietnam

28 August 2017

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2017

VND

Code	ASSETS	Notes	30 June 2017	31 December 2016
100	A. CURRENT ASSETS		3,010,309,574,160	2,925,033,560,771
110	I. Cash and cash equivalents	4	57,299,990,581	39,364,906,958
111	1. Cash		24,299,990,581	18,364,906,958
112	2. Cash equivalents		33,000,000,000	21,000,000,000
130	II. Current accounts receivables		300,906,508,560	252,192,557,146
131	1. Short-term trade receivables	5	140,927,824,680	88,665,151,316
132	2. Short-term advances to suppliers	6	143,205,598,952	135,686,067,863
136	3. Other short-term receivables	7	20,571,084,928	31,639,337,967
137	4. Provision for doubtful short-term receivables	5, 7	(3,798,000,000)	(3,798,000,000)
140	III. Inventories	8	2,645,139,311,450	2,630,095,821,413
141	1. Inventories		2,658,796,743,703	2,643,753,253,666
149	2. Provision for obsolete inventories		(13,657,432,253)	(13,657,432,253)
150	IV. Other current assets		6,963,763,569	3,380,275,254
151	1. Short-term prepaid expenses	9	5,315,152,285	1,731,663,970
153	2. Tax and other receivables from the State	17	1,648,611,284	1,648,611,284

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2017

VND

Code	ASSETS	Notes	30 June 2017	31 December 2016
200	B. NON-CURRENT ASSETS		444,217,159,879	414,728,160,889
210	I. Long-term receivables		5,359,115,707	4,490,561,358
211	1. Long-term trade receivables	5	3,732,095,449	3,998,346,579
216	2. Other long-term receivables	7	8,039,767,086	7,108,961,607
219	3. Provision for doubtful long-term receivables	5, 7	(6,412,746,828)	(6,616,746,828)
220	II. Fixed assets		58,505,748,287	51,714,688,841
221	1. Tangible fixed assets	10	20,932,670,037	14,141,610,591
222	Cost		39,697,471,569	31,879,289,751
223	Accumulated depreciation		(18,764,801,532)	(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		-	-
230	III. Investment properties	12	48,513,104,397	49,854,646,011
231	1. Cost		67,077,080,348	67,077,080,348
232	2. Accumulated depreciation		(18,563,975,951)	(17,222,434,337)
240	IV. Long-term asset in progress		-	3,636,363,636
242	1. Construction in progress		-	3,636,363,636
250	V. Long-term investments	13	330,802,535,689	304,315,708,525
251	1. Investment in a subsidiary	13.1	34,000,000,000	34,000,000,000
252	2. Investments in associates	13.2	270,564,778,645	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	(16,517,562,956)	(11,888,550,120)
260	VI. Other long-term assets		1,036,655,799	716,192,518
261	1. Long-term prepaid expenses		503,100,547	173,942,266
262	2. Deferred tax assets	27.3	533,555,252	542,250,252
270	TOTAL ASSETS		3,454,526,734,039	3,339,761,721,660

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2017

VND

Code	RESOURCES	Notes	30 June 2017	31 December 2016
300	C. LIABILITIES		1,909,105,714,388	1,812,797,542,524
310	I. Current liabilities		1,147,203,606,527	965,759,479,829
311	1. Short-term trade payables	15	340,384,499,612	386,981,449,027
312	2. Short-term advances from customers	16	285,845,600,235	126,470,931,232
313	3. Statutory obligations	17	21,794,098,443	19,782,536,271
315	4. Short-term accrued expenses	18	65,202,387,575	71,118,666,182
318	5. Short-term unearned revenues		993,328,784	1,283,631,148
319	6. Other short-term payables	19	58,240,864,125	23,364,974,596
320	7. Short-term loans	20	374,742,827,753	336,757,291,373
330	II. Non-current liabilities		761,902,107,861	847,038,062,695
332	1. Long-term advances from customers	16	213,449,855,977	165,291,855,511
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
338	3. Long-term loans	20	539,755,293,503	673,005,773,803
342	4. Long-term provisions		3,234,685,843	3,278,160,843
400	D. OWNERS' EQUITY		1,545,421,019,651	1,526,964,179,136
410	I. Capital	21.1	1,545,421,019,651	1,526,964,179,136
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		56,713,790,013	39,691,286,036
421a	- Undistributed earnings up to prior year		13,943,866,698	11,045,398,810
421b	- Undistributed earnings of current period		42,769,923,315	28,645,887,226
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,454,526,734,039	3,339,761,721,660

Pham Van Khanh
Preparer

Doan Huu Chi
Chief Accountant

Truong Minh Thuan
General Director

28 August 2017

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2017

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
01	1. Revenue from sale of goods and rendering of services	22.1	288,900,111,867	68,986,981,150
02	2. Deductions		-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	288,900,111,867	68,986,981,150
11	4. Cost of goods sold and services rendered	23	(233,795,185,512)	(56,294,808,227)
20	5. Gross profit from sale of goods and rendering of services		55,104,926,355	12,692,172,923
21	6. Finance income	22.2	6,633,257,656	657,463,827
22 23	7. Finance expenses <i>In which: Interest expense</i>	24	(5,091,034,936) (462,022,100)	(3,098,643,416) (3,063,043,601)
25	8. Selling expenses	25	(3,678,396,542)	(217,877,094)
26	9. General and administrative expenses	25	(12,526,869,123)	(8,234,667,672)
30	10. Operating profit		40,441,883,410	1,798,448,568
31	11. Other income	26	5,227,020,043	1,167,829,902
32	12. Other expenses	26	(2,890,285,138)	(1,021,337,082)
40	13. Other profit	26	2,336,734,905	146,492,820
50	14. Accounting profit before tax		42,778,618,315	1,944,941,388
51	15. Current corporate income tax expense		-	-
52	16. Deferred tax expense	27.3	(8,695,000)	(43,257,819)
60	17. Net profit after tax		42,769,923,315	1,901,683,569



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant




Trương Minh Thuận
General Director

28 August 2017

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2017

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		42,778,618,315	1,944,941,388
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 12	2,368,663,986	2,003,095,488
03	Provisions (reversal of provisions)		4,468,487,836	(174,362,481)
05	Profits from investing activities		(6,481,777,410)	(3,468,601,337)
06	Interest expenses	24	462,022,100	3,063,043,601
08	Operating income before changes in working capital		43,596,014,827	3,368,116,659
09	(Increase) decrease in receivables		(49,665,373,763)	111,716,228,038
10	Increase in inventories		(15,043,490,037)	(866,614,275,261)
11	Increase in payables		167,644,315,724	357,559,366,918
12	Increase in prepaid expenses		(3,912,646,596)	(1,228,709,662)
14	Interest paid		(602,911,840)	(3,574,493,709)
20	Net cash flows from (used in) operating activities		142,015,908,315	(398,773,767,017)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(4,181,818,182)	-
22	Proceeds from disposals of fixed assets and other long-term assets		-	3,842,500,000
25	Payments for investments in other entities		(31,115,840,000)	-
27	Interest and dividends received		6,481,777,410	657,463,827
30	Net cash flows (used in) from investing activities		(28,815,880,772)	4,499,963,827
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	20	67,085,125,551	450,671,361,029
34	Repayment of borrowings	20	(162,350,069,471)	(20,087,131,203)
40	Net cash flows (used in) from financing activities		(95,264,943,920)	430,584,229,826

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2017

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
50	Net increase in cash and cash equivalents		17,935,083,623	36,310,426,636
60	Cash and cash equivalents at the beginning of the period		39,364,906,958	7,604,917,673
70	Cash and cash equivalents at end of period	4	57,299,990,581	43,915,344,309



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

28 August 2017

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2017 and for the six-month period 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 30 June 2017 was 117 (31 December 2016: 110).

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the interim separate financial statements*

The Company has a subsidiary as disclosed in Note 13.1. The Company prepared these interim 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 interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2017 dated 28 August 2017.

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

2.2 *Accounting standards and system*

The interim 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 interim 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 interim separate financial position and interim separate results of operations and interim separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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 interim 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 interim separate balance sheet date.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables*

Receivables are presented in the interim 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 interim 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 interim 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 interim 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 interim 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 interim 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 interim separate income statement.

Land use rights

Land use rights are recorded as an intangible fixed asset on the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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
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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 interim separate income statement in the period of retirement or disposal in the period 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 period 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 interim 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 interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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 interim 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 interim 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 period 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 period 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 interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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 interim 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 period 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 periods 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 interim separate balance sheet date.

Current income tax is charged or credited to the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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 interim 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 interim 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 interim 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim separate balance sheet date.

Deferred tax is charged or credited to the interim 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2017	31 December 2016
Cash on hand	1,812,227,326	79,541,168
Cash in banks	22,487,763,255	18,285,365,790
Cash equivalents (*)	<u>33,000,000,000</u>	<u>21,000,000,000</u>
TOTAL	<u>57,299,990,581</u>	<u>39,364,906,958</u>

(*) 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	
	30 June 2017	31 December 2016
Short-term	140,927,824,680	88,665,151,316
Hush Creative Company Limited	5,697,500,000	9,345,000,000
Thai Duong Joint Stock Company	8,100,000,000	8,100,000,000
Other customers	127,130,324,680	71,220,151,316
Long-term	3,732,095,449	3,998,346,579
Trade receivables from other parties	<u>3,732,095,449</u>	<u>3,998,346,579</u>
TOTAL	<u>144,659,920,129</u>	<u>92,663,497,895</u>
Provision for doubtful short-term receivables	(2,838,000,000)	(2,838,000,000)
Provision for doubtful long-term receivables	(3,694,346,579)	(3,898,346,579)

Details of trade receivables are as below:

	VND	
	30 June 2017	31 December 2016
Receivables from sale of land lots and apartments (*)	128,755,760,863	75,952,027,300
Receivables from provision of construction services	12,326,208,646	12,673,117,737
Others	<u>3,577,950,620</u>	<u>4,038,352,858</u>
TOTAL	<u>144,659,920,129</u>	<u>92,663,497,895</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period 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	
	30 June 2017	31 December 2016
The Stars Village, Long Thoi – Nha Be project (ii)	104,999,499,658	47,692,459,095
6B project (i)	10,666,553,389	11,166,379,389
An Phu An Khanh project (ii)	5,697,500,000	9,345,000,000
An Khang Building (i)	2,818,468,367	2,818,468,367
Thinh Vuong Building (i)	2,394,139,449	2,667,920,449
Phong Phu project (i)	2,157,760,000	2,239,960,000
Binh Hoa project (i)	21,840,000	21,840,000
TOTAL	<u>128,755,760,863</u>	<u>75,952,027,300</u>

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	
	30 June 2017	31 December 2016
People's Committee of Dak Nong Province – Thien Phu, Dak Nong project	20,500,000,000	20,500,000,000
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.7, 6B project	12,927,603,431	12,927,603,431
Lac Thanh Limited Company – The Stars Village, Long Thoi – Nha Be project	8,529,920,591	9,463,344,300
Other suppliers	38,768,539,596	41,652,272,312
Related parties (Note 28)	42,580,337,734	31,243,650,220
TOTAL	<u>143,205,598,952</u>	<u>135,686,067,863</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

7. OTHER RECEIVABLES

	VND	
	30 June 2017	31 December 2016
Short-term	20,571,084,928	31,639,337,967
Advances to suppliers of real estate projects (*)	8,144,760,000	16,800,000,000
<i>Saigon Cho Lon Investment & Real Estate</i>		
<i>Joint Stock Company</i>	6,350,000,000	8,000,000,000
<i>May Thang Long Joint Stock Company</i>	1,794,760,000	8,800,000,000
Others	12,426,324,928	14,839,337,967
Long-term	8,039,767,086	7,108,961,607
Advances to suppliers of real estate projects (*)	-	2,450,000,000
<i>Saigon Cho Lon Investment & Real Estate</i>		
<i>Joint Stock Company</i>	-	850,000,000
<i>May Thang Long Joint Stock Company</i>	-	1,600,000,000
Others	8,039,767,086	4,658,961,607
TOTAL	28,610,852,014	38,748,299,574
Provision for short-term doubtful debts	(960,000,000)	(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>	25,816,330,407	36,477,072,967
<i>Related parties (Note 28)</i>	2,794,521,607	2,271,226,607

(*) The management decided to cease the Company's investment in the real estate projects of those entities. Therefore, the advance paid to these entities in prior years were agreed to be reimbursed to the Company according to the relevant documents.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

8. INVENTORIES

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

	30 June 2017		31 December 2016		VND
	Cost	Provision	Cost	Provision	
Terra Royal project (i)	1,340,084,219,586	-	1,242,364,685,032	-	
The Stars Village,					
Long Thoi – Nha Be project (ii)	970,966,756,732	-	1,060,421,621,508	-	
6A project	131,129,913,107	-	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	22,764,681,695	-	22,762,681,695	-	
Other projects	49,028,107,108	(13,657,432,253)	42,823,105,031	(13,657,432,253)	
TOTAL	2,658,796,743,703	(13,657,432,253)	2,643,753,253,666	(13,657,432,253)	

(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 475,085 square meters on total land of 532,537 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 155,021 square meters on total land of 155,365 square meters of Long Phuoc, District 9 project was pledged to obtain the loans from a commercial bank and Gia Dinh Development Investment Corporation (Note 20).

9. SHORT-TERM PREPAID EXPENSES

This amount mainly represents the sale commission of The Stars Village, Long Thoi – Nha Be project.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost:					
As at 31 December 2016	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
As at 30 June 2017	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
Accumulated depreciation:					
As at 31 December 2016	12,603,809,636	378,456,812	3,460,378,939	1,295,033,773	17,737,679,160
Depreciation for the period	432,765,186	445,075,758	142,805,664	6,475,764	1,027,122,372
As at 30 June 2017	13,036,574,822	823,532,570	3,603,184,603	1,301,509,537	18,764,801,532
Net carrying amount:					
As at 31 December 2016	13,315,261,916	-	793,736,570	32,612,105	14,141,610,591
As at 30 June 2017	12,882,496,730	7,373,106,060	650,930,906	26,136,341	20,932,670,037

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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>
	(*)
Cost:	
As at 31 December 2016 and 30 June 2017	<u>67,077,080,348</u>
Accumulated depreciation:	
As at 31 December 2016	17,222,434,337
Depreciation for the period	<u>1,341,541,614</u>
As at 30 June 2017	<u>18,563,975,951</u>
Net carrying amount:	
As at 31 December 2016	<u>49,854,646,011</u>
As at 30 June 2017	<u>48,513,104,397</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 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 interim separate balance sheet date.

(*) Including in the land and buildings, land use rights and associated assets of An Khang apartment, 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*).

In addition, 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>For the six-month</i>	<i>For the six-month</i>
	<i>period ended</i>	<i>period ended</i>
	<i>30 June 2017</i>	<i>30 June 2016</i>
Rental income generating from leasing of investment properties	4,935,511,391	4,514,634,530
Direct operating expenses of investment properties that generated rental income during the period	<u>(2,338,183,165)</u>	<u>(2,503,201,603)</u>
NET	<u>2,597,328,226</u>	<u>2,011,432,927</u>

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13. LONG-TERM INVESTMENTS

	VND	
	30 June 2017	31 December 2016
Investment in a subsidiary	34,000,000,000	34,000,000,000
Investments in associates	270,564,778,645	239,448,938,645
Investments in other entities	42,755,320,000	42,755,320,000
Provision for diminution in long-term investments	<u>(16,517,562,956)</u>	<u>(11,888,550,120)</u>
TOTAL	<u>330,802,535,689</u>	<u>304,315,708,525</u>

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 30 June 2017, the Company hold 85% equity share in IC.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates

Name	Business activities	Status	30 June 2017			31 December 2016		
			ownership %	% voting right	Amount VND	ownership %	% voting right	Amount VND
Pham Gia Construction Limited Company	Real estate	Operating	46.19	46.19	150,968,925,000	46.19	46.19	150,968,925,000
Saigon Binh Duong Joint Stock Company (*)	Real estate	Operating	64.48	64.48	98,595,853,645	22.49	22.49	67,480,013,645
Long Binh Construction – Trading – Producing Joint Stock Company	Real estate	Operating	36.36	36.36	21,000,000,000	36.36	36.36	21,000,000,000
TOTAL					270,564,778,645			239,448,938,645
Provision for diminution in value of investments in associates					(7,592,562,956)			(2,963,550,120)
NET					262,972,215,689			236,485,388,525

(*) During the period, the Company acquired additional 3,067,384 shares in Saigon Binh Duong Joint Stock Company ("SGBD") from Chanh Phu Hoa Joint Stock Construction and Investment Company at the total value of VND 30,673,840,000 in accordance with Agreement No. 233/HD-CPH dated 10 May 2017. Accordingly, the ownership interest of the Company in SGBD as at the interim separate balance sheet date is 64.48% based on actual capital contribution (32.87% based on the Business Registration Certificate). However, as at 30 June 2017, the Company still presents the investment in SGBD as an investment in associate because in accordance with BOD Meeting Minute dated 11 August 2017, all shareholders of SGBD committed to continue to contribute their investment as indicated on Business Registration Certificate. Hence, SGBD will not become the Company's subsidiary.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

13. LONG-TERM INVESTMENTS (continued)

13.3 Other long-term investments

	30 June 2017		31 December 2016	
	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
TOTAL	42,755,320,000		42,755,320,000	
Provision for diminution in value of other long-term investments	(8,925,000,000)		(8,925,000,000)	
NET	33,830,320,000		33,830,320,000	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

14. BORROWING COSTS

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Capitalized in real estate projects	53,747,946,362	21,984,598,919
Interest expense (Note 24)	<u>462,022,100</u>	<u>3,063,043,601</u>
TOTAL	<u>54,209,968,462</u>	<u>25,047,642,520</u>

15. SHORT-TERM TRADE PAYABLES

	VND	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Trade payables to other parties	292,753,382,987	332,001,432,022
<i>Finance Department of Ho Chi Minh City - land use fee for Terra Royal project (*)</i>	<i>264,601,933,421</i>	<i>303,109,369,312</i>
<i>Other suppliers</i>	<i>28,151,449,566</i>	<i>28,892,062,710</i>
Trade payables to related parties (Note 28)	<u>47,631,116,625</u>	<u>54,980,017,005</u>
TOTAL	<u>340,384,499,612</u>	<u>386,981,449,027</u>

(*) In accordance with Official Letter No. 1976/TB-CT dated 16 March 2015 and Official Letter No. 4362/TB-CT dated 29 May 2015, the Company has to pay the amount of VND 303,109,369,312 on 22 July 2016. During the period, the Company paid an amount of VND 38,507,435,891. The Company's management prepared a cash flow plan to settle remaining amount in the financial year 2017.

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>30 June 2017</i>	<i>31 December 2016</i>
Short-term	285,845,600,235	126,470,931,232
The Stars Village, Long Thoi – Nha Be project	239,923,056,423	78,963,372,027
Lot 6, 7 & 8 - 6B project	17,125,471,573	19,957,034,673
Other projects	28,797,072,239	27,550,524,532
Long-term	213,449,855,977	165,291,855,511
6A project	100,249,029,000	100,549,029,000
Terra Royal project	69,749,529,498	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>11,742,100,779</u>	<u>12,010,375,749</u>
TOTAL	<u>499,295,456,212</u>	<u>291,762,786,743</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

17. STATUTORY RECEIVABLES AND OBLIGATIONS

	VND			
	<i>31 December 2016</i>	<i>Increase in period</i>	<i>Decrease in period</i>	<i>30 June 2017</i>
Payable				
Value-added tax	15,130,976,018	10,786,496,051	(9,244,520,985)	16,672,951,084
Personal income tax	377,202,429	1,230,811,020	(1,280,126,677)	327,886,772
Other taxes	4,274,357,824	1,347,580,321	(828,677,558)	4,793,260,587
TOTAL	<u>19,782,536,271</u>	<u>13,364,887,392</u>	<u>(11,353,325,220)</u>	<u>21,794,098,443</u>
Receivable				
Overpaid corporate income tax	1,648,611,284	-	-	1,648,611,284

18. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Interest expense	31,138,875,278	53,721,237,655
Penalty for late payment	30,202,910,027	14,731,115,349
Construction costs	2,348,102,270	2,366,313,178
Others	1,512,500,000	300,000,000
TOTAL	<u>65,202,387,575</u>	<u>71,118,666,182</u>

19. OTHER PAYABLES

	VND	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Dividends payable	27,170,761,724	3,144,546,924
Payables from acquisition additional shares of SGBD	15,336,920,000	-
Land compensation for The Stars Village, Long Thoi – Nha Be project payable to land owners	-	6,418,555,000
Others	15,733,182,401	13,801,872,672
TOTAL	<u>58,240,864,125</u>	<u>23,364,974,596</u>

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

20. LOANS

	31 December 2016	Drawdown	Repayment	Reclassification	VND 30 June 2017
Short-term					
Bank loans (Note 20.1)	336,757,291,373	20,335,605,851	(162,350,069,471)	180,000,000,000	374,742,827,753
Loans from other organizations (Note 20.3)	195,018,480,776	20,335,605,851	(78,450,069,471)	-	136,904,017,156
Loan from an individual (Note 20.4)	30,000,000,000	-	(22,000,000,000)	-	8,000,000,000
Current portion of long-term loan (Note 20.2)	300,000,000	-	-	-	300,000,000
	111,438,810,597	-	(61,900,000,000)	180,000,000,000	229,538,810,597
Long-term					
Bank loan (Note 20.2)	673,005,773,803	46,749,519,700	-	(180,000,000,000)	539,755,293,503
	673,005,773,803	46,749,519,700	-	(180,000,000,000)	539,755,293,503
TOTAL	1,009,763,065,176	67,085,125,551	(162,350,069,471)	-	914,498,121,256

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

20. LOANS (continued)

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

Lenders	30 June 2017	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Lien Viet Post Joint Stock Commercial Bank					
Loan Contract No.911-15/HDTD-LPB-HCM dated 25 September 2015	17,748,702,414	From 22 July 2017 to 26 September 2017	Finance for the development of its real estate projects and working capital requirements	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)
Vietnam Bank for Agriculture and Rural Development					
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	87,155,314,742	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 115,793 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City; and land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8, 11 and 12)
Ho Chi Minh City Development Joint Stock Commercial Bank					
Loan Contract No. 9333/16/HDTDNH-DN/068	32,000,000,000	12 October 2017	To pay land use fee of the Stars Village, Long Thoi - Nha Be project	10.5	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)
TOTAL	136,904,017,156				

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

20. LOANS (continued)

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

Lender	30 June 2017	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
Ho Chi Minh City Development Joint Stock Commercial Bank					
Loan Contract No.2235TT/15/HDTDTDH-DN/068 and No.2236TT/15/HDTDTDH-DN/068 dated 19 August 2015	769,294,104,100	From 17 September 2017 to 24 August 2019	To finance Terra Royal project and The Stars Village, Long Thoi – Nha Be project	10.5 - 11.5	Real estate and benefits arising from The Stars Village, Long Thoi – Nha Be project; 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)

In which:

Current portion	229,538,810,597
Long-term loan	539,755,293,503

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

20. LOANS (continued)

20.3 Details of loans from other organization are as follows:

<i>Lender</i>	<i>30 June 2017</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate % p.a.</i>	<i>Description of collateral</i>
	VND				
Gia Dinh Development Investment Corporation (Note 28)					
Loan Contract No. 376/DTKD/HDVV dated 20 June 2011, appendix No. 74/DTKDN/HDVV dated 9 February 2015, appendix No. 474/DTKD/HDVV date 25 August 2015 and appendix 06A/DTKDN/HDVV dated 4 January 2017	<u>8,000,000,000</u>	20 June 2017	To finance the land compensation for The Stars Village, Long Thoi – Nha Be project	12	Land use right of 10,473 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)

20.4 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.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

21. OWNERS' EQUITY

21.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	(Accumulated losses) undistributed earnings	Total
For the six-month period ended 30 June 2016						
As at 31 December 2015	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 period	-	-	-	-	1,901,683,569	1,901,683,569
As at 30 June 2016	690,866,880,000	748,683,126,824	(9,825,117,611)	57,548,003,887	12,947,082,379	1,500,219,975,479
For the six-month period ended 30 June 2017						
As at 31 December 2016	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 period	-	-	-	-	42,769,923,315	42,769,923,315
Dividends declared	-	-	-	-	(24,026,214,800)	(24,026,214,800)
Appropriation to investment and development fund	-	-	-	1,434,336,538	(1,434,336,538)	-
Other decrease	-	-	-	-	(286,868,000)	(286,868,000)
As at 30 June 2017	690,866,880,000	748,683,126,824	(9,825,117,611)	58,982,340,425	56,713,790,013	1,545,421,019,651

(*) During the six-month period ended 30 June 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Declared dividends	24,026,214,800	-

21.3 Shares

	<u>30 June 2017</u>		<u>31 December 2016</u>	
	Quantity	Amount VND	Quantity	Amount VND
Authorized shares	69,086,688	690,866,880,000	69,086,688	690,866,880,000
Issued shares				
<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
Treasury shares				
<i>Ordinary shares</i>	440,360	9,825,117,611	440,360	9,825,117,611
Shares in circulation				
<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	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Net revenue	<u>288,900,111,867</u>	<u>68,986,981,150</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	234,170,254,982	31,001,999,474
<i>Revenue from construction contracts</i>	47,028,310,782	31,012,834,792
<i>Revenue from other services</i>	7,701,546,103	6,972,146,884

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

22. REVENUES (continued)

22.2 Finance income

	<i>For the six-month period ended 30 June 2017</i>	<i>VND For the six-month period ended 30 June 2016</i>
Dividends received	5,857,450,000	382,766,000
Interest income	624,327,410	274,697,827
Others	151,480,246	-
TOTAL	<u>6,633,257,656</u>	<u>657,463,827</u>

23. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>For the six-month period ended 30 June 2017</i>	<i>VND For the six-month period ended 30 June 2016</i>
Cost of real estate properties	184,890,810,531	23,681,430,940
Cost of construction services	44,943,105,632	29,432,081,450
Cost of other services rendered	3,961,269,349	3,181,295,837
TOTAL	<u>233,795,185,512</u>	<u>56,294,808,227</u>

24. FINANCE EXPENSES

	<i>For the six-month period ended 30 June 2017</i>	<i>VND For the six-month period ended 30 June 2016</i>
Provision for diminution in value of investments	4,629,012,836	29,637,519
Interest expense	462,022,100	3,063,043,601
Others	-	5,962,296
TOTAL	<u>5,091,034,936</u>	<u>3,098,643,416</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Selling expenses	3,678,396,542	217,877,094
Sale commission	3,678,396,542	47,740,000
Others	-	170,137,094
General and administrative expenses	12,526,869,123	8,234,667,672
Labour costs	4,665,702,000	3,280,400,500
External service fee	3,261,686,528	2,006,707,518
Depreciation (<i>Note 10</i>)	1,027,122,372	661,553,874
Reversal of provision for short-term doubtful debt	(204,000,000)	-
Others	3,776,358,223	2,286,005,780
TOTAL	<u>16,205,265,665</u>	<u>8,452,544,766</u>

26. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Other income	5,227,020,043	1,167,829,902
Penalty for late payment and cancellation of sale contracts	4,179,121,726	109,012,101
Leasing income	843,367,092	833,829,914
Others	204,531,225	224,987,887
Other expenses	(2,890,285,138)	(1,021,337,082)
Land rental fee	(843,367,092)	(832,774,362)
Others	(2,046,918,046)	(188,562,720)
NET OTHER PROFIT	<u>2,336,734,905</u>	<u>146,492,820</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

27. 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Deferred tax expense	<u>(8,695,000)</u>	<u>(43,257,819)</u>

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

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Accounting profit before tax	<u>42,778,618,315</u>	<u>1,944,941,388</u>
At CIT rate applied for the Company	8,555,723,663	427,887,105
<i>Adjustments to increase:</i>		
Provision for investment in associates	925,802,567	6,520,254
Non-deductible expenses	447,718,373	158,246,463
Change in provision for doubtful debt	(40,800,000)	-
<i>Adjustments to decrease:</i>		
Tax loss carried forward	(8,708,259,603)	(420,307,483)
Dividends received	(1,171,490,000)	(84,208,520)
Change in provision for doubtful debt	-	(44,880,000)
CIT expense	<u>8,695,000</u>	<u>43,257,819</u>

27.2 Current tax

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods 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 interim separate balance sheet date.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

27. CORPORATE INCOME TAX (continued)

27.3 Deferred CIT

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

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
	VND			
Accrual for severance pay	355,279,896	363,974,896	(8,695,000)	(43,257,819)
Internal unrealised profit	178,275,356	178,275,356	-	-
Deferred income tax assets	533,555,252	542,250,252		
Net deferred tax expense			(8,695,000)	(43,257,819)

27.4 Tax losses carried forward

The Company is eligible to carry tax losses forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At 30 June 2017, the Company had accumulated tax losses of VND 237,112,962,403 (31 December 2016: VND 280,654,260,419) available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount (*)</i>	<i>Utilized up to 30 June 2017</i>	<i>Forfeited</i>	VND
					<i>Unutilized at 30 June 2017</i>
2013	2018	2,599,260,225	(2,599,260,225)	-	-
2014	2019	284,042,164,481	(46,929,202,078) (**)	-	237,112,962,403
TOTAL		286,641,424,706	(49,528,462,303)	-	237,112,962,403

(*) 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 interim 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 period of VND 43,541,298,016.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

28. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Transaction	VND	
			For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction services	69,284,516,077	23,281,952,674
		Dividends income	5,310,800,000	-
		Payment on behalf	89,804,815	117,729,938
Gia Dinh Development Investment Corporation	Related party	Repayment of borrowings	22,000,000,000	4,519,333,333
		Interest expense	1,380,499,999	1,536,614,500
		Rental fee	620,958,000	-
Bac Trung Nam Housing Development Joint Stock Company	Related party	Dividends income	546,650,000	273,325,000
		Rental income	348,832,085	-
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	-	9,441,000

Terms and conditions of transactions

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

Outstanding balances at are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2017, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial period through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

28. 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>30 June 2017</i>	<i>31 December 2016</i>
Short-term advances to suppliers				
Intresco Construction Joint Stock Company	Subsidiary	Advance for construction services	26,864,049,470	15,527,361,956
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fee	15,716,288,264	15,716,288,264
TOTAL			<u>42,580,337,734</u>	<u>31,243,650,220</u>
Other short-term receivables				
Sai Gon Binh Duong Joint stock Company	Associate	Interest income	1,792,901,607	1,792,901,607
		Advance	205,000,000	205,000,000
Intresco Construction Joint Stock Company	Subsidiary	Dividends income	796,620,000	-
Bac Trung Nam Housing Development Joint Stock Company	Related party	Dividends income	-	273,325,000
TOTAL			<u>2,794,521,607</u>	<u>2,271,226,607</u>
Short-term trade payables				
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	(46,070,462,080)	(53,419,362,460)
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	(1,560,654,545)	(1,560,654,545)
TOTAL			<u>(47,631,116,625)</u>	<u>(54,980,017,005)</u>
Short-term loan				
Gia Dinh Development Investment Corporation	Related party	Loan	<u>(8,000,000,000)</u>	<u>(30,000,000,000)</u>
Remuneration to members of the Board of Directors and management:				
			<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Salaries and bonus			<u>1,474,560,000</u>	<u>888,008,000</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 and for the six-month period then ended

29. CAPITAL COMMITMENT

At 30 June 2017, the Company had outstanding commitments of VND 610,648,478,735 (31 December 2016: VND 823,101,877,309) relating to the development of ongoing residential projects.

30. EVENTS AFTER THE BALANCE SHEET DATE

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



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

28 August 2017