

KinhBac City Development Holding Corporation

Interim separate financial statements

30 June 2018



KinhBac City Development Holding Corporation

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KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the 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 issued by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, construct and trade 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.

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. Nguyen Vinh Tho	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member

BOARD OF SUPERVISION

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

Ms. Nguyen Bich Ngoc	Head of Board of Supervision
Ms. The Thi Minh Hong	Member
Mr. Tran Tien Thanh	Member

MANAGEMENT

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

Ms. Nguyen Thi Thu Huong	General Director
Mr. Phan Anh Dung	Deputy General Director
Mr. Pham Phuc Hieu	Deputy General Director and Chief Accountant
Ms. 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 2018.

AUDITORS

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

KinhBac City Development Holding Corporation

REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation (“the Company”) is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2018.

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 2018 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

The Company has the subsidiaries as disclosed in the financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2018 on 29 August 2018. Users of the separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.

For and on behalf of management:



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

29 August 2018

HHK M.C.

Reference: 60774739/20160678-LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the accompanying interim separate financial statements of KinhBac City Development Holding Corporation ("the Company") as prepared on 29 August 2018 and set out on pages 6 to 51, which comprise the interim separate balance sheet as at 30 June 2018, 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 2018, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the 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 2018 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 29 August 2018 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





Le Thi Tuyet Mai
Deputy General Director
Audit Practising Registration
Certificate No. 1575-2018-004-1

Hanoi, Vietnam

29 August 2018

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2018

Currency: VND

Code	ASSETS	Notes	30 June 2018	31 December 2017
100	A. CURRENT ASSETS		4,168,038,813,435	3,797,304,294,711
110	I. Cash and cash equivalents	4	273,608,957,406	199,497,701,139
111	1. Cash		260,856,888,200	187,031,133,731
112	2. Cash equivalents		12,752,069,206	12,466,567,408
120	II. Short-term investments	5	1,007,697,020	1,007,697,020
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(6,482,764,349)	(6,482,764,349)
130	III. Current accounts receivable		2,415,232,904,988	2,107,737,214,929
131	1. Short-term trade receivables	6.1	632,609,974,187	566,602,921,844
132	2. Short-term advances to suppliers	6.2	788,264,821,814	665,070,811,114
135	3. Short-term loan receivables	7	79,903,826,743	9,224,422,198
136	4. Other short-term receivables	8	921,788,262,894	874,173,040,423
137	5. Provision for doubtful short-term receivables	6.3	(7,333,980,650)	(7,333,980,650)
140	IV. Inventories	9	1,419,884,063,544	1,449,662,956,660
141	1. Inventories		1,419,884,063,544	1,449,662,956,660
150	V. Other current assets		58,305,190,477	39,398,724,963
151	1. Short-term prepaid expenses	10	58,279,784,926	39,380,270,665
152	2. Value-added tax deductible		25,405,551	18,454,298

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

Currency: VND

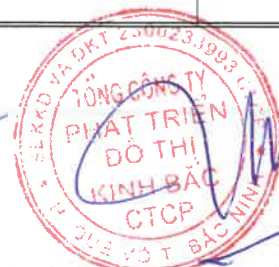
Code	ASSETS	Notes	30 June 2018	31 December 2017
200	B. NON-CURRENT ASSETS		6,989,097,164,262	7,033,862,039,634
210	I. Long-term receivables		3,169,254,148,988	3,213,714,345,983
211	1. Long-term trade receivables	6.1	434,546,048	26,434,546,048
215	2. Long-term loan receivables	7	1,911,832,633,533	1,972,512,038,078
216	3. Other long-term receivables	8	1,256,986,969,407	1,214,767,761,857
220	II. Fixed assets		91,914,801,703	85,006,944,846
221	1. Tangible fixed assets	11	91,914,801,703	85,006,944,846
222	Cost		201,601,383,999	186,626,386,375
223	Accumulated depreciation		(109,686,582,296)	(101,619,441,529)
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		58,469,267,519	61,406,340,710
231	1. Cost	13	68,999,672,137	68,431,657,532
232	2. Accumulated depreciation		(10,530,404,618)	(7,025,316,822)
240	IV. Long-term assets in progress	12	22,126,716,540	17,341,391,085
242	1. Construction in progress		22,126,716,540	17,341,391,085
250	V. Long-term investments	14	3,646,866,412,374	3,655,726,412,374
251	1. Investment in subsidiaries	14.1	2,859,706,314,000	2,858,566,314,000
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	14.2, 14.3	(384,995,192,700)	(374,995,192,700)
260	VI. Other long-term assets		465,817,138	666,604,636
261	1. Long-term prepaid expenses	10	465,817,138	666,604,636
270	TOTAL ASSETS		11,157,135,977,697	10,831,166,334,345

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

Currency: VND

Code	ASSETS	Notes	30 June 2018	31 December 2017
300	C. LIABILITIES		4,051,730,535,352	3,931,198,842,127
310	i. Current liabilities		2,463,924,553,481	1,876,766,257,285
311	1. Short-term trade payables	15.1	54,066,693,168	55,803,092,288
312	2. Short-term advances from customers	15.2	220,248,679,295	226,431,260,573
313	3. Statutory obligations	16	43,191,903,402	116,500,702,288
315	4. Short-term accrued expenses	17	169,390,705,911	194,537,319,254
318	5. Short-term unearned revenues		3,188,542,964	-
319	6. Other short-term payables	18	452,747,081,872	325,790,716,834
320	7. Short-term loans	19	1,516,767,567,536	953,379,786,715
322	8. Bonus and welfare fund		4,323,379,333	4,323,379,333
330	ii. Non-current liabilities		1,587,805,981,871	2,054,432,584,842
333	1. Long-term accrued expenses	17	792,333,196,711	777,902,785,752
337	2. Other long-term liabilities	18	63,025,083,268	61,950,580,036
338	3. Long-term loans	19	693,469,292,738	1,175,496,779,774
341	4. Deferred tax liabilities	26.3	38,026,441,192	38,130,471,318
342	5. Long-term provisions		951,967,962	951,967,962
400	D. OWNERS' EQUITY		7,105,405,442,345	6,899,967,492,218
410	i. Capital	20	7,105,405,442,345	6,899,967,492,218
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		1,722,003,298,522	1,516,565,348,395
421a	- Undistributed earnings up to end of prior year		1,516,565,348,395	948,385,931,572
421b	- Undistributed earnings of current period		205,437,950,127	568,179,416,823
440	TOTAL LIABILITIES AND OWNERS' EQUITY		11,157,135,977,697	10,831,166,334,345


Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief AccountantNguyen Thi Thu Huong
General Director


29 August 2018

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
01	1. Revenue from sale of goods and rendering of services	21.1	458,390,628,146	301,566,366,973
02	2. Deductions	21.1	-	-
10	3. Net revenue from sale of goods and rendering of services	21.1	458,390,628,146	301,566,366,973
11	4. Cost of goods sold and services rendered	22	(148,804,058,758)	(90,899,177,688)
20	5. Gross profit from sale of goods and rendering of services		309,586,569,388	210,667,189,285
21	6. Finance income	21.2	124,231,746,374	481,874,412,494
22	7. Finance expenses	23	(119,913,998,920)	27,242,738,303
23	In which: Interest expenses		(109,577,178,714)	(49,996,910,347)
25	8. Selling expenses	24	(13,749,463,072)	(5,591,278,865)
26	9. General and administrative expenses	24	(41,987,101,165)	(35,261,615,175)
30	10. Operating profit		258,167,752,605	678,931,446,042
31	11. Other income		200,000,000	629,621,245
32	12. Other expenses		(1,081,462,000)	(344,300)
40	13. Other (loss)/profit		(881,462,000)	629,276,945
50	14. Accounting profit before tax		257,286,290,605	679,560,722,987
51	15. Current corporate income tax expenses	26.1	(51,952,370,604)	(136,676,251,800)
52	16. Deferred tax income	26.3	104,030,126	104,030,126
60	17. Net profit after tax		205,437,950,127	542,988,501,313


Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief Accountant

Nguyen Thi Thu Huong
General Director

29 August 2018

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		257,286,290,605	679,560,722,987
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets		11,572,228,563	10,634,234,520
03	Provision/(reversal of provision)		10,000,000,000	(77,867,883,770)
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		-	1,610,154
05	Profits from investing activities		(124,231,746,374)	(482,293,395,160)
06	Interest expenses	23	109,577,178,714	49,996,910,347
08	Operating profit before changes in working capital		264,203,951,508	180,032,199,078
09	Increase in receivables		(129,306,271,093)	(16,627,498,210)
10	Decrease in inventories		24,993,567,661	54,212,173,778
11	Increase/(decrease) in payables (other than interest, corporate income tax)		129,032,931,417	(150,644,136,925)
12	Increase in prepaid expenses		(18,698,726,763)	(7,309,648,264)
14	Interest paid		(90,244,613,879)	(19,206,208,348)
15	Corporate income tax paid		(140,300,000,000)	(90,122,278,380)
20	Net cash flows from/(used in) operating activities		39,680,838,851	(49,665,397,271)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long- term assets		(29,599,449,519)	(3,435,436,300)
22	Proceeds from disposals of fixed assets and other long- term assets		-	780,000,000
23	Loan to other entities and payment for purchase of debt instruments of other entities		(10,000,000,000)	(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		(1,140,000,000)	(1,354,868,000,000)
26	Proceeds from sale of investments in other entities		-	1,404,868,000,000
27	Interest and dividends received		495,573,150	113,128,727
30	Net cash flows (used in)/from investing activities		(40,243,876,369)	26,019,387,819

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

Currency: VND

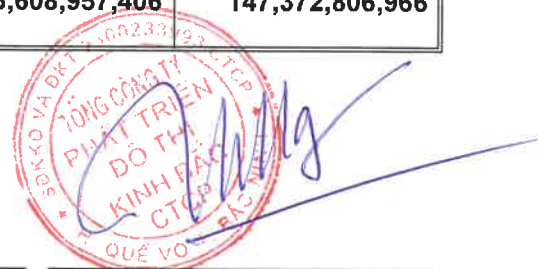
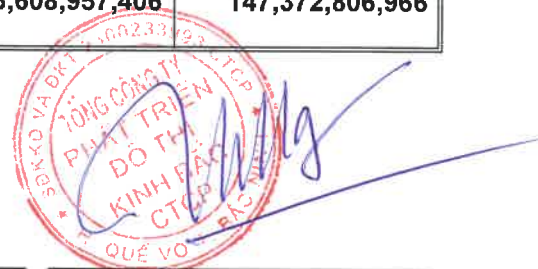
Code	ITEMS	Notes	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		80,174,293,785	607,062,569,350
34	Repayment of borrowings		(5,500,000,000)	(470,347,794,228)
40	Net cash flows from financing activities		74,674,293,785	136,714,775,122
50	Net increase in cash and cash equivalents for the period		74,111,256,267	113,068,765,670
60	Cash and cash equivalents at beginning of the period		199,497,701,139	34,304,041,296
70	Cash and cash equivalents at end of the period	4	273,608,957,406	147,372,806,966



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant

Nguyen Thi Thu Huong
General Director

29 August 2018

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

1. CORPORATE INFORMATION

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 issued by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, construct and trade 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 2018 was: 175 (31 December 2017: 180).

Corporate structure

At 30 June 2018, The Company has the following subsidiaries:

No	Company's name	Voting right (%)	Effective interest rate (%)	Head office	Main activities
1	Saigon - Bacgiang Industrial Park Corporation	80.8	77.93	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading industrial parks and 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 industrial parks and real estates
3	Northwest Saigon City Development Corporation	74.3	72.44	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh city	Investment, building and trading industrial parks and real estates
4	Trang Cat One Member Urban 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 industrial parks and real estates
5	NGD Investment One Member Company Limited	100	100	No. 100 An Trach Street, Quoc Tu Giam Ward, Dong Da District, Ha Noi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province	Investment, building and trading real estates

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

2. BASIS OF PREPARATION

2.1 Purpose of preparation the interim separate financial statements

KinhBac City Development Holding Corporation has the subsidiaries as disclosed in Note 1 and Note 14. 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 2018 on 29 August 2018.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, the interim consolidated results of operations and the 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 inventory 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 2018 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 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 properties*

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.

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

Factories	8 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 interim separate income statement in the period of retirement or disposal.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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 (from 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 subsequent to the date of acquisition are recognised in the interim separate income statement. Other distributions are considered a recovery of investment and are deducted to the cost of the investment.

Investment in associates

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognized in the 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 costs.

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

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the interim balance sheet date in accordance with the guidance under Circular No.228/2009/TT-BTC dated 7 December 2009 and Circular No.89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

Held-to-maturity investments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *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 accruals*

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 period for all employees who have been in service for more than 12 months up to 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 transaction exchange rates at the interim separate balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company 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 arisen from the transaction of monetary accounts denominated in foreign currency at interim separate balance sheet date are taken to the interim separate income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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 after approval 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 Company has passed significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

Sale of factories

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

Lease of factories

Revenue under operating lease of factories 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 customers, 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 2018 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition

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.

Sales 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.

Interest

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

Dividends

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

3.17 Cost of leased 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 2018 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 the interim separate financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each interim separate balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re assessed at each 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 2018 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.

3.20 Related parties

Parties are considered related parties of the Company if one party has the ability, by direct or indirect ways, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Cash on hand	6,299,123,950	7,244,852,857
Cash at banks	254,557,764,250	179,786,280,874
Cash equivalents (*)	12,752,069,206	12,466,567,408
TOTAL	<u>273,608,957,406</u>	<u>199,497,701,139</u>

(*) Cash equivalents as at 30 June 2018 mainly include short-term deposits at Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo Branch with term of 1 to 3 months which earn interest ranging rates from 4.3% to 4.8% per annum. (2017: 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Significant non-cash transactions that will have impact on the cash flow statement in the future:		
Transfer from debt to equity	-	-
Actual cash receipt from loans		
- Cash receipt from normal loan agreements	80,174,293,785	107,062,569,350
- Cash receipt from issuance of bonds	-	500,000,000,000
Actual cash payment of loans		
- Cash payment for normal loan agreements	5,500,000,000	20,347,794,228
- Cash payment for principal of bonds	-	450,000,000,000

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

5. SHORT-TERM INVESTMENTS

Currency: VND

	30 June 2018			31 December 2017		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Held-for-trading securities:						
Share (*)	7,490,461,369	1,007,697,020	(6,482,764,349)	7,490,461,369	1,007,697,020	(6,482,764,349)
TOTAL	7,490,461,369	1,007,697,020	(6,482,764,349)	7,490,461,369	1,007,697,020	(6,482,764,349)

(*) At 30 June 2018, 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 2018	31 December 2017
Short-term		
KCT Engineering Ltd (*)	218,749,608,000	218,749,608,000
Kinh Bac Service JSC (**)	171,453,774,208	171,453,774,208
Sai Gon Investment JSC (***)	104,130,000,000	104,130,000,000
Goldsun Packaging and Printing JSC	33,949,564,141	-
Vinh Giang Company	11,685,641,696	-
Hanwha Techwin Security Vietnam Co. Ltd	5,971,022,754	5,922,720,000
Receivables from land transfer at Phuc Ninh Urban Area	45,483,098,879	12,010,774,000
Phuc Son Technology One member Co., Ltd	-	22,517,550,000
Receivables from related parties (Note 27)	180,000,000	180,000,000
Other receivables	41,007,264,509	31,638,495,636
	632,609,974,187	566,602,921,844
Long-term		
Kinh Bac Service JSC (**)	434,546,048	26,434,546,048
	434,546,048	26,434,546,048

(*) This is the receivable related to the transfer of investment project about technological infrastructure of employees' house in Que Vo Industrial Zone in accordance with Transfer contract No. HĐCN - KBC/2016 dated 8 April 2016. Deposit receipt from this project is presented in Note 15.2.

(**) These are the short-term and long-term receivables from Kinh Bac Service JSC related to revenues 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 2019, bearing interest at 9% per annum.

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

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.2 Short-term advances to suppliers

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Kinh Bac Investment and Consulting JSC (i)	541,754,398,294	502,889,784,794
Kinh Bac Service JSC (i)	233,607,819,467	152,357,348,664
Cong Thanh Environment – Technology Co., Ltd	5,832,000,000	5,832,000,000
Others	7,070,604,053	3,991,677,656
TOTAL	<u>788,264,821,814</u>	<u>665,070,811,114</u>

(i) These are the advances to Kinh Bac Investment and Consulting JSC for the land clearance and compensation; and for construction works of certain on-going projects of the Company.

6.3 Provision for trade receivables

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Beginning balance	7,333,980,650	7,335,037,650
Other decreases	-	(1,057,000)
Ending balance	<u>7,333,980,650</u>	<u>7,333,980,650</u>
<i>In which:</i>		
<i>Provision for short-term receivables</i>	<i>6,833,980,650</i>	<i>6,833,980,650</i>
<i>Provision for loan receivables</i>	<i>500,000,000</i>	<i>500,000,000</i>

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

7. OTHER LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Other loan receivables from related parties (Note 27)	54,479,404,545	-
Kinh Bac Service JSC (*)	24,624,422,198	8,424,422,198
Saigon - Tay Ninh Industrial Park JSC	300,000,000	300,000,000
Saigon Tourism JSC	500,000,000	500,000,000
TOTAL	<u>79,903,826,743</u>	<u>9,224,422,198</u>
<i>Provision for loans receivable</i>	<i>(500,000,000)</i>	<i>(500,000,000)</i>
Long-term		
Other loan receivables from related parties (Note 27)	1,911,132,633,533	1,955,612,038,078
Kinh Bac Investment and Consulting JSC Construction Project Management Unit of Bac Ninh City (Bac Ninh City People's Committee)	-	16,200,000,000
	700,000,000	700,000,000
TOTAL	<u>1,911,832,633,533</u>	<u>1,972,512,038,078</u>

(*) These are loan receivables from Kinh Bac Service JSC which earn interest of 8% per annum, will be due on 14 October 2018 and 23 January 2019.

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

8. OTHER RECEIVABLES

Currency: VND

	30 June 2018		31 December 2017	
	Cost	Provision	Cost	Provision
Short-term				
Receivables from Kinh Bac Service JSC (i)	638,232,417,586	-	565,437,813,547	-
Advance to PVcomBank for investment acquisition	216,840,284,000	-	211,840,284,000	-
Receivables from Bac Ninh's People Committee for land rental support (ii)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (iii)	12,851,128,404	-	12,851,128,404	-
Other receivables from related parties (Note 27)	12,321,573,455	-	44,422,361,509	-
Receivable from Van Duong People's Committee	3,327,780,000	-	3,327,780,000	-
Other receivables	18,775,079,449	-	16,853,672,963	-
TOTAL	921,788,262,894	-	874,173,040,423	-
Long-term				
Receivable from related parties (Note 27)	628,768,505,111	-	543,804,113,942	-
Vien Dong Real Estate and Property JSC (iv)	600,000,000,000	-	600,000,000,000	-
Kinh Bac Service JSC (v)	28,158,464,296	-	70,903,647,915	-
Other long-term receivables	60,000,000	-	60,000,000	-
TOTAL	1,256,986,969,407	-	1,214,767,761,857	-

- (i) These receivables mainly pertain to the receivable and interest on deferred payment at 8% per annum from the transferring of 48.3 million shares in Saigon-Binh Dinh Energy JSC to Kinh Bac Service JSC in accordance with the Contracts dated 22 June 2015 and 15 December 2015 and interest of loan receivables as presented in Note 7.
- (ii) In accordance with 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 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 VND 19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park.
- (iii) 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.
- (iv) This is the investment in the project of Commercial Center, Office, Hotel and Apartment - Vien Dong Meridian in Danang City in accordance with the business co-operation contract on 18 July 2017.
- (v) This represents the interest on deferred payment for long-term lease of land and sale of factories to Kinh Bac Service JSC, will be due on 31 December 2019

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

9. INVENTORIES

Currency: VND

	<i>30 June 2018</i>		<i>31 December 2017</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Phuc Ninh Urban Area	806,574,330,643	-	810,973,261,789	-
Nam Son - Hap Linh Industrial Park	313,094,903,151	-	289,689,535,257	-
Que Vo II Industrial Park	238,032,487,567	-	287,319,068,733	-
Que Vo I Industrial Park	49,035,134,905	-	48,533,883,603	-
Other projects	13,147,207,278	-	13,147,207,278	-
TOTAL	1,419,884,063,544	-	1,449,662,956,660	-

Work in progress of the Company as at 30 June 2018 comprises 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. The majority of the Company's inventories are used as collaterals for long-term loans as disclosed in Note 19.

During the period, the Company capitalized loan interests amounting to about VND 4.4 billion. These loan interest expenses related to loan of construction investment development in Que Vo II Industrial Zone, Nam Son Hap Linh Industrial Zone and Phuc Ninh Urban Area.

10. PREPAID EXPENSES

Currency: VND

	<i>30 June 2018</i>	<i>31 December 2017</i>
	Short-term	
Sales brokerage commission fee	58,248,561,486	39,380,270,665
Other expenses	31,223,440	-
TOTAL	58,279,784,926	39,380,270,665
	<i>30 June 2018</i>	<i>31 December 2017</i>
Long-term		
Other expenses	465,817,138	666,604,636
TOTAL	465,817,138	666,604,636

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

11. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures (including cost of land development and infrastructure)	Machinery and equipment	Transportations	Office equipment	Others	Total
Cost:						
As at 31 December 2017	141,676,130,165	5,436,752,307	32,371,970,893	6,353,151,192	788,381,818	186,626,386,375
Newly purchased	-	-	3,774,000,000	3,559,090,909	-	7,333,090,909
Transfer from construction in progress	7,641,906,715	-	-	-	-	7,641,906,715
As at 30 June 2018	149,318,036,880	5,436,752,307	36,145,970,893	9,912,242,101	788,381,818	201,601,383,999
<i>In which:</i>						
Fully depreciation	10,813,102,952	1,223,291,668	6,460,030,379	2,665,321,673	788,381,818	21,950,128,490
Accumulated depreciation:						
As at 31 December 2017	75,432,078,013	4,495,531,114	15,674,447,772	5,229,002,812	788,381,818	101,619,441,529
Depreciation for the period	5,758,332,437	249,985,339	1,528,962,284	529,860,707	-	8,067,140,767
As at 30 June 2018	81,190,410,450	4,745,516,453	17,203,410,056	5,758,863,519	788,381,818	109,686,582,296
Net carrying amount:						
As at 31 December 2017	66,244,052,152	941,221,193	16,697,523,121	1,124,148,380	-	85,006,944,846
As at 30 June 2018	68,127,626,430	691,235,854	18,942,560,837	4,153,378,582	-	91,914,801,703

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

12. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Que Vo II Industrial Park	11,510,781,818	7,566,256,363
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
Hanoi Diplomatic Area	1,355,116,818	1,355,116,818
Other construction in progress	1,627,776,364	786,976,364
TOTAL	<u>22,126,716,540</u>	<u>17,341,391,085</u>

13. INVESTMENT PROPERTIES

	<i>Currency: VND</i>	
	<i>Factories (including land development and infrastructure cost)</i>	
Cost:		
As at 31 December 2017		68,431,657,532
Increases during the period		<u>568,014,605</u>
As at 30 June 2018		<u>68,999,672,137</u>
Accumulated depreciation and amortisation:		
As at 31 December 2017		7,025,316,822
Depreciation during the period		<u>3,505,087,796</u>
As at 30 June 2018		<u>10,530,404,618</u>
Net carrying amount:		
As at 31 December 2017		<u>61,406,340,710</u>
As at 30 June 2018		<u>58,469,267,519</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 2018, the Company has not determined the fair value of these investment properties because there is no available market for these properties.

14. LONG-TERM INVESTMENTS

		<i>Currency: VND</i>	
	<i>Note</i>	<i>30 June 2018</i>	<i>31 December 2017</i>
Investments in subsidiaries	14.1	2,859,706,314,000	2,858,566,314,000
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	14.2, 14.3	<u>(384,995,192,700)</u>	<u>(374,995,192,700)</u>
TOTAL		<u>3,636,200,412,474</u>	<u>3,655,726,412,374</u>

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

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in subsidiaries

Currency: VND

	30 June 2018			31 December 2017		
	% 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%	150,000,000	1,500,000,000,000	100%	150,000,000	1,500,000,000,000
Northwest Saigon city Development Corporation	74.30%	30,259,574	662,066,314,000	74.30%	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	80.80%	1,309,000	119,000,000,000	80.80%	1,309,000	119,000,000,000
NGD Investment One Member Co. Ltd	100%	-	105,200,000,000	100%	-	105,200,000,000
Kinh Bac Office and Factory Business One Member Company Limited	100%	-	5,440,000,000	100%	-	4,300,000,000
TOTAL			2,859,706,314,000			2,858,566,314,000
Provision for impairment of investment in subsidiaries			-			-
NET			2,859,706,314,000			2,858,566,314,000

Detailed information on subsidiaries as at 30 June 2018 is presented in Note 1.

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

14. LONG-TERM INVESTMENTS (continued)

14.2 Investments in associates

	Note	% of voting right	30 June 2018		31 December 2017	
			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				(345,282,049,024)		(335,282,049,024)
NET VALUE				378,373,042,050		388,373,042,050

(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 VND740 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.

(ii) Saigon - Hue Investment JSC

Saigon - Hue Investment JSC was established in 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 third amended Business Registration Certificate No. 3300512389 on 30 May 2016 with a registered charter capital of VND350 billion. Its principal activities include investment, construction and trading on infrastructure inside and outside industrial zone, residential areas, resettlement area, housing for worker; industrial and civil construction works, transport and power projects up to 35kV.

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 2018 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 in 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 VND300 billion. Its principal activities include infrastructure investment and development; leasing and selling office, trading centre and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

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

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established in 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 2018			31 December 2017		
	% of voting right	Number of shares	Cost (*)	% of voting right	Number of shares	Cost (*)
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 (Note 28.2)	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon-Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - NhonHoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Hamtan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Investment Development Power Plant JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
TOTAL			448,500,200,000			448,500,200,000
Provision for other long-term investments			(39,713,143,676)			(39,713,143,676)
NET			408,787,056,324			408,787,056,324

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

14. LONG-TERM INVESTMENTS (continued)

14.3 Other long-term investments (continued)

(*) The Company cannot collect the necessary information and evaluate the fair value of shares held in these companies because the shares of these companies have not been listed on the stock exchange.

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

Currency: VND

	30 June 2018		31 December 2017	
	Amount	Amount payable	Amount	Amount payable
Hai Phat Real Estate JSC	12,894,131,026	12,894,131,026	16,026,197,325	16,026,197,325
Trung Tien Transportation and Construction JSC	7,461,869,964	7,461,869,964	14,076,270,800	14,076,270,800
Trong Cuong Co., Ltd	5,072,102,279	5,072,102,279	2,925,733,791	2,925,733,791
Truong Phat Investment JSC	4,147,159,940	4,147,159,940	2,661,011,300	2,661,011,300
Hoa Quy Bac Ninh JSC	2,130,486,000	2,130,486,000	2,130,486,000	2,130,486,000
Thien Phu Investment Trading Construction Service JSC	1,621,137,100	1,621,137,100	1,443,126,300	1,443,126,300
Nguyen Le Association., Ltd	-	-	1,429,702,120	1,429,702,120
Van Loc Construction., Corp	3,460,299,450	3,460,299,450	1,203,124,200	1,203,124,200
VNCCAP.,JSC	200,000,000	200,000,000	1,200,000,000	1,200,000,000
Manh Ha Song Da Transport Construction JSC	-	-	565,855,400	565,855,400
HPN Construction and Mechanical Electric Company Limited	347,579,500	347,579,500	347,579,500	347,579,500
Other suppliers	16,731,927,909	16,731,927,909	11,794,005,552	11,794,005,552
TOTAL	54,066,693,168	54,066,693,168	55,803,092,288	55,803,092,288

15.2 Short-term advances from customers

Currency: VND

	30 June 2018	31 December 2017
Deposit for purchase of houses and land use rights at Urban area and low-income housing projects (*)	201,153,029,974	205,376,972,150
Truong Phat Investment JSC	16,151,470,034	798,915,111
Golden Star Investment Vietnam Ltd.	1,193,969,074	1,193,969,074
Nano Tech Limited Company	-	6,996,220,000
Tops Limited Company	-	6,729,972,480
Yuzhan Packaging Technology Litmited Company	-	3,454,486,728
Other advances from customers	1,750,210,213	1,880,725,030
TOTAL	220,248,679,295	226,431,260,573

(*) This mainly includes deposit related to the transfer of the infrastructure investment project for staffs and workers to KCT Engineering Ltd in accordance with the Transfer Contract No. HDCN-KBC/2016 on 8 April 2016.

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

16. STATUTORY OBLIGATIONS

	<i>Currency: VND</i>			
	<i>31 December 2017</i>	<i>Payable for the period</i>	<i>Payment in the period</i>	<i>30 June 2018</i>
Value added tax	749,847,146	15,064,415,161	-	15,814,262,307
Corporate income tax	115,166,364,182	51,952,370,604	(140,300,000,000)	26,818,734,786
Personal income tax	237,172,052	3,003,246,827	(3,018,625,102)	221,793,777
Other taxes	347,318,908	563,632,498	(573,838,874)	337,112,532
TOTAL	<u>116,500,702,288</u>	<u>70,583,665,090</u>	<u>(143,892,463,976)</u>	<u>43,191,903,402</u>

17. ACCURED EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Accrued future development cost for recognised sales	102,910,194,842	121,703,191,785
- Que Vo II Industrial Park	59,289,248,269	72,415,465,059
- Que Vo I Industrial Park	43,620,946,573	49,287,726,726
Accrued interest expenses	36,318,428,674	35,831,245,379
Accrued expenses to related parties (Note 27)	26,660,273,178	32,892,601,526
Other accrued expenses	3,501,809,217	4,110,280,564
TOTAL	<u>169,390,705,911</u>	<u>194,537,319,254</u>
Long-term		
Accrued interest expenses (*)	792,333,196,711	777,902,785,752
TOTAL	<u>792,333,196,711</u>	<u>777,902,785,752</u>

(*) This mainly includes the bond interest expenses payable to PVcomBank. PVcomBank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be matured in 2020 (Note 19.2).

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

18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term		
Deposit of purchase at Phuc Ninh Urban Area	441,307,179,276	323,904,532,910
Other payables from related parties (<i>Note 27</i>)	858,000,000	-
Other short-term payables	10,581,902,596	1,886,183,924
TOTAL	<u>452,747,081,872</u>	<u>325,790,716,834</u>
Long-term		
Cholimex Mechatronics Informatics JSC (ii)	55,500,000,000	55,500,000,000
Other long-term payables	7,525,083,268	6,450,580,036
TOTAL	<u>63,025,083,268</u>	<u>61,950,580,036</u>

(i) This is deposit to the Company to buy land at Phuc Ninh Urban Area.

(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 Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

KinhBac City Development Holding Corporation

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

19. LOANS

	31 December 2017		Movement during the period		30 June 2018	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Current portion of long-term loans from banks (Note 19.1)	10,000,000,000	10,000,000,000	11,000,000,000	(5,500,000,000)	15,500,000,000	15,500,000,000
Current portion of long-term bonds (Note 19.2)	800,000,000,000	800,000,000,000	550,000,000,000	-	1,350,000,000,000	1,350,000,000,000
Loans from related parties (Note 27)	143,379,786,715	143,379,786,715	7,887,780,821	-	151,267,567,536	151,267,567,536
TOTAL	953,379,786,715	953,379,786,715	568,887,780,821	(5,500,000,000)	1,516,767,567,536	1,516,767,567,536
Long-term						
Long-term loans from bank (Note 19.1)	165,106,294,932	165,106,294,932	72,286,512,964	(11,000,000,000)	226,392,807,896	226,392,807,896
Bonds (Note 19.2)	1,010,390,484,842	1,010,390,484,842	6,686,000,000	(550,000,000,000)	467,076,484,842	467,076,484,842
TOTAL	1,175,496,779,774	1,175,496,779,774	78,972,512,964	(561,000,000,000)	693,469,292,738	693,469,292,738

Currency: VND

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 2018	Currency: VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	10.5% per annum	Principal repayment on 6 February 2020. Interest payment on last 25 th per quarter	26,980,678,000	Collateral
	10.5% per annum	Principal repayment on 29 November 2022. Interest payment on last 25 th per quarter	87,927,421,876	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). 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 100 hecta phase 1 in Nam Son – Hap Linh Industrial Park. All assets formed from 83.8 hecta area infrastructure development of Que Vo II Industrial Park.
	10.5% per annum	Principal repayment on 16 November 2022. Principal is paid every 6 months. Interest is paid every 3 months, started from 25 August 2017	120,738,775,020	All assets attached with the land which will be formed from the investment and construction project of Office building, warehouses lot M, N, T at Que Vo II Industrial Park.
	10.5% per annum	Principal is paid every 6 months, started from 25 July 2016, interest payment on 25 th per quarter started from 26 March 2018	2,800,000,000	All assets formed in the future including land use rights and assets attached with the land of Phuc Ninh Area in 22 ha area.
Joint Stock Commercial Bank for Investment and Development of Vietnam - Bac Ninh branch	10.5% per annum	Principal is paid every 6 months. Interest is paid every 3 months, started from 19 September 2018	3,445,933,000	
TOTAL			241,892,807,896	
<i>In which:</i>				
- Current portion of long term loans			15,500,000,000	
- Long-term loans			226,392,807,896	

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

19. LOANS (continued)

19.2 Bonds

As at 30 June 2018, bonds issued by the Company are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Description of collateral
KBC Bond 004	Corporate bond issued to PVcomBank	3,000,000	100,000	300,000,000,000	9.7%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project.
KBC Bond1-2017	Corporate bond issued to BIDV- Saigon Northern branch	480	1,000,000,000	480,000,000,000	10.2%	21 November 2022	Land use rights and all assets attached with land lot at Hung Vuong, Hai Chau 1 Ward, Hai Chau District, Da Nang City, which are owned by Vien Dong Real Estate and Property JSC.
KBC Bond2-2017	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	26 January 2019	
KBC Bond3-2017	Corporate bond issued to counterparties	1,500,000	100,000	150,000,000,000	10.5%	16 February 2019	KBCbond2-2017, KBCbond3-2017, KBCbond4-2017 and KBC Bond2017 are mortgaged by shares of Saigon - Hai Phong Industrial Park JSC.
KBC Bond4-2017	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	22 May 2019	
KBC Bond2017	Corporate bond issued to counterparties	5,000,000	100,000	500,000,000,000	10.5%	8 November 2018	
TOTAL				1,830,000,000,000			

In which:

Bonds due in the next year

Long-term bonds

Issuance expense of long-term bonds

1,350,000,000,000
480,000,000,000
(12,923,515,158)

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

20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

Currency: VND

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
For the six-month period ended 30 June 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	6,331,788,075,395
Net profit for the period	-	-	-	-	542,988,501,313	542,988,501,313
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
For the six-month period ended 30 June 2018						
As at 31 December 2017	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	1,516,565,348,395	6,899,967,492,218
- Net profit for the period	-	-	-	-	205,437,950,127	205,437,950,127
As at 30 June 2018	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	1,722,003,298,522	7,105,405,442,345

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

20. OWNERS' EQUITY (continued)

20.2 Contributed charter capital

Currency: VND

	30 June 2018			31 December 2017		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contributed by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000	4,757,111,670,000	-
Share premium	988,533,430,000	988,533,430,000	-	988,533,430,000	988,533,430,000	-
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,178,450,000	5,381,178,450,000	-	5,381,178,450,000	5,381,178,450,000	-

20.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
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 2018		31 December 2017	
	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 (31 December 2017: VND10,000/share).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Gross revenue	458,390,628,146	301,566,366,973
<i>Of which:</i>		
Revenue from real estate transfer	91,076,267,779	193,573,945,458
Revenue from long-term lease of land and infrastructures	320,739,540,884	62,990,755,555
Revenue from operating lease of warehouse, factories and offices	7,118,493,396	6,620,258,308
Revenue from supply of clean water, electricity, management service, waste water treatment supply	39,456,326,087	38,381,407,652
Net revenue	458,390,628,146	301,566,366,973

	<i>Currency: VND</i>	
	<i>Revenues recognized in full at the hand-over date</i>	<i>Revenues is amortized over the lease term</i>
Revenues	458,390,628,146	141,711,081,450
<i>Of which:</i>		
Revenue from long-term lease of land and infrastructures	320,739,540,884	4,059,994,188
Cost of goods sold and services rendered	(148,804,058,758)	(64,380,227,076)
Gross profit of goods sold and services rendered	309,586,569,388	77,330,854,374
Profit before tax	257,286,290,605	25,030,575,591
Current corporate income tax expenses	(51,952,370,604)	(5,006,115,118)
Deferred tax income	104,030,126	-
Net profit after tax	205,437,950,127	20,024,460,473

21.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Interest income from deposits and lending (i)	95,159,207,142	96,278,253,498
Interest income on outstanding receivables of share transfer contract (ii)	21,110,212,094	21,199,544,368
Interest income on outstanding receivables from long-term lease of land and sale of factories (iii)	7,962,327,138	9,528,614,628
Interest income from disposal of subsidiary	-	354,868,000,000
TOTAL	124,231,746,374	481,874,412,494

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

21. REVENUE (continued)

21.1 Revenue from sales of goods and rendering of services (continued)

- (i) This mainly comprised interest income from Loan contract No.0207/2012/HDV-TCC dated 2 July 2012 and Notification dated 2 January 2016 about the interest rate from 2016 onward between Trang Cat Urban Development One Member Limited Company and the Company, with interest rate of 9,6% per annum.
- (ii) 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.
- (iii) This mainly pertains to interest income on receivables from Kinh Bac Service JSC under the contracts for long-term lease of land and sale of factories.

22. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Cost of real estate transfer	42,825,454,546	67,331,441,737
Cost of long-term leased land and infrastructures	85,506,188,498	5,017,079,199
Cost of operating leased warehouses, factories and offices	3,505,087,796	3,483,787,248
Cost of service provided	<u>16,967,327,918</u>	<u>15,066,869,504</u>
TOTAL	<u>148,804,058,758</u>	<u>90,899,177,688</u>

Included in costs of sold properties are the following accruals:

Currency: VND

	<i>For the six-month period ended 30 June 2018</i>		<i>For the period ended 30 June 2017</i>	
	<i>Cost of sales</i>	<i>Accrued amount</i>	<i>Cost of sales</i>	<i>Accrued amount</i>
Long-term lease of land and infrastructure	<u>85,506,188,498</u>	<u>35,627,528,733</u>	5,017,079,199	<u>649,536,806</u>
TOTAL	<u>85,506,188,498</u>	<u>35,627,528,733</u>	<u>5,017,079,199</u>	<u>649,536,806</u>

23. FINANCE EXPENSES

Currency: VND

	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Interest expenses	109,577,178,714	49,996,910,347
Provision/(reversal of provision) for long-term investments	10,000,000,000	(77,866,826,770)
Other finance expenses	<u>336,820,206</u>	<u>627,178,120</u>
TOTAL	<u>119,913,998,920</u>	<u>(27,242,738,303)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
General and administrative expenses		
Labour costs	22,001,656,757	17,481,396,245
Depreciation	2,455,217,656	2,077,447,601
External expenses	15,639,373,304	9,681,034,590
Others	2,890,853,448	6,021,736,739
TOTAL	<u>41,987,101,165</u>	<u>35,261,615,175</u>
Selling expenses		
Consultation and brokerage expenses	12,593,322,072	4,552,086,865
Labour cost	1,156,141,000	1,039,192,000
TOTAL	<u>13,749,463,072</u>	<u>5,591,278,865</u>

25. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Land, infrastructures, buildings development and services rendering expenses	153,710,536,160	68,076,102,799
Labour costs	24,310,765,567	19,637,323,245
Depreciation of fixed assets	11,572,228,563	10,634,234,520
Expenses for external services	35,374,983,393	21,429,937,472
Other expenses	4,987,235,237	11,974,473,692
TOTAL	<u>234,319,516,111</u>	<u>131,752,071,728</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 profit after tax 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 2018 is 20%.

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 2018 is 20%.

For leasing factories in industrial parks, 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 2018 is 20%

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

26.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Current CIT expenses	51,952,370,604	136,676,251,800
Deferred CIT income	(104,030,126)	(104,030,126)
TOTAL	<u>51,848,340,478</u>	<u>136,572,221,674</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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:

	Currency: VND	
	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Accounting profit before tax	257,286,290,605	679,560,722,986
CIT expenses at rate applicable of 20%	51,457,258,121	135,912,144,597
<i>Adjustments for:</i>		
Non-deductible expenses	376,731,969	659,766,396
Adjustment for branches	14,350,388	310,681
CIT expense	<u>51,848,340,478</u>	<u>136,572,221,674</u>

26.2 Current CIT

The current CIT payable is based on taxable income for the current period. The taxable income of the Company and its subsidiaries for the period differs from the profit as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the interim separate balance sheet date.

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 2018</i>	<i>31 December 2017</i>	<i>For the six-month period ended 30 June 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Deferred tax liabilities				
Deferred tax liabilities arising from allocation of CIT over the leased term of Que Vo II	38,026,441,192	38,130,471,318	104,030,126	104,030,126
	<u>38,026,441,192</u>	<u>38,130,471,318</u>		
Net deferred income tax credit to the interim separate income statement			<u>104,030,126</u>	<u>104,030,126</u>

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

26. CORPORATE INCOME TAX (continued)

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 income arising within 5 years subsequent to the year in which the loss was incurred. As at 30 June 2018, the Company has accumulated losses with total amount of VND 168,790,242 (as at 31 December 2017: VND 101,512,735) which are available for offset against future taxable income. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>		<i>Tax loss amount</i>	<i>Utilized up to 30 June 2018</i>	<i>Forfeited</i>	<i>Unutilized at 30 June 2018</i>
2013	2018	(i)	57,504,657,460	(44,124,963,229)	(13,358,056,421)	21,637.810
2014	2019	(i)	18,003,240	-	-	18.003.240
2015	2020	(i)	40,779,832	-	-	40.779.832
2016	2021	(i)	7,252,824	-	-	7.252.824
2017	2022	(i)	9,364,593	-	-	9.364.593
2018	2023	(i)	71,751,943	-	-	71.751.943
TOTAL			57.651.809.892	(44,124,963,229)	(13,358,056,421)	168,790,242

(i) These are estimated tax losses 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 because future taxable profit cannot be ascertained at this stage.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 period with the Company:

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

Terms and conditions of transactions with related parties

The sales, and purchases, of goods to/from related parties are made on contractual basis.

Outstanding balances at 30 June 2018 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2018, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2017: 0). 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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:

Related party	Description	Currency: VND	
		For the six-month period ended 30 June 2018	For the six-month period ended 30 June 2017
Saigon - Hai Phong Industrial Park Corporation	Loan repayment	-	9,284,744,768
	Interest to be added in principal	7,887,780,820	-
	Interest expense	1,588,053,975	13,984,342,103
	Payment of car rental	1,700,000,000	-
	Offset rental fee and car purchasing	2,000,000,000	-
Saigon - Bacgiang Industrial Park Corporation	Receipt of loan payment	-	60,000,000,000
	Lending	10,000,000,000	30,000,000,000
	Principal and interest receivables of KBC Bond 005	3,091,971,873	9,232,378,133
Trang Cat One Member Urban Development Limited Company	Bond interest receivable	-	90,583,786,959
	Lending	-	1,900,000,000
	Receipt of loan interest	90,594,780,931	-
Mr Dang Thanh Tam	Advance	47,938,051,311	53,166,986,733
	Advance clearance	88,761,201,000	182,358,000
	Off-set advance and other payables	-	81,220,470,189
Kinh Bac Office and Factory Business One Member Company Limited	Capital contribution	1,140,000,000	-

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 30 June 2018, amount due from and to related parties of the Company are follows:

<i>Related party</i>	<i>Description</i>	<i>30 June 2018</i>	<i>31 December 2017</i>
Short-term trade receivables (Note 6)			
Mr Phan Anh Dung	Receivable from sale of land transfer	180,000,000	180,000,000
		180,000,000	180,000,000
Other short-term receivables (Note 7)			
Saigon- Bac Giang Industrial Park Corporation	Loan receivable of KBC bond 005	52,579,404,545	-
Trang Cat One Member Urban Development Limited Company	Loan receivable	1,900,000,000	-
		54,479,404,545	-
Long-term loan receivables (Note 7)			
Trang Cat One Member Urban Development Limited Company (i)	Loan receivable	1,901,132,633,533	1,903,032,633,533
Saigon- Bac Giang Industrial Park Corporation (ii)	Loan receivable	10,000,000,000	52,579,404,545
		1,911,132,633,533	1,955,612,038,078

(i) 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, principal and interest will be due on 2 July 2019 and 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 6-month period ended 30 June 2018 is 9.6% per annum.

(ii) This is unsecured loan, with interest rate of 10.2% per annum and will be due on 19 January 2020.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

		<i>Currency: VND</i>	
<i>Related party</i>	<i>Description</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<i>Other short-term receivables (Note 8)</i>			
Sai Gon- Bac Giang Industrial Park Corporation	Interest and charged fee of KBC Bond 005	8,722,361,635	-
Mr Dang Thanh Tam	Advance	-	40,823,149,689
Ms 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>12,321,573,455</u>	<u>44,422,361,509</u>
<i>Other long-term receivables (Note 8)</i>			
Trang Cat One Member Development Company Limited	Loan interest receivable, other construction in progress	628,313,491,412	537,980,566,919
Saigon - Bac Giang Industrial Park Corporation	Loan interest receivable	455,013,699	5,823,547,023
		<u>628,768,505,111</u>	<u>543,804,113,942</u>
<i>Short-term accrued expenses (Note 17)</i>			
Saigon - Hai Phong Industrial Park Corporation	Short-term loan interest payable	25,952,588,949	32,252,315,795
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Short-term loan interest payable	707,684,229	640,285,731
		<u>26,660,273,178</u>	<u>32,892,601,526</u>
<i>Other payables (Note 18)</i>			
Saigon - Bac Giang Industrial Park Corporation	Other payable	858,000,000	-
		<u>858,000,000</u>	<u>-</u>
<i>Short-term loan (Note 19)</i>			
Saigon - Hai Phong Industrial Park Corporation (i)	Short-term loan Current portion of long-term loan	38,936,737,536 -	24,948,956,715 6,100,000,000
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (ii)	Short-term loan	112,330,830,000	112,330,830,000
		<u>151,267,567,536</u>	<u>143,379,786,715</u>

(i) These are the loan with interest of 9.6% per annum and will be matured on 8 November 2018.

(ii) These are the loan with interest of 10.5% per annum and will be matured on 30 June 2019.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2018 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 2018</i>	<i>For the six-month period ended 30 June 2017</i>
Salaries and bonus	6,189,045,332	5,352,483,000
	<u>6,189,045,332</u>	<u>5,352,483,000</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 dated 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 New Urban Area Project. Accordingly, the Company was handed over with 49.53 ha of land in 2010, completed the land marking for 47.2 ha of land in 2013 with the People's Committee of Bac Ninh province and settled the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT of People's Committee 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 2018, the Company is still in the process of completing the land use fee settlement to the People's Committee of Bac Ninh province in term of above assigned land area.
- (ii) From 2003 to 2014, the Company signed a number of land lease agreements with the People's Committee of Bac Ninh province for the handed-over land area at Que Vo I Industrial Park and the Que Vo II Industrial Park, with total of land area of 2,268,388.8 m² and 1,652,779 m² respectively. As at 30 June 2018, 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 of land use right and rental fees.
- (iii) As at 10 June 2015, the Company signed land lease agreement with the People's Committee of Bac Ninh Province for the assigned land area of 766,858.9 m² at Nam Son - Hap Linh Industrial Park. As at 30 June 2018, the Company is still in the process of working with the authority to determine land lease obligation.

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

28. COMMITMENTS AND CONTINGENCIES (continued)

28.1 Commitments relating to real estate investment projects (continued)

Capital expenditure commitments

As at 30 June 2018, 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 Urban area, Nam Son- Hap Linh Industrial Park with a total value of approximately VND 181 billion.


28.2 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.

19. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the interim separate balance sheet 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


Nguyen Thi Thu Huong
General Director

29 August 2018