

# Phat Dat Real Estate Development Corp

Consolidated financial statements

31 December 2016



# Phat Dat Real Estate Development Corp

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# Phat Dat Real Estate Development Corp

## GENERAL INFORMATION

### THE COMPANY

Phat Dat Real Estate Development Corp ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103002655 issued by the Department of Planning and Investment of Ho Chi Minh City on 13 September 2004, which was amended to BRC No. 0303493756 on 27 August 2009. The latest amended BRC of the Company is the 23<sup>rd</sup> dated 1 October 2015.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 1207/SGDHCM-NY issued by the Ho Chi Minh Stock Exchange on 9 July 2010.

The current principal activities of the Company are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered head office is located at 422 Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Nguyen Van Dat	Chairman	
Ms Tran Thi Huong	Member	
Mr Le Quang Phuc	Member	
Mr Doan Viet Dai Tu	Member	
Mr Nguyen Thanh Tan	Member	
Mr Nguyen Tan Danh	Member	appointed on 25 March 2016
Mr Nguyen Van Tuan	Member	resigned on 25 March 2016

### BOARD OF SUPERVISION

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

Mr Phan Ton Ngoc Tien	Head	
Ms Nguyen Ai Linh	Member	
Ms Vo Thi Minh Hang	Member	appointed on 25 March 2016
Mr Truong Ngoc Dung	Member	resigned on 25 March 2016

### MANAGEMENT

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

Mr Nguyen Van Dat	General Director
Mr Nguyen Tan Danh	Deputy General Director
Mr Pham Trong Hoa	Deputy General Director
Mr Bui Quang Anh Vu	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and as the date of this report is Mr Nguyen Van Dat.

### AUDITORS

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

# Phat Dat Real Estate Development Corp

## REPORT OF MANAGEMENT

Management of Phat Dat Real Estate Development Corp ("the Company") is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2016.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2016 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the separate financial statements.

The Company prepared these separate financial statements to meet the prevailing requirements in relation to the disclosure of information, specifically the Circular No. 155/2015/TT-BTC providing guidance on the disclosure of information on the securities market. In addition, as required by this regulation, the Company prepared the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2016 dated 8 March 2017.

Users of these separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of management: 



Nguyen Van Dat  
General Director

Ho Chi Minh City, Vietnam

8 March 2017

Reference: 60822566/18592018-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Phat Dat Real Estate Development Corp**

We have audited the accompanying consolidated financial statements of Phat Dat Real Estate Development Corp ("the Company") and its subsidiaries ("the Group") as prepared on 8 March 2017 and set out on pages 5 to 36, which comprise the consolidated balance sheet as at 31 December 2016, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

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

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



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**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

**Ernst & Young Vietnam Limited**



Hang Nhật Quang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1772-2013-004-1

Nguyen Phan Anh Quoc  
Auditor  
Audit Practicing Registration Certificate  
No. 2759-2014-004-1

Ho Chi Minh City, Vietnam

8 March 2017

CONSOLIDATED BALANCE SHEET  
as at 31 December 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>8,100,624,916,393</b>	<b>6,745,183,094,641</b>
<b>110</b>	<b>I. Cash</b>	<b>5</b>	<b>149,428,415,321</b>	<b>31,571,759,556</b>
111	1. Cash		149,428,415,321	31,571,759,556
<b>130</b>	<b>II. Current accounts receivable</b>		<b>590,825,286,269</b>	<b>665,869,068,191</b>
131	1. Short-term trade receivables	6	412,465,279,126	432,576,936,714
132	2. Short-term advances to suppliers	7	170,687,145,859	224,811,225,179
136	3. Other short-term receivables	8	11,558,656,578	9,645,147,627
137	4. Provision for doubtful short-term receivables	6	(3,885,795,294)	(1,164,241,329)
<b>140</b>	<b>III. Inventory</b>	<b>9</b>	<b>7,356,019,345,496</b>	<b>6,034,608,669,488</b>
141	1. Inventories		7,356,019,345,496	6,034,608,669,488
<b>150</b>	<b>IV. Other current assets</b>		<b>4,351,869,307</b>	<b>13,133,597,406</b>
151	1. Short-term prepaid expenses		2,563,360,239	5,519,569,929
152	2. Value-added tax deductible	19	40,000	5,289,175,591
153	3. Tax and other receivables from the State	19	1,788,469,068	2,324,851,886
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>901,725,127,368</b>	<b>795,651,919,821</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>282,233,384,900</b>	<b>174,670,731,859</b>
211	1. Long-term trade receivables	6	21,693,633,000	8,949,131,859
216	2. Other long-term receivables	8	260,539,751,900	165,721,600,000
<b>220</b>	<b>II. Fixed assets</b>		<b>2,294,923,234</b>	<b>427,312,582</b>
221	1. Tangible fixed assets	10	2,294,923,234	427,312,582
222	Cost		7,517,162,925	5,311,562,923
223	Accumulated depreciation		(5,222,239,691)	(4,884,250,341)
227	2. Intangible assets	11	-	-
228	Cost		718,481,036	718,481,036
229	Accumulated amortisation		(718,481,036)	(718,481,036)
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>193,552,507,027</b>	<b>118,154,255,339</b>
231	1. Cost		194,723,826,712	119,059,556,440
232	2. Accumulated depreciation		(1,171,319,685)	(905,301,101)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>61,122,822,743</b>	<b>137,821,087,488</b>
242	1. Construction in progress	13	61,122,822,743	137,821,087,488
<b>250</b>	<b>V. Long-term investments</b>		<b>345,550,287,768</b>	<b>345,762,102,225</b>
252	1. Investments in associates	14	294,070,287,768	345,762,102,225
253	2. Investment in another entity	15	51,480,000,000	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>16,971,201,696</b>	<b>18,816,430,328</b>
261	1. Long-term prepaid expenses	16	15,740,681,776	16,786,332,629
262	2. Deferred tax assets	29.3	1,230,519,920	-
269	3. Goodwill		-	2,030,097,699
<b>270</b>	<b>TOTAL ASSETS</b>		<b>9,002,350,043,761</b>	<b>7,540,835,014,462</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2016

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,598,553,026,310</b>	<b>5,270,003,100,882</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,678,061,815,990</b>	<b>1,534,317,891,784</b>
311	1. Short-term trade payables	17	97,009,228,555	172,951,363,106
312	2. Short-term advances from customers	18	616,586,623,102	348,089,788,588
313	3. Statutory obligations	19	52,316,569,712	24,300,595,008
314	4. Payables to employees		2,310,167,000	1,799,696,800
315	5. Short-term accrued expenses	20	445,223,814,189	359,629,711,542
319	6. Other short-term payables	21	21,574,500,158	116,880,035,669
320	7. Short-term loans	22	434,359,131,796	505,607,015,134
322	8. Bonus and welfare fund		8,681,781,478	5,059,685,937
<b>330</b>	<b>II. Non-current liabilities</b>		<b>4,920,491,210,320</b>	<b>3,735,685,209,098</b>
333	1. Long-term accrued expenses	20	1,834,689,406,876	1,214,142,883,571
337	2. Other long-term liabilities	21	278,513,801,294	277,669,675,527
338	3. Long-term loans	22	2,807,288,002,150	2,243,872,650,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>2,403,797,017,451</b>	<b>2,270,831,913,580</b>
<b>410</b>	<b>I. Capital</b>	<b>23.1</b>	<b>2,403,797,017,451</b>	<b>2,270,831,913,580</b>
411	1. Share capital		2,018,099,710,000	2,018,099,710,000
412	2. Share premium		11,680,300,000	11,680,300,000
418	3. Investment and development fund		85,413,584,076	76,113,584,076
421	4. Undistributed earnings		288,603,423,375	164,926,416,136
421a	- Undistributed earnings up to prior year-end		46,959,953,094	10,080,796,227
421b	- Undistributed earnings of current year		241,643,470,281	154,845,619,909
429	5. Non-controlling interests		-	11,903,368
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>9,002,350,043,761</b>	<b>7,540,835,014,462</b>



Vu Quynh Hoa  
Preparer



Ngo Thuy Van  
Chief Accountant



Nguyen Van Dat  
General Director

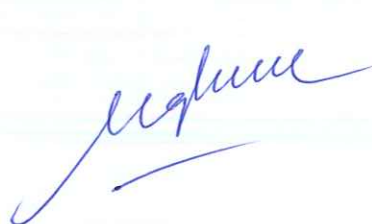
8 March 2017



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	24	1,523,980,005,444	448,649,729,840
02	2. Deductions	24	(27,314,421,600)	(46,135,812,726)
10	3. Net revenue from sale of goods and rendering of services	24	1,496,665,583,844	402,513,917,114
11	4. Costs of goods sold and services rendered	25	(1,093,340,694,560)	(256,222,126,422)
20	5. Gross profit from sale of goods and rendering of services		403,324,889,284	146,291,790,692
21	6. Finance income		3,223,990,284	855,428,930
22	7. Finance expenses		(2,378,387,948)	(1,520,833,334)
23	<i>In which: interest expense</i>		(1,995,666,333)	(1,520,833,334)
24	8. Share of loss of an associate		(1,929,712,232)	(2,237,897,775)
25	9. Selling expenses	26	(55,473,117,992)	(12,618,765,861)
26	10. General and administrative expenses	26	(42,488,317,898)	(30,977,012,771)
30	11. Operating profit		304,279,343,498	99,792,709,881
31	12. Other income	27	646,192,514	101,364,748,243
32	13. Other expenses	27	(495,502,796)	(589,298,848)
40	14. Other profit	27	150,689,718	100,775,449,395
50	15. Accounting profit before tax		304,430,033,216	200,568,159,276
51	16. Current corporate income tax expense	29.1	(63,140,960,397)	(44,842,897,582)
52	17. Deferred tax income	29.3	1,230,519,920	-
60	18. Net profit after tax		242,519,592,739	155,725,261,694
61	19. Net profit after tax attributable to shareholders of the parent		242,519,592,739	155,727,619,909
62	20. Net loss after tax attributable to non-controlling interests		-	(2,358,215)
70	21. Basic earnings per share	23.3	1,136	922
71	22. Diluted earnings per share	23.3	1,136	922



Vu Quynh Hoa  
Preparer



Ngo Thuy Van  
Chief Accountant



Nguyen Van Dat  
General Director

8 March 2017

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2016

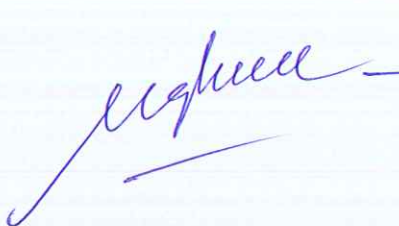
VND


Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Accounting profit before tax		304,430,033,216	200,568,159,276
	Adjustments for:			
02	Depreciation of fixed assets and investment properties, and amortisation of goodwill	10, 12	604,007,934	788,578,826
03	Provisions		2,721,553,965	(9,537,908)
05	Profits from investing activities		(168,687,362)	(98,135,291,740)
06	Interest expense		1,995,666,333	1,520,833,334
08	Operating profit before changes in working capital		309,582,574,086	104,732,741,788
09	Decrease (increase) in receivables		1,250,944,827,152	(441,511,195,217)
10	Increase in inventories		(1,644,851,379,116)	(385,922,707,749)
11	(Decrease) increase in payables		(61,385,359,002)	451,326,503,911
12	Decrease in prepaid expenses		4,001,860,543	53,131,370,867
14	Interest paid		(4,787,661,668)	(5,469,686,185)
15	Corporate income tax paid		(43,191,393,410)	(25,813,776,389)
17	Other cash outflows for operating activities		(4,177,904,459)	(5,619,220,375)
20	Net cash flows used in operating activities		(193,864,435,874)	(255,145,969,349)
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(79,997,479,035)	(127,489,113,555)
22	Proceeds from disposals of fixed assets		-	25,000,000,000
25	Payments for investments in other entities		-	(250,144,521,513)
27	Interest received		168,687,362	849,337,492
30	Net cash flows used in investing activities		(79,828,791,673)	(351,784,297,576)
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares	23.1	-	650,680,300,000
33	Drawdown of borrowings		613,720,352,150	410,398,609,134
34	Repayment of borrowings		(121,552,883,338)	(430,522,500,000)
36	Dividend paid		(100,617,585,500)	-
40	Net cash flows from financing activities		391,549,883,312	630,556,409,134


SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash		119,277,317,263	22,196,555,457
60	Cash at beginning of year		30,142,172,804	7,945,617,347
70	Cash at end of year	4	149,419,490,067	30,142,172,804

  
 Vu Quynh Hoa  
 Preparer

  
 Ngo Thuy Van  
 Chief Accountant

  
 Nguyen Van Dat  
 General Director



8 March 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at and for the year ended 31 December 2016

## 1. CORPORATE INFORMATION

Phat Dat Real Estate Development Corp ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103002655 issued by the Department of Planning and Investment of Ho Chi Minh City on 13 September 2004, which was amended to BRC No. 0303493756 on 27 August 2009. The latest amended BRC of the Company is the 23<sup>rd</sup> dated 1 October 2015.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 1207/SGDHCM-NY issued by the Ho Chi Minh Stock Exchange on 9 July 2010.

The current principal activities of the Group are to construct and trade real estate properties; to undertake works of civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management and to exploit stone, sand, gravel and clay.

The Company's registered head office is located at 422 Dao Tri, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam.

### *Corporate structure*

As at 31 December 2016, the Group included the Company and a subsidiary, which is Phat Dat Investment Limited Company ("Phat Dat Investment"). The financial statements of Phat Dat Investment for the year ended 31 December 2016 were consolidated into the Group's consolidated financial statements.

Phat Dat Investment is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313241765 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 May 2015 and the subsequent amended BRC. The registered head office of Phat Dat Investment is located at 422 Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam. The principal activities of Phat Dat Investment are to trade in real estate properties, leased land use rights of owners, users or lessee.

The number of the Group's employees as at 31 December 2016 was 133 (31 December 2015: 147).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with the 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

**2.1 Accounting standards and system (continued)**

Accordingly, the accompanying consolidated 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 consolidated financial position and the consolidated results of operations and the consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2 Applied accounting documentation system**

The Group's applied accounting documentation system is the General Ledger system.

**2.3 Fiscal year**

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

**2.4 Accounting currency**

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

**2.5 Basis of consolidation**

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The consolidated financial statements of the Company and its subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Impact of change in the ownership interest of subsidiaries, without a loss of control, is recorded to the account of undistributed earnings.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash**

Cash comprises cash on hand and cash in banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

**3.2 Inventories**

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 balance sheet 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 the consolidated income statement 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.

**3.3 Receivables**

Receivables are presented in the consolidated 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 balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administration expense in the consolidated income statement.

**3.4 Fixed assets**

Tangible fixed assets and intangible assets are stated at cost less accumulated depreciation/amortisation.

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

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

When 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 consolidated income statement.

**3.5 Depreciation and amortisation**

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

Machinery and equipment	3 – 7 years
Motor vehicles	3 – 6 years
Computer software	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

#### 3.6 *Investment properties*

Investment properties comprise land use rights, buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation..

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 Group.

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

Buildings and structures	25 – 45 years
Land use rights	49 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 consolidated income statement in the year of retirement or disposal.

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

#### 3.7 *Construction in progress*

Construction in progress represents fixed assets under construction and is stated at historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds, and are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated 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 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiaries acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis. The Company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

#### 3.11 *Investments*

##### *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

#### 3.12 *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 Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

#### 3.13 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders (after the allocation to bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year, where applicable.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.14 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) 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 Group maintains the following reserve funds which are appropriated from the Group'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 Group's expansion of its operation or in-depth investments.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits and presented as a liability on the consolidated balance sheet.

##### *Dividends*

Final dividends proposed by the Company's Board of Directors are classified as a allocation of undistributed earnings within the equity section on the balance sheet, until they have been approved by the Company's shareholders at the Annual General Meeting. At that time, they are recognized as a liability in the consolidated balance sheet.

#### 3.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of apartments*

For apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the apartments have passed to the buyers, usually upon the handing over of the apartments, or upon the expiring of the Notice of Handover, which is usually 7 days from the due date that was informed on the hand-over notice.

##### *Sale of residential plots and related infrastructure*

Revenue from the sale of residential plots and related infrastructures are recorded at the total consideration received when residential plots and related infrastructures are transferred to the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

#### 3.15 *Revenue recognition* (continued)

##### *Rental income*

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

##### *Rendering of services*

Revenues are recognised upon the services had been provided and completed.

##### *Interest income*

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

#### 3.16 *Taxation*

##### *Current income tax*

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

Current income tax is charged or credited to the consolidated 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 Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the balance sheet liability method on temporary differences at the 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. 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.

The carrying amount of deferred tax assets is reviewed at each 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 income tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

Deferred tax is charged or credited to the consolidated 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 Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

4. DISPOSAL OF SUBSIDIARY

On 31 May 2016, the Group has transferred all of its investment in Hiep Phat Steel Processing Co., Ltd to other parties in accordance with the Board of Director's Resolution No. 08/2016/QĐ-HĐQT dated 18 May 2016 and the Contract No. 01-16/HĐCN signed on the same date.

5. CASH

	VND	
	Ending balance	Beginning balance
Cash on hand	74,343,136	2,997,552,097
Cash in banks	149,354,072,185	28,574,207,459
<b>TOTAL</b>	<b>149,428,415,321</b>	<b>31,571,759,556</b>

6. TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>412,465,279,126</b>	<b>432,576,936,714</b>
T.A.M Service Trading Investment Joint Stock Company	185,000,000,000	195,000,000,000
Toan Tam Management Service Co., Ltd.	66,160,800,000	72,602,190,000
Minh Hoang Real Estate Corporation	-	43,953,308,719
Others	161,304,479,126	121,021,437,995
<b>Long-term</b>	<b>21,693,633,000</b>	<b>8,949,131,859</b>
Minh Hoang Real Estate Corporation	12,243,333,000	8,949,131,859
Mr Nguyen Huu Loc	9,450,300,000	-
<b>TOTAL</b>	<b>434,158,912,126</b>	<b>441,526,068,573</b>
Provision for doubtful short-term receivables	(3,885,795,294)	(1,164,241,329)
<b>NET</b>	<b>430,273,116,832</b>	<b>440,361,827,244</b>
<i>In which:</i>		
<i>Due from customers</i>	414,217,842,255	423,915,601,467
<i>Due from a related party (Note 30)</i>	16,055,274,577	16,446,225,777

Movements of provision for doubtful short-term receivables are as follows:

	VND	
	Current year	Previous year
At beginning of year	1,164,241,329	1,173,779,237
Add: Provision made during the year	2,721,553,965	-
Less: Reversal of provision during the year	-	(9,537,908)
At end of year	3,885,795,294	1,164,241,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Land Clearance and Compensation Corporation	158,031,883,438	103,994,304,928
Duc Khai Corporation	-	73,000,000,000
Others	<u>12,655,262,421</u>	<u>47,816,920,251</u>
<b>TOTAL</b>	<b><u>170,687,145,859</u></b>	<b><u>224,811,225,179</u></b>

**8. OTHER RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>11,558,656,578</b>	<b>9,645,147,627</b>
Receivables from the River City project's management	8,026,463,286	1,013,171,051
Value-added tax waiting for deductible	-	3,076,145,029
Others	3,532,193,292	5,555,831,547
<b>Long-term</b>	<b>260,539,751,900</b>	<b>165,721,600,000</b>
Truong Phat Loc Shipping Joint Stock Company ( <i>Note 30</i> ) (*)	125,000,000,000	125,000,000,000
T.A.M Service Trading Investment Joint Stock Company (**)	100,939,751,900	-
Phat Dat Quang Ngai Hotel and Resort Corporation	<u>34,600,000,000</u>	<u>40,721,600,000</u>
<b>TOTAL</b>	<b><u>272,098,408,478</u></b>	<b><u>175,366,747,627</u></b>
<i>In which</i>		
<i>Due from customers</i>	147,012,009,168	50,366,747,627
<i>Due from related parties (Note 30)</i>	125,086,399,310	125,000,000,000

(\*) On 8 December 2015, the Group entered into a 3-year Investment Corporation Contract ("ICC") totalling VND 883,000,000,000 with Truong Phat Loc Shipping Joint Stock Company ("Truong Phat Loc") to invest into the project located at 132 Ben Van Don Street, Ward 6, District 4, Ho Chi Minh City. According to ICC, the Group contributed VND 125,000,000,000, and its profit sharing is based on the actual result of the project, but not less than the original contributed amount of VND 125,000,000,000.

(\*\*) On 2 June 2016, the Group entered into another ICC and a 3-year appendix with T.A.M Service Trading Investment Joint Stock Company in relation to the development of a project located at 239 Cach Mang Thang Tam, Ward 4, District 3, Ho Chi Minh City. According to the ICC, the Group contributed the amount of VND 100,939,751,900 and will receive the actual interest arising from the project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties (*)	7,355,602,811,224	6,034,181,076,784
Merchandise goods	<u>416,534,272</u>	<u>427,592,704</u>
<b>TOTAL</b>	<b><u>7,356,019,345,496</u></b>	<b><u>6,034,608,669,488</u></b>

(\*) Real estate properties mainly include compensation and land clearance costs to acquire land use rights, and construction costs incurred for the following on-going real estate projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
The River City Project (i)	4,699,218,783,894	4,000,605,072,874
The EverRich 3 Project (ii)	1,583,700,770,086	1,562,343,558,530
The Everich Infinity (iii)	800,270,676,987	220,974,632,767
Nha Be Project (iv)	225,501,716,621	225,477,448,977
Others	<u>46,910,863,636</u>	<u>24,780,363,636</u>
<b>TOTAL</b>	<b><u>7,355,602,811,224</u></b>	<b><u>6,034,181,076,784</u></b>

The land use rights and assets attached to the land to be formed in future of The River City project was pledged for the Group's loans obtained from Dong A Commercial Joint Stock Bank (Note 22.2).

The land use rights and assets attached to the land to be formed in future of The EverRich 3 project was pledged to Dong A Commercial Joint Stock Bank as security collateral for the Group's certain bond holders to guarantee for their bank loans (Note 22.2).

The land use rights and assets attached to the land to be formed in future of The EverRich Infinity project was pledged for the Group's loans obtained from Vietnam Technological and Commercial Joint Stock Bank (Note 22.2).

The interest incurred during the year of VND 707,457,961,891 from loans and borrowings obtained for the purpose of financing the land compensation land clearance costs, designing, construction, consultation and supervision of the Group's ongoing projects was capitalised (31 December 2015: VND 421,080,714,265).

Details of the Group's on-going projects as at the balance sheet date are as follows:

(i) *River City Project*

This project is located at 442 Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City. The ending balance mainly includes land compensation and construction costs. The foundation level of this project including four blocks A, B, C and D have been completed, while the foundation level of block L is under construction. As at the balance sheet date, block C had been completed and put into operation; block B have been constructing to be completed. The Group is in process of carrying out trading and develop the River City project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

9. INVENTORIES (continued)

Details of the Group's on-going projects as at the balance sheet date are as follows:  
(continued)

(ii) *The EverRich 3 Project*

This project is located at Tan Phu Ward, District 7, Ho Chi Minh City. The ending balance includes costs of land compensation, design and infrastructure construction. As at the balance sheet date, the Villas area had been completed and available for sale. Also, the Group has completed pilling phase of block A of the high-rise condominiums and is building the basement.

(iii) *The EverRich Infinity Project*

This project is located at 290 An Duong Vuong Street, Ward 4, District 5, Ho Chi Minh City. The ending balance mainly includes costs to acquire project, construction cost and capitalised interest. As at the balance sheet date, this project had been completed and number of apartments that the customers bought had been handing over followed by the sale and purchase contracts.

(iv) *Nha Be Project*

This project is located at Phuoc Kien Commune, Nha Be District, Ho Chi Minh City. The ending balance mainly includes land compensation cost, and the Group is in process of securing approval for the detailed project plan from the relevant authorities.

10. TANGIBLE FIXED ASSETS

			VND
	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	2,244,925,203	3,066,637,720	5,311,562,923
New purchase	45,818,184	2,159,781,818	2,205,600,002
Ending balance	<u>2,290,743,387</u>	<u>5,226,419,538</u>	<u>7,517,162,925</u>
<i>In which:</i>			
<i>Fully depreciated</i>	2,135,834,294	2,966,637,720	5,102,472,014
<b>Accumulated depreciation:</b>			
Beginning balance	(2,163,107,020)	(2,721,143,321)	(4,884,250,341)
Depreciation for the year	<u>(45,272,725)</u>	<u>(292,716,625)</u>	<u>(337,989,350)</u>
Ending balance	<u>(2,208,379,745)</u>	<u>(3,013,859,946)</u>	<u>(5,222,239,691)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>81,818,183</u>	<u>345,494,399</u>	<u>427,312,582</u>
Ending balance	<u>82,363,642</u>	<u>2,212,559,592</u>	<u>2,294,923,234</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**11. INTANGIBLE ASSETS**

	VND
	<i>Computer software</i>
<b>Cost:</b>	
Beginning balance	718,481,036
New purchase	<u>-</u>
Ending balance	<u>718,481,036</u>
<i>In which:</i>	
Fully depreciated	(718,481,036)
<b>Accumulated amortisation:</b>	
Beginning and ending balances	<u>(718,481,036)</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>-</u>
Ending balance	<u>-</u>

**12. INVESTMENT PROPERTIES**

	VND		
	<i>Land use rights</i>	<i>Building and structures</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	118,199,556,440	860,000,000	119,059,556,440
New purchase	<u>7,306,972,991</u>	<u>68,357,297,281</u>	<u>75,664,270,272</u>
Ending balance	<u>125,506,529,431</u>	<u>69,217,297,281</u>	<u>194,723,826,712</u>
<b>Accumulated amortisation:</b>			
Beginning balance	(630,286,015)	(275,015,086)	(905,301,101)
Amortisation for the year	<u>(103,608,660)</u>	<u>(162,409,924)</u>	<u>(266,018,584)</u>
Ending balance	<u>(733,894,675)</u>	<u>(437,425,010)</u>	<u>(1,171,319,685)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>117,569,270,425</u>	<u>584,984,914</u>	<u>118,154,255,339</u>
Ending balance	<u>124,772,634,756</u>	<u>68,779,872,271</u>	<u>193,552,507,027</u>

The Group's land use rights consist of the following:

- i) indefinite life land use right ("LUR") of VND 113,140,000,000 located at 131 Nguyen Trai Street, Ward 2, District 5, Ho Chi Minh City, Vietnam;
- ii) definite life LUR of VND 5,059,556,440 located at Tran Phu Ward, Quang Ngai City, Quang Ngai Province, Vietnam. This LUR period will end in 2058; and
- iii) indefinite life LUR of VND 7,306,972,991 representing the basement B1 and B2 of The EverRich 1 project is located at 968 3 February Street, District 11, Ho Chi Minh City, Vietnam.

The fair values of the investment properties were not formally assessed and determined as at 31 December 2016. However, given the current occupancy rate of these properties and market price of surrounding land, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**13. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Phu Quoc Five-Star Hotel & Resort	53,402,479,734	52,505,188,000
239 Cach Mang Thang Tam	-	80,987,456,184
Others	<u>7,720,343,009</u>	<u>4,328,443,304</u>
<b>TOTAL</b>	<b><u>61,122,822,743</u></b>	<b><u>137,821,087,488</u></b>

The interest incurred during the year of VND 3,161,603,234 from loans and borrowing for the purpose of financing the land compensation and land clearance costs, costs of designing and consulting of the Group's projects was capitalised (31 December 2015: VND 584,065,954).

**14. INVESTMENTS IN ASSOCIATES**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	%	Amount	%	Amount
	<i>ownership</i>	VND	<i>ownership</i>	VND
Dien Gia Khang Real Estate Co., Ltd. ("DGKG") (i)	49.00	176,000,000,000	49.00	176,000,000,000
Dien Gia Khanh Real Estate Co., Ltd. ("DGKH") (ii)	49.00	75,000,000,000	49.00	75,000,000,000
Phat Dat Anh Duong Real Estate Development ("PDAD") (iii)	48.00	45,000,000,000	48.00	45,000,000,000
Phu Hung Real Estate Investment Company Limited ("PH") (iv)	49.90	(1,929,712,232)	49.90	-
My Loi Bridge Investment Corporation ("MLC")	-	-	20.00	<u>49,762,102,225</u>
<b>TOTAL</b>		<b><u>294,070,287,768</u></b>		<b><u>345,762,102,225</u></b>

(i) DGKG is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313294703 issued by the Department of Planning and Investment of Ho Chi Minh City on 9 June 2015. The registered office of DGKG is located at 271/7B An Duong Vuong, Ward 3, District 5, Ho Chi Minh City, Vietnam. The principal activities of DGKG are to trade real estate properties.

(ii) DGKH is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313428266 issued by the Department of Planning and Investment of Ho Chi Minh City on 7 September 2015. The registered office of DGKH is located at 271/7B An Duong Vuong, Ward 3, District 5, Ho Chi Minh City, Vietnam. The principal activities of DGKH are to trade real estate properties.

(iii) PDAD is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4103013747 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 June 2009. The registered office of PDAD is located at 357-359 An Duong Vuong, Ward 3, District 5, Ho Chi Minh City, Vietnam. The principal activities of PDAD are to trade real estate properties.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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14. INVESTMENTS IN ASSOCIATES (continued)

(iv) PH is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313558191 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 December 2015. The registered office of PH is located at 30 Nguyen Thi Dieu, Ward 6, District 3, Ho Chi Minh City, Vietnam. The principal activities of PH are to trade real estate properties. As at the balance sheet date, the Group has yet contributed the capital to PH.

15. INVESTMENT IN ANOTHER ENTITY

The ending balance represents the investment in My Loi Bridge Investment Corporation ("MLC"), a former associate of the Group. However, the Group has no significant influence over MLC since 4 January 2016. In addition, on 11 July 2016, the Group transferred 52,000 shares of MLC to the 620 Infrastructure Development and Investment Corporation at a total price of VND 520,000,000 in accordance with the Decision of the Board of Directors No. 09/2016/QĐ-HĐQT and the Share Transferring Contract signed on the same date.

16. LONG-TERM PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Commission fee	14,495,820,399	14,739,317,447
Advertising fee	286,785,006	390,437,037
Others	958,076,371	1,656,578,145
<b>TOTAL</b>	<b><u>15,740,681,776</u></b>	<b><u>16,786,332,629</u></b>

17. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Toan Thuan Phat Construction – Trading – Service Co., Ltd.	73,167,379,721	66,920,496,274
Cotec Construction Joint Stock Company	1,271,436,250	47,785,396,533
Others	22,570,412,584	58,245,470,299
<b>TOTAL</b>	<b><u>97,009,228,555</u></b>	<b><u>172,951,363,106</u></b>

18. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Due to third parties	566,586,623,102	298,089,788,588
Due to a related party (Note 30)	50,000,000,000	50,000,000,000
<b>TOTAL</b>	<b><u>616,586,623,102</u></b>	<b><u>348,089,788,588</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**19. STATUTORY OBLIGATIONS**

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
<b>Payables</b>				
Value-added tax	-	3,400,146,492	-	3,400,146,492
Corporate income tax	24,150,548,997	63,140,960,397	(43,727,776,228)	43,563,733,166
Personal income tax	150,046,011	7,194,250,889	(2,220,484,500)	5,123,812,400
Other taxes	-	228,877,654	-	228,877,654
<b>TOTAL</b>	<b><u>24,300,595,008</u></b>	<b><u>73,964,235,432</u></b>	<b><u>(45,948,260,728)</u></b>	<b><u>52,316,569,712</u></b>
<b>Receivables</b>				
Corporate income tax	2,324,851,886	-	(536,382,818)	1,788,469,068
Value-added tax	5,289,175,591	101,199,472,318	(106,488,607,909)	40,000
<b>TOTAL</b>	<b><u>7,614,027,477</u></b>	<b><u>101,199,472,318</u></b>	<b><u>(107,024,990,727)</u></b>	<b><u>1,788,509,068</u></b>

**20. ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>445,223,814,189</b>	<b>359,629,711,542</b>
Interest expense	409,023,483,884	334,975,736,541
Construction costs	26,390,723,463	23,873,200,001
Interest support to customers	4,826,701,279	-
Commission fee	2,997,284,563	-
Others	1,985,621,000	780,775,000
<b>Long-term</b>	<b>1,834,689,406,876</b>	<b>1,214,142,883,571</b>
Interest expense	1,834,689,406,876	1,214,142,883,571
<b>TOTAL</b>	<b><u>2,279,913,221,065</u></b>	<b><u>1,573,772,595,113</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

## 21. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>21,574,500,158</b>	<b>116,880,035,669</b>
Maintenance fees received in advance and deposits for projects	18,794,751,245	17,625,993,857
Deposits from real estate brokers	-	87,870,000,000
Others	2,779,748,913	11,384,041,812
<b>Long-term</b>	<b>278,513,801,294</b>	<b>277,669,675,527</b>
Deposit received under the business cooperation contract ("BCC") (*)	270,000,000,000	270,000,000,000
Deposits from customers	8,513,801,294	7,669,675,527
<b>TOTAL</b>	<b>300,088,301,452</b>	<b>394,549,711,196</b>

(\*) On 8 August 2011, the Group entered into a 3-year BCC totalling VND 300 billion with Toan Tam Management Co., Ltd. ("Toan Tam") regarding the development of 484 apartments of block E and block L belonging to the River City project ("the Apartments"). In accordance with the Appendix No. 05 of this BCC dated 1 April 2015, the maturity date of this contract was extended to 31 December 2020 and Toan Tam can either:

- a. receive the original investment plus a return which is determined based on the interest rate of long-term loan offered by Dong A Commercial Joint Stock Bank at the maturity date; or
- b. convert into the rights to purchase the Apartments at the price of 80% of the selling price announced by the Group.

In accordance with the Appendix of this BCC dated 10 June 2016, Toan Tam decided to receive the original investment plus a return as mentioned above. Accordingly, the Group has accrued the interest return of this option and capitalised into cost of the River City Project.

As at the balance sheet date, the outstanding balance of this BCC was VND 270,000,000,000.

## Phat Dat Real Estate Development Corp

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

## 22. LOANS

	Beginning balance	Increase	Decrease	VND Ending balance
<b>Short-term (Note 22.1)</b>	<b>505,607,015,134</b>	<b>50,305,000,000</b>	<b>(121,552,883,338)</b>	<b>434,359,131,796</b>
Loan from banks	50,000,000,000	-	(50,000,000,000)	-
Loan from a company (i)	47,196,419,134	13,955,000,000	(13,376,333,595)	47,775,085,539
Current portion of long-term bank loans (Note 22.2)	408,410,596,000	36,350,000,000	(58,176,549,743)	386,584,046,257
<b>Long-term (Note 22.2)</b>	<b>2,243,872,650,000</b>	<b>599,765,352,150</b>	<b>(36,350,000,000)</b>	<b>2,807,288,002,150</b>
Issued bonds (i)	2,051,922,650,000	-	-	2,051,922,650,000
Loans from individuals (ii)	155,600,000,000	-	-	155,600,000,000
Long-term loans from a bank (iii)	36,350,000,000	599,765,352,150	(36,350,000,000)	599,765,352,150
<b>TOTAL</b>	<b>2,749,479,665,134</b>	<b>650,070,352,150</b>	<b>(157,902,883,338)</b>	<b>3,241,647,133,946</b>

*In which*

Long-term loan from a related party (Note 30) 5,300,000,000

## 22.1

**Short-term loans**

*i. Loan from a company*

This is a loan obtained from a company to finance the development of the Group's projects. The loan bears an interest rate of 6% per annum and has no fixed term of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

22. LOANS (continued)

22.2 Long-term loans

i. Issued bonds

Details of these bonds as at 31 December 2016 are as follows:

Bondholders	Amount VND	Par value VND per bond	Maturity date	Interest rate % p.a.
<b>Trong Tin Investment Corporation</b>				
01/TP-HĐ.2011/PĐ-TT	270,000,000,000	2,000,000,000	31 December 2020	15
02/TP-HĐ.2011/PĐ-TT	240,000,000,000	2,000,000,000	31 December 2020	15
06/PĐ/HĐ-TP	70,000,000,000	2,000,000,000	31 December 2020	15
<b>Bach Chien Investment Corporation</b>				
04/TP-HĐ.2011/PĐ-BC	330,000,000,000	4,000,000,000	31 December 2020	15
08/PĐ/HĐ-TP	100,000,000,000	2,000,000,000	31 December 2020	15
04/PĐ/HĐ-TP	100,000,000,000	2,000,000,000	31 December 2020	15
07/PĐ/HĐ-TP	50,000,000,000	2,000,000,000	31 December 2020	15
<b>Truong Phat Loc Corporation</b>				
02/HĐ-TP/PĐ-TPL	220,800,000,000	1,000,000,000	31 December 2020	15
03/TP-HĐ.2011/PĐ-TPL	99,000,000,000	2,000,000,000	31 December 2020	15
<b>Toan Tam Management Co., Ltd.</b>				
03/TP-HĐ.2011/PĐ-TT	200,000,000,000	4,000,000,000	31 December 2020	15
03/TP-HĐ.2011/PĐ-TPL	20,000,000,000	2,000,000,000	31 December 2020	15
05/PĐ/HĐ-TP	40,722,650,000	2,000,000,000	31 December 2020	15
<b>Xuan Thanh Real Estate Co., Ltd.</b>				
01/TP-HĐ-2012/PĐ-XT	311,400,000,000	5,000,000,000	31 December 2020	15
<b>TOTAL</b>	<b><u>2,051,922,650,000</u></b>			

ii. Loans from other individuals

Long-term loans from other individuals have maturity dates up to 14 August 2018 and bear an interest rate of 11.9% per annum.

iii. Loans from banks

Long-term loans from banks comprise the following:

- Loans obtained from Dong A Bank were secured by the land use rights and assets formed in the future belonging to River City project, to finance the construction of the Group's projects, comprising River City project, The EverRich 3 project, and the Group's working capital requirement.
- Loans obtained from Vietnam Technological and Commercial Joint Stock Bank ("Techcombank") were secured by the land use rights and assets formed in the future belonging to The EverRich Infinity project, to finance the construction of this project.

## Phat Dat Real Estate Development Corp

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

## 22. LOAN (continued)

## 22.2 Long-term loans (continued)

## iii. Loans from bank (continued)

Contract	Ending balance	Maturity date and repayment date	Interest rate % p.a.
<b>Dong A Bank</b>			
Contract No. H3504/12 dated 22 February 2011	172,984,500,000	5 years from 22 February 2011 and quarterly repayment from 22 May 2014 (*)	15
Contract No. H3507/12 dated 15 June 2011	132,680,000,000	5 years from 15 June 2011 and quarterly repayment from 15 September 2014 (*)	15
Contract No. H3503/12 dated 13 January 2011	44,569,546,257	5 years from 13 January 2011 and quarterly repayment from 13 April 2014 (*)	15
Contract No. H3519/12 dated 22 August 2012	24,930,000,000	5 years from 22 August 2012 and quarterly repayment from 22 August 2015 (*)	15
Contract No. H3534/12 dated 18 August 2014	5,650,000,000	3 years from 18 August 2014 and repay at maturity date	10.5
Contract No. H3532/12 dated 17 June 2014	3,200,000,000	3 years from 17 June 2014 and repay at maturity date	11
Contract No. H3531/12 dated 30 May 2014	1,500,000,000	3 years from 30 May 2014 and repay at maturity date	11
Contract No. H3533/12 dated 18 August 2014	1,070,000,000	3 years from 18 August 2014 and repay at maturity date	10.5
<b>Techcombank</b>			
Contract No. CIB20150072/HDTD dated 18 Dec 2015	599,765,352,150	5 years from 14 January 2016 and quarterly repayment from 14 January 2018	12
<b>TOTAL</b>	<b>986,349,398,407</b>		
<i>In which:</i>			
Current portion	386,584,046,257		
Non-current portion	599,765,352,150		

(\*) The Group is in process of negotiating with the bank to extend the repayment schedule.

## Phat Dat Real Estate Development Corp

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

## 23. OWNERS' EQUITY

## 23.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	VND Total
<b>Previous year</b>					
Beginning balance	1,302,000,000,000	12,000,000,000	73,113,584,076	81,180,506,227	1,468,294,090,303
Issued of new shares	651,000,000,000	(319,700,000)	-	-	650,680,300,000
Net profit for the year	-	-	-	155,727,619,909	155,727,619,909
Appropriation of funds	-	-	3,000,000,000	(6,000,000,000)	(3,000,000,000)
Dividends declared	65,099,710,000	-	-	(65,099,710,000)	-
Board of Directors' allowance	-	-	-	(882,000,000)	(882,000,000)
Ending balance	2,018,099,710,000	11,680,300,000	76,113,584,076	164,926,416,136	2,270,820,010,212
<b>Current year</b>					
Beginning balance	2,018,099,710,000	11,680,300,000	76,113,584,076	164,926,416,136	2,270,820,010,212
Net profit for the year	-	-	-	242,519,592,739	242,519,592,739
Appropriation of funds	-	-	9,300,000,000	(17,100,000,000)	(7,800,000,000)
Dividends declared	-	-	-	(100,617,585,500)	(100,617,585,500)
Board of Directors' allowance	-	-	-	(1,125,000,000)	(1,125,000,000)
Ending balance	2,018,099,710,000	11,680,300,000	85,413,584,076	288,603,423,375	2,403,797,017,451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

23. OWNERS' EQUITY (continued)

23.2 Ordinary shares

	Ending balance	Beginning balance
	Shares	Shares
Shares authorised to be issued	201,809,971	201,809,971
Shares issued and fully paid	201,809,971	201,809,971
Ordinary shares	201,809,971	201,809,971

Par value of outstanding share: VND 10,000 (2015: VND 10,000).

23.3 Earnings per share

Basic earnings per share is calculated by dividing net profit after tax for the year (after adjusting for the bonus and welfare fund and Board of Director's allowance) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Current year	Previous year
Net profit attributable to ordinary equity holders of the Group	242,519,592,739	155,727,619,909
Less: Board of Directors' allowance	(1,125,000,000)	(882,000,000)
Bonus and welfare fund (*)	<u>(12,125,979,637)</u>	<u>(7,786,380,995)</u>
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	229,268,613,102	147,059,238,914
Weighted average number of ordinary shares for the year (shares)	<u>201,809,971</u>	<u>159,539,560</u>
<b>Basic earnings per share (VND)</b> (par value: VND 10,000 per share)	<u><b>1,136</b></u>	<u><b>922</b></u>
<b>Diluted earnings per share (VND)</b>	<u><u><b>1,136</b></u></u>	<u><u><b>922</b></u></u>

(\*) Appropriation of bonus and welfare fund is estimated in accordance with the Resolution No. 01/DHĐCĐ-NQ.2016 of Shareholders at Annual General Meeting dated 25 March 2016.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

23.4 Dividends

	Current year	Previous year
		VND
<b>Dividends declared and paid during the year</b>		
Dividends declared during the year	100,617,585,500	65,099,710,000
Dividends paid during the year	100,617,585,500	-
Shares issued to pay dividends	-	65,099,710,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

#### 24. REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES

	VND	
	Current year	Previous year
<b>Gross revenues</b>	<b>1,523,980,005,444</b>	<b>448,649,729,840</b>
<i>Of which:</i>		
<i>Sale of apartments</i>	1,295,682,001,190	56,351,987,549
<i>Sale of real estate properties</i>	205,876,194,454	382,889,159,910
<i>Revenue from rendering of services</i>	22,421,809,800	9,408,582,381
<b>Less:</b>	<b>(27,314,421,600)</b>	<b>(46,135,812,726)</b>
<i>Sales returns</i>	<u>(27,314,421,600)</u>	<u>(46,135,812,726)</u>
<b>NET REVENUES</b>	<b><u>1,496,665,583,844</u></b>	<b><u>402,513,917,114</u></b>
<i>In which:</i>		
<i>Sale of apartments</i>	1,295,682,001,190	56,351,987,549
<i>Sale of real estate properties</i>	178,561,772,854	336,804,667,529
<i>Revenue from rendering of services</i>	22,421,809,800	9,357,262,036
<i>In which:</i>		
<i>Sale to others</i>	1,494,745,583,844	386,906,520,271
<i>Sale to a related party</i>	1,920,000,000	15,607,396,843

#### 25. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Costs of apartments sold	969,455,192,095	206,236,882,314
Costs of real estate properties sold	122,642,636,995	49,950,225,740
Costs of services rendered	1,242,865,470	35,018,368
<b>TOTAL</b>	<b><u>1,093,340,694,560</u></b>	<b><u>256,222,126,422</u></b>

#### 26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
<b>Selling expenses</b>	<b>55,473,117,992</b>	<b>12,618,765,861</b>
Commission expenses	30,001,981,542	4,224,781,491
Advertising expenses	21,804,021,504	-
Salary expenses	2,061,487,300	2,964,004,650
Others	1,605,627,646	5,429,979,720
<b>General and administrative expenses</b>	<b>42,488,317,898</b>	<b>30,977,012,771</b>
Salary expenses	25,296,163,397	19,014,055,624
Others	17,192,154,501	11,962,957,147
<b>TOTAL</b>	<b><u>97,961,435,890</u></b>	<b><u>43,595,778,632</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

27. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
<b>Other income</b>	<b>646,192,514</b>	<b>101,364,748,243</b>
Compensation from customers	557,352,483	1,224,720,269
Gain from disposal of fixed assets (*)	-	99,523,852,023
Others	88,840,031	616,175,951
<b>Other expenses</b>	<b>(495,502,796)</b>	<b>(589,298,848)</b>
Penalties	(318,350,884)	(544,285,603)
Others	(177,151,912)	(45,013,245)
<b>OTHER PROFIT</b>	<b><u>150,689,718</u></b>	<b><u>100,775,449,395</u></b>

(\*) This amount represented the gain from disposal of Westin Resort & Spa Cam Ranh project.

28. OPERATING COSTS

	VND	
	Current year	Previous year
Expenses for external services	60,698,506,572	15,923,609,697
Labor expenses	27,357,650,697	21,936,934,274
Depreciation expenses and goodwill amortisation	604,007,934	788,578,826
Other expenses	9,301,270,687	4,946,655,835
<b>TOTAL</b>	<b><u>97,961,435,890</u></b>	<b><u>43,595,778,632</u></b>

29. CORPORATE INCOME TAX

The CIT rate applicable to the Company and its subsidiaries is 20% of taxable profits (2015: 22%).

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

29.1 CIT expenses

	VND	
	Current year	Previous year
Estimated CIT during the year	62,160,620,921	44,842,897,582
Adjustment for under accrual of CIT from prior years	980,339,476	-
Current CIT expense	63,140,960,397	44,842,897,582
Deferred CIT income	(1,230,519,920)	-
<b>TOTAL</b>	<b><u>61,910,440,477</u></b>	<b><u>44,842,897,582</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

29. CORPORATE INCOME TAX (continued)

29.1 CIT expense (continued)

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

	VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>304,430,033,216</b>	<b>200,568,159,276</b>
At CIT rate of 20% applicable to companies in the Group (2015: 22%)	60,935,782,151	45,213,983,896
<i>Adjustments to increase:</i>		
Adjustment for under accrual of CIT from prior years (*)	980,339,476	-
Other non-deductible expenses	486,278,893	97,744,802
<i>Adjustments to decrease:</i>		
Gains on disposal of a subsidiary	(163,297,124)	-
Gains on decrease in ownership in associates	(61,637,109)	(468,831,116)
Advertising expenses	(267,025,810)	-
<b>CIT expense</b>	<b>61,910,440,477</b>	<b>44,842,897,582</b>

(\*) This is the adjusted CIT expenses according to the Decision No. 1636/QD-CT-XP dated 28 April 2016 and the Decision No. 525/QD-CT-XP dated 25 January 2017 issued by Director of Ho Chi Minh Tax Department.

29.2 Current tax

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

29.3 Deferred tax

The following are major deferred tax assets recognized by the Group, and the movements thereon during the current and previous years:

	VND			
	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Advertising expenses	1,230,519,920	-	1,230,519,920	-
<b>Deferred tax assets</b>	<b>1,230,519,920</b>	<b>-</b>		
<b>Deferred tax income</b>			<b>1,230,519,920</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related party transactions include all transactions undertaken with other individuals and companies to which the Group is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate company.

The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Amounts due to and from related parties at the balance sheet date are unsecured and non-interest bearing.

Significant transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>	<i>VND</i>
Dien Gia Khang Real Estate Co., Ltd.	Associate	Capital contribution	-	176,000,000,000	
Dien Gia Khanh Real Estate Co., Ltd.	Associate	Capital contribution	-	75,000,000,000	
Phu Hung Real Estate Investment Company Limited	Associate	Utility expenses Advance for purchase of apartments	327,034,762	-	
Truong Phat Loc Shipping Joint Stock Company	Related party	Office rental Others ICC	1,920,000,000 284,815,224	1,920,000,000	
		Sale of apartments	-	125,000,000,000	
			-	13,687,396,843	
Ms Tran Thi Hoai An	Related party	Borrowing	-	1,700,000,000	
BDSC Management Consulting Corporation	Related party	Consulting service	-	52,250,000	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	Ending balance	VND Beginning balance
<b>Short-term trade receivable</b>				
Truong Phat Loc Shipping Joint Stock Company	Related party	Sale of apartments Office rental	12,954,006,800 3,101,267,777	15,038,278,000 1,407,947,777
			<b>16,055,274,577</b>	<b>16,446,225,777</b>
<b>Other short-term receivable</b>				
Phu Hung Real Estate Investment Company Limited	Associate	Utility expenses	86,399,310	-
<b>Other long-term receivable</b>				
Truong Phat Loc Shipping Joint Stock Company	Related party	ICC	125,000,000,000	125,000,000,000
<b>Short-term advance from customer</b>				
Phu Hung Real Estate Investment Company Limited	Associate	Advance for purchase of apartments	50,000,000,000	50,000,000,000
<b>Long-term loans</b>				
Mr Bui Quang Anh Vu	Related party	Loan	1,900,000,000	1,900,000,000
Mr Vo Minh Han	Related party	Loan	1,700,000,000	1,700,000,000
Ms Tran Thi Hoai An	Related party	Loan	1,700,000,000	1,700,000,000
			<b>5,300,000,000</b>	<b>5,300,000,000</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**32. EVENTS AFTER THE BALANCE SHEET DATE**

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



\_\_\_\_\_  
Vu Quynh Hoa  
Preparer

\_\_\_\_\_  
Ngo Thuy Van  
Chief Accountant

\_\_\_\_\_  
Nguyen Van Dat  
General Director

8 March 2017