

KinhBac City Development Holding Corporation

Interim separate financial statements

30 June 2017



KinhBac City Development Holding Corporation

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KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

Kinh Bac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise 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 during the period are to invest, construct and trade infrastructure inside and outside the industrial parks; leasing out and selling the factories constructed by the Company in the industrial parks, residential – urban areas, financial investment; and others activities in accordance with the Business Registration 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 Ho Chi Minh branch is located at No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company's shares are listed in Ho Chi Minh city's Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh city's 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. Huynh Phat | Member | |
| Mr. Pham Phuc Hieu | Member | |
| Mr. Nguyen Vinh Tho | Member | appointed on 21 April 2017 |
| Mr. Ngo Manh Hung | Member | resigned on 21 April 2017 |

BOARD OF SUPERVISION

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

| | | |
|-----------------------|------------------------------|----------------------------|
| Ms. Nguyen Bich Ngoc | Head of Board of Supervision | appointed on 21 April 2017 |
| Ms. The Thi Minh Hong | Member | appointed on 21 April 2017 |
| Mr. Tran Tien Thanh | Member | appointed on 21 April 2017 |
| Ms. Nguyen Chung Thuy | Head of Board of Supervision | resigned on 21 April 2017 |
| Ms. Le Thi Thu Hang | Member | resigned on 21 April 2017 |

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 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 2017.

AUDITORS

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

THÔNG TIN & DAN

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 2017.

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

The 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 Company's interim separate results of 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 registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

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

For and on behalf of management:

A red circular stamp is positioned over a blue ink signature. The stamp contains the text: "KINH BAC CITY DEVELOPMENT HOLDING CORPORATION", "TUNG CONG TY", "PHAT TRIEN DO THI", "KINH BAC", "CTCP", and "QUÊ VO T. BAC NINH".

Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

19 August 2017

Reference: 60774739/19317198

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 19 August 2017 and set out on pages 6 to 50, which comprise the interim separate balance sheet as at 30 June 2017, 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

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 the 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 an opinion 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 2017, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with the 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 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 19 August 2017 expressed an unmodified conclusion.

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

Ernst & Young Vietnam Limited




Lê Thị Tuyen Mai
Deputy General Director
Audit Practising Registration
Certificate No. 1575-2013-004-1

Hanoi, Vietnam

19 August 2017

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2017

Currency: VND

| Code | ASSETS | Notes | 30 June 2017 | 31 December 2016 |
|------------|--|----------|--------------------------|--------------------------|
| 100 | A. CURRENT ASSETS | | 3,279,598,570,084 | 3,233,872,139,517 |
| 110 | I. Cash and cash equivalents | 4 | 147,372,806,966 | 34,304,041,296 |
| 111 | 1. Cash | | 135,472,806,966 | 22,404,041,296 |
| 112 | 2. Cash equivalents | | 11,900,000,000 | 11,900,000,000 |
| 120 | II. Short-term investments | 5 | 1,207,490,300 | 1,235,586,230 |
| 121 | 1. Held-for-trading securities | | 7,490,461,369 | 7,490,461,369 |
| 122 | 2. Provision for held-for-trading securities | | (6,282,971,069) | (6,254,875,139) |
| 130 | III. Current accounts receivable | | 1,772,841,805,758 | 1,785,079,716,605 |
| 131 | 1. Short-term trade receivables | 6.1 | 453,190,344,269 | 391,707,171,286 |
| 132 | 2. Short-term advances to suppliers | 6.2 | 473,526,566,971 | 427,326,733,012 |
| 135 | 3. Short-term loan receivables | 7 | 7,792,700,000 | 119,209,020,811 |
| 136 | 4. Other short-term receivables | 8 | 845,666,175,168 | 854,171,829,146 |
| 137 | 5. Provision for doubtful short-term receivables | 6.3 | (7,333,980,650) | (7,335,037,650) |
| 140 | IV. Inventories | 9 | 1,357,294,245,860 | 1,411,506,419,638 |
| 141 | 1. Inventories | | 1,357,294,245,860 | 1,411,506,419,638 |
| 150 | V. Other current assets | | 882,221,200 | 1,746,375,748 |
| 151 | 1. Short-term prepaid expenses | | 864,154,543 | 1,728,309,091 |
| 152 | 2. Value-added tax deductible | | 18,066,657 | 18,066,657 |

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

Currency: VND

| Code | ASSETS | Notes | 30 June 2017 | 31 December 2016 |
|------------|--|-----------|--------------------------|--------------------------|
| 200 | B. NON-CURRENT ASSETS | | 6,596,045,945,526 | 6,495,187,255,222 |
| 210 | I. Long-term receivables | | 2,737,380,375,359 | 2,559,982,112,902 |
| 211 | 1. Long-term trade receivables | 6.1 | 157,767,044,071 | 211,863,915,704 |
| 215 | 2. Long-term loan receivables | 7 | 2,084,687,258,952 | 1,951,832,633,533 |
| 216 | 3. Other long-term receivables | 8 | 494,926,072,336 | 396,285,563,665 |
| 220 | II. Fixed assets | | 81,147,742,278 | 86,782,219,855 |
| 221 | 1. Tangible fixed assets | 10 | 81,147,742,278 | 86,782,219,855 |
| 222 | Cost | | 175,768,626,762 | 178,687,826,946 |
| 223 | Accumulated depreciation | | (94,620,884,484) | (91,905,607,091) |
| 227 | 2. Intangible fixed assets | | - | - |
| 228 | Cost | | 36,958,000 | 36,958,000 |
| 229 | Accumulated amortisation | | (36,958,000) | (36,958,000) |
| 230 | III. Investment property | | 64,947,870,284 | 68,431,657,532 |
| 231 | 1. Cost | 11 | 68,431,657,532 | 68,431,657,532 |
| 232 | 2. Accumulated depreciation | | (3,483,787,248) | - |
| 240 | IV. Long-term assets in progress | | 114,975,134,722 | 115,038,553,515 |
| 242 | 1. Construction in progress | 12 | 114,975,134,722 | 115,038,553,515 |
| 250 | V. Long-term investments | 14 | 3,597,096,565,974 | 3,664,325,227,018 |
| 251 | 1. Investment in subsidiaries | 14.1 | 2,749,066,314,000 | 2,894,189,897,744 |
| 252 | 2. Investments in jointly - controlled entities and associates | 14.2 | 723,655,091,074 | 723,655,091,074 |
| 253 | 3. Investment in other entities | 14.3 | 448,500,200,000 | 448,500,200,000 |
| 254 | 4. Provision for diminution in value of long-term investments | | (324,125,039,100) | (402,019,961,800) |
| 260 | VI. Other long-term assets | | 498,256,909 | 627,484,400 |
| 261 | 1. Long-term prepaid expenses | | 498,256,909 | 627,484,400 |
| 270 | TOTAL ASSETS | | 9,875,644,515,610 | 9,729,059,394,739 |

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

Currency: VND

| Code | ASSETS | Notes | 30 June 2017 | 31 December 2016 |
|------------|---|-----------|--------------------------|--------------------------|
| 300 | C. LIABILITIES | | 3,000,867,938,903 | 3,397,271,319,344 |
| 310 | I. Current liabilities | | 1,067,069,235,501 | 1,997,199,321,456 |
| 311 | 1. Short-term trade payables | 15.1 | 22,600,629,789 | 53,649,599,129 |
| 312 | 2. Short-term advances from customers | 15.2 | 215,114,368,535 | 713,163,552,330 |
| 313 | 3. Statutory obligations | 16 | 155,862,659,349 | 104,892,958,728 |
| 314 | 4. Payables to employees | | 28,724,000 | 28,928,000 |
| 315 | 5. Short-term accrued expenses | 17 | 173,084,019,550 | 211,480,827,583 |
| 319 | 6. Other short-term payables | 18 | 53,383,869,712 | 88,593,857,611 |
| 320 | 7. Short-term loans | 19 | 442,671,585,232 | 821,066,218,742 |
| 322 | 8. Bonus and welfare fund | | 4,323,379,333 | 4,323,379,333 |
| 330 | II. Non-current liabilities | | 1,933,798,703,402 | 1,400,071,997,888 |
| 333 | 1. Long-term accrued expenses | 17 | 779,658,661,892 | 752,634,304,581 |
| 337 | 2. Other long-term liabilities | 18 | 61,950,580,036 | 61,950,580,036 |
| 338 | 3. Long-term loans | 19 | 1,053,002,992,068 | 546,196,613,739 |
| 341 | 4. Deferred tax liabilities | 26.3 | 38,234,501,444 | 38,338,531,570 |
| 342 | 5. Long-term provisions | | 951,967,962 | 951,967,962 |
| 400 | D. OWNERS' EQUITY | | 6,874,776,576,708 | 6,331,788,075,395 |
| 410 | I. Capital | 20 | 6,874,776,576,708 | 6,331,788,075,395 |
| 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 | | 1,491,374,432,885 | 948,385,931,572 |
| 421a | - Undistributed earnings up to end prior period | | 948,385,931,572 | 614,752,854,197 |
| 421b | - Undistributed earnings of current period | | 542,988,501,313 | 333,633,077,375 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 9,875,644,515,610 | 9,729,059,394,739 |


Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief Accountant


Nguyen Thi Thu Huong
General Director

19 August 2017

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

Currency: VND

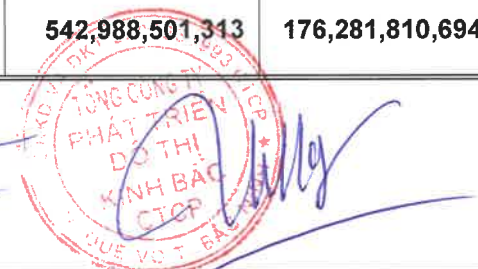
| Code | ITEMS | Notes | For the six-month period ended 30 June 2017 | For the six-month period ended 30 June 2016 |
|------|--|-------|---|---|
| 01 | 1. Revenue from sale of goods and rendering of services | 21.1 | 301,566,366,973 | 271,263,872,868 |
| 02 | 2. Deductions | 21.1 | - | - |
| 10 | 3. Net revenue from sale of goods and rendering of services | 21.1 | 301,566,366,973 | 271,263,872,868 |
| 11 | 4. Cost of goods sold and services rendered | 22 | (90,899,177,688) | (35,888,430,726) |
| 20 | 5. Gross profit from sale of goods and rendering of services | | 210,667,189,285 | 235,375,442,142 |
| 21 | 6. Finance income | 21.2 | 481,874,412,494 | 107,420,363,086 |
| 22 | 7. Finance expenses | 23 | 27,242,738,303 | (97,329,958,502) |
| 23 | <i>In which: Interest expenses</i> | | (49,996,910,347) | (52,707,321,884) |
| 25 | 8. Selling expenses | 24 | (5,591,278,865) | (5,670,083,153) |
| 26 | 9. General and administrative expenses | 24 | (35,261,615,175) | (23,809,625,055) |
| 30 | 10. Operating profit | | 678,931,446,042 | 215,986,138,518 |
| 31 | 11. Other income | | 629,621,245 | 4,461,343,102 |
| 32 | 12. Other expenses | | (344,300) | (11,857,714) |
| 40 | 13. Other profit | | 629,276,945 | 4,449,485,388 |
| 50 | 14. Accounting profit before tax | | 679,560,722,987 | 220,435,623,906 |
| 51 | 15. Current corporate income tax expenses | 26.1 | (136,676,251,800) | (44,257,843,338) |
| 52 | 16. Deferred tax income | 26.3 | 104,030,126 | 104,030,126 |
| 60 | 17. Net profit after tax | | 542,988,501,313 | 176,281,810,694 |



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyen Thi Thu Huong
General Director

19 August 2017

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

Currency: VND

| Code | ITEMS | Notes | For the six-month period ended 30 June 2017 | For the six-month period ended 30 June 2016 |
|------|--|-------|---|---|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Profit before tax | | 679,560,722,986 | 220,435,623,906 |
| | <i>Adjustments for:</i> | | | |
| 02 | Depreciation of fixed assets and investment property | | 10,634,234,520 | 7,596,552,500 |
| 03 | (Reversal of provision)/provision | | (77,867,883,770) | 44,437,109,412 |
| 04 | Foreign exchange losses/(gain) arising from revaluation of monetary accounts denominated in foreign currency | | 1,610,154 | (6,491,902) |
| 05 | Profits from investing activities | | (482,293,395,160) | (107,413,871,184) |
| 06 | Interest expenses | 23 | 49,996,910,347 | 52,707,321,884 |
| 08 | Operating profit before changes in working capital | | 180,032,199,077 | 217,756,244,616 |
| 09 | Increase in receivables | | (16,627,498,209) | (365,847,974,705) |
| 10 | Decrease in inventories | | 54,212,173,778 | 37,579,986,517 |
| 11 | (Decrease)/increase in payables (other than interest, corporate income tax) | | (150,644,136,925) | 395,036,797,353 |
| 12 | (Increase)/decrease in prepaid expenses | | (7,309,648,264) | 19,331,539 |
| 14 | Interest paid | | (19,206,208,348) | (32,756,666,838) |
| 15 | Corporate income tax paid | | (90,122,278,380) | (53,000,000,000) |
| 20 | Net cash flows (used in)/from operating activities | | (49,665,397,271) | 198,787,718,482 |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchase and construction of fixed assets and other long- term assets | | (3,435,436,300) | (2,672,437,775) |
| 22 | Proceeds from disposals of fixed assets and other long- term assets | | 780,000,000 | 2,500,000,000 |
| 23 | Loan to other entities and payment for purchase of debt instruments of other entities | | (132,854,625,419) | - |
| 24 | Collections from borrowers and proceeds from sale of debt instruments of other entities | | 111,416,320,811 | - |
| 25 | Payments for investments in other entities | | (1,354,868,000,000) | (101,690,284,000) |
| 26 | Proceeds from sale of investments in other entities | | 1,404,868,000,000 | 135,167,000,000 |
| 27 | Interest and dividends received | | 113,128,727 | 2,087,187,543 |
| 30 | Net cash flows from investing activities | | 26,019,387,819 | 35,391,465,768 |

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

Currency: VND

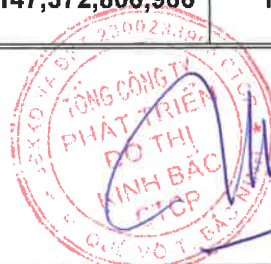
| Code | ITEMS | Notes | For the six-month period ended 30 June 2017 | For the six-month period ended 30 June 2016 |
|-----------|---|----------|---|---|
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 33 | Drawdown of borrowings | | 607,062,569,350 | 86,621,492,650 |
| 34 | Repayment of borrowings | | (470,347,794,228) | (200,182,482,334) |
| 40 | Net cash flows from/(used in) financing activities | | 136,714,775,122 | (113,560,989,684) |
| 50 | Net increase in cash and cash equivalents for the period | | 113,068,765,670 | 120,618,194,566 |
| 60 | Cash and cash equivalents at beginning of the period | | 34,304,041,296 | 42,339,925,481 |
| 61 | Impact of exchange rate fluctuation | | - | - |
| 70 | Cash and cash equivalents at end of the period | 4 | 147,372,806,966 | 162,958,120,047 |



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant




Nguyen Thi Thu Huong
General Director

19 August 2017

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

1. CORPORATE INFORMATION

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise 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 is being the 15th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company during the period are to invest, construct and trade infrastructure inside and outside the industrial parks; leasing out and selling the factories constructed by the Company in the industrial parks, residential – urban areas, financial investment; and other activities in accordance with the Business Registration 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 Ho Chi Minh branch is located at No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

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

The total number of employees as at 30 June 2017 was: 165 (31 December 2016: 162).

Corporate structure

At 30 June 2017, The Company has the following subsidiaries:

| <u>No</u> | <u>Company's name</u> | <u>Voting right (%)</u> | <u>Effective interest (%)</u> | <u>Head office</u> | <u>Main activities</u> |
|-----------|--|-------------------------|-------------------------------|--|---|
| 1 | Saigon – Bac Giang Industrial Park Corporation | 79.50 | 76.81 | 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 Corporation | 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 Corporation | 74.5 | 72.44 | 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 One Member Development Company Limited | 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 |

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

2. BASIS OF PREPARATION

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 2017 on 19 August 2017.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements 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.

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

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 2017 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 built for sale in the normal course of operations of the Company, not for rent or for waiting the price to increase, 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 for sale including expenses on compensation and site restoration, construction of road and drainage system, greenery planting and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, ... 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 2017 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 (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 *Investment property*

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

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

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

| | |
|--|----------|
| Factories | 10 years |
| Land and infrastructure development cost | 40 years |

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *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 expense:

- ▶ Prepaid rental was amortised over the prepayment term; and
- ▶ Other long-term prepaid expenses were amortised over 1 to 3 years.

3.9 *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 after 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 after 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.

Held-for-trading securities and investments in other entities

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

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 dated 7 December 2009 and amended Circular 89/2013/TT-BTC dated 26 June 2013 and Circular 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement and deducted to the cost of the investment and deducted against the value of such investments.

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 the value of such investments.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *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.

3.11 *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.

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, 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.

3.13 *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 commercial banks designated for payment; 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 exchange rates at the interim balance sheet dates which are determined as follows:

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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.

3.15 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 Vietnam's regulatory requirements.

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

Investment and development fund

This fund is set aside for use in the Group'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.

3.16 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 Group 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Revenue recognition* (continued)

Income from transfer of investment in securities and capital assignment

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.

Revenue from project transfer

Revenue is recognised when the significant risks and rewards of ownership of the project have passed to the buyer, usually upon the delivery of the project, and recovery over project transfer can be reasonably ensured.

Sales from real estate transfer

Revenue is recognised when the significant risks and rewards of ownership of the real estate have passed to the buyer.

Interest

Revenue is recognised as the interest accrues (considering 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.

3.17 *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.

3.18 *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 set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim separate balance sheet date between the tax base of assets and liabilities and their carrying amount for 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 separate balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re assessed at each separate balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the 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.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 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.

4. CASH AND CASH EQUIVALENTS

| | <i>Currency: VND</i> | |
|----------------------|-------------------------------|------------------------------|
| | <i>30 June 2017</i> | <i>31 December 2016</i> |
| Cash on hand | 1,292,367,465 | 4,110,727,392 |
| Cash at banks | 134,180,439,501 | 18,293,313,904 |
| Cash equivalents (*) | 11,900,000,000 | 11,900,000,000 |
| TOTAL | <u>147,372,806,966</u> | <u>34,304,041,296</u> |

(*) Cash equivalents as at 30 June 2017 represent time deposits at Vietnam Joint Stock Commercial Bank For Industry And Trade - Que Vo Branch with terms of 1 to 3 months and earn interest ranging from 4.3% to 4.8% per annum.

Additional information regarding the cash flow statement:

| | <i>Currency: VND</i> | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Significant non-cash transactions that will have impact on the cash flow statement in the future: | | |
| Transfer from debt to equity | - | - |
| Actual cash received from loans | | |
| - Cash receipt from normal loan agreements | 107,062,569,350 | 86,621,492,650 |
| - Cash receipt from issuance of bonds | 500,000,000,000 | - |
| Actual cash payment of loans | | |
| - Cash payment for normal loan agreements | 20,347,794,228 | 5,182,482,334 |
| - Cash payment for principal of bonds | 450,000,000,000 | 195,000,000,000 |

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

5. SHORT-TERM INVESTMENTS

Currency: VND

| | 30 June 2017 | | | 31 December 2016 | | |
|------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | Cost | Fair value | Provision | Cost | Fair value | Provision |
| Held-for-trading securities: | | | | | | |
| Share (*) | 7,490,461,369 | 1,207,490,300 | (6,282,971,069) | 7,490,461,369 | 1,235,586,230 | (6,254,875,139) |
| TOTAL | 7,490,461,369 | 1,207,490,300 | (6,282,971,069) | 7,490,461,369 | 1,235,586,230 | (6,254,875,139) |

(*) At 30 June 2017, 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 receivables

Currency: VND

| | 30 June 2017 | 31 December 2016 |
|--|------------------------|------------------------|
| Short-term | | |
| Trade receivables from customers | | |
| - KCT Engineering Corporation (*) | 218,749,608,000 | 218,749,608,000 |
| - Sai Gon Investment JSC (**) | 104,130,000,000 | 104,130,000,000 |
| - Kinh Bac Service JSC (***) | 62,871,276,185 | 40,000,000,000 |
| - Hanwa Techwin Security Vietnam Co., Ltd | 15,793,920,000 | - |
| - Receivables for buying house at Phuc Ninh Urban Area | 22,001,232,000 | - |
| Other customers | 29,644,308,084 | 28,827,563,286 |
| TOTAL | 453,190,344,269 | 391,707,171,286 |
| Long-term | | |
| - Kinh Bac Service JSC (***) | 157,767,044,071 | 211,863,915,704 |
| | 157,767,044,071 | 211,863,915,704 |

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

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2017 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 2017</i> | <i>31 December 2016</i> |
| Short-term | | |
| Kinh Bac Investment and Consulting JSC (*) | 465,786,273,570 | 420,786,273,570 |
| Others | 7,740,293,401 | 6,540,459,442 |
| TOTAL | <u>473,526,566,971</u> | <u>427,326,733,012</u> |

(*) The Company advanced to Kinh Bac Investment and Consulting JSC for the site clearance and compensation and construction works of certain on-going projects of the Company.

6.3 Provision for trade receivables

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

| | <i>Currency: VND</i> | |
|---|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Beginning balance | 7,335,037,650 | 7,264,482,900 |
| Other decreases | (1,057,000) | (46,772,250) |
| Ending balance | <u>7,333,980,650</u> | <u>7,217,710,650</u> |
| <i>In which:</i> | | |
| <i>Provision for short-term receivables</i> | 6,833,980,650 | 6,717,710,650 |
| <i>Provision for loan receivables</i> | 500,000,000 | 500,000,000 |

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

7. OTHER LOAN RECEIVABLES

Currency: VND

| | <i>30 June 2017</i> | <i>31 December 2016</i> |
|---|---------------------------------|---------------------------------|
| Short-term | | |
| Receivables from related parties (<i>Note 27</i>) | - | 111,416,320,811 |
| Kinh Bac Investment and Consulting JSC(*) | 6,992,700,000 | 6,992,700,000 |
| Saigon - Tay Ninh Industrial Park JSC | 300,000,000 | 300,000,000 |
| Saigon Tourism JSC | 500,000,000 | 500,000,000 |
| TOTAL | <u>7,792,700,000</u> | <u>119,209,020,811</u> |
| Long-term | | |
| Receivables from related parties (<i>Note 27</i>) | 2,007,204,725,175 | 1,901,132,633,533 |
| Vien Dong Real Estate and Property JSC (**) | 50,000,000,000 | 50,000,000,000 |
| Kinh Bac Investment and Consulting JSC (***) | 26,782,533,777 | - |
| Construction Project Management Unit of Bac Ninh City (Bac Ninh City People's Committee) | 700,000,000 | 700,000,000 |
| TOTAL | <u>2,084,687,258,952</u> | <u>1,951,832,633,533</u> |

(*) This is unsecured, interest free loan, will be due in June 2018.

(**) This is loan receivable with interest of 10.5% per annum and will be due on 30 December 2018.

(***) This is loan receivable with interest of 8% per annum and will be due on 23 January 2019.

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

8. OTHER RECEIVABLES

Currency: VND

| | 30 June 2017 | | 31 December 2016 | |
|--|------------------------|-----------|------------------------|-----------|
| | Cost | Provision | Cost | Provision |
| Short-term | | | | |
| Receivable from share transfer (i) | 534,380,780,000 | - | 534,380,780,000 | - |
| Advance to PVcomBank for investment acquisition | 211,840,284,000 | - | 191,690,284,000 | - |
| Receivables from Kinh Bac Investment and Consulting JSC related to the liabilities with SGI – Lao Hydro Power JSC (ii) | 21,766,558,152 | - | 21,766,558,152 | - |
| Receivables from Bac Ninh's People Committee for land rental support (iii) | 19,440,000,000 | - | 19,440,000,000 | - |
| Deposit receivables (iv) | 12,851,128,404 | - | 12,851,128,404 | - |
| Receivables from related parties (Note 27) | 3,599,211,820 | - | 46,810,136,608 | - |
| Receivables from Van Duong People's Committee | 3,327,780,000 | - | 3,327,780,000 | - |
| Other receivables | 38,460,432,792 | - | 23,905,161,982 | - |
| TOTAL | 845,666,175,168 | - | 854,171,829,146 | - |
| Long-term | | | | |
| Receivable from related parties (Note 27) | 447,335,905,666 | - | 355,300,428,072 | - |
| Kinh Bac Service JSC (v) | 47,530,166,670 | - | 40,925,135,593 | - |
| Other receivables | 60,000,000 | - | 60,000,000 | - |
| TOTAL | 494,926,072,336 | - | 396,285,563,665 | - |

- (i) This is the receivable related to the transfer of 48.3 million shares of Saigon - Binh Dinh Energy JSC to Kinh Bac Service JSC according to contract dated 22 June 2015 and 15 December 2015.
- (ii) According to the minutes of General shareholders meeting of SGI - Lao Hydro Power JSC dated 1 July 2015, SGI - Lao Hydro Power JSC decided to dissolve and refund the contributed capital to the Company with 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.
- (iii) According to the minute 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 Holding Corporation dated 14 August 2007 and the Decision regarding support of investment capital for enterprises No. 1951/QĐ-UBND dated 31 December 2007, the People's Committee of Bac Ninh province committed to support 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.
- (iv) This is the deposit to Hanoi Agriculture Investment and Development One member Limited Company in pursuant to the Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to cooperate to develop a complex of trade center, office, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai commune, Tu Liem district, Ha Noi.

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

8. **OTHER RECEIVABLES** (continued)

- (v) This represents the interest on deferred payment from contracts of long-term lease of land and sale of factories and share transfer contract of 48.3 million shares of Sai Gon – Binh Dinh JSC to Kinh Bac Service JSC.

9. **INVENTORIES**

Currency: VND

| | <i>30 June 2017</i> | | <i>31 December 2016</i> | |
|------------------------------------|--------------------------|------------------|--------------------------|------------------|
| | <i>Cost</i> | <i>Provision</i> | <i>Cost</i> | <i>Provision</i> |
| Phuc Ninh Urban Area | 769,590,450,727 | - | 824,899,200,580 | - |
| Que Vo II Industrial Park | 276,988,824,872 | - | 288,590,532,478 | - |
| Nam Son - Hap Linh Industrial Park | 249,109,781,691 | - | 234,647,430,022 | - |
| Que Vo I Industrial Park | 48,457,981,292 | - | 50,222,049,281 | - |
| Other projects | 13,147,207,278 | - | 13,147,207,277 | - |
| TOTAL | 1,357,294,245,860 | - | 1,411,506,419,638 | - |

Inventories of the Company as at 30 June 2017 comprises land clearance and compensation costs, infrastructure development cost, capitalized borrowing costs and allocated overhead which incurred in 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. Most of the Company's inventories are used as collaterals for loans as disclosed in Note 19.

KinhBac City Development Holding Corporation

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

10. TANGIBLE FIXED ASSETS

Currency: VND

| | Buildings and structures (including cost of land development and infrastructure) | Machinery and equipment | Transportations | Office equipment | Others | Total |
|--|---|-------------------------|-----------------|------------------|-------------|-----------------|
| Cost: | | | | | | |
| Beginning balance | 133,406,838,070 | 5,436,752,307 | 32,702,703,559 | 6,353,151,192 | 788,381,818 | 178,687,826,946 |
| Newly purchased | 173,825,396 | - | - | - | - | 173,825,396 |
| Transfer from construction in progress | 1,904,979,813 | - | - | - | - | 1,904,979,813 |
| Disposal | - | - | (4,998,005,393) | - | - | (4,998,005,393) |
| Ending balance | 135,485,643,279 | 5,436,752,307 | 27,704,698,166 | 6,353,151,192 | 788,381,818 | 175,768,626,762 |
| <i>In which:</i> | | | | | | |
| Fully depreciated | 10,300,754,770 | 1,223,291,668 | 6,460,030,379 | 2,050,901,293 | 788,381,818 | 20,823,359,928 |
| Accumulated depreciation: | | | | | | |
| Beginning balance | 64,879,868,739 | 3,997,000,438 | 17,465,745,788 | 4,774,610,308 | 788,381,818 | 91,905,607,091 |
| Depreciation for the period | 5,267,505,916 | 249,265,338 | 1,353,465,135 | 280,210,883 | - | 7,150,447,272 |
| Disposal | - | - | (4,435,169,879) | - | - | (4,435,169,879) |
| Ending balance | 70,147,374,655 | 4,246,265,776 | 14,384,041,044 | 5,054,821,191 | 788,381,818 | 94,620,884,484 |
| Net carrying amount: | | | | | | |
| Beginning balance | 68,526,969,331 | 1,439,751,869 | 15,236,957,771 | 1,578,540,884 | - | 86,782,219,855 |
| Ending balance | 65,338,268,624 | 1,190,486,531 | 13,320,657,122 | 1,298,330,001 | - | 81,147,742,278 |

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

11. INVESTMENT PROPERTIES

Currency: VND

Factories

Cost:

| | |
|--|-----------------------|
| Beginning balance | 68,431,657,532 |
| Transfer from construction in progress | - |
| Ending balance | <u>68,431,657,532</u> |

Accumulated depreciation and amortisation:

| | |
|-----------------------------|----------------------|
| Beginning balance | - |
| Depreciation for the period | 3,483,787,248 |
| Ending balance | <u>3,483,787,248</u> |

Net carrying amount:

| | |
|-------------------|-----------------------|
| Beginning balance | <u>68,431,657,532</u> |
| Ending balance | <u>64,947,870,284</u> |

Investment properties comprise factories in land lot L4, 5, 8 and 9 at Que Vo Industrial Park, which are held for operating lease and used as collateral for long-term loans at Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo Branch, as presented in Note 19.1.

As at 30 June 2017, the Company has not determined the fair value of these investment properties because there is no available market for these properties.

12. CONSTRUCTION IN PROGRESS

Currency: VND

30 June 2017 31 December 2016

| | | |
|--------------------------------|-------------------------------|-------------------------------|
| Hanoi Diplomatic Area (*) | 106,555,116,818 | 106,555,116,818 |
| Que Vo I Industrial Park | 4,516,537,647 | 4,516,537,647 |
| Bac Giang Thermal Power Plant | 3,116,503,893 | 3,116,503,893 |
| Other construction in progress | 786,976,364 | 850,395,157 |
| TOTAL | <u>114,975,134,722</u> | <u>115,038,553,515</u> |

(*) According to the Technical Infrastructure Transfer Contract No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation has transferred the existing technical infrastructure to the Company to promote the implementation of investment project in building office, representative offices for international organizations at Hanoi Diplomatic Area.

13. CAPITALIZED BORROWING COSTS

During the period, the Company capitalized borrowing costs amounting to VND 6.47 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 2017 and for the six-month period then ended

14. LONG-TERM INVESTMENTS

| Currency: VND | | | | |
|---------------|-------------------------------------|--------------|--------------------------|--------------------------|
| | Description | 30 June 2017 | 31 December 2016 | |
| | Investments in subsidiaries | 14.1 | 2,749,066,314,000 | 2,894,189,897,744 |
| | Investments in associates | 14.2 | 723,655,091,074 | 723,655,091,074 |
| | Other long-term investments | 14.3 | 448,500,200,000 | 448,500,200,000 |
| | Provision for long-term investments | | (324,125,039,100) | (402,019,961,800) |
| | TOTAL | | 3,597,096,565,974 | 3,664,325,227,018 |

14.1 Investments in subsidiaries

| Currency: VND | | | | | | |
|--|-------------------|---------------|--------------------------|-------------------|---------------|--------------------------|
| | 30 June 2017 | | | 31 December 2016 | | |
| | % of voting right | No. of shares | Net book value (VND) | % of voting right | No. of shares | Net book value (VND) |
| Trang Cat Urban Development One Member Company Limited | 100% | - | 1,500,000,000,000 | 100% | - | 1,500,000,000,000 |
| Northwest Saigon city Development Corporation | 74.5% | 30,259,574 | 662,066,314,000 | 63.52% | 30,259,574 | 662,066,314,000 |
| Saigon - Hai Phong Industrial Park Corporation | 86.54% | 3,600,000 | 468,000,000,000 | 86.54% | 3,600,000 | 468,000,000,000 |
| Saigon - Bacgiang Industrial Park Corporation | 79.50% | 1,309,000 | 119,000,000,000 | 79.50% | 1,309,000 | 119,000,000,000 |
| Lotus Hotel Development One Member Limited Company (*) | - | - | - | 100% | - | 145,123,583,744 |
| TOTAL | | | 2,749,066,314,000 | | | 2,894,189,897,744 |
| Provision for impairment of investment in subsidiaries | | | - | | | - |
| NET | | | 2,749,066,314,000 | | | 2,894,189,897,744 |

Detailed information on subsidiaries as at 30 June 2017 is presented in Note 1.

(*) During the year, the Company has transferred total shares of Lotus Hotel Development One Member Limited Company to Growing Sun., JSC. Interest income arising from this transfer is VND 354.8 billion, as presented in Note 21.2.

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

14. LONG-TERM INVESTMENTS (continued)

14.2 Investments in associates

Currency: VND

| | Note | % of voting right | 30 June 2017 | | 31 December 2016 | |
|--|-------|-------------------------|------------------|-------------------------------|------------------|-------------------------------|
| | | | No. of shares | Net book value (VND) | No. of shares | Net book value (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 | | | | <u>(284,411,895,424)</u> | | <u>(362,306,818,124)</u> |
| NET | | | | <u>439,243,195,650</u> | | <u>361,348,272,950</u> |

(i) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established in 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 is the 13th amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND 740 billion. Its principal activities include trading computer, 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, Vietnam.

(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 of 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.

The Company is located at No 15, Nguyen Hue Street, Hue city, Viet Nam.

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

14. LONG-TERM INVESTMENTS (continued)

14.2 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 center 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, Viet Nam.

(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 VND31.69 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.

14.3 Other long-term investments

Currency: VND

| | 30 June 2017 | | | 31 December 2016 | | |
|--|-------------------|------------------|--------------------------------|-------------------|------------------|--------------------------------|
| | % of voting right | Number of shares | Historical cost and Book value | % of voting right | Number of shares | Historical cost and 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 Power Plant Investment and Development 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 |
| TOTAL | | | 448,500,200,000 | | | 448,500,200,000 |
| Provision for other long-term investments | | | (39,713,143,676) | | | (39,713,143,676) |
| NET CARRYING VALUE | | | 408,787,056,324 | | | 408,787,056,324 |

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

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

Currency: VND

| | 30 June 2017 | | 31 December 2016 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Amount | Amount payable | Amount | Amount payable |
| Trong Cuong Limited Company | 7,435,002,641 | 7,435,002,641 | 2,479,560,679 | 2,479,560,679 |
| Truong Phat Investment JSC | 1,962,543,400 | 1,962,543,400 | 11,760,407,600 | 11,760,407,600 |
| Trung Tien Transportation and Construction JSC | 1,994,344,800 | 1,994,344,800 | 9,363,043,000 | 9,363,043,000 |
| Hanoi Construction No.1 JSC | 965,838,250 | 965,838,250 | 2,317,260,652 | 2,317,260,652 |
| HPN Electronic and Construction Limited Company | 347,579,500 | 347,579,500 | 5,064,630,000 | 5,064,630,000 |
| BlueScope Buildings Vietnam Limited Company | - | - | 4,870,800,000 | 4,870,800,000 |
| Other suppliers | 9,895,321,198 | 9,895,321,198 | 17,793,897,198 | 17,793,897,198 |
| TOTAL | 22,600,629,789 | 22,600,629,789 | 53,649,599,129 | 53,649,599,129 |

15.2 Advances from customers

Currency: VND

| | 30 June 2017 | 31 December 2016 |
|--|------------------------|------------------------|
| Deposit for contract obligation | - | 450,000,000,000 |
| Deposit for contract obligation related to projects of the Company | 213,023,654,200 | 261,836,098,200 |
| Other advances from customers | 2,090,714,335 | 1,327,454,130 |
| TOTAL | 215,114,368,535 | 713,163,552,330 |

16. STATUTORY OBLIGATIONS

Currency: VND

| | 31 December 2016 | Payable for the period | Payment made in the period | 30 June 2017 |
|----------------------------------|------------------------|------------------------|----------------------------|------------------------|
| Corporate income tax (Note 26.1) | 84,503,484,676 | 136,676,251,800 | (90,122,278,380) | 131,057,458,096 |
| Value added tax | 18,938,548,006 | 6,890,520,638 | (1,576,297,566) | 24,252,771,078 |
| Personal income tax | 117,943,778 | 1,683,926,406 | (1,595,802,184) | 206,068,000 |
| Other taxes | 1,332,982,268 | 347,995,461 | (1,334,615,554) | 346,362,175 |
| TOTAL | 104,892,958,728 | 145,598,694,305 | (94,628,993,684) | 155,862,659,349 |

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

17. ACCURED EXPENSES

| | <i>Currency: VND</i> | |
|--|-------------------------------|-------------------------------|
| | <i>30 June 2017</i> | <i>31 December 2016</i> |
| Short-term | | |
| Accrued future development cost for recognised sales | 132,870,204,414 | 187,846,470,702 |
| - Que Vo II Industrial Park | 82,721,792,544 | 137,339,779,736 |
| - Que Vo I Industrial Park | 50,148,411,870 | 50,506,690,967 |
| Accrued interest expenses | 9,170,507,362 | 4,470,193,703 |
| Accrued expenses to related parties (Note 27) | 27,440,636,756 | 16,088,372,329 |
| Other accrued expenses | 3,602,671,018 | 3,075,790,849 |
| TOTAL | <u>173,084,019,550</u> | <u>211,480,827,583</u> |
| Long-term | | |
| Accrued interest expenses (*) | 757,253,744,658 | 732,179,909,040 |
| Accrued expenses to related parties (Note 27) | 22,404,917,234 | 20,454,395,541 |
| TOTAL | <u>779,658,661,892</u> | <u>752,634,304,581</u> |

(*) This mainly pertains to bond interest expenses payable to PVcomBank. PVcomBank issued an amendment to revise the payment terms for the bond principal and interest. Accordingly, these bond interests will be matured in 2019 (Note 19.2).

18. OTHER PAYABLES

| | <i>Currency: VND</i> | |
|--|------------------------------|------------------------------|
| | <i>30 June 2017</i> | <i>31 December 2016</i> |
| Short-term | | |
| Other payables from related parties (Note 27) | 38,889,529,811 | - |
| Mr. Nguyen Son (i) | - | 78,613,649,508 |
| Payables deposit for Phuc Ninh contract obligation execution | 9,721,717,550 | 5,500,000,000 |
| Other payables | 4,772,622,351 | 4,480,208,103 |
| | <u>53,383,869,712</u> | <u>88,593,857,611</u> |
| Long-term | | |
| Cholimex Mechatronics Informatics JSC (ii) | 55,500,000,000 | 55,500,000,000 |
| Other deposits | 6,450,580,036 | 6,450,580,036 |
| | <u>61,950,580,036</u> | <u>61,950,580,036</u> |

(i) This is payable related to the transfer of land use right to other customer.

(ii) In 2014, the Group received VND 55.5 billion from Cholimex Mechatronics Informatics JSC for the development of Phuc Ninh Urban Project in accordance with the Business Cooperation Contract No. 1004/HDHTKD-KBC/2014 dated 10 April 2014.

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

19. LOANS

| | 31 December 2016 | | Movement during the period | | 30 June 2017 | | Currency: VND |
|---|------------------------|------------------------|----------------------------|--------------------------|--------------------------|--------------------------|---------------|
| | Balance | Payable amount | Increase | Decrease | Balance | Payable amount | |
| | | | | | | | |
| Short-term | | | | | | | |
| Current portion of long-term loans (Note 19.1 and 19.2) | 599,609,888,742 | 599,609,888,742 | 10,000,000,000 | (449,609,888,742) | 160,000,000,000 | 160,000,000,000 | |
| Short-term loans from related parties (Note 27) | 221,456,330,000 | 221,456,330,000 | 72,000,000,000 | (10,784,744,768) | 282,671,585,232 | 282,671,585,232 | |
| | 821,066,218,742 | 821,066,218,742 | 82,000,000,000 | (460,394,633,510) | 442,671,585,232 | 442,671,585,232 | |
| Long-term | | | | | | | |
| Loans from related parties (Note 27) | 206,070,276,339 | 206,070,276,339 | - | (72,000,000,000) | 134,070,276,339 | 134,070,276,339 | |
| Long-term loans from bank (Note 19.1) | 40,126,337,400 | 40,126,337,400 | 107,062,569,350 | (19,953,160,718) | 127,235,746,032 | 127,235,746,032 | |
| Bonds (Note 19.2) | 300,000,000,000 | 300,000,000,000 | 500,000,000,000 | (8,303,030,303) | 791,696,969,697 | 791,696,969,697 | |
| TOTAL | 546,196,613,739 | 546,196,613,739 | 607,062,569,350 | (100,256,191,021) | 1,053,002,992,068 | 1,053,002,992,068 | |

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

19. LOANS (continued)

19.1 Long-term loans from bank

Details of long term loans from banks are as follows:

| Banks | Interest | Principal and interest repayment term | 30 June 2017 | Currency: VND | Collateral |
|--|-----------------|--|----------------|---------------|---|
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo Industrial Park branch | 10.5% per annum | Loan principal is repaid in every 6 months. Interest shall be paid on the last 25th of each quarter. | 36,980,678,000 | | Factory in Lot L at Que Vo II Industrial Park and all assets attached with the land which will be formed in the future and asset rights arising from business contracts (Factory in Lot L leasing/sale contract). |
| <i>In which: Current portion of long-term loan</i> | | | 10,000,000,000 | | |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch | 10.5% per annum | Loan principal is repaid on 27 May 2018. Interest shall be paid every 3 months from 27 February 2017 | 30,342,045,200 | | All the assets formed in the future of the 100 hecta project in Phase 1 of Nam Son - Hap Linh Industrial park; along with the properties rights arising from the economic contracts for trading of infrastructure, land and other attached properties of this project. |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch | 10.5% per annum | Loan principal is repaid on 16 November 2022. | 69,913,022,832 | | All assets formed from 83.8 hecta area infrastructure development of Que Vo II Industrial Park and the properties rights arising from the economic contracts for trading of infrastructure, land and other attached properties of 83.8 hecta area in Que Vo II Industrial Park. |

TOTAL

In which:

Current portion of long term loans
Long-term loans

137,235,746,032

10,000,000,000
127,235,746,032

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

19. LOANS (continued)

19.2 Bonds

As at 30 June 2017, bonds issued by the Company are as follows:

| <i>Bond</i> | <i>Type of bond</i> | <i>Number of bonds</i> | <i>Par value VND</i> | <i>Amount (VND)</i> | <i>Interest rate per annum</i> | <i>Duration</i> | <i>Description of collateral</i> |
|--|---|------------------------|----------------------|------------------------|--------------------------------|------------------|--|
| KBC Bond 004 | Corporate bond issued to PVcomBank | 4,000,000 | 100,000 | 400,000,000,000 | 9.70% | 31 October 2019 | Inventories of Trang Cat Urban and Service Zone Project. |
| KBC Bond2017 | Corporate bond issued to counterparties | 5,000,000 | 100,000 | 500,000,000,000 | 10.50% | 8 November 2018 | Mortgaged by shares of Saigon - Hai Phong Industrial Park Corporation. |
| | <i>Bond issuance expense</i> | | | <i>(8,303,030,303)</i> | | | |
| KBC Bond 007 | Corporate bond issued to PVcomBank | 500,000 | 100,000 | 50,000,000,000 | 9.70% | 31 December 2017 | Inventories of Trang Cat Urban and Service Zone Project. |
| TOTAL | | 9,500,000 | | 941,696,969,697 | | | |
| <i>In which:</i> | | | | | | | |
| <i>Long-term bonds</i> | | | | 791,696,969,697 | | | |
| <i>Bonds due in the next 12 months</i> | | | | 150,000,000,000 | | | |

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

Currency: VND

| | Contributed capital | Share premium | Treasury shares | Investment and development fund | Undistributed earnings | Total |
|--|------------------------|------------------|--------------------|---------------------------------------|---------------------------|-------------------|
| 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 |
| For the six-month period ended 30 June 2017 | | | | | | |
| As at 31 December 2016 | 4,757,111,670,000 | 988,533,430,000 | (364,466,650,000) | 2,223,693,823 | 948,385,931,572 | 6,331,788,075,394 |
| - Net profit for the period | - | - | - | - | 542,988,501,313 | 542,988,501,312 |
| As at 30 June 2017 | 4,757,111,670,000 | 988,533,430,000 | (364,466,650,000) | 2,223,693,823 | 1,491,374,432,885 | 6,874,776,576,708 |

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

20. OWNERS' EQUITY (continued)

20.2 Contributed charter capital

Currency: VND

| | 30 June 2017 | | | 31 December 2016 | | |
|------------------------------|--------------------------|--------------------------|-------------------|--------------------------|--------------------------|-------------------|
| | Total | Ordinary shares | Preference shares | Total | Ordinary shares | Preference shares |
| Contribution 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 | - |

20.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

| | For the six-month period ended 30 June 2017 | For the six-month period ended 30 June 2016 |
|------------------------------|---|---|
| Contributed capital | | |
| Beginning balance | 4,757,111,670,000 | 4,757,111,670,000 |
| Increase | - | - |
| Ending balance | <u>4,757,111,670,000</u> | <u>4,757,111,670,000</u> |
| Dividends/profit paid | - | - |

20.4 Shares

| | 30 June 2017 | | 31 December 2016 | |
|----------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| | 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 |
| Preferred 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 |
| Preferred 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 (2016: VND10,000/share).

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

21. REVENUES

21.1 Revenue from sales of goods and rendering of services

| | <i>Currency: VND</i> | |
|---|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Gross revenue | 301,566,366,973 | 271,263,872,868 |
| <i>Of which:</i> | | |
| Revenue from transfer of project | - | 218,749,608,000 |
| Revenue from transfer of real estate | 193,573,945,458 | - |
| Revenue from long-term lease of land and infrastructures | 62,990,755,555 | 16,861,377,626 |
| Revenue from supply of clean water, electricity, management service, waste water treatment supply | 38,381,407,652 | 35,652,887,242 |
| Sale of factories | 6,620,258,308 | - |
| Revenue deductions | - | - |
| Sales return | - | - |
| Net revenue | <u>301,566,366,973</u> | <u>271,263,872,868</u> |

21.2 Finance income

| | <i>Currency: VND</i> | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Gain from transfer of financial investments (i) | 354,868,000,000 | 1,826,656,294 |
| Interest income from deposits and lending (ii) | 96,278,253,498 | 91,264,885,696 |
| Interest income on outstanding receivables from share transfer contract (iii) | 21,199,544,368 | - |
| Interest income on outstanding receivables from long-term lease of land and sale of factories (iv) | 9,528,614,628 | 14,322,329,194 |
| Unrealised foreign exchange gains | - | 6,491,902 |
| TOTAL | <u>481,874,412,494</u> | <u>107,420,363,086</u> |

- (i) This is interest income arising from the transfer of Lotus Hotel Development One Member Limited Company to Growing Sun JSC as stated in note 14.1.
- (ii) This mainly comprises interest income from Loan contract No. 0207/2012/HDV-TCC dated 2 July 2012 and Notification dated 2 January 2016 about the interest rate of the year 2016 between Trang Cat Urban Development One Member Limited Company and the Company, with interest rate of 9.6% per annum.
- (iii) This mainly pertains to interest income on receivables from Kinh Bac Service JSC under the share transfer contract of Sai Gon - Binh Dinh Energy JSC.
- (iv) This pertains mainly to interest income on receivables from Kinh Bac Service JSC under the contracts for long-term lease of land and sale of factories.

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

22. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
|---|--|--|
| Cost of transfer of project | - | 23,945,143,067 |
| Cost of transfer of real estate | 67,331,441,737 | - |
| Cost of service provided | 15,066,869,504 | 11,943,287,659 |
| Cost of long-term leased land and infrastructures | 5,017,079,199 | - |
| Cost of leased warehouses, factories and offices | 3,483,787,248 | - |
| TOTAL | <u>90,899,177,688</u> | <u>35,888,430,726</u> |

Included in costs of sold properties are the following accruals:

Currency: VND

| | <i>For the six-month period ended 30 June 2017</i> | | <i>For the six-month period ended 30 June 2016</i> | |
|---|--|---------------------------|--|-----------------------|
| | <i>Cost of sales</i> | <i>Accrued amount</i> | <i>Cost of sales</i> | <i>Accrued amount</i> |
| Long-term lease of land with infrastructure | 5,017,079,199 | 649,536,806 | - | - |
| TOTAL | <u>5,017,079,199</u> | <u>649,536,806</u> | <u>-</u> | <u>-</u> |

23. FINANCE EXPENSES

Currency: VND

| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
|---|--|--|
| Loan interest | 49,996,910,347 | 52,707,321,884 |
| (Reversal of provision)/provision for long-term investments | (77,866,826,770) | 44,483,881,662 |
| Other finance expenses | 627,178,120 | 138,754,956 |
| TOTAL | <u>(27,242,738,303)</u> | <u>97,329,958,502</u> |

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

24. GENERAL AND ADMINISTRATIVE EXPENSES AND SELLINGS EXPENSES

| | <i>Currency: VND</i> | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| General and administrative expenses | | |
| Depreciation | 2,077,447,601 | 2,557,213,316 |
| Labour costs | 17,481,396,245 | 12,968,198,268 |
| External expenses | 9,681,034,590 | 6,121,469,068 |
| Others | 6,021,736,739 | 2,162,744,403 |
| TOTAL | 35,261,615,175 | 23,809,625,055 |
| Selling expenses | | |
| Legal consultant and brokerage expenses | 4,552,086,865 | 4,108,305,560 |
| Labour cost | 1,039,192,000 | 1,540,818,027 |
| Others | - | 20,959,566 |
| TOTAL | 5,591,278,865 | 5,670,083,153 |

25. PRODUCTION AND OPERATING COSTS

| | <i>Currency: VND</i> | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Land, infrastructures, buildings development and services rendering expenses | 68,076,102,799 | 18,056,204,007 |
| Expenses for external services | 21,429,937,472 | 22,173,062,287 |
| Labour cost | 19,637,323,245 | 15,371,586,625 |
| Depreciation of fixed assets | 10,634,234,520 | 7,596,552,500 |
| Other expenses | 11,974,473,692 | 2,170,733,515 |
| TOTAL | 131,752,071,728 | 65,368,138,934 |

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

26. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company is 20% of taxable income except for the followings:

For the operating activities at Que Vo I Industrial Park, the Company is obliged to pay Corporate Income Tax ("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 nine years until 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2017 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 seven years from 2011 to 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2017 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 three years from 2005 to 2007, and a 50% reduction of the applicable CIT rate for the following seven years from 2008 to 2014. The statutory CIT rate applicable for the six-month period ended 30 June 2017 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 later upon final determination by the tax authorities.

26.1 CIT expenses

| | <i>Currency: VND</i> | |
|----------------------|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Current CIT expenses | 136,676,251,800 | 44,257,843,338 |
| Deferred CIT income | (104,030,126) | (104,030,126) |
| TOTAL | <u>136,572,221,674</u> | <u>44,153,813,212</u> |

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

26. CORPORATE INCOME TAX (continued)

26.1 CIT expenses (continued)

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

| | <i>Currency: VND</i> | |
|---|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Profit before tax | 679,560,722,986 | 220,435,623,906 |
| CIT expenses at rates applicable to companies in the Group | 135,912,144,597 | 44,087,124,781 |
| <i>In which:</i> | | |
| <i>Preferential tax rates applied to land rental activities</i> | - | - |
| <i>20% tax rate to other activities</i> | 135,912,144,597 | 44,087,124,781 |
| Other increase | | |
| Non-deductible expenses | 659,766,396 | 65,758,435 |
| Loss incurred by branch | 310,681 | 929,996 |
| CIT expenses | <u>136,572,221,674</u> | <u>44,153,813,212</u> |

26.2 Current CIT

The current tax payable is based on taxable income for the period. The taxable income 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 balance sheet date.

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

26. CORPORATE INCOME TAX (continued)

26.3 Deferred CIT

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

Currency: VND

| | <i>Interim separate balance sheet</i> | | <i>Interim separate income statement</i> | |
|--|---------------------------------------|-------------------------|--|--|
| | <i>30 June 2017</i> | <i>31 December 2016</i> | <i>for the six-month period ended 30 June 2017</i> | <i>for the six-month period ended 30 June 2016</i> |
| Deferred tax liabilities | | | | |
| Deferred tax liabilities arising from allocation of CIT over the lease term of Que Vo II | 38,234,501,444 | 38,338,531,570 | 104,030,126 | 104,030,126 |
| | 38,234,501,444 | 38,338,531,570 | | |
| Net deferred income tax credit to the interim separate income statement | | | 104,030,126 | 104,030,126 |

26.4 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 2017, 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 2017</i> | <i>Forfeited</i> | <i>Unutilized at 30 June 2017</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) | 7,252,824 | - | - | 7,252,824 |
| 2017 | 2022 | (ii) | 1,553,411 | - | - | 1,553,411 |
| TOTAL | | | 286,613,839,518 | (273,162,081,544) | (13,358,056,421) | 93,701,553 |

- (i) Tax loss as per Company's corporate income tax finalization.
- (ii) Estimated tax loss as per 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 due to cannot estimate future taxable income at this time.

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

27. 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 One Member Limited Company | 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 purchase and rendering of services from/to related parties are made on contractual basis.

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

| Related party | Description | Currency: VND | |
|--|---------------------------------------|---|---|
| | | For the six-month period ended 30 June 2017 | For the six-month period ended 30 June 2016 |
| Saigon - Hai Phong Industrial Park Corporation | Loan from related party | - | 72,000,000,000 |
| | Loan principal repayment | 9,284,744,768 | - |
| | Interest expense | 13,984,342,103 | 12,278,967,733 |
| Saigon - Bacgiang Industrial Park Corporation | Receive payment of loan principal | 60,000,000,000 | - |
| | Loan to related party | 30,000,000,000 | - |
| | Receivable of KBCbond005 interest fee | 9,232,378,133 | 16,980,486,113 |
| | Payment of principal | - | 10,600,000,000 |
| | Receivable of KBCbond005 guarantee | - | 1,286,083,333 |
| Trang Cat Urban Development One Member Limited Company | Receivable of bond interest | 90,583,786,959 | 91,004,354,447 |
| | Loan to related party | 1,900,000,000 | - |

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

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

| <i>Related party</i> | <i>Description</i> | <i>Currency: VND</i> | |
|---------------------------------|-------------------------------------|--|--|
| | | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Mr. Dang Thanh Tam | Advance | 53,166,986,733 | 13,679,289,000 |
| | Advance clearance | 182,358,000 | 18,289,115,088 |
| | Payment of long-term loan principal | - | 29,287,707,175 |
| | Receive of long-term loan | - | 33,136,871,057 |
| | Offset advance and other payables | 81,220,470,189 | - |
| | | | |
| Mr. Phan Anh Dung | Sale of land | 3,600,000,000 | - |
| | Receive from sale of land | 3,420,000,000 | - |
| Sai Gon- Da Nang Investment JSC | Loan principal repayment | 1,500,000,000 | - |

As at 30 June 2017, amount due from and to related parties of the Company are follows:

| <i>Related party</i> | <i>Description</i> | <i>Currency: VND</i> | |
|---|------------------------------------|----------------------|-------------------------|
| | | <i>30 June 2017</i> | <i>31 December 2016</i> |
| Short-term loan receivables (Note 7) | | | |
| Saigon - Bacgiang Industrial Park Corporation (*) | Loan receivable under KBC Bond 005 | - | 111,416,320,811 |
| | | | 111,416,320,811 |

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 30 June 2017, amount due from and to related parties of the Company are follows:

| <i>Related party</i> | <i>Description</i> | <i>30 June 2017</i> | <i>31 December 2016</i> |
|---|---|---------------------------------|---------------------------------|
| <i>Long-term loan receivables (Note 7)</i> | | | |
| Trang Cat Urban Development One Member Limited Company (**) | Loan receivable | 1,903,032,633,533 | 1,901,132,633,533 |
| Saigon - Bacgiang Industrial Park Corporation (*) | Loan receivable (for KBCbond 005) | 104,172,091,642 | - |
| | | <u>2,007,204,725,175</u> | <u>1,901,132,633,533</u> |
| <i>Other short-term receivables (Note 8)</i> | | | |
| Saigon - Bacgiang Industrial Park Corporation | Interest and fee under KBC Bond 005 | - | 14,975,083,332 |
| Mr. Dang Thanh Tam | Advance | - | 28,235,841,456 |
| Mrs. Nguyen Thi Thu Huong | Advance | 3,489,211,820 | 3,489,211,820 |
| Mr. Phan Anh Dung | Advance | 110,000,000 | 110,000,000 |
| | | <u>3,599,211,820</u> | <u>46,810,136,608</u> |
| <i>Other long-term receivables (Note 8)</i> | | | |
| Saigon - Bacgiang Industrial Park Corporation | Loan interest | 1,451,690,634 | - |
| Trang Cat Urban Development One Member Limited Company | Loan interest, other construction in progress | 445,884,215,032 | 355,300,428,072 |
| | | <u>447,335,905,666</u> | <u>355,300,428,072</u> |

(*) These are loan receivables with interest ranging from 9.6% to 10.5% per annum and will be due on 8 November 2018 and 10 May 2019.

(**) On 2 July 2015, the Company signed Appendix no 0207/2015/KBC-TCC/PL3 with Trang Cat One Member Urban Development Company Limited about modifying the original value of suffering interest loans, accordingly, the actual principal balance and the loan interest rate of each 6-month period shall be notified in writing by Trang Cat Urban Development One Member Limited Company. Loan interest for the six-month period ended 30 June 2017 is 9.6% per annum.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 30 June 2017, amount due from and to related parties of the Company are as follows
(continued):

| Related party | Description | 30 June 2017 | Currency: VND | |
|--|-----------------------------------|------------------------|------------------------|--|
| | | | 31 December 2016 | |
| Short-term accrued expenses (Note 17) | | | | |
| Saigon - Hai Phong Industrial Park Corporation | Loan interest payable | 26,901,448,772 | 15,582,883,594 | |
| Saigon High-tech Park Infrastructure Development Investment Joint Stock Company | Loan interest payable | 539,187,984 | 505,488,735 | |
| | | 27,440,636,756 | 16,088,372,329 | |
| Long-term accrued expenses (Note 17) | | | | |
| Saigon - Hai Phong Industrial Park Corporation | Loan interest payable | 22,404,917,234 | 20,454,395,541 | |
| | | 22,404,917,234 | 20,454,395,541 | |
| Other payables (Note 18) | | | | |
| Mr. Dang Thanh Tam | Other payables | 38,889,529,811 | - | |
| | | 38,889,529,811 | - | |
| Short-term loans (Note 19) | | | | |
| Saigon - Hai Phong Industrial Park Corporation (i) | Short-term loan | 170,340,755,232 | 107,625,500,000 | |
| 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 loan | - | 1,500,000,000 | |
| | | 282,671,585,232 | 221,456,330,000 | |
| Long-term loans (Note 19) | | | | |
| Saigon - Hai Phong Industrial Park Corporation (iii) | Long-term loan | 134,070,276,339 | 206,070,276,339 | |
| | | 134,070,276,339 | 206,070,276,339 | |

(i) This is the short-term loan from Saigon - Hai Phong Industrial Park Corporation bearing interest rate of 8 - 9.6% per annum and will be due on 9 May 2018.

(ii) This is the short-term loan from Saigon High-tech Park Infrastructure Development Investment Joint Stock Company bearing rate of 0,01% per month and will be due on 30 June 2017.

(iii) This is the long-term loan from Saigon - Hai Phong Industrial Park Corporation bearing interest rate of 9.6% per annum and will be due on 4 August 2018.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued):

Transactions with other related parties

Remuneration to members of the management and Board of Directors:

| | <i>Currency: VND</i> | |
|--------------------|--|--|
| | <i>For the six-month period ended 30 June 2017</i> | <i>For the six-month period ended 30 June 2016</i> |
| Salaries and bonus | 5,352,483,000 | 2,960,658,666 |
| | <u>5,352,483,000</u> | <u>2,960,658,666</u> |

28. COMMITMENTS AND CONTINGENCIES

28.1 Commitments relating to real estate investment projects

Commitments relating to the State

- (i) 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 notices of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2017, the Company is still in the process of completing the land use fee settlement to the People's Committee of Bac Ninh province for the above assigned land.
- (ii) From 2003 to 2014, the Company signed several 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. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date the project is completed and put into operation. As at 30 June 2017, the Company is still in the process of finalizing land use payments with the Bac Ninh Provincial People's Committee for the above-mentioned land areas under the Land Law No. 45/2013/QH2013 dated 1 July 2014 by the National Assembly and Decree 135/2016/ND-CP dated 9 September 2016 by the Government with effect from 15 November 2016 and relevant regulations on collection land use right fees.
- (iii) As at 10 June 2015, the Company signed land lease agreement with the Bac Ninh Provincial People's Committee for the land area of 766,858.9 m² assigned at Nam Son - Hap Linh Industrial Park. As at 30 June 2017, the Company is still in the process of working with the authority to determine land lease obligation.

Capital expenditure commitments

As at 30 June 2017, the Company entered into contractual agreements related to the construction and development of the Que Vo I Industrial Park, Que Vo II Industrial Park and Phuc Ninh New Urban area, Nam Son - Hap Linh with a total value of approximately VND 140.35 billion.

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

28. COMMITMENTS AND CONTINGENCIES (continued)

28.2 *Guarantee and security*

Under the Agreement to extend the bond period dated 27 December 2014 between the Company and Joint Stock Commercial 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.

28.3 *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 BALANCE SHEET DATE

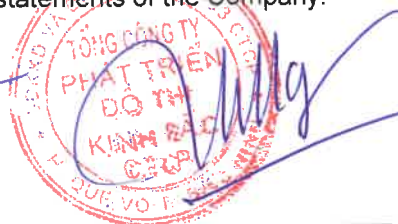
There is no matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the interim separate financial statements of the Company.



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director
and Chief Accountant



Nguyễn Thị Thu Hương
Tổng Giám đốc

19 August 2017

