

KinhBac City Development Holding Corporation

Interim separate financial statements

30 June 2016



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KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Investment Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest being the 15th amendment No. 2300233993 issued by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, construct and trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out and selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with the Investment Certificate.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch is:

<i>No</i>	<i>Branch</i>	<i>Address</i>
1.	KinhBac City Development Holding Corporation – HCM branch	No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Viet Nam

The Company's shares are listed in the Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 December 2009.

BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Mr. Ngo Manh Hung	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member

BOARD OF SUPERVISION

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

Ms. Nguyen Chung Thuy	Head of Board of Supervision
Ms. Le Thi Thu Hang	Member
Mr. Phan Anh Tuan	Member

MANAGEMENT

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

Ms. Nguyen Thi Thu Huong	General Director
Mr. Phan Anh Dung	Deputy General Director
Mr. Pham Phuc Hieu	Deputy General Director and Chief Accountant
Mrs. Nguyen My Ngoc	Deputy General Director

KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Dang Thanh Tam. In accordance with the Authorization Letter No. 2311/2012/KBC/UQ dated on 23 November 2012, Ms. Nguyen Thi Thu Huong has been authorized by Mr. Dang Thanh Tam to sign the accompanying interim separate financial statements for the six-month period ended 30 June 2016.

AUDITORS

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

KinhBac City Development Holding Corporation

REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation ("the Company") is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2016.

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 2016 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

For and on behalf of management:



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

12 August 2016

Reference: 60774739/18493823-LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the accompanying interim separate financial statements of KinhBac City Development Holding Corporation ("the Company"), as prepared on 12 August 2016 and set out on pages 6 to 49 which comprise the interim separate balance sheet as at 30 June 2016, 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 the 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 the 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 Vietnam Standards 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 2016, 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 subsidiaries for the six-month period ended 30 June 2016 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 12 August 2016 has expressed an unqualified conclusion.

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

Ernst & Young Vietnam Limited



Le Thi Tuyet Mai
Deputy General Director
Audit Practising Registration
Certificate No. 1575-2013-004-1

Hanoi, Vietnam

12 August 2016

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2016

Currency: VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
100	A. CURRENT ASSETS		3,255,090,590,130	2,880,877,941,745
110	I. Cash and cash equivalents	4	162,958,120,047	42,339,925,481
111	1. Cash		162,355,103,072	37,339,925,481
112	2. Cash equivalents		603,016,975	5,000,000,000
120	II. Short-term investments	5	1,332,361,100	1,738,191,200
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(6,158,100,269)	(5,752,270,169)
130	III. Current accounts receivable		1,690,948,003,984	1,400,308,410,127
131	1. Short-term trade receivables	6.1	392,795,333,144	182,147,291,535
132	2. Short-term advances to suppliers	6.2	429,863,918,697	354,606,940,872
135	3. Short-term loan receivables	7	800,000,000	800,000,000
136	4. Other short-term receivables	8	874,706,462,793	870,018,660,620
137	5. Provision for doubtful short-term receivables	6.3	(7,217,710,650)	(7,264,482,900)
140	IV. Inventories	9	1,398,893,541,763	1,436,473,528,280
141	1. Inventories		1,398,893,541,763	1,436,473,528,280
150	V. Other current assets		958,563,236	17,886,657
151	1. Short-term prepaid expenses		940,631,579	-
152	2. Value-added tax deductible		17,931,657	17,886,657

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2016

Currency: VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
200	B. NON-CURRENT ASSETS		6,440,331,792,702	6,449,931,369,325
210	<i>I. Long-term receivables</i>		2,708,167,568,324	2,686,840,884,683
211	1. Long-term trade receivables	6.1	248,305,529,704	332,305,529,704
215	2. Long-term loan receivables	7	2,166,825,333,533	2,166,825,333,533
216	3. Other long-term receivables	8	293,036,705,087	187,710,021,446
220	<i>II. Fixed assets</i>		89,636,703,956	96,973,620,094
221	1. Tangible fixed assets	10	89,636,703,956	96,973,620,094
222	Cost		173,950,361,600	173,690,725,238
223	Accumulated depreciation		(84,313,657,644)	(76,717,105,144)
227	2. Intangible fixed assets		-	-
228	Cost		36,958,000	36,958,000
229	Accumulated amortisation		(36,958,000)	(36,958,000)
240	<i>III. Long-term assets in progress</i>		115,432,748,358	234,740,661,548
242	1. Construction in progress	11	115,432,748,358	234,740,661,548
250	<i>IV. Long-term investments</i>	13	3,525,746,334,371	3,429,067,802,189
251	1. Investment in subsidiaries	13.1	2,894,189,897,744	2,749,066,314,000
252	2. Investments in jointly controlled entities and associates	13.2	723,655,091,074	723,655,091,074
253	3. Investment in other entities	13.3	448,500,200,000	452,867,200,000
254	4. Provision for diminution in value of long-term investments		(540,598,854,447)	(496,520,802,885)
260	<i>V. Other long-term assets</i>		1,348,437,693	2,308,400,811
261	1. Long-term prepaid expenses		1,348,437,693	2,308,400,811
270	TOTAL ASSETS		9,695,422,382,832	9,330,809,311,070

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2016

Currency: VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
300	C. LIABILITIES		3,520,985,574,118	3,332,654,313,050
310	i. Current liabilities		2,331,158,630,026	2,016,993,145,713
311	1. Short-term trade payables	14.1	21,823,732,034	31,796,058,861
312	2. Short-term advances from customers	14.2	590,796,291,434	294,607,228,734
313	3. Statutory obligations	15	105,723,572,888	123,742,429,172
314	4. Payables to employees		51,428,000	51,428,000
315	5. Short-term accrued expenses	16	195,412,792,012	210,107,062,599
319	6. Other short-term payables	17	90,792,671,273	83,131,134,223
320	7. Short-term loans	18	1,322,234,763,052	1,269,234,424,791
322	8. Bonus and welfare fund		4,323,379,333	4,323,379,333
330	ii. Non-current liabilities		1,189,826,944,092	1,315,661,167,337
333	1. Long-term accrued expenses	16	714,025,662,464	672,941,388,491
337	2. Other long-term liabilities	17	56,401,079,020	56,694,272,880
338	3. Long-term loans	18	380,005,672,950	546,526,946,182
341	4. Deferred tax liabilities	25.3	38,442,561,696	38,546,591,822
342	5. Long-term provisions		951,967,962	951,967,962
400	D. OWNERS' EQUITY		6,174,436,808,714	5,998,154,998,020
410	i. Capital	19	6,174,436,808,714	5,998,154,998,020
411	1. Share capital		4,757,111,670,000	4,757,111,670,000
411a	- Shares with voting rights		4,757,111,670,000	4,757,111,670,000
412	2. Share premium		988,533,430,000	988,533,430,000
415	3. Treasury shares		(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund		2,223,693,823	2,223,693,823
421	5. Undistributed earnings		791,034,664,891	614,752,854,197
421a	- Undistributed earnings up to prior year-end		614,752,854,197	226,282,400,553
421b	- Undistributed earnings of current period		176,281,810,694	388,470,453,644
440	TOTAL LIABILITIES AND OWNERS' EQUITY		9,695,422,382,832	9,330,809,311,070

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyen Thi Thu Huong
General Director

12 August 2016

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2016

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
01	1. Revenue from sale of goods and rendering of services	20.1	271,263,872,868	162,341,531,285
02	2. Deductions	20.1	-	-
10	3. Net revenue from sale of goods and rendering of services	20.1	271,263,872,868	162,341,531,285
11	4. Cost of goods sold and services rendered	21	(35,888,430,726)	(50,526,091,344)
20	5. Gross profit from sale of goods and rendering of services		235,375,442,142	111,815,439,941
21	6. Finance income	20.2	107,420,363,086	124,788,003,117
22	7. Finance expenses	22	(97,329,958,502)	(38,436,763,589)
23	<i>In which: Interest expenses</i>		(52,767,756,136)	(15,610,510,479)
25	8. Selling expenses	23	(5,670,083,153)	(20,499,230,848)
26	9. General and administrative expenses	23	(23,809,625,055)	(23,900,509,593)
30	10. Operating profit		215,986,138,518	153,766,939,028
31	11. Other income		4,461,343,102	19,560,082
32	12. Other expenses		(11,857,714)	(302,514)
40	13. Other profit		4,449,485,388	19,257,568
50	14. Accounting profit before tax		220,435,623,906	153,786,196,596
51	15. Current corporate income tax expense	25.1	(44,257,843,338)	(16,784,917,070)
52	16. Deferred tax income	25.3	104,030,126	104,024,126
60	17. Net profit after tax		176,281,810,694	137,105,303,652



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyễn Thị Thu Hương
General Director

12 August 2016

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2016

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		220,435,623,906	153,786,196,596
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets	10	7,596,552,500	7,235,839,098
03	Provision		44,437,109,412	22,732,463,176
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency	20.2	(6,491,902)	(130,119,497)
05	Profits from investing activities	20.2	(107,413,871,184)	(124,657,883,620)
06	Interest expenses	22	52,707,321,884	15,610,510,479
08	Operating profit before changes in working capital		217,756,244,616	74,577,006,232
09	(Increase)/decrease in receivables		(365,847,974,705)	60,552,731,350
10	Decrease/(increase) in inventories		37,579,986,517	(57,211,886,195)
11	Increase/(decrease) in payables (other than interest, corporate income tax)		395,036,797,353	(95,124,707,648)
12	Decrease/(increase) in prepaid expenses		19,331,539	(2,856,371,032)
14	Interest paid		(32,756,666,838)	(40,284,283,037)
15	Corporate income tax paid		(53,000,000,000)	-
20	Net cash flows from/(used in) operating activities		198,787,718,482	(60,347,510,330)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(2,672,437,775)	(19,982,765,811)
22	Proceeds from disposals of fixed assets and other long-term assets		2,500,000,000	-
25	Payments for investments in other entities		(101,690,284,000)	-
26	Proceeds from sale of investments in other entities		135,167,000,000	26,273,000,000
27	Interest and dividends received		2,087,187,543	3,723,235,075
30	Net cash flows from investing activities		35,391,465,768	10,013,469,264

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2016

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		86,621,492,650	333,136,871,057
34	Repayment of borrowings		(200,182,482,334)	(359,647,595,382)
40	Net cash flows used in financing activities		(113,560,989,684)	(26,510,724,325)
50	Net increase/(decrease) in cash and cash equivalents for the period		120,618,194,566	(76,844,765,391)
60	Cash and cash equivalents at beginning of the period		42,339,925,481	81,177,184,342
70	Cash and cash equivalents at end of the period	4	162,958,120,047	4,332,418,951



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyen Thi Thu Huong
General Director

12 August 2016

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2016 and for the six-month period then ended

1. CORPORATE INFORMATION

Kinh Bac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002 and the subsequent amendments, with the latest being the 15th amendment No. 2300233993 issued by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, construct and trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out and selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with Investment Certificate.

Business cycle of the Company starts from the acquisition of investment license, land clearance, infrastructure construction of industrial zones and urban areas until the time of completion and is handed over to customers, thus the business cycle of the Company may extend over 12 months.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch as below:

<i>No</i>	<i>Branch</i>	<i>Address</i>
1	KinhBac City Development Holding Corporation - Ho Chi Minh Branch	20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 December 2009.

The total number of employees as at 30 June 2016 was 161 (31 December 2015: 159).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

At 30 June 2016, The Company has the following subsidiaries:

<i>No</i>	<i>Company's name</i>	<i>Voting right (%)</i>	<i>Interest right (%)</i>	<i>Head office</i>	<i>Main activities</i>
1	Saigon - Bacgiang Industrial Park JSC	59.5	59.5	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading real estates
2	Saigon - Hai Phong Industrial Park JSC	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading real estates
3	Northwest Saigon City Development JSC	60.52	60.52	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh city	Investment, building and trading real estates
4	Trang Cat Urban Development One Member Limited Company	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong city	Investment, building and trading real estates
5	Lotus Hotel Development Sole Member Company Limited	100	100	No. 100 An Trach street, Quoc Tu Giam ward, Dong Da district, Ha Noi city	Trading real estates

2. BASIS OF PREPARATION

2.1 Purpose of preparation the interim separate financial statements

KinhBac City Development Holding Corporation has the subsidiaries as disclosed in Note 1. 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. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2016 on 12 August 2016.

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 subsidiaries.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.2 *Accounting standards and system*

The interim separate financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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 Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at 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*

Industrial and urban real estate which have been developed for sale in the normal course of operations of the Company, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises expenses on compensation and site restoration, construction of road and drainage system, greenery planting and other infrastructure costs, construction fee paid for contractors, capitalized borrowing cost, consultancy cost, design cost, etc. 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.

Provision for obsolete inventories

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the interim separate balance sheet date.

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

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 and 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 of 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of 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.

3.6 *Depreciation and amortisation*

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

Buildings and structures (including land and infrastructure development cost)	8 - 25 years
Machinery and equipment	4 - 8 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years

Periodically, the estimated useful life for fixed asset and its depreciation/amortization rate is reviewed to ensure that the depreciation/amortization method and period are consistent with the expected economic benefits to be received from the use of fixed asset.

3.7 *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.

The following types of expenses are recorded as long-term prepaid expenses;

- ▶ Prepaid rental expenses are amortised over the lease period; and
- ▶ Other long-term prepaid expenses are amortised over 1 to 3 years.

3.8 *Investments*

Investment in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Other distributions are considered a recovery of investment and are deducted to the cost of the investment.

Investment 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investments* (continued)

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for diminution in value of held-for-trading securities and other investments

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the interim balance sheet date in accordance with the guidance under Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 and amended Circular 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the interim separate financial statements and deducted against the value of such investments.

3.9 *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 are capitalized as part of the cost of the respective asset.

3.10 *Payable and accrual*

Payable and accrual are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Company.

3.11 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim separate balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conduct transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the separate income statement.

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 profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese'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.

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 interim separate balance sheet.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 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:

Long-term lease of land and infrastructure

Revenue is recognised when the Company has passed significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

Sale of factories

Revenue is recognised when the Company has passed significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

Lease of factories

Revenue under operating lease contract is recognised to the interim separate income statement on a straight-line basis over the lease term.

Rendering of services

Revenue is recognised when service has been provided to the customer, and is determined by the net value after deducting discounts, value-added tax, and other deductions.

Gains from securities trading and capital transfer

Income is determined by the difference between the selling price and cost of the securities. Income is recorded on the contract date, which is when the contract becomes effective.

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 Cost of land and infrastructure

Cost of leased land and infrastructure includes all direct costs that are attributable to the development of land and infrastructure or costs allocated on a reasonable basis to such activities including:

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities;
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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 based on the tax rates and tax laws 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 offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

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 separate 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 realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim separate balance sheet date.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

Deferred tax (continued)

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

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

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

3.18 *Segment information*

A segment is a component which can be separately identified in which the Company takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and benefits and is different from other parts. Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Company. Thus, the Company's management assesses that the Company operates in only one business segment which is a real estate business segment and in one critical geographic region which is Vietnam.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Cash on hand	388,714,532	183,829,311
Cash at banks	161,966,388,540	37,156,096,170
Cash equivalents (*)	603,016,975	5,000,000,000
TOTAL	162,958,120,047	42,339,925,481

(*) Cash equivalents as at 30 June 2016 represent time deposits at Nam Viet Commercial Joint Stock Bank - Hanoi Branch with term of 1 month and earn interest rates at 4.8% per annum.

Additional information regarding the cash flow statement:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Significant non-cash transactions that will have impact on the cash flow statement in the future:		
Conversion of debt to equity		- 1,200,000,000,000
Actual cash received from loans		
- Cash received from normal loan agreements	86,621,492,650	33,136,871,057
- Cash received from issuance of convertible bonds		- 300,000,000,000
Actual cash payment of loans		
- Cash payment for normal loan agreements	5,182,482,334	59,647,595,382
- Cash payment for principal of bonds	195,000,000,000	300,000,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

5. SHORT-TERM INVESTMENTS

Currency: VND

	30 June 2016			31 December 2015		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Held-for-trading securities:						
Share (*)	7,490,461,369	1,332,361,100	(6,158,100,269)	7,490,461,369	1,738,191,200	(5,752,270,169)
TOTAL	7,490,461,369	1,332,361,100	(6,158,100,269)	7,490,461,369	1,738,191,200	(5,752,270,169)

(*) At 30 June 2016, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivable

Currency: VND

	30 June 2016	31 December 2015
Short-term		
Trade receivables from customers		
- KCT Engineering Corporation (*)	218,749,608,000	-
- Sai Gon Investment JSC (**)	104,130,000,000	104,130,000,000
- Kinh Bac Service JSC (***)	40,000,000,000	40,000,000,000
Other customers	29,915,725,144	38,017,291,535
	392,795,333,144	182,147,291,535
Long-term		
Trade receivables from customers		
- Kinh Bac Service JSC (***)	248,305,529,704	332,305,529,704
	248,305,529,704	332,305,529,704

(*) This is the receivable related to transfer of investment project according to Contract No. HĐCN - KBC/2016 dated 8 April 2016.

(**) This is the receivable from Saigon Investment JSC related to the transfer of land at Phuc Ninh Urban Area Project.

(***) These are the receivable from Kinh Bac Service JSC relating to revenue from long-term lease of land and infrastructure and from sale of factories in Que Vo II Industrial Park. These receivables are committed to be paid no later than 31 December 2018, bearing interest at 8-9% per annum.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.2 Advances to suppliers

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
Kinh Bac Investment and Consulting JSC (i)	420,689,032,770	320,336,319,170
Foster and Partners Limited Company (ii)	-	25,961,600,000
Other advance to suppliers	9,174,885,927	8,309,021,702
TOTAL	<u>429,863,918,697</u>	<u>354,606,940,872</u>

- (i) The Company advanced to Kinh Bac Investment and Consulting JSC for the site clearance and compensation; and for construction works of certain on-going projects of the Company.
- (ii) The Company advanced to Foster and Partners Limited Company for the design of Hoa Sen Hotel Project. On 22 June 2016, the Company used this advance as capital contribution to Lotus Hotel Development Sole Member Company Limited (Note 11).

6.3 Provision for trade receivables

Detail of movements of provision for trade receivables is as follows:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Beginning balance	7,264,482,900	17,530,932,067
Provision made for the period	-	151,943,750
Other decrease	-	(7,204,600,000)
Reversal of provision for doubtful debts	(46,772,250)	(3,390,400,000)
Ending balance	<u>7,217,710,650</u>	<u>7,087,875,817</u>
<i>In which:</i>		
<i>Provision for short-term receivables</i>	<i>6,717,710,650</i>	<i>6,587,875,817</i>
<i>Provision for loan receivables</i>	<i>500,000,000</i>	<i>500,000,000</i>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

7. OTHER LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
Saigon-Tay Ninh Industrial Park JSC (*)	300,000,000	300,000,000
Saigon Tourism JSC (*)	500,000,000	500,000,000
	800,000,000	800,000,000
Long-term		
Receivable from related parties <i>(Note 26)</i>	2,159,132,633,533	2,159,132,633,533
Kinh Bac Investment and Consulting JSC (**)	6,992,700,000	6,992,700,000
Construction Project Management Unit of Bac Ninh City (Bac Ninh People's Committee)	700,000,000	700,000,000
	2,166,825,333,533	2,166,825,333,533

(*) These are unsecured, interest free loans which will be due on 31 December 2016.

(**) These are unsecured, interest free loans which will be due in June 2017.

8. OTHER RECEIVABLES

	<i>Currency: VND</i>			
	<i>30 June 2016</i>		<i>31 December 2015</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Short-term				
Share transfer receivables (i)	618,155,780,000	-	672,730,000,000	-
Advance to PVcomBank for investment purchase (ii)	101,690,284,000	-	-	-
Receivables from Kinh Bac Investment and Consulting JSC relating to the liabilities with SGI – Lao Hydro Power JSC (iii)	61,346,558,152	-	151,146,558,152	-
Receivable from related parties <i>(Note 26)</i>	50,389,538,954	-	4,070,772,420	-
Receivables from Bac Ninh's People Committee for land rental support (iv)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (v)	12,851,128,404	-	12,851,128,404	-
Receivable from Van Duong People's Committee	3,327,780,000	-	2,228,672,000	-
Other short-term receivables	7,505,393,283	-	7,551,529,644	-
	874,706,462,793	-	870,018,660,620	-
Long-term				
Receivable from related parties <i>(Note 26)</i>	263,295,960,024	-	172,291,671,329	-
Kinh Bac Service JSC (vi)	29,680,745,063	-	15,358,350,117	-
Other short-term receivables	60,000,000	-	60,000,000	-
	293,036,705,087	-	187,710,021,446	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

8. OTHER RECEIVABLES (continued)

- (i) This is the receivable relating to the transfer of 48.3 million shares of Saigon - Binh Dinh Energy JSC to Kinh Bac Service JSC according to the Contracts dated 22 June 2015 and 15 December 2015 (Note 13.3).
- (ii) According to the agreement of investment transfer No. 2610/PVCB-KBC, the Company will purchase 2,360,000 shares of Lang Ha Investment JSC and 1,000,000 shares of Sai Gon Investment JSC from Mass Commercial Bank of Vietnam (PVcomBank), with total contract value of VND 1,161 billion. Up to 30 June 2016, the Company has advanced VND 101.7 billion to PVcomBank.
- (iii) According to the minutes of General Shareholders Meeting dated 1 July 2015, SGI - Lao Hydro Power JSC decided to dissolve and return the contributed capital to the Company with the amount of VND 185,586,558,152. These receivables, however, were transferred to Kinh Bac Investment and Consulting JSC under three-party offsetting minutes on 3 July 2015.
- (iv) According to the minutes of interdisciplinary meeting between the Finance Department of Bac Ninh Province, the Department of Planning and Investment of Bac Ninh Province, the Department of Natural Resources and Environment of Bac Ninh Province, the Management Board of Industrial Parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QĐ-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province is committed to supporting on land rental rates for Que Vo Industrial Park project. Accordingly, the capital support available to the Company is VND19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park.
- (v) This is the deposit to Hanoi Agriculture Investment and Development One Member Co., Ltd. in accordance with Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to cooperate to develop a complex of trade center, offices, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Commune, Tu Liem District, Ha Noi.
- (vi) This represents the interest on deferred payment for long-term lease of land and sale of factories to Kinh Bac Service JSC.

9. INVENTORIES

Currency: VND

	30 June 2016		31 December 2015	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Phuc Ninh Urban Area	809,241,000,042	-	791,241,769,241	-
Que Vo II Industrial Park	314,738,075,023	-	337,106,227,151	-
Nam Son - Hap Linh Industrial Park	208,883,596,633	-	206,869,480,433	-
Que Vo I Industrial Park	52,883,662,787	-	64,211,681,110	-
Houses for low - income residents	-	-	23,897,163,067	-
Other projects	13,147,207,278	-	13,147,207,278	-
TOTAL	1,398,893,541,763	-	1,436,473,528,280	-

Work in progress of the Company as at 30 June 2016 comprises land clearance and land compensation costs, infrastructure development cost, capitalized borrowing costs and allocated overhead which incurred for the development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh Urban Area, Nam Son - Hap Linh Industrial Park and other projects of the Company which are developed for sale. The majority of the Company's inventories are used as collaterals for loans as disclosed in Note 18.

KinhBac City Development Holding Corporation

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures (including cost of land development and infrastructure)	Machinery and equipment	Transportations	Office equipment	Others	Total
Cost:						
Beginning balance	132,813,487,450	5,177,115,945	28,746,036,651	6,165,703,374	788,381,818	173,690,725,238
Newly purchased	-	259,636,362	-	-	-	259,636,362
Ending balance	132,813,487,450	5,436,752,307	28,746,036,651	6,165,703,374	788,381,818	173,950,361,600
<i>In which:</i>						
Fully depreciation	5,032,705,679	1,223,291,668	6,251,831,715	1,942,846,748	788,381,818	15,239,057,628
Accumulated depreciation:						
Beginning balance	53,630,434,153	3,509,248,550	14,768,360,169	4,049,567,953	759,494,319	76,717,105,144
Depreciation for the period	5,652,856,165	238,486,549	1,314,181,272	362,141,015	28,887,499	7,596,552,500
Ending balance	59,283,290,318	3,747,735,099	16,082,541,441	4,411,708,968	788,381,818	84,313,657,644
Net carrying amount:						
Beginning balance	79,183,053,297	1,667,867,395	13,977,676,482	2,116,135,421	28,887,499	96,973,620,094
Ending balance	73,530,197,132	1,689,017,208	12,663,495,210	1,753,994,406	-	89,636,703,956

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

11. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Hanoi Diplomatic Area (*)	106,555,116,818	106,555,116,818
Que Vo I Industrial Park	4,516,537,647	4,592,921,893
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Lotus Hotel Project (**)	-	119,161,983,744
Other construction in progress	1,244,590,000	1,314,135,200
TOTAL	<u>115,432,748,358</u>	<u>234,740,661,548</u>

(*) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation has transferred the existing infrastructure works to the Company for further development of a complex of offices, representative offices for international agencies at Hanoi Diplomatic Area.

(**) In accordance with the Decision No. 413/QD-UBND dated 22 January 2010, the Company was approved as the investor of Hanoi Lotus Hotel Project, which will be constructed in a land area of around 40,484m². Total cost incurred includes USD 5.5 million supporting the Hanoi People's Committee, design and consultancy fee paid to foreign contractors and other overhead costs. During the period, the Company contributed capital in Lotus Hotel Development Sole Member Company Limited by the form of this construction value of Lotus Hotel Project.

12. CAPITALIZED BORROWING COSTS

During the period, the Company capitalized borrowing costs amounting to VND 10.27 billion. These costs relate to borrowings taken to finance the construction of Que Vo II Industrial Park, Nam Son - Hap Linh Industrial Park and Phuc Ninh Urban Area.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

13. LONG-TERM INVESTMENTS

		<i>Currency: VND</i>	
	<i>Notes</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
Investments in subsidiaries	13.1	2,894,189,897,744	2,749,066,314,000
Investments in associates	13.2	723,655,091,074	723,655,091,074
Other long-term investments	13.3	448,500,200,000	452,867,200,000
Provision for long-term investments		<u>(540,598,854,447)</u>	<u>(496,520,802,885)</u>
TOTAL		<u>3,525,746,334,371</u>	<u>3,429,067,802,189</u>

13.1 Investments in subsidiaries

	<u>30 June 2016</u>			<u>31 December 2015</u>		
	<i>% of voting right</i>	<i>No. of shares</i>	<i>Cost (VND)</i>	<i>% of voting right</i>	<i>No. of shares</i>	<i>Cost (VND)</i>
Trang Cat Urban Development One Member Company Limited	100%	150,000,000	1,500,000,000,000	100%	150,000,000	1,500,000,000,000
Northwest Saigon city Development JSC	60.52%	30,259,574	662,066,314,000	60.52%	30,259,574	662,066,314,000
Saigon - Hai Phong Industrial Park JSC	86.54%	3,600,000	468,000,000,000	86.54%	3,600,000	468,000,000,000
Lotus Hotel Development Sole Member Company Limited	100%	14,512,358	145,123,583,744	-	-	-
Saigon - Bacgiang Industrial Park JSC	59.50%	1,309,000	119,000,000,000	59.50%	1,309,000	119,000,000,000
TOTAL			<u>2,894,189,897,744</u>			<u>2,749,066,314,000</u>
Provision for impairment of investment in subsidiaries			<u>(130,622,597,563)</u>			<u>(116,748,699,701)</u>
NET			<u>2,763,567,300,181</u>			<u>2,632,317,614,299</u>

Detailed information on subsidiaries as at 30 June 2016 is presented in Note 1.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates

	Note	% of voting right	30 June 2016		31 December 2015	
			No. of shares	Cost (VND)	No. of shares	Cost (VND)
Saigon Telecommunication & Technologies JSC	(i)	21.48%	15,896,923	423,492,661,074	15,896,923	423,492,661,074
Saigon - Hue Investment JSC	(ii)	28.14%	9,849,000	210,627,000,000	9,849,000	210,627,000,000
Saigon High-tech Park Infrastructure Development Investment JSC	(iii)	27.44%	8,233,083	82,330,830,000	8,233,083	82,330,830,000
Scanviwood JSC	(iv)	34%	1,077,528	7,204,600,000	1,077,528	7,204,600,000
TOTAL				723,655,091,074		723,655,091,074
Provision for impairment of investment in associates				(386,923,440,249)		(356,719,286,549)
NET				336,731,650,825		366,935,804,525

(i) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 May 2002 and the amended subsequent licenses, with the latest being the 13th amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND 740 billion. Its principal activities include trading computers, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is located at Lot 46, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City.

(ii) Saigon - Hue Investment JSC

Saigon - Hue Investment JSC was established pursuant to the Business Registration Certificate No. 3103000255 issued by the Department of Planning and Investment of Thua Thien-Hue Province on 9 October 2007 and the first amended Business Registration Certificate No. 3300512389 on 16 February 2012 with a registered charter capital of VND 350 billion. Its principal activities include investment, construction and trading on infrastructure inside and outside industrial zone, residential areas, resettlement area, housing for worker; industrial and civil construction works, transport and power projects up to 35kV.

Its registered office is located at No 15, Nguyen Hue Street, Hue City, Vietnam.

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

13.2 Investments in associates (continued)

(iii) Saigon High-tech Park Infrastructure Development Investment Joint Stock Company

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established pursuant to the Business Registration Certificate No. 4103006017 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 January 2007 and the first amended subsequent Business Registration Certificate dated 2 July 2014 with a registered charter capital of VND 300 billion. Its principal activities include infrastructure investment and development; leasing and selling office, trading centre and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

Its registered office is located at 6-1, Ree Building, 364 Cong Hoa Street, 13 Ward, Tan Binh District, Ho Chi Minh City, Vietnam.

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established pursuant to the Business Registration Certificate No.411031000006 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND 31.69 billion. Its principal activities include manufacturing of household products for export.

Its registered office is located at 565 An Duong Vuong, An Lac Ward, Binh Thanh District, Ho Chi Minh City, Vietnam.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

13. LONG-TERM INVESTMENTS (continued)

13.3 Other long-term investments

Currency: VND

	30 June 2016			31 December 2015		
	% of voting right	No. of shares	Historical cost (book value)	% of voting right	No. of shares	Historical cost (book value)
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC-Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon-Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - NhonHoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Hamtan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Investment Development Power Plant JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
Ban Viet Capital Fund Management JSC (*)	-	-	-	3	43,67	4,367,000,000
TOTAL			448,500,200,000			452,867,200,000
Provision for other long-term investments			(23,052,816,635)			(23,052,816,635)
NET			425,447,383,365			429,814,383,365

(*) According to Notification No.19/2016/TB-VCAM dated 16 March 2016 from Ban Viet Health Securities Investment Fund (VCHF), this Company completed the disposal, distribution and dissolution of VCHF.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

Currency: VND

	30 June 2016		31 December 2015	
	Amount	Amount payable	Amount	Amount payable
Trade payables to suppliers				
- Truong Phat Investment JSC	3,890,306,850	3,890,306,850	9,559,539,000	9,559,539,000
- Manh Ha Song Da construction intercommunication JSC	2,892,371,100	2,892,371,100	-	-
- Hanoi Construction No.1 JSC	2,317,260,652	2,317,260,652	2,317,260,652	2,317,260,652
- Trong Cuong Limited Company	2,137,514,679	2,137,514,679	2,929,856,895	2,929,856,895
- BlueScope Buildings Vietnam Limited Company	-	-	4,365,000,000	4,365,000,000
Other suppliers	10,586,278,753	10,586,278,753	12,624,402,314	12,624,402,314
TOTAL	21,823,732,034	21,823,732,034	31,796,058,861	31,796,058,861

14.2 Short-term advances from customers

Currency: VND

	30 June 2016	31 December 2015
Deposit for contract obligation execution	300,000,000,000	-
Deposit for purchase of houses and land use rights at Phuc Ninh urban project	195,253,258,200	195,253,258,200
Deposit by National Citizen Bank for purchase of houses and land use rights at Phuc Ninh urban project	66,582,840,000	66,582,840,000
Electricity Power Sector 1 JSC	-	22,500,000,000
Other advances from customers	28,960,193,234	10,271,130,534
TOTAL	590,796,291,434	294,607,228,734

15. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2015	Payable/off-set for the period	Payment made in the period	30 June 2016
Payables				
Corporate income tax (Note 25.2)	82,558,013,042	44,257,843,338	(53,000,000,000)	73,815,856,380
Value added tax	40,736,370,490	(1,130,770,640)	(8,141,853,927)	31,463,745,923
Personal income tax	136,948,333	1,397,077,811	(1,417,191,811)	116,834,333
Other taxes	311,097,307	348,614,121	(332,575,176)	327,136,252
TOTAL	123,742,429,172	44,872,764,630	(62,891,620,914)	105,723,572,888

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

16. ACCURED EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
Accrued future development cost for recognised sales	176,108,914,506	189,882,476,080
- <i>Que Vo II Industrial Park</i>	145,328,549,832	158,932,801,994
- <i>Que Vo I Industrial Park</i>	30,780,364,674	30,949,674,086
Accrued interest expenses	6,367,131,997	6,646,130,200
Accrued expenses to related parties (Note 26)	10,172,080,752	4,756,563,836
Other accrued expenses	2,764,664,757	8,821,892,483
TOTAL	<u>195,412,792,012</u>	<u>210,107,062,599</u>
Long-term		
Accrued interest expenses (*)	704,207,580,272	670,054,155,614
Accrued expenses to related parties (Note 26)	9,818,082,192	2,887,232,877
TOTAL	<u>714,025,662,464</u>	<u>672,941,388,491</u>

(*) Mostly include the bond interest expenses payable to PVcomBank. PVcomBank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be due in 2019 (Note 18.2).

17. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
Other payables from related parties (Note 26)	51,183,679,189	80,050,248,635
Other payables	39,608,992,084	3,080,885,588
	<u>90,792,671,273</u>	<u>83,131,134,223</u>
Long-term		
Co-operation investment in Phuc Ninh Urban (i)	55,500,000,000	55,500,000,000
Other deposits	901,079,020	1,194,272,880
	<u>56,401,079,020</u>	<u>56,694,272,880</u>

(i) In 2014, the Group received VND 55.5 billion from Cholimex MEI JSC for the development of Phuc Ninh Urban Project in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

18. LOANS

	31 December 2015		Movement during the period		30 June 2016	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Current portion of long-term loans (Note 18.2)	1,020,000,000,000	1,020,000,000,000	54,333,656,713	-	1,074,333,656,713	1,074,333,656,713
Short-term loans from related parties (Note 26)	247,901,106,339	247,901,106,339	-	-	247,901,106,339	247,901,106,339
Loans from others	1,333,318,452	1,333,318,452	-	(1,333,318,452)	-	-
	1,269,234,424,791	1,269,234,424,791	54,333,656,713	(1,333,318,452)	1,322,234,763,052	1,322,234,763,052
Long-term						
Loans from related parties (Note 26)	169,249,163,882	169,249,163,882	72,000,000,000	(3,849,163,882)	237,400,000,000	237,400,000,000
Long-term loans from bank (Note 18.1)	27,984,180,300	27,984,180,300	14,621,492,650	-	42,605,672,950	42,605,672,950
Bonds (Note 18.2)	349,293,602,000	349,293,602,000	40,054,713	(249,333,656,713)	100,000,000,000	100,000,000,000
TOTAL	546,526,946,182	546,526,946,182	86,661,547,363	(253,182,820,595)	380,005,672,950	380,005,672,950

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

18. **LOANS** (continued)

18.1 *Long-term loans from bank*

Details of long term loans from bank are as follows:

			<i>Currency: VND</i>
<i>Banks</i>	<i>Interest</i>	<i>Principal and interest repayment term</i>	<i>30 June 2016</i>
Vietnam Bank for Industry and Trade - Que Vo branch	10.5%/year	Loan principal repayment in every 6 month. Interest payment on the last 25th of each quarter.	42,605,672,950
TOTAL			<u>42,605,672,950</u>

This loan is secured and guaranteed by factories in Lot L in Que Vo Industrial Park, other assets to be formed in the future related to Lot L and asset rights incurred from contractual agreements (sale/rental of factories in Lot L).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

18. LOANS (continued)

18.2 Bonds

As at 30 June 2016, bonds issued by the Company are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Description of collateral
KBC Bond 001	Secured corporate bond issued to Vietnam Joint Stock Commercial Bank for Industry and Trade	2,500,000	100,000	250,000,000,000	10.65%	8 May 2017	All assets which the Company has invested and will invest in the future on the 300 ha of land of Que Vo II Industrial Park and 45 ha of land at Phuc Ninh Residential Area.
KBC Bond 004	Guarantee fee for KBC Bond 001 issuance Corporate bond issued to PVcomBank	4,000,000	100,000	(666,343,287)			
KBC Bond 005	Secured corporate bond issued to Vietnam Investment and Development Bank	2,750,000	100,000	275,000,000,000	10.05%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project.
KBC Bond 007	Corporate bond issued to PVcomBank	2,500,000	100,000	250,000,000,000	9.2%	28 December 2017	12.63 million SGT shares and 16.75 million KBC shares owned by Mr. Dang Thanh Tam and assets to be formed in the future at Quang Chau IZ.
						31 October 2019	Inventories of Trang Cat Urban and Service Zone Project.
TOTAL		11,750,000		1,174,333,656,713			
<i>In which:</i>							
Bonds due in the next 12 months							
Long-term bonds							
Guarantee fee for bond issuance							
				1,075,000,000,000			
				100,000,000,000			
				(666,343,287)			

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

19. OWNERS' EQUITY

19.1 Increase and decrease in owners' equity

Currency: VND

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
For the six-month period ended 30 June 2015						
As at 31 December 2014	3,957,111,670,000	611,072,430,000	(364,466,650,000)	2,223,693,823	226,282,400,553	4,432,223,544,376
- Increase	800,000,000,000	377,461,000,000	-	-	-	1,177,461,000,000
- Net profit for the period	-	-	-	-	137,105,303,652	137,105,303,652
As at 30 June 2015	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	363,387,704,205	5,746,789,848,028
For the six-month period ended 30 June 2016						
As at 31 December 2015	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	614,752,854,197	5,998,154,998,020
- Net profit for the period	-	-	-	-	176,281,810,694	176,281,810,694
As at 30 June 2016	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	791,034,664,891	6,174,436,808,714

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

19. OWNERS' EQUITY (continued)

19.2 Contributed charter capital

Currency: VND

	30 June 2016			31 December 2015		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contributed by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000	4,757,111,670,000	-
Share premium	988,533,430,000	988,533,430,000	-	988,533,430,000	988,533,430,000	-
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,178,450,000	5,381,178,450,000	-	5,381,178,450,000	5,381,178,450,000	-

19.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Contributed capital		
Beginning balance	4,757,111,670,000	3,957,111,670,000
Increase	-	800,000,000,000
Ending balance	<u>4,757,111,670,000</u>	<u>4,757,111,670,000</u>
Dividends paid	-	-

19.4 Dividends

According to the Resolution of the Annual Shareholders Meeting 2016 No. 1404/2016/KBC/NQ-ĐHĐCĐ dated 14 April 2016, the Company will proceed to pay dividends at the rate of 10% of the total shares in circulation of the Company (equivalent to 46,976,018 shares) from the undistributed net profits after tax as reported in the 2015 financial statements. However, the issuance of such stock dividends has not been completed as at the date of these interim separate financial statements.

19.5 Shares

	30 June 2016		31 December 2015	
	Shares	Par value (VND)	Shares	Par value (VND)
Issued shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Issued and paid-up shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Ordinary shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Preference shares	-	-	-	-
Treasury shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preference shares	-	-	-	-
Shares in circulation	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Ordinary shares	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND10,000/share (2015: VND10,000/share).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

20. REVENUES

20.1 Revenue from sales of goods and rendering of services

	Currency : VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Gross revenue	271,263,872,868	,341,531,285
<i>Of which:</i>		
Revenue from transfer of project	218,749,608,000	-
Revenue from supply of clean water, electricity, management service, waste water treatment supply	35,652,887,242	24,988,049,783
Revenue from lease of land and infrastructures	16,861,377,626	63,363,529,502
Revenue from sale of factories	-	73,989,952,000
Net revenue	271,263,872,868	162,341,531,285

20.2 Finance income

	Currency : VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Interest income from deposits and lending (*)	91,264,885,696	1,995,795,075
Interest income on outstanding receivables from lease of land and sale of factories (**)	14,322,329,194	20,734,648,545
Gain on transfer of financial investments	1,826,656,294	101,927,440,000
Unrealised foreign exchange gains	6,491,902	130,119,497
TOTAL	107,420,363,086	124,788,003,117

(*) This pertains mainly to interest income under Loan contract No.0207/2012/HĐV-TCC dated 2 July 2012 and Notification dated 2 January 2016 about the interest rate of the first six-month period of 2016 between Trang Cat Urban Development One Member Limited Company and the Company, with interest rate of 9,6% per annum.

(**) This pertains mainly to interest income on receivables from Kinh Bac Service JSC under the contracts for lease of land and sale of factories.

21. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Cost of transfer of project	23,945,143,067	-
Cost of leased warehouses, factories and offices	11,943,287,659	10,980,679,278
Cost of factories sold	-	30,766,267,454
Cost leased land and infrastructures	-	8,779,144,612
TOTAL	35,888,430,726	50,526,091,344

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

22. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Loan interest	51,744,003,738	11,908,007,812
Provision for long-term investments	44,483,881,662	22,580,519,426
Bond issue and guarantee cost	963,318,146	1,926,847,667
Interest expenses incurred from the deposits to purchase land at Phuc Ninh Urban Area	-	1,775,655,000
Other finance expenses	138,754,956	245,733,684
TOTAL	<u>97,329,958,502</u>	<u>38,436,763,589</u>

23. GENERAL AND ADMINISTRATIVE EXPENSES AND SELLINGS EXPENSES

	<i>Currency : VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
General and administrative expenses		
Depreciation	2,557,213,316	2,551,092,805
Labour costs	12,968,198,268	11,838,248,603
External expenses	6,121,469,068	4,293,352,402
Others	2,162,744,403	5,217,815,783
TOTAL	<u>23,809,625,055</u>	<u>23,900,509,593</u>
Selling expenses		
Purchases of Company's logo	-	14,901,600,000
Consultant and promotion expenses	4,108,305,560	4,321,080,848
Labour cost	1,540,818,027	1,276,550,000
Others	20,959,566	-
TOTAL	<u>5,670,083,153</u>	<u>20,499,230,848</u>

24. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Land, infrastructures, buildings development and services rendering expenses	18,056,204,007	33,994,002,138
Labour costs	15,371,586,625	13,968,556,603
Depreciation of fixed assets	7,596,552,500	7,235,839,098
Expenses for external services	22,173,062,287	34,496,712,528
Other expenses	2,170,733,515	5,230,721,418
TOTAL	<u>65,368,138,934</u>	<u>94,925,831,785</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

25. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company is 20% of profit after tax (for the six-month period ended 30 June 2015: 22%) except for the following:

For the operating activities at Que Vo I Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The Company is entitled to an exemption from CIT for four years from 2005 to 2008, and a 50% reduction of the applicable CIT rate for the following 9 years until 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10%, with a 50% reduction.

For the operating activities at Que Vo II Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The Company is entitled to an exemption from CIT for three years from 2008 to 2010, and a 50% reduction of the applicable CIT rate for the following 7 years from 2011 to 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10%, with a 50% reduction.

For leasing factories in industrial zone, the Company is obliged to pay corporate income tax at the rate of 15% for the first 12 years of operation and of 20% for the following years. The Company is entitled to an exemption from CIT for the 3 years from 2005 to 2007, and a 50% reduction of the applicable CIT rate for the following 7 years from 2008 to 2014. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 20%.

The tax returns filed by Company 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 separate financial statements could change at a later date upon final determination by the tax authorities.

25.1 CIT expense

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Current CIT expense	44,257,843,338	16,784,917,070
Deferred CIT income	(104,030,126)	(104,024,126)
TOTAL	<u>44,153,813,212</u>	<u>16,680,892,944</u>

25.2 Current CIT

The current CIT 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 years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the interim separate balance sheet date.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

25. CORPORATE INCOME TAX (continued)

25.2 Current CIT (continued)

The reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Profit before tax	220,435,623,906	153,786,196,596
Adjustments		
<i>Adjustments to increase</i>		
Non-deductible expenses	328,792,174	248,158,424
Taxable income from previous period's land lease activities which is taxable in the current period	2,080,602,498	2,080,602,498
Adjusted net profit before loss carried forward	222,845,018,578	156,114,957,518
<i>In which:</i>		
<i>Profit before tax in current period</i>	220,769,066,060	154,063,846,599
<i>Losses before tax in current period (Hochiminh city Branch)</i>	(4,649,980)	(29,491,579)
<i>Taxable income from land lease activities in previous periods</i>	2,080,602,498	2,080,602,498
<i>Tax loss carried forward</i>	-	(71,752,673,639)
Estimated current taxable income	222,845,018,578	84,362,283,879
Estimated current CIT	44,257,843,338	16,784,917,070
CIT payable at the beginning of the period	82,558,013,042	(6,267,075,116)
CIT paid during the period	(53,000,000,000)	-
CIT payable at the end of the period (Note 15)	73,815,856,380	10,517,841,954

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

25. CORPORATE INCOME TAX (continued)

25.3 Deferred tax

The following are the deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous periods:

Currency: VND

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Deferred tax liabilities				
Deferred tax liabilities arising from allocation of CIT over the lease term of Que Vo II	38,442,561,696	38,546,591,822	104,030,126	104,024,126
	38,442,561,696	38,546,591,822		
Net deferred tax credit to the interim separate income statement			104,030,126	104,024,126

25.4 Unrecognized deferred tax assets

Tax losses carried forward

The Company is entitled to carry the tax loss forward to offset with the taxable profit arising within 5 years subsequent to the year in which the loss was incurred. As at 30 June 2016, the Company has accumulated losses which are 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 2015</i>	<i>Forfeited</i>	<i>Unutilized at 30 June 2015</i>
2011	2016	(i)	12,781,432,837	(12,781,432,837)	-	-
2012	2017	(ii)	216,260,159,914	(216,255,685,478)	-	4,474,436
2013	2018	(ii)	57,504,657,460	(44,124,963,229)	(13,358,056,421)	21,637,810
2014	2019	(ii)	18,003,240	-	-	18,003,240
2015	2020	(ii)	40,779,832	-	-	40,779,832
2016	2021	(ii)	4,649,980	-	-	4,649,980
TOTAL			286,593,745,030	(273,162,081,544)	(13,358,056,421)	89,545,298

- (i) Tax loss as per Company's corporate income tax finalization.
(ii) Estimated tax loss as per the Company's corporate income tax declarations which have not been audited by the local tax authorities as of the date of these interim separate financial statements.

No deferred tax assets were recognised in respect of the remaining accumulated losses.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

26. TRANSACTIONS WITH RELATED PARTIES

List of related parties which had transactions and/or receivable/payable balances during the year with the Company:

No.	Related party	Relationship
1	Saigon - Bacgiang Industrial Park Corporation	Subsidiary
2	Saigon - Hai Phong Industrial Park Corporation	Subsidiary
3	Trang Cat Urban Development One Member Limited Company	Subsidiary
4	Lotus Hotel Development Sole Member Company Limited	Subsidiary
5	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate
6	Saigon Telecommunication & Technologies Corporation	Associate
7	Saigon - Hue Investment Joint Stock Company	Associate
8	Scanviwood Joint Stock Company	Associate
9	Saigon - Da Nang Investment Joint Stock Company	Common investor
10	Mr. Dang Thanh Tam	Chairman
11	Ms. Nguyen Thi Thu Huong	General Director
12	Mr. Phan Anh Dung	Deputy General Director

Terms and conditions of transactions with related parties

The sales of goods to related parties are made on contractual basis.

Outstanding balances at 30 June 2016 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2016, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Significant transactions between the Company and its related parties in the period are as follows:

Related party	Description	Currency : VND	
		For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Saigon - Hai Phong Industrial Park Corporation	Loan from related party	72,000,000,000	-
	Payment of interest expense	12,278,967,733	-
	Collection of loan principal	-	84,000,000,000
	Loan to related party	-	33,000,000,000
Saigon - Bacgiang Industrial Park Corporation	Receivable of KBCbond005 interest	16,980,486,113	22,268,201,293
	Payment of loan principal	10,600,000,000	-
	Receivable of KBCbond005 guarantee fee	1,286,083,333	4,327,500,000
Trang Cat Urban Development One Member Limited Company	Receivable of bond interest	91,004,354,447	56,317,561,492
	Loan to related party	-	83,900,000,000
Mr. Dang Thanh Tam	Advance	46,682,508,534	13,679,289,000
	Payment of loan principal	3,849,163,882	5,645,373,150
	Loan from related party	-	33,136,871,057
	Advance clearance	189,824,000	18,289,115,088

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

26. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 30 June 2016, amount due from and to related parties of the Company are follows:

Currency: VND

Related party	Description	30 June 2016	31 December 2015
Long-term loan receivables (Note 7)			
Trang Cat Urban Development One Member Limited Company (*)	Loan receivable	1,901,132,633,533	1,901,132,633,533
Saigon - Bacgiang Industrial Park Corporation (**)	Loan receivable (for KBCbond 005)	258,000,000,000	258,000,000,000
		2,159,132,633,533	2,159,132,633,533
Other short-term receivables (Note 8)			
Mr. Dang Thanh Tam	Advance	46,492,684,534	-
Mrs. Nguyen Thi Thu Huong	Advance	110,000,000	3,960,772,420
Mr. Phan Anh Dung	Advance	3,786,854,420	110,000,000
		50,389,538,954	4,070,772,420
Other long-term receivables (Note 8)			
Trang Cat Urban Development One Member Limited Company	Loan interest, other construction in progress	263,295,960,024	172,291,671,329
		263,295,960,024	172,291,671,329

(*) On 2 July 2015, the Company signed an Annex to the Loan Agreement No. 0207/2015/KBC-TCC/PL3 with Trang Cat Urban Development One Member Company Limited to adjust the the term of the loan. Accordingly, the Company sent a notice stating actual loan principal and loan interest rate to Trang Cat Urban Development One Member Limited Company on a six-monthly basis.

(**) This is the loan provided using proceeds from the issuance of KBC Bond 005, which bears interest rate at 10.05% per annum and will mature on 28 December 2017 (Note 18.2).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

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

As at 30 June 2016, amount due from and to related parties of the Company are as follows (continued):

		<i>Currency: VND</i>	
<i>Related party</i>	<i>Description</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
<i>Short-term accrued expenses (Note 16)</i>			
Saigon - Hai Phong Industrial Park JSC	Loan interest payable	9,733,990,515	4,385,872,097
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Loan interest payable	438,090,237	370,691,739
		<u>10,172,080,752</u>	<u>4,756,563,836</u>
<i>Long-term accrued expenses (Note 16)</i>			
Saigon - Hai Phong Industrial Park JSC	Loan interest payable	9,818,082,192	2,887,232,877
		<u>9,818,082,192</u>	<u>2,887,232,877</u>
<i>Other short-term trade payables (Note 17)</i>			
Saigon – Bac Giang Investment JSC	Other payables	51,183,679,189	80,050,248,635
		<u>51,183,679,189</u>	<u>80,050,248,635</u>
<i>Short-term loan (Note 18)</i>			
Saigon - Hai Phong Industrial Park JSC (i)	Short-term loan	134,070,276,339	134,070,276,339
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (ii)	Short-term loan	112,330,830,000	112,330,830,000
Saigon - Da Nang Investment JSC	Current-portion of long-term payable	1,500,000,000	1,500,000,000
		<u>247,901,106,339</u>	<u>247,901,106,339</u>
<i>Long-term loans (Note 18)</i>			
Saigon - Hai Phong Industrial Park JSC (iii)	Long-term loan	237,400,000,000	165,400,000,000
Mr. Dang Thanh Tam	Long-term loan	-	3,849,163,882
		<u>237,400,000,000</u>	<u>169,249,163,882</u>

(i) This is the short-term loan from Saigon - Hai Phong Industrial Park Corporation which bears interest at 8% per annum and will mature on 3 August 2016.

(ii) This is the short-term loan from Saigon High-tech Park Infrastructure Development Investment Joint Stock Company which bears interest at 0,01% per month and will mature on 30 June 2016.

(iii) This is the long-term loan from Saigon - Hai Phong Industrial Park Corporation which bears interest from 8% to 9.6% per annum and will mature in 2 years from the date of the first withdrawal.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of management and Board of Directors:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Salaries and bonus	2,960,658,666	2,981,803,000
	<u>2,960,658,666</u>	<u>2,981,803,000</u>

27. COMMITMENTS AND CONTINGENCIES

27.1 Commitments relating to real estate investment projects

Commitments relating to the State

- (i) According to Decision 413/QD-UBND issued by Hanoi People's Committee on 22 January 2010, the Company is selected as the developer of Hanoi Lotus Hotel Project which is located on a land area of approximately 40,484 m² with the estimated total investment capital of US\$ 250,000,000. At the same time, the Company is also obliged to construct a children playground in a rural, poor area within Hanoi with an estimated investment value of US\$1,500,000.
- (ii) According to Decision No. 1526/QD-CT 17 December 2003 and Decision No. 971/QD-UBND 15 July 2009 of the People's Committee of Bac Ninh Province regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh town, Bac Ninh province, the Company is under an obligation to pay land use fees and other charges for the residential land area, commercial and public areas within the Phuc Ninh Residential Area. Accordingly, the Company was handed over with 49,53 hectare of land in 2010, completed the land marking for 47,2 hectare of land in 2013 with the People's Committee of Bac Ninh Province and settled the land use fees of VND175,735,431,000 in accordance with the Decision No. 2229/QD-CT of Bac Ninh Province at 23 December 2004 which approved the land use fee (phase 1) and the notice of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2016, the Company is in the process of finalizing the land use fee settlement to the People's Committee of Bac Ninh province for the above assigned land.
- (iii) From 2003 to 2014, the Company signed a number of land lease agreements with the People's Committee of Bac Ninh province for the land area at Que Vo I Industrial Park and the Extended Que Vo, which is 2,268,388,8 m² and 1,652,779 m², respectively. During the period, the Company received the Decision on land rental exemptions for the construction and infrastructure business in the industrial zone; however, the Company is still in the process of working with the authorities to determine land rent obligations after the expiration of land rent exemption set out in the Decision.

Capital expenditure commitments

As at 30 June 2016, the Company entered into contractual agreements relating to the construction and development of the Que Vo I Industrial Park, Que Vo II Industrial Park and Phuc Ninh Residential area with a total value of approximately VND 79 billion.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

27. COMMITMENTS AND CONTINGENCIES (continued)

27.2 *Guarantee and security*

The Company has the following contingent liabilities related to its guarantees as at 30 June 2016:

Under the Agreement to extend the bond period dated 27 December 2014 between the Company and Bank for Investment and Development of Vietnam, the Company committed to support Saigon - Quy Nhon Mineral Joint Stock Company and a group of other companies in the payment obligations with the Bank.

27.3 Disputes

Disputes with VTC Wireless Telecommunications Company

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19,2 %. Accordingly, the Company has transferred VND 30,700,200,000 (19,2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation, However, VTC has not completed the purchase of assets for VTC - Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recall this investment. The Company's management has assessed that this investment will be collected from the VTC; and therefore, no provision has been made for the investment in VTC - Saigontel Media Company.

28. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim balance date that requires adjustment or disclosure in the separate financial statements of the Company.



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director
and Chief Accountant




Nguyen Thi Thu Huong
General Director

12 August 2016

