

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

Interim separate financial statements

30 June 2018



# 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
Mr. Vo Huu Hai	Member
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 2018.

### 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 2018 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.

The Company has a subsidiary as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. Concurrently, the Company has also prepared of the interim consolidated financial statements of the Company and its subsidiary ("the Group") for the six-month period ended 30 June 2018.

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 Group.

For and on behalf of management:



Truong Minh Thuan  
General Director

28 August 2018





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

Tel: +84 28 3824 5252  
Fax: +84 28 3824 5250  
ey.com

Reference: 60792124/20266758/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 2018 and set out on pages 5 to 42, which comprise the interim separate balance sheet as at 30 June 2018, 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 2018, 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 2018 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 2018 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 Yoong Chin Kang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2018-004-1

Ho Chi Minh City, Vietnam

28 August 2018

INTERIM SEPARATE BALANCE SHEET  
as at 30 June 2018

VND

Code	ASSETS	Notes	30 June 2018	31 December 2017
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>3,178,275,844,812</b>	<b>3,064,432,322,613</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>104,924,737,613</b>	<b>43,658,881,289</b>
111	1. Cash		39,924,737,613	18,658,881,289
112	2. Cash equivalents		65,000,000,000	25,000,000,000
<b>130</b>	<b>II. Current accounts receivables</b>		<b>323,798,987,771</b>	<b>312,094,566,752</b>
131	1. Short-term trade receivables	5	73,588,018,313	161,339,596,727
132	2. Short-term advances to suppliers	6	123,672,212,279	145,223,653,740
136	3. Other short-term receivables	7	135,114,757,179	14,039,316,285
137	4. Provision for doubtful short-term receivables	5, 7	(8,576,000,000)	(8,508,000,000)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>2,728,855,230,894</b>	<b>2,690,882,846,520</b>
141	1. Inventories		2,745,708,303,147	2,707,735,918,773
149	2. Provision for obsolete inventories		(16,853,072,253)	(16,853,072,253)
<b>150</b>	<b>IV. Other current assets</b>		<b>20,696,888,534</b>	<b>17,796,028,052</b>
151	1. Short-term prepaid expenses	9	19,048,277,250	16,147,416,768
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 2018

VND

Code	ASSETS	Notes	30 June 2018	31 December 2017
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>308,716,660,343</b>	<b>463,557,681,223</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>18,557,275,422</b>	<b>10,942,914,392</b>
211	1. Long-term trade receivables	5	3,426,095,449	3,528,095,449
216	2. Other long-term receivables	7	21,237,926,801	13,623,565,771
219	3. Provision for doubtful long-term receivables	5, 7	(6,106,746,828)	(6,208,746,828)
<b>220</b>	<b>II. Fixed assets</b>		<b>50,379,742,797</b>	<b>57,485,952,236</b>
221	1. Tangible fixed assets	10	12,806,664,547	19,912,873,986
222	Cost		32,213,089,751	39,697,471,569
223	Accumulated depreciation		(19,406,425,204)	(19,784,597,583)
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>45,830,021,183</b>	<b>47,171,562,797</b>
231	1. Cost		67,077,080,348	67,077,080,348
232	2. Accumulated depreciation		(21,247,059,165)	(19,905,517,551)
<b>240</b>	<b>IV. Long-term asset in progress</b>		-	<b>2,835,163,636</b>
242	1. Construction in progress		-	2,835,163,636
<b>250</b>	<b>V. Long-term investments</b>	<b>13</b>	<b>193,162,051,796</b>	<b>344,290,943,198</b>
251	1. Investment in a subsidiary		34,000,000,000	34,000,000,000
252	2. Investments in associates		133,199,143,238	284,168,068,238
253	3. Investments in other entities		42,755,320,000	42,755,320,000
254	4. Provision for diminution in value of long-term investments		(16,792,411,442)	(16,632,445,040)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>787,569,145</b>	<b>831,144,964</b>
261	1. Long-term prepaid expenses		374,758,789	405,323,608
262	2. Deferred tax assets	27.3	412,810,356	425,821,356
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,486,992,505,155</b>	<b>3,527,990,003,836</b>



INTERIM SEPARATE BALANCE SHEET (continued)  
as at 30 June 2018

VND

Code	RESOURCES	Notes	30 June 2018	31 December 2017
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,948,663,296,347</b>	<b>1,947,713,468,400</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,154,180,038,841</b>	<b>1,277,504,093,965</b>
311	1. Short-term trade payables	15	86,508,717,222	95,318,472,872
312	2. Short-term advances from customers	16	322,248,112,716	399,210,761,704
313	3. Statutory obligations	17	5,287,201,573	11,226,495,810
315	4. Short-term accrued expenses	18	59,868,588,537	70,189,438,491
318	5. Short-term unearned revenues		603,544,851	335,317,967
319	6. Other short-term payables	19	85,985,178,132	39,502,590,560
320	7. Short-term loans	20	593,678,695,810	661,721,016,561
<b>330</b>	<b>II. Non-current liabilities</b>		<b>794,483,257,506</b>	<b>670,209,374,435</b>
332	1. Long-term advances from customers	16	438,324,811,231	298,474,899,790
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
337	3. Other long-term payables	19	3,341,233,840	3,820,892,240
338	4. Long-term loans	20	344,723,978,533	359,755,293,503
342	5. Long-term provisions		2,630,961,364	2,696,016,364
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,538,329,208,808</b>	<b>1,580,276,535,436</b>
<b>410</b>	<b>I. Capital</b>	<b>21.1</b>	<b>1,538,329,208,808</b>	<b>1,580,276,535,436</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		62,940,539,322	58,982,340,425
421	5. Undistributed earnings		45,663,780,273	91,569,305,798
421a	- Undistributed earnings by the end of prior periods		18,173,139,102	13,943,866,698
421b	- Undistributed earnings of current period		27,490,641,171	77,625,439,100
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>3,486,992,505,155</b>	<b>3,527,990,003,836</b>



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 August 2018

INTERIM SEPARATE INCOME STATEMENT  
for the six-month period ended 30 June 2018

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
10	1. Net revenue from sale of goods and rendering of services	22.1	246,028,130,934	288,900,111,867
11	2. Cost of goods sold and services rendered	23	(212,588,412,177)	(233,795,185,512)
20	3. Gross profit from sale of goods and rendering of services		33,439,718,757	55,104,926,355
21	4. Finance income	22.2	9,464,031,579	6,633,257,656
22	5. Finance expenses	24	(1,984,436,297)	(5,091,034,936)
23	In which: Interest expense		(1,674,942,626)	(462,022,100)
25	6. Selling expenses	25	(3,557,276,384)	(3,678,396,542)
26	7. General and administrative expenses	25	(11,667,989,312)	(12,526,869,123)
30	8. Operating profit		25,694,048,343	40,441,883,410
31	9. Other income	26	8,390,223,686	5,227,020,043
32	10. Other expenses	26	(6,580,619,858)	(2,890,285,138)
40	11. Other profit	26	1,809,603,828	2,336,734,905
50	12. Accounting profit before tax		27,503,652,171	42,778,618,315
51	13. Current corporate income tax expense		-	-
52	14. Deferred tax expense	27.3	(13,011,000)	(8,695,000)
60	15. Net profit after tax		27,490,641,171	42,769,923,315



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 August 2018

INTERIM SEPARATE CASH FLOW STATEMENT  
for the six-month period ended 30 June 2018

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>27,503,652,171</b>	<b>42,778,618,315</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 12	2,550,490,452	2,368,663,986
03	Provisions		191,021,402	4,468,487,836
05	Profits from investing activities	22.2, 26	(11,051,152,796)	(6,481,777,410)
06	Interest expenses	24	1,674,942,626	462,022,100
<b>08</b>	<b>Operating income before changes in working capital</b>		<b>20,868,953,855</b>	<b>43,596,014,827</b>
09	Decrease (increase) in receivables		149,426,261,838	(49,665,373,763)
10	Decrease in inventories		12,555,723,440	38,704,456,325
11	Increase in payables		48,915,562,533	190,085,788,361
12	Increase in prepaid expenses		(2,870,295,663)	(3,912,646,596)
14	Interest paid		(62,140,668,394)	(76,792,330,839)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>166,755,537,609</b>	<b>142,015,908,315</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(135,000,000)	(4,181,818,182)
25	Payments for investments in other entities		-	(31,115,840,000)
27	Interest and dividends received		1,384,818,347	6,481,777,410
<b>30</b>	<b>Net cash flows from (used in) investing activities</b>		<b>1,249,818,347</b>	<b>(28,815,880,772)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	20	232,121,670,130	67,085,125,551
34	Repayment of borrowings	20	(315,195,305,851)	(162,350,069,471)
36	Dividends paid		(23,665,863,911)	-
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(106,739,499,632)</b>	<b>(95,264,943,920)</b>



INTERIM SEPARATE CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2018

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
50	Net increase in cash and cash equivalents		61,265,856,324	17,935,083,623
60	Cash and cash equivalents at the beginning of the period		43,658,881,289	39,364,906,958
70	Cash and cash equivalents at end of period	4	104,924,737,613	57,299,990,581



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 August 2018



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
as at 30 June 2018 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 2018 was 108 (31 December 2017: 126).

## 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 2018 dated 28 August 2018.

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 2018 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 of inventory properties 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 2018 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 2018 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
--------------------	---------------

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 2018 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 2018 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 2018 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 to 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 2018 and for the six-month period then ended

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

#### 3.17 Segment information

The Company's principal activities are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management. In addition, these activities are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's business that the Company is operating or the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required

#### 3.18 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	
	30 June 2018	31 December 2017
Cash on hand	10,584,283,550	8,902,732,819
Cash in banks	29,340,454,063	9,756,148,470
Cash equivalents (*)	65,000,000,000	25,000,000,000
<b>TOTAL</b>	<b><u>104,924,737,613</u></b>	<b><u>43,658,881,289</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 applicable rates.

### 5. TRADE RECEIVABLES

	VND	
	30 June 2018	31 December 2017
<b>Short-term</b>	<b>73,588,018,313</b>	<b>161,339,596,727</b>
Thai Duong Construction and Trading Joint Stock Company	8,100,000,000	8,100,000,000
Related parties (Note 28)	1,315,610,000	1,315,610,000
Others	64,172,408,313	151,923,986,727
<b>Long-term</b>	<b>3,426,095,449</b>	<b>3,528,095,449</b>
Trade receivables from other parties	3,426,095,449	3,528,095,449
<b>TOTAL</b>	<b><u>77,014,113,762</u></b>	<b><u>164,867,692,176</u></b>
Provision for doubtful short-term receivables	(8,576,000,000)	(8,508,000,000)
Provision for doubtful long-term receivables	(3,388,346,579)	(3,490,346,579)



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 5. TRADE RECEIVABLES (continued)

Details of trade receivables are as below:

	VND	
	30 June 2018	31 December 2017
Receivables from sale of land lots and apartments (*)	62,488,153,896	137,090,009,642
Receivables from provision of construction services	11,622,324,946	24,459,467,946
Others	2,903,634,920	3,318,214,588
<b>TOTAL</b>	<b><u>77,014,113,762</u></b>	<b><u>164,867,692,176</u></b>

(\*) 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 2018	31 December 2017
The Stars Village, Long Thoi – Nha Be project (ii)	46,686,323,914	120,958,409,587
6B project (i)	9,906,561,765	10,103,728,389
Thinh Vuong Building (i)	2,133,636,000	2,230,239,449
Phong Phu project (i)	2,065,760,000	2,101,760,000
An Khang Building (i)	1,674,032,217	1,674,032,217
Binh Hoa project (i)	21,840,000	21,840,000
<b>TOTAL</b>	<b><u>62,488,153,896</u></b>	<b><u>137,090,009,642</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	
	30 June 2018	31 December 2017
Related parties (Note 28)	41,325,530,782	46,939,107,152
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
People's Committee of Dak Nong Province – Thien Phu, Dak Nong project	-	20,300,000,000
Others	49,519,880,466	45,157,745,557
<b>TOTAL</b>	<b><u>123,672,212,279</u></b>	<b><u>145,223,653,740</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

## 7. OTHER RECEIVABLES

	VND	
	30 June 2018	31 December 2017
<b>Short-term</b>	<b>135,114,757,179</b>	<b>14,039,316,285</b>
Investment disposal	97,076,355,000	-
Advances to suppliers of real estate projects (*)	26,594,760,000	7,444,760,000
<i>People's Committee of Dak Nong province-     Thien Phu, Dak Nong project</i>	<i>20,300,000,000</i>	<i>-</i>
<i>Saigon Cho Lon Investment &amp; Real Estate     Joint Stock Company</i>	<i>4,500,000,000</i>	<i>5,650,000,000</i>
<i>May Thang Long Joint Stock Company</i>	<i>1,794,760,000</i>	<i>1,794,760,000</i>
Others	11,443,642,179	6,594,556,285
<b>Long-term</b>	<b>21,237,926,801</b>	<b>13,623,565,771</b>
Ngoc Phuc Trading and Construction Co., Ltd	16,983,965,194	8,522,604,164
Others	4,253,961,607	5,100,961,607
<b>TOTAL</b>	<b><u>156,352,683,980</u></b>	<b><u>27,662,882,056</u></b>
Provision for long-term doubtful debts	(2,718,400,249)	(2,718,400,249)
<i>In which:</i>		
<i>Other parties</i>	<i>154,759,782,373</i>	<i>25,222,980,449</i>
<i>Related parties (Note 28)</i>	<i>1,592,901,607</i>	<i>2,439,901,607</i>

(\*) These amounts represent advance paid to these real estate companies in prior years in order for the Company to receive the completed land lots. However, management decided to terminate the Company's investments in these 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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### 8. INVENTORIES

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

	30 June 2018		31 December 2017		VND
	Cost	Provision	Cost	Provision	
Terra Royal project (i) The Stars Village,	1,660,421,213,408	-	1,474,574,330,988	-	
Long Thoi – Nha Be project (ii) 6A project	745,331,075,779	-	884,464,286,894	-	
Long Phuoc, District 9 project (iii)	132,014,907,652	-	131,864,913,107	-	
Binh Trung Dong – District 2 project	116,057,729,964	-	115,974,275,419	-	
Lot 6, 7 & 8 – 6B project	28,848,790,056	-	28,848,790,056	-	
Other projects	22,658,629,909	-	22,775,590,785	-	
	40,375,956,379	(16,853,072,253)	49,233,731,524	(16,853,072,253)	
<b>TOTAL</b>	<b>2,745,708,303,147</b>	<b>(16,853,072,253)</b>	<b>2,707,735,918,773</b>	<b>(16,853,072,253)</b>	

(i) Land use rights of Terra Royal project, Ly Chinh Thang Street, District 3 was pledged to obtain the loan from a commercial bank (Note 20).

(ii) Land use rights of The Stars Village, Long Thoi – Nha Be project was pledged to obtain the loans from commercial banks (Note 20).

(iii) Land use rights of Long Phuoc, District 9 project was pledged to obtain the loans from a commercial bank (Note 20).

### 9. SHORT-TERM PREPAID EXPENSES

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



# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					
As at 31 December 2017	25,919,071,552	8,196,638,630	4,254,115,509	1,327,645,878	39,697,471,569
Newly purchased	-	-	-	135,000,000	135,000,000
Transfer from construction in progress	-	2,636,363,636	-	198,800,000	2,835,163,636
Disposal	-	(10,454,545,454)	-	-	(10,454,545,454)
As at 30 June 2018	25,919,071,552	378,456,812	4,254,115,509	1,661,445,878	32,213,089,751
<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>					
As at 31 December 2017	13,469,339,971	1,312,168,933	3,698,442,783	1,304,645,896	19,784,597,583
Depreciation for the period	432,765,186	653,409,096	95,258,184	27,516,372	1,208,948,838
Disposal	-	(1,587,121,217)	-	-	(1,587,121,217)
As at 30 June 2018	13,902,105,157	378,456,812	3,793,700,967	1,332,162,268	19,406,425,204
<b>Net carrying amount:</b>					
As at 31 December 2017	12,449,731,581	6,884,469,697	555,672,726	22,999,982	19,912,873,986
As at 30 June 2018	12,016,966,395	-	460,414,542	329,283,610	12,806,664,547

VND

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period 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>	
As at 31 December 2017 and 30 June 2018	<u>67,077,080,348</u>
<b>Accumulated depreciation:</b>	
As at 31 December 2017	19,905,517,551
Depreciation for the period	<u>1,341,541,614</u>
As at 30 June 2018	<u>21,247,059,165</u>
<b>Net carrying amount:</b>	
As at 31 December 2017	<u>47,171,562,797</u>
As at 30 June 2018	<u>45,830,021,183</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2018. 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 ground, 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 period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Rental income generating from leasing of investment properties	4,791,256,941	4,935,511,391
Direct operating expenses of investment properties that generated rental income during the period	<u>(1,575,985,744)</u>	<u>(2,338,183,165)</u>
<b>NET</b>	<u><b>3,215,271,197</b></u>	<u><b>2,597,328,226</b></u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

### 13. LONG-TERM INVESTMENTS

	VND	
	30 June 2018	31 December 2017
Investment in a subsidiary (Note 13.1)	34,000,000,000	34,000,000,000
Investments in associates (Note 13.2)	133,199,143,238	284,168,068,238
Investments in other entities (Note 13.3)	42,755,320,000	42,755,320,000
Provision for diminution in long-term investments	<u>(16,792,411,442)</u>	<u>(16,632,445,040)</u>
<b>TOTAL</b>	<b><u>193,162,051,796</u></b>	<b><u>344,290,943,198</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 30 June 2018, the Company hold 85% equity share in IC.



## 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 2018 and for the six-month period then ended

### 13. LONG-TERM INVESTMENTS (continued)

#### 13.2 Investments in associates

Name	Business activities	Status	30 June 2018			31 December 2017		
			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
Saigon Binh Duong Investment Corporation ("SGBD") (**)	Real estate	Operating	37.4	64.32	112,199,143,238	37.4	64.38	112,199,143,238
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
<b>TOTAL</b>					<b>133,199,143,238</b>			<b>284,168,068,238</b>
Provision for diminution in value of investments in associates					(7,867,411,442)			(7,707,445,040)
<b>NET</b>					<b>125,331,731,796</b>			<b>276,460,623,198</b>

(\*) During the period, the Company disposed all shares in Pham Gia Construction Limited Company to Ms. Lai Thi Hoang Yen at the total value of VND 160,968,925,000 in accordance with Agreement No. 2160/HDCNV/NPG dated 5 December 2017.

(\*\*) The ownership interest of the Group in SGBD as at the interim separate balance sheet date is 64.32% based on actual capital contribution (37.37% based on the Business Registration Certificate). However, as at 30 June 2018, the Group still presents the investment in SGBD as an investment in associate because in accordance with Board of Directors 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.

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 13. LONG-TERM INVESTMENTS (continued)

### 13.3 Other long-term investments

	30 June 2018		31 December 2017	
	Amount VND	Number of shares	Amount VND	Number of shares
Gia Dinh Development Investment Corporation	34,000,000,000	2,125,000	34,000,000,000	2,125,000
Bac Trung Nam Housing Development Joint Stock Company	5,466,500,000	54,665	5,466,500,000	54,665
Saigon Mangden Joint Stock Company	3,100,000,000	310,000	3,100,000,000	310,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	188,820,000	18,882	188,820,000	18,882
<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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

#### 14. BORROWING COSTS

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Capitalized in real estate projects	50,528,107,814	53,747,946,362
Interest expense (Note 24)	1,674,942,626	462,022,100
<b>TOTAL</b>	<b><u>52,203,050,440</u></b>	<b><u>54,209,968,462</u></b>

#### 15. SHORT-TERM TRADE PAYABLES

	VND	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Trade payables to related parties (Note 28)	68,296,407,452	76,686,318,502
Trade payables to other parties	18,212,309,770	18,632,154,370
<b>TOTAL</b>	<b><u>86,508,717,222</u></b>	<b><u>95,318,472,872</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>30 June 2018</i>	<i>31 December 2017</i>
<b>Short-term</b>	<b>322,248,112,716</b>	<b>399,210,761,704</b>
The Stars Village, Long Thoi – Nha Be project	281,760,417,413	298,379,469,311
Lot 6, 7 & 8 - 6B project	19,333,718,973	17,554,360,673
Advance received from transfer the investment in Pham Gia Construction Limited Company	-	64,387,570,000
Other projects	21,153,976,330	18,889,361,720
<b>Long-term</b>	<b>438,324,811,231</b>	<b>298,474,899,790</b>
Terra Royal project	285,809,844,687	145,242,173,311
6A project	109,530,829,000	109,799,029,000
Lot 6, 7 & 8 - 6B project	24,223,018,700	23,107,818,700
Binh Trung Dong – District 2 project	8,601,378,000	8,601,378,000
Other projects	10,159,740,844	11,724,500,779
<b>TOTAL</b>	<b><u>760,572,923,947</u></b>	<b><u>697,685,661,494</u></b>



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**17. STATUTORY RECEIVABLES AND OBLIGATIONS**

	VND			
	31 December 2017	Increase in period	Decrease in period	30 June 2018
<b>Payables</b>				
Value-added tax	7,999,862,917	13,295,529,420	(18,199,029,036)	3,096,363,301
Personal income tax	799,129,834	1,046,791,028	(1,432,187,586)	413,733,276
Other taxes	2,427,503,059	633,139,400	(1,283,537,463)	1,777,104,996
<b>TOTAL</b>	<b>11,226,495,810</b>	<b>14,975,459,848</b>	<b>(20,914,754,085)</b>	<b>5,287,201,573</b>
<b>Receivable</b>				
Overpaid corporate income tax	1,648,611,284	-	-	1,648,611,284

**18. SHORT-TERM ACCRUED EXPENSES**

	VND	
	30 June 2018	31 December 2017
Penalty for late payment	37,029,639,910	37,029,639,910
Interest expense	18,981,346,357	28,918,964,311
Construction costs	2,348,102,270	2,348,102,270
Others	1,509,500,000	1,892,732,000
<b>TOTAL</b>	<b>59,868,588,537</b>	<b>70,189,438,491</b>

**19. OTHER PAYABLES**

	VND	
	30 June 2018	31 December 2017
<b>Short-term</b>	<b>85,985,178,132</b>	<b>39,502,590,560</b>
Dividends payable	72,151,225,813	27,170,761,724
Deposit received	5,227,000,000	5,367,000,000
Others	8,606,952,319	6,964,828,836
<b>Long-term</b>	<b>3,341,233,840</b>	<b>3,820,892,240</b>
Deposit received	3,341,233,840	3,820,892,240
<b>TOTAL</b>	<b>89,326,411,972</b>	<b>43,323,482,800</b>

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20. LOANS

	31 December 2017	Drawdown	Repayment	Reclassification	VND 30 June 2018
<b>Short-term</b>	<b>661,721,016,561</b>	<b>67,145,985,100</b>	<b>(315,188,305,851)</b>	<b>180,000,000,000</b>	<b>593,678,695,810</b>
Bank loans (Note 20.1)	396,421,016,561	67,145,985,100	(50,188,305,851)	-	413,378,695,810
Loan from an individual (Note 20.3)	300,000,000	-	-	-	300,000,000
Current portion of long-term loan (Note 20.2)	265,000,000,000	-	(265,000,000,000)	180,000,000,000	180,000,000,000
<b>Long-term</b>	<b>359,755,293,503</b>	<b>164,975,685,030</b>	<b>(7,000,000)</b>	<b>(180,000,000,000)</b>	<b>344,723,978,533</b>
Bank loan (Note 20.2)	359,755,293,503	164,975,685,030	(7,000,000)	(180,000,000,000)	344,723,978,533
<b>TOTAL</b>	<b>1,021,476,310,064</b>	<b>232,121,670,130</b>	<b>(315,195,305,851)</b>	<b>-</b>	<b>938,402,674,343</b>

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## 20. LOANS (continued)

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

Lenders	30 June 2018	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No. 13500/17MN/HDTD dated 25 September 2017	215,000,000,000 VND	25 September 2018	To pay land use fee of the Terra Royal project	11.35	<ul style="list-style-type: none"> <li>Land use rights and associated assets at Long Thoi - Nhon Duc - Nha Be (Note 8)</li> <li>Land use rights and associated assets at 83 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 8)</li> <li>Land use rights and associated assets at 106 Ly Chinh Thang Street, Ward 8, District 3, Ho Chi Minh City (Note 8)</li> </ul>
<b>Vietnam Bank for Agriculture and Rural Development</b>					
Loan Contract No. 6220-LAV-201700865 dated 25 July 2017	68,358,985,000 VND	From 18 October 2018 to 5 April 2019	Finance for the development of its real estate projects and working capital requirements	9.3	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)</li> <li>Land use rights and associated assets at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 12)</li> <li>Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)</li> <li>Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8)</li> </ul>



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### 20. LOANS (continued)

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

Lenders	30 June 2018	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-2015000640/HDTD dated 25 June 2015 and appendix No. 6220-LAV-2015000640/PLHDTD/1 dated 15 November 2015; No. 6220-LAV-2016000690/HDTD dated 4 July 2016	50,457,726,010	From 2 July 2018 to 5 October 2018	Finance for the development of its real estate projects and working capital requirements	9.3	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)</li> <li>Land use rights and associated assets at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 12)</li> <li>Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)</li> <li>Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8)</li> </ul>
<b>Bank for Investment and Development of Vietnam</b>					
Loan contract no. 01/2017/93512/HDTD	52,645,984,800	From 12 January 2019 to 21 May 2019	Finance for the development of its real estate projects and working capital requirements	10.5	<ul style="list-style-type: none"> <li>Land use rights at Long Phuoc, District 9, Ho Chi Minh City (Note 8)</li> <li>Land use rights at An Phu Ward and An Khang apartment, street 19, An Phu Ward, District 2, Ho Chi Minh City (Note 12)</li> <li>Land use rights at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 8)</li> </ul>

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as at 30 June 2018 and for the six-month period then ended

### 20. LOANS (continued)

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

Lenders	30 June 2018	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 30 August 2018 to 12 October 2018	Finance for the development of its real estate projects and working capital requirements	10.1	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)</li> <li>Land use rights and associated assets of An Khang apartment, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City (Notes 12)</li> </ul>
<b>TOTAL</b>	<b>413,378,695,810</b>				

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

Lender	30 June 2018	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.2235TTT/15/HDTDT DH-DN/068 and No.2236TTT/15/HDTDT DH-DN/068 dated 19 August 2015	359,748,293,503	From 20 February 2019 to 24 August 2019	To finance Terra Royal project and The Stars Village, Long Thoi - Nha Be project	11 - 11.5	<ul style="list-style-type: none"> <li>Real estate and benefits arising from The Stars Village, Long Thoi - Nha Be project (Note 8)</li> <li>Real estate and benefits arising from Terra Royal project (Note 8)</li> <li>Land use rights and associated assets at No. 106 Ly Chinh Thang Street, Ward 8, District 3, Ho Chi Minh City (Note 8)</li> </ul>

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as at 30 June 2018 and for the six-month period then ended

### 20. LOANS (continued)

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

Lender	30 June 2018	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
<b>Ho Chi Minh City Development Joint Stock Commercial Bank (continued)</b>					
Loan Contract No.04660/18MN/HDTD	164,975,685,030	12 April 2020	To finance Terra Royal project	11	<ul style="list-style-type: none"> <li>Land use rights and associated assets at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 8)</li> <li>Land use rights and associated assets at Terra Royal (Note 8)</li> <li>Land use rights and associated assets at 106 Ly Chinh Thang, Ward 8, District 3, Ho Chi Minh City (Note 8)</li> <li>Land use rights and associated assets at Intresco Plaza (81A-B, 83, 103 Ly Chinh Thang, and 278A, 280 Nam Ky Khoi Nghia) (Note 8)</li> </ul>
<b>TOTAL</b>	<b>524,723,978,533</b>				
<i>In which:</i>					
Current portion	180,000,000,000				
Long-term loan	344,723,978,533				

#### 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.



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## 21. OWNERS' EQUITY

### 21.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
<b>For the six-month period ended 30 June 2017</b>						
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
<b>For the six-month period ended 30 June 2018</b>						
As at 31 December 2017	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
Net profit for the period	-	-	-	-	27,490,641,171	27,490,641,171
Dividends declared	-	-	-	-	(68,646,328,000)	(68,646,328,000)
Appropriation to investment and development fund	-	-	-	3,958,198,897	(3,958,198,897)	-
Other decrease	-	-	-	-	(791,639,799)	(791,639,799)
As at 30 June 2018	690,866,880,000	748,683,126,824	(9,825,117,611)	62,940,539,322	45,663,780,273	1,538,329,208,808

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Declared dividends	68,646,328,000	24,026,214,800

### 21.3 Shares

	<u>30 June 2018</u>		<u>31 December 2017</u>	
	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	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
<b>Net revenue</b>	<u>246,028,130,934</u>	<u>288,900,111,867</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	200,627,012,668	234,170,254,982
<i>Revenue from construction contracts</i>	37,999,310,705	47,028,310,782
<i>Revenue from other services</i>	7,401,807,561	7,701,546,103

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**22. REVENUES (continued)**

**22.2 Finance income**

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Profit from disposal of an associate	8,079,213,232	-
Interest income	962,110,147	624,327,410
Dividends received	422,708,200	5,857,450,000
Others	-	151,480,246
<b>TOTAL</b>	<b><u>9,464,031,579</u></b>	<b><u>6,633,257,656</u></b>

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

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Cost of real estate properties	172,845,921,433	184,890,810,531
Cost of construction services	36,893,872,539	44,943,105,632
Cost of other services rendered	2,848,618,205	3,961,269,349
<b>TOTAL</b>	<b><u>212,588,412,177</u></b>	<b><u>233,795,185,512</u></b>

**24. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Interest expense	1,674,942,626	462,022,100
Provision for diminution in value of investments	159,966,402	4,629,012,836
Others	149,527,269	-
<b>TOTAL</b>	<b><u>1,984,436,297</u></b>	<b><u>5,091,034,936</u></b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
<b>Selling expenses</b>	<b>3,557,276,384</b>	<b>3,678,396,542</b>
Sale commission	3,542,276,384	3,678,396,542
Others	15,000,000	-
<b>General and administrative expenses</b>	<b>11,667,989,312</b>	<b>12,526,869,123</b>
External service fee	4,271,775,345	3,261,686,528
Labour costs	3,485,074,000	4,665,702,000
Depreciation (Note 10)	1,208,948,838	1,027,122,372
Reversal of provision for short-term doubtful debt	(34,000,000)	(204,000,000)
Others	2,736,191,129	3,776,358,223
<b>TOTAL</b>	<b><u>15,225,265,696</u></b>	<b><u>16,205,265,665</u></b>

**26. OTHER INCOME AND EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
<b>Other income</b>	<b>8,390,223,686</b>	<b>5,227,020,043</b>
Penalty for late payment and cancellation of sale contracts	5,045,030,341	4,179,121,726
Proceeds from disposal of fixed assets	1,587,121,217	-
Others	1,758,072,128	1,047,898,317
<b>Other expenses</b>	<b>(6,580,619,858)</b>	<b>(2,890,285,138)</b>
Expenses of Dak Nong project written-off	(5,164,970,451)	-
Others	(1,415,649,407)	(2,890,285,138)
<b>NET OTHER PROFIT</b>	<b><u>1,809,603,828</u></b>	<b><u>2,336,734,905</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Deferred tax expense	<u>(13,011,000)</u>	<u>(8,695,000)</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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
<b>Accounting profit before tax</b>	<b><u>27,503,652,171</u></b>	<b><u>42,778,618,315</u></b>
At CIT rate applied for the Company	5,500,730,434	8,555,723,663
<i>Adjustments to increase:</i>		
Non-deductible expenses	1,570,194,058	447,718,373
Provision for investment in associates	31,993,280	925,802,567
<i>Adjustments to decrease:</i>		
Tax loss carried forward	(6,998,565,132)	(8,708,259,603)
Dividends received	(84,541,640)	(1,171,490,000)
Change in provision for doubtful debt	(6,800,000)	(40,800,000)
<b>CIT expense</b>	<b><u>13,011,000</u></b>	<b><u>8,695,000</u></b>

### 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)  
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## 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 2018</i>	<i>31 December 2017</i>	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Accrual for severance pay	234,535,000	247,546,000	(13,011,000)	(8,695,000)
Internal unrealised profit	178,275,356	178,275,356	-	-
<b>Deferred income tax assets</b>	<b><u>412,810,356</u></b>	<b><u>425,821,356</u></b>		
<b>Net deferred tax expense</b>			<b><u>(13,011,000)</u></b>	<b><u>(8,695,000)</u></b>

### 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 2018, the Company had accumulated tax losses of VND 159,037,284,379 (31 December 2017: VND 194,030,110,041) 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 2018 (**)</i>	<i>Unused at 30 June 2018</i>
2014	2019	<u>284,042,164,481</u>	<u>(125,004,880,102)</u>	<u>159,037,284,379</u>

(\*) 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 2017 of VND 90,012,054,440 and tax loss utilized in this current period of VND 34,992,825,662.

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



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## 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 2018	For the six-month period ended 30 June 2017
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction services	149,676,945,956	69,284,516,077
		Payment on behalf	434,346,809	89,804,815
		Rendering of services	54,545,454	-
		Dividends income	-	5,310,800,000
Sai Gon Binh Duong Joint stock Company	Associate	Loan payment	847,000,000	-
Bac Trung Nam Housing Development Joint Stock Company	Related party	Rental income	327,272,728	348,832,085
		Dividends income	-	546,650,000
Gia Dinh Development Investment Corporation	Related party	Rental fee	206,986,000	620,958,000
		Repayment of borrowings	-	22,000,000,000
		Interest expense	-	1,380,499,999

### 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 2018, 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 2018 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>30 June 2018</i>	<i>31 December 2017</i>
<b><i>Short-term receivables</i></b>				
Gia Dinh Development Investment Corporation	Related party	Sale of land	831,610,000	831,610,000
Bac Trung Nam Housing Development Joint Stock Company	Related party	Sale of land	484,000,000	484,000,000
			<b>1,315,610,000</b>	<b>1,315,610,000</b>
<b><i>Short-term advances to suppliers</i></b>				
Intresco Construction Joint Stock Company	Subsidiary	Advance for construction services	28,752,768,027	34,366,344,397
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fee	12,572,762,755	12,572,762,755
			<b>41,325,530,782</b>	<b>46,939,107,152</b>
<b><i>Other short-term receivable</i></b>				
Sai Gon Binh Duong Joint stock Company	Associate	Interest income	1,592,901,607	1,592,901,607
		Advance	-	847,000,000
			<b>1,592,901,607</b>	<b>2,439,901,607</b>
<b><i>Short-term trade payables</i></b>				
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	66,735,752,907	75,125,663,957
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	1,560,654,545	1,560,654,545
			<b>68,296,407,452</b>	<b>76,686,318,502</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2018 and for the six-month period then ended

## 28. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors and management:

	VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Salaries and bonus	<u>1,341,041,000</u>	<u>1,474,560,000</u>

## 29. CAPITAL COMMITMENT

At 30 June 2018, the Company had outstanding commitments of VND 394,089,789,848 (31 December 2017: VND 296,035,169,100) relating to the development of ongoing residential projects.

## 30. CORRESPONDING FIGURES

A certain corresponding figures in the separate financial statements for the year ended 31 December 2017 have been reclassified to reflect the presentation of current year's financial statements. Impacts of reclassification are summarised as follows:

	<i>Previously presented</i>	<i>Reclassification</i>	<i>Reclassified</i>
<b>SEPARATE BALANCE SHEET</b>			
Other short-term payables	43,323,482,800	(3,820,892,240)	39,502,590,560
Other long-term payables	-	3,820,892,240	3,820,892,240

## 31. EVENTS AFTER THE BALANCE SHEET DATE

There is no significant 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



Truong Minh Thuan  
General Director

28 August 2018