

KinhBac City Development Holding Corporation

Interim consolidated financial statements

30 June 2016



KinhBac City Development Holding Corporation

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim consolidated financial statements	4 - 5
Interim consolidated balance sheet	6 - 9
Interim consolidated income statement	10
Interim consolidated cash flow statement	11 - 12
Notes to the interim consolidated financial statements	13 - 62

KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

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

The Company has the following subsidiaries:

- ▶ Saigon - Bacgiang Industrial Park Corporation;
- ▶ Sai Gon - Hai Phong Industrial Park Corporation;
- ▶ Northwest Saigon City Development Corporation;
- ▶ Trang Cat One Member Urban Development Limited Company; and
- ▶ Lotus Hotel Development Sole Member Company Limited.

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

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

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

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

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

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

KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

MANAGERMENT

Members 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

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 consolidated financial statements for the six-month period ended 30 June 2016.

AUDITORS

The auditor of the Company is Ernst and 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 consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the six-month period ended 30 June 2016.

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

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated 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 consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2016 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Nguyễn Thị Thu Hương
General Director

Bac Ninh, Vietnam

12 August 2016

Reference: 60774739/18493823-HN-LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the accompanying interim consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 12 August 2016 and set out on pages 6 to 62 which comprise the interim consolidated balance sheet as at 30 June 2016, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2016, and of the interim consolidated results of its operations and its interim consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited




Lê Thị Tuyết Mai

Deputy General Director
Audit Practising Registration:
Certificate No. 1575-2013-004-1

Hanoi, Vietnam

12 August 2016

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2016

Currency: VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
100	A. CURRENT ASSETS		13,145,303,327,953	12,003,018,598,664
110	i. Cash and cash equivalents	4	516,989,158,086	228,164,359,677
111	1. Cash		265,792,969,242	129,164,359,677
112	2. Cash equivalents		251,196,188,844	99,000,000,000
120	ii. Short-term investments	5	1,332,361,100	1,738,191,200
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(6,158,100,269)	(5,752,270,169)
130	iii. Current accounts receivable		4,288,578,961,376	3,361,578,772,409
131	1. Short-term trade receivables	6.1	1,239,907,941,664	493,980,606,252
132	2. Short-term advances to suppliers	6.2	1,429,353,594,092	1,324,234,430,950
135	3. Short-term loan receivables	7	12,699,720,000	12,499,720,000
136	4. Other short-term receivables	8	1,613,835,416,270	1,539,947,458,507
137	5. Provision for doubtful short-term receivables	6.3	(7,217,710,650)	(9,083,443,300)
140	IV. Inventories	9	8,255,805,956,719	8,364,448,377,871
141	1. Inventories		8,255,805,956,719	8,364,448,377,871
150	V. Other current assets		82,596,890,672	47,088,897,507
151	1. Short-term prepaid expenses		988,591,579	47,960,000
152	2. Value-added tax deductible		44,746,702,232	9,081,463,147
153	3. Tax and other receivables from the State	16	36,861,596,861	37,959,474,360

SR
HI N
CÓN
NH
ST
VIỆT
AI H
KIẾ

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

Currency: VND

Code	ASSETS	Notes	30 June 2016	31 December 2015
200	B. NON-CURRENT ASSETS		1,569,473,221,192	1,650,688,560,966
210	I. Long-term receivables		285,947,909,017	355,625,579,821
211	1. Long-term trade receivables	6.1	248,305,529,704	332,305,529,704
215	2. Long-term loan receivables	7	7,692,700,000	7,692,700,000
216	3. Other long-term receivables	8	29,949,679,313	15,627,350,117
220	II. Fixed assets		128,913,911,393	141,005,430,934
221	1. Tangible fixed assets	10	128,913,911,393	141,005,430,934
222	Cost		268,592,169,008	268,169,967,655
223	Accumulated depreciation		(139,678,257,615)	(127,164,536,721)
227	2. Intangible fixed assets		-	-
228	Cost		72,075,500	72,075,500
229	Accumulated amortisation		(72,075,500)	(72,075,500)
230	III. Investment properties	11	18,340,085,506	20,415,184,100
231	1. Cost		27,405,394,467	27,405,394,467
232	2. Accumulated depreciation		(9,065,308,961)	(6,990,210,367)
240	IV. Long-term assets in progress		234,754,732,101	234,900,661,548
242	1. Construction in progress	12	234,754,732,101	234,900,661,548
250	V. Long-term investments	14	896,262,696,581	892,602,719,246
252	1. Investments in associates, jointly controlled entities	14.1	470,815,313,216	462,788,335,881
253	2. Investment in other entities	14.2	448,500,200,000	452,867,200,000
254	3. Provision for diminution in value of long-term investments		(23,052,816,635)	(23,052,816,635)
260	VI. Other long-term assets		5,253,886,594	6,138,985,317
261	1. Long-term prepaid expenses		5,253,886,594	6,138,985,317
270	TOTAL ASSETS		14,714,776,549,145	13,653,707,159,630

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

Currency: VND

Code	RESOURCES	Notes	30 June 2016	31 December 2015
300	C. LIABILITIES		6,258,823,405,475	5,617,702,171,787
310	I. Current liabilities		3,860,327,252,089	2,944,659,205,006
311	1. Short-term trade payables	15.1	89,588,683,567	76,993,266,642
312	2. Short-term advances from customers	15.2	1,055,000,580,530	425,917,221,868
313	3. Statutory obligations	16	156,025,690,487	175,787,525,774
314	4. Payables to employees		78,032,468	68,698,469
315	5. Short-term accrued expenses	17	1,180,694,151,978	1,023,287,715,032
319	6. Other short-term payables	18	78,701,838,777	30,319,777,921
320	7. Short-term loans	19	1,293,155,014,973	1,205,201,739,991
322	8. Bonus and welfare fund		7,083,259,309	7,083,259,309
330	II. Non-current liabilities		2,398,496,153,386	2,673,042,966,781
333	1. Long-term accrued expenses	17	776,585,947,259	757,092,452,968
336	2. Long-term unearned revenue		5,238,423,068	5,302,235,179
337	3. Other long-term liabilities	18	60,132,942,420	59,272,399,555
338	4. Long-term loans	19	1,013,538,859,963	1,351,536,142,090
341	5. Deferred tax liabilities	28.3	542,048,012,714	498,887,769,027
342	6. Long-term provisions		951,967,962	951,967,962

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

Currency: VND

Code	RESOURCES	Notes	30 June 2016	31 December 2015
400	D. OWNERS' EQUITY		8,455,953,143,670	8,036,004,987,843
410	i. Capital		8,455,953,143,670	8,036,004,987,843
411	1. Share capital	20.1	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	20.1	989,064,430,000	989,064,430,000
415	3. Treasury shares	20.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	20.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings	20.1	2,173,714,919,455	1,781,536,119,480
421a	- Undistributed earnings of prior year		1,781,536,119,480	1,169,625,513,861
421b	- Undistributed earnings of current period		392,178,799,975	611,910,605,619
429	6. Non-controlling interests	21	898,305,080,392	870,535,724,540
440	TOTAL LIABILITIES AND OWNERS' EQUITY		14,714,776,549,145	13,653,707,159,630


Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant and Deputy
General Director


Nguyen Thi Thu Huong
General Director

12 August 2016


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


Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015 (Restated)
01	1. Revenue from sale of goods and rendering of services	22.1	1,113,392,007,736	646,914,470,560
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	1,113,392,007,736	646,914,470,560
11	4. Cost of goods sold and services rendered	23	(501,853,973,690)	(385,801,659,990)
20	5. Gross profit from sale of goods and rendering of services		611,538,034,046	261,112,810,570
21	6. Finance income	22.2	18,297,972,322	126,833,625,306
22	7. Finance expenses	24	(44,281,317,267)	(29,336,831,789)
23	In which: Interest expenses		(43,732,824,671)	(48,999,938,968)
24	8. Shares of profit of associates, joint-ventures	14.1	8,026,977,335	1,466,070,562
25	9. Selling expenses	25	(23,245,029,419)	(27,718,905,719)
26	10. General and administrative expenses	25	(60,575,053,187)	(49,726,482,369)
30	11. Operating profit		509,761,583,830	282,630,286,561
31	12. Other income	26	5,389,091,657	677,775,898
32	13. Other expenses	26	(93,030,859)	(171,360,999)
40	14. Other profit		5,296,060,798	506,414,899
50	15. Accounting profit before tax		515,057,644,628	283,136,701,460
51	16. Current corporate income tax expense	28.1	(51,949,245,115)	(26,816,662,859)
52	17. Deferred tax expense	28.3	(43,160,243,685)	(5,310,300,510)
60	18. Net profit after tax		419,948,155,828	251,009,738,091
61	19. Net profit after tax attributable to shareholders of the parent	20.1	392,178,799,975	252,710,595,472
62	20. Net profit/(loss) after tax attributable to non-controlling interests	21	27,769,355,853	(1,700,857,381)
70	21. Basic earnings per share	30	835	549
71	22. Diluted earnings per share	30	835	549


Luu Phuong Mai
Preparer

12 August 2016


Pham Phuc Hieu
Chief Accountant and Deputy
General Director


Nguyen Thi Thu Huong
General Director

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		515,057,644,628	283,136,701,460
	Adjustments for:			
02	Depreciation of fixed assets	10,11	14,588,819,488	13,041,264,694
03	Provisions		(1,459,902,550)	(20,675,911,634)
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		3,393,155	49,675,498
05	Profits from investing activities		(16,411,847,880)	(107,020,639,065)
06	Interest expenses	24	43,732,824,671	48,999,938,968
08	Operating profit before changes in working capital		555,510,931,512	217,531,029,921
09	Increase in receivables		(1,018,866,197,153)	(61,538,779,619)
10	Decrease/(increase) in inventories		108,642,421,152	(481,133,795,025)
11	Increase in payables (other than interest, corporate income tax)		967,152,210,141	132,228,511,616
12	Increase in prepaid expenses		(55,532,856)	(1,666,397,001)
14	Interest paid		(54,656,659,537)	(75,796,407,187)
15	Corporate income tax paid	28.2	(55,931,124,813)	(2,587,223,946)
17	Other cash outflows from operating activities		-	(79,200,000)
20	Net cash flows from/(used in) operating activities		501,796,048,446	(273,042,261,241)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(2,835,002,766)	(23,141,785,811)
22	Proceeds from disposals of fixed assets and other long-term assets		2,500,000,000	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		-	(15,326,000,000)
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(101,690,284,000)	-
26	Proceeds from sale of investments in other entities		135,167,000,000	26,273,000,000
27	Interest and dividends received		3,923,527,443	5,354,568,502
30	Net cash flows from/(used in) investing activities		37,065,240,677	(6,840,217,309)

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		45,873,241,650	672,649,871,057
34	Repayment of borrowings		(295,909,732,364)	(406,811,015,402)
40	Net cash flows (used in)/from financing activities		(250,036,490,714)	265,838,855,655
50	Net increase in cash and cash equivalents for the period		288,824,798,409	(14,043,622,895)
60	Cash and cash equivalents at beginning of the period		228,164,359,677	149,105,090,802
70	Cash and cash equivalents at end of the period	4	516,989,158,086	135,061,467,907



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Chief Accountant and Deputy
General Director



Nguyen Thi Thu Huong
General Director

12 August 2016

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

1. CORPORATE INFORMATION

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

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

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

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

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

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

The total number of employees as at 30 June 2016 is 420 (31 December 2015: 411).

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

1. CORPORATE INFORMATION (continued)

Corporate structure

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

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

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim consolidated financial statements of the Company and its subsidiaries ("the Group") 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 Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2016.

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

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

The cost of real estate properties for sale comprises expenses on land compensation, site restoration, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, etc. and other related costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the 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 Group, based on appropriate evidence of impairment available at the interim consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the period.

3.3 *Receivables*

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the interim 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 consolidated 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 consolidated 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 consolidated income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible 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 consolidated income statement as incurred.

When intangible 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 consolidated income statement.

3.6 *Depreciation and amortisation*

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

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

3.7 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

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

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	45 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2016 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and amortised to the interim consolidated income statement:

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

3.10 *Business combinations and goodwill*

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Investments*

Investments in associates

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

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

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

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 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated 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 consolidated financial statements and deducted against the value of such investments.

3.12 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 *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 consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Foreign currency transactions*

Transactions in currencies other than the Group'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;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All foreign exchange differences incurred during the period and arisen from the translation of monetary accounts denominated in foreign currency at interim consolidated balance sheet date are taken to the interim consolidated income statement.

3.15 *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 Group's own equity instruments.

3.16 *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 Vietnamese regulatory requirements.

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

Investment and development fund

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

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 consolidated balance sheet.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Long-term lease of land and infrastructure

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

Lease of factories

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

Rendering of services

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

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.

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 Group's entitlement as an investor to receive the dividend is established.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation

Current income tax

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

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset 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 Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 *Segment information*

A segment is a component which can be separately identified in which the Group 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 Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business segment and in one critical geographic region which is Vietnam.

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

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Cash on hand	40,108,148,010	42,255,128,629
Cash at banks	225,684,821,232	86,909,231,048
Cash equivalents (*)	251,196,188,844	99,000,000,000
TOTAL	<u>516,989,158,086</u>	<u>228,164,359,677</u>

(*) Cash equivalents at 30 June 2016 mainly include short-term deposits in VND at banks which earn interest from 4.5% to 5.2% per annum and have maturity term from 1 month to 3 months.

Additional information regarding the cash flow statement:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Significant non-cash transactions that are excluded from the cash flow statement in the future:		
Conversion of debt to equity		- 1,200,000,000,000
Actual cash received from loans		
- Cash received from normal loan agreements	45,873,241,650	372,649,871,057
- Cash received from issuance of convertible bonds		- 300,000,000,000
Actual cash payment of loans		
- Cash payment for normal loan agreements	100,909,732,364	106,811,015,402
- Cash payment for principal of bonds	195,000,000,000	300,000,000,000

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

5. SHORT-TERM INVESTMENTS

Currency: VND

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

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivable

Currency: VND

30 June 2016 31 December 2015

Short-term

Trade receivables from customers		
- Kinh Bac Service JSC (i)	390,756,974,065	96,913,466,665
- LG Display Electronics Vietnam Hai Phong Co., Ltd. (ii)	344,458,063,501	-
- KCT Engineering Ltd (iii)	218,749,608,000	-
- Sai Gon Investment JSC (iv)	104,130,000,000	104,130,000,000
- Hoang Hai Viet Nam Packaging JSC(ii)	44,802,900,000	55,836,450,000
- Heesung Electronics VietNam Co., Ltd. (ii)	23,294,224,800	47,942,393,094
- LG Electronics Vietnam Hai Phong Co., Ltd. (ii)	-	50,705,322,986
- Heasung Electronics VietNam Co., Ltd. (ii)	-	23,271,469,200
- Other customers (ii)	113,716,171,298	115,181,504,307
	1,239,907,941,664	493,980,606,252

Long-term

Trade receivables from customers		
- Kinh Bac Service JSC (i)	248,305,529,704	332,305,529,704
	248,305,529,704	332,305,529,704

- (i) These are the short-term and long-term receivables from Kinh Bac Service JSC relating to revenue from long-term lease of land and infrastructure and from sale of factories in Que Vo II Industrial Park, Trang Due Industrial Park and Quang Chau Industrial Park. The receivables relating to revenue from long-term lease of land and infrastructure and from sale of factories in Que Vo II Industrial Park bear interest rate at 8% - 9% per annum;
- (ii) These are receivable from other customers for long-term lease of land and infrastructure at the industrial parks of the Group;
- (iii) This is the receivable related to transfer of investment project according to Contract No. HĐCN - KBC/2016 dated 8 April 2016; and
- (iv) This is the receivable from Saigon Investment JSC related to the transfer of land at Phuc Ninh Urban Area Project.

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.2 Advances to suppliers

	Currency: VND	
	30 June 2016	31 December 2015
Short-term		
Advances to suppliers		
- Kinh Bac Investment and Consulting JSC (i)	1,214,131,901,298	1,114,372,843,381
- Kinh Bac Service JSC (ii)	117,302,270,000	117,302,270,000
- Land Clearance and Compensation Committee of Cu Chi District (iii)	28,793,378,040	23,975,623,424
- Foster and Partners Limited Company (iv)	25,961,600,000	25,961,600,000
- People's Council and People's Committee of An Duong district (v)	11,302,688,835	11,302,688,835
- Trung Chinh Trading and Construction Limited Company (vi)	4,018,661,359	4,018,661,359
- Other advance to suppliers	27,843,094,560	27,300,743,951
	1,429,353,594,092	1,324,234,430,950

- (i) This is the advance to Kinh Bac Investment and Consulting JSC for the site clearance and compensation; and for construction works of certain on-going projects of the Group;
- (ii) This is the advance to Kinh Bac Service JSC for site clearance and road construction - Phase I of Quang Chau Project - Viet Yen - Bac Giang;
- (iii) This is the advance to Land Clearance and Compensation Committee of Cu Chi District for land clearance at Tan Phu Trung Project;
- (iv) The Company advanced to Foster and Partners Limited Company for the design of Hoa Sen Hotel Project. On 22 June 2016, the Company used this advance to contribute capital to Lotus Hotel Development Sole Member Company Limited (Note 12)
- (v) This is the advance to the People's Committee of An Duong District for site compensation and clearance expense for on-going projects in Saigon - Hai Phong Industrial Park JSC; and
- (vi) This is the advance to Trung Chinh Trading and Construction Limited Company for the construction of tunnel at Trang Cat Project.

6.3 Provision for trade receivables

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

	Currency: VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Beginning balance	9,083,443,300	19,349,892,467
Increase in the period	-	151,943,750
Reversal in the period	(1,865,732,650)	(10,613,350,000)
Ending balance	7,217,710,650	8,888,486,217
<i>In which:</i>		
Provision for short-term receivables	6,717,710,650	8,388,486,217
Provision for loan receivables	500,000,000	500,000,000

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

7. OTHER LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
- Saigon Tourism JSC	500,000,000	500,000,000
- Saigon-Tay Ninh Industrial Park JSC (i)	300,000,000	300,000,000
- Other loan receivables	2,799,720,000	2,599,720,000
Other loan receivables from related parties (Note 29)	<u>9,100,000,000</u>	<u>9,100,000,000</u>
	<u>12,699,720,000</u>	<u>12,499,720,000</u>
Long-term		
- Kinh Bac Investment and Consulting JSC (ii)	6,992,700,000	6,992,700,000
- Construction Project Management Unit of Bac Ninh City (Bac Ninh City People's Committee)	<u>700,000,000</u>	<u>700,000,000</u>
TOTAL	<u>7,692,700,000</u>	<u>7,692,700,000</u>

(i) This is an unsecured, interest free loan which will be due in less than 1 year.

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

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

8. OTHER RECEIVABLES

Currency: VND

	30 June 2016		31 December 2015	
	Cost	Provision	Cost	Provision
Short-term				
Saigon Investment JSC (i)	583,000,000,000	-	583,000,000,000	-
Share transfer receivables (ii)	618,155,780,000	-	672,730,000,000	-
Other receivables from related parties (Note 29)	142,590,871,051	-	32,022,174,517	-
Advance to PVcomBank for investment purchase (iii)	101,690,284,000	-	-	-
Receivables from Kinh Bac Investment and Consulting JSC (iv)	61,346,558,152	-	151,146,558,152	-
Receivables from Bac Ninh's People Committee (v)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (vi)	12,851,128,404	-	12,851,128,404	-
Receivable from Van Duong's People Committee Kum-ba JSC (vii)	3,327,780,000	-	2,228,672,000	-
Other short-term receivables	43,875,296,000	-	43,875,296,000	-
	27,557,718,663	-	22,653,629,434	-
	1,613,835,416,270	-	1,539,947,458,507	-
Long-term				
Kinh Bac Services JSC (viii)	29,680,745,063	-	15,418,350,117	-
Other long-term receivables	268,934,250	-	209,000,000	-
	29,949,679,313	-	15,627,350,117	-

- (i) This is the amount transferred to Saigon Investment JSC relating to the purchase of shares at Le Minh Xuan 2 Industrial Park Investment JSC. At 30 June 2016, the share transfer procedures have not been completed.
- (ii) This is the receivable relating to the transfer of 48.3 million shares in Saigon-Binh Dinh Energy JSC to Kinh Bac Service JSC according to the Contracts dated 22 June 2015 and 15 December 2015;
- (iii) According to the agreement of investment transfer No. 2610/PVCB-KBC, the Company will purchase 2,360,000 shares of Lang Ha Investment JSC and 1,000,000 shares of Sai Gon Investment JSC from Mass Commercial Bank of Vietnam (PVcomBank), with total contract value of VND 1,161 billion. Up to 30 June 2016, the Company has advanced VND 101.7 billion to PVcomBank.
- (iv) According to the minutes of General Shareholders Meeting dated 1 July 2015, SGI - Lao Hydropower JSC decided to dissolve and return the contributed capital to the Company with the amount of VND 185,586,558,152. These receivables, however, were transferred to Kinh Bac Investment and Consulting JSC under three-party offsetting minutes on 3 July 2015;

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

8. OTHER RECEIVABLES (continued)

- (v) According to the minutes of interdisciplinary meeting between the Finance Department of Bac Ninh Province, the Department of Planning and Investment of Bac Ninh Province, the Department of Natural Resources and Environment of Bac Ninh Province, the Management Board of Industrial Parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QĐ-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province is committed to supporting on land rental rates for Que Vo Industrial Park project. Accordingly, the capital support available to the Company is VND 19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park;
- (vi) This is the deposit to Hanoi Agriculture Investment and Development One Member Co., Ltd. in accordance with Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to cooperate to develop a complex of trade center, offices, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Commune, Tu Liem District, Ha Noi;
- (vii) This is the receivable from Kum-Ba JSC relating to the transfer of shares of Lang Ha Investment JSC;
- (viii) This represents the interest on deferred payment for long-term lease of land and sale of factories to Kinh Bac Service JSC.

9. INVENTORIES

Currency: VND

	30 June 2016		31 December 2015	
	Cost	Provision	Cost	Provision
Trang Cat Industrial and Residential Park (i)	3,445,621,529,580	-	3,352,808,991,554	-
Tan Phu Trung Industrial Park (ii)	2,571,390,251,795	-	2,559,881,884,282	-
Phuc Ninh Urban Area	809,241,000,042	-	791,241,769,241	-
Quang Chau Industrial Park and Urban area	578,708,535,505	-	551,643,366,073	-
Trang Due Industrial Park - stage 1 (iii)	13,850,450,185	-	16,498,178,861	-
Trang Due II Industrial Park - stage 2	246,929,127,782	-	446,614,321,229	-
Nam Son - Hap Linh Industrial Park	208,883,596,633	-	206,869,480,433	-
Que Vo II Industrial Park	314,738,075,023	-	337,106,227,149	-
Que Vo I Industrial Park	52,883,662,787	-	64,211,681,110	-
Houses for low-income residents	-	-	23,897,163,067	-
Other projects	13,559,727,387	-	13,675,314,872	-
TOTAL	8,255,805,956,719	-	8,364,448,377,871	-

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

9. INVENTORIES (continued)

Work in progress of the Group as at 30 June 2016 comprises compensation costs and infrastructure development costs, capitalized borrowing costs and allocated overheads which incurred for the development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh Urban Area, Nam Son - Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Quang Chau Industrial Park, Trang Due Industrial Park, Trang Cat Urban and Service Zone, and other projects of the Group which are developed for sale. The majority of the Group's inventories are used as collaterals for long-term loans as disclosed in Note 19.

- (i) In accordance with Decision No. 1548/QĐ-UBND dated 17 September 2010, the People's Committee of Hai Phong City approved the detailed planning 1/2000 of the Trang Cat Urban and Service Zone Project ("Trang Cat Project") with the approved development area of 584.91 hectares, and the Company as the investor of the Project. Consequently, the Company established Trang Cat Urban Development One-Member Limited Company ("Trang Cat Company") to directly manage, develop and complete this project. On 8 October 2012, the Hai Phong People's Committee issued Decision No. 1679/QĐ-UBND to assign the land to Trang Cat Company for the development of Trang Cat Urban and Services Zone project in Trang Cat, Hai An District, with the total assigned land area of 581.93 ha.

Also relating to Trang Cat Project, in accordance with the Asset Pledge Agreement to guarantee for obligations of third party No. 0202/2013/HDTC-DN dated 22 February 2013 between Trang Cat Company and Western Commercial Joint Stock Bank ("Western Bank"), now merged with Vietnam Public Joint Stock Commercial Bank ("PVcomBank"), Trang Cat Company has agreed to mortgage the following assets:

- ▶ Trang Cat Project;
- ▶ Property rights and economic benefits arising from the Decision on Land Assignment and the relevant documents, investments associated with the land use right in Trang Cat Project;
- ▶ All the asset rights, benefit rights arising from Trang Cat Project; and
- ▶ All the assets which will be formed in the future under Trang Cat Project.

to PVcomBank to secure the obligations of the Group and other affiliates. In particular, the guaranteed obligations comprise:

- ▶ obligations of Saigon - Binh Thuan Power Investment and Development JSC ("Saigon - Binh Thuan Company") arising from the acquisition of an investment portfolio from PVcomBank according to the transfer agreement dated 1 August 2012 between the Bank and Saigon - Binh Thuan Company;
 - ▶ loans, trust investment and bonds due by the Company and its subsidiaries, associates (including the Saigon Telecommunication & Technologies Corporation - SGT) to PVcomBank with a total value of VND 2,429 billion; and
 - ▶ loans, trust investment and bonds due by other companies (including Saigon Construction JSC, Saigon Investment JSC, Saigon - Cantho Industrial Park Corporation, SGI Fund Management JSC, Saigon Construction JSC, NAVI Securities JSC and Asian Securities JSC) to PVcomBank with a total value of VND 1,095 billion.
- (ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area which have been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park as developed by Northwest Saigon City Development Corporation, which have been revalued at the date the Group acquired and assumed control in this subsidiary.
- (iii) Work in progress in Trang Due Industrial Park - phase 1 includes the fair value of the land area which have been cleared and granted with land assignment decision of Trang Due Industrial Park as developed by Saigon - Hai Phong Industrial Park JSC, which have been revalued at the date the Group acquired and assumed control in this subsidiary.

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

10. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures (including cost of land development and infrastructure)</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
Beginning balance	179,898,339,289	32,632,246,549	45,376,218,210	9,369,054,517	894,109,090	268,169,967,655
- Newly purchased	-	349,492,262	-	72,709,091	-	422,201,353
Ending balance	<u>179,898,339,289</u>	<u>32,981,738,811</u>	<u>45,376,218,210</u>	<u>9,441,763,608</u>	<u>894,109,092</u>	<u>268,592,169,008</u>
<i>In which:</i>						
Fully depreciated	5,426,770,365	1,864,686,215	9,445,453,507	2,790,286,887	894,109,090	20,421,306,064
Accumulated depreciation:						
Beginning balance	82,927,546,423	17,027,460,098	22,352,114,562	3,992,194,045	865,221,593	127,164,536,721
- Depreciation for the period	8,288,309,898	1,566,271,396	2,117,790,611	512,461,492	28,887,497	12,513,720,894
Ending balance	<u>91,215,856,321</u>	<u>18,593,731,494</u>	<u>24,469,905,173</u>	<u>4,504,655,537</u>	<u>894,109,090</u>	<u>139,678,257,615</u>
Net carrying amount:						
Beginning balance	96,970,792,866	15,604,786,451	23,024,103,648	5,376,860,472	28,887,497	141,005,430,934
Ending balance	<u>88,682,482,968</u>	<u>14,388,007,317</u>	<u>20,906,313,037</u>	<u>4,937,108,071</u>	<u>-</u>	<u>128,913,911,393</u>

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

11. INVESTMENT PROPERTIES

	<i>Currency: VND</i>
	<i>Factories (including cost of land development and infrastructure)</i>
Cost:	
Beginning balance	27,405,394,467
Ending balance	<u>27,405,394,467</u>
Depreciation:	
Beginning balance	6,990,210,367
- Depreciation for the period	<u>2,075,098,594</u>
Ending balance	<u>9,065,308,961</u>
Net carrying amount	
Beginning balance	20,415,184,100
Ending balance	<u>18,340,085,506</u>

At 30 June 2016, the Group has not determined the fair value of these investment properties because there is no available market for these properties.

12. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Lotus Hotel Project (i)	119,161,983,743	119,161,983,744
Hanoi Diplomat Area (ii)	106,555,116,818	106,555,116,818
Que Vo I Industrial Park	4,516,537,647	4,592,921,893
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Factories at Quang Chau Industrial Park	1,244,590,000	1,314,135,200
Other construction in progress	<u>160,000,000</u>	<u>160,000,000</u>
TOTAL	<u>234,754,732,101</u>	<u>234,900,661,548</u>

- (i) In accordance with the Decision No. 413/QĐ-UBND dated 22 January 2010, the Company was approved as the investor of Hanoi Lotus Hotel Project, which will be constructed in a land area of around 40,484m². Total costs incurred include USD 5.5 million supporting the Hanoi People's Committee, design and consultancy fee paid to foreign contractors and other overhead costs. During the period, the Company contributed capital in Lotus Hotel Development Sole Member Company Limited by the form of this construction value of Lotus Hotel Project.
- (ii) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation transferred the existing infrastructure works to the Company for further development of a complex of offices, representative offices for international agencies at Hanoi Diplomatic Area.

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

13. CAPITALIZED BORROWING COSTS

During the period, the Group has capitalized borrowing costs amounting to VND 135.2 billion. These costs relate to borrowings taken to finance the construction of Que Vo I Industrial Park, Phuc Ninh Urban area, Quang Chau Industrial Park, Tan Phu Trung Industrial Park, Trang Due Industrial Park and other development projects of the Group.

14. LONG-TERM INVESTMENTS

		<i>Currency: VND</i>	
	<i>Note</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
Investment in associates	14.1	470,815,313,216	462,788,335,881
Other long-term investments	14.2	448,500,200,000	452,867,200,000
Provision for long-term investments		<u>(23,052,816,635)</u>	<u>(23,052,816,635)</u>
TOTAL		<u>896,262,696,581</u>	<u>892,602,719,246</u>

14.1 Investment in associates

			<i>Currency: VND</i>			
	<i>Note</i>	<i>% of voting right</i>	<i>30 June 2016</i>		<i>31 December 2015</i>	
			<i>Number of shares</i>	<i>Amount VND</i>	<i>Number of shares</i>	<i>Amount VND</i>
Saigon - Hue Investment JSC	<i>(i)</i>	28.14%	9,849,000	209,908,319,045	9,849,000	210,115,300,777
Saigon Telecommunication & Technologies JSC	<i>(ii)</i>	21.48%	15,896,923	171,636,128,827	15,896,923	163,264,402,974
Saigon High-tech Park Infrastructure Development Investment JSC	<i>(iii)</i>	27.44%	8,233,083	82,463,270,117	8,233,083	82,468,701,980
Scanviwood JSC	<i>(iv)</i>	34%	1,077,528	6,807,595,228	1,077,528	6,939,930,150
TOTAL				<u>470,815,313,217</u>		<u>462,788,335,881</u>

(i) Saigon - Hue Investment JSC

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

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

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

14. LONG-TERM INVESTMENT (continued)

14.1 Investment in associates (continued)

(ii) Saigon Telecommunication & Technologies JSC

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

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

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

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established pursuant to the Business Registration Certificate No. 4103006017 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 January 2007 and the first amended Business Registration Certificate dated 2 July 2009 with a registered charter capital of VND 300 billion. Its principal activities include infrastructure investment and development; leasing and selling offices, trading centres 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, Ward 13, Tan Binh District, Ho Chi Minh city, Vietnam.

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established pursuant to the Business Registration Certificate No. 411031000006 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND 31.69 million. 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.

KinhBac City Development Holding Corporation

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

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in associates (continued)

Investments in associates as at 30 June 2016 are as below:

	Saigon Telecommunication & Technologies JSC	Saigon - Hue Investment JSC	Saigon High-tech Park Infrastructure Development Investment JSC	Scanviwood JSC	Total
Cost of investment:					
As at 31 December 2015	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
As at 30 June 2016	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
Accumulated share in post-acquisition profit/(loss) of the associates					
As at 31 December 2015	(100,000,531,715)	(511,699,223)	137,871,980	(264,669,849)	(100,639,028,807)
- Share in post-acquisition profit/(loss) of the associates for the period	8,371,725,853	(206,981,731)	(5,431,862)	(132,334,925)	8,026,977,335
As at 30 June 2016	(91,628,805,862)	(718,680,954)	132,440,118	(397,004,774)	(92,612,051,472)
Amortization goodwill:					
As at 31 December 2015	160,227,726,386	-	-	-	160,227,726,386
As at 30 June 2016	160,227,726,386	-	-	-	160,227,726,386
Net carrying amount:					
As at 31 December 2015	163,264,402,973	210,115,300,777	82,468,701,980	6,939,930,151	462,788,335,881
As at 30 June 2016	171,636,128,826	209,908,319,046	82,463,270,118	6,807,595,226	470,815,313,216

Currency: VND

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

14. LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investment

Currency: VND

	30 June 2016			31 December 2015		
	% of voting right	Number of shares	Historical cost (book value)	% of voting right	Number, of shares	Historical cost (book value)
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC - Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - NhonHoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Hamtan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Investment Development Power Plant JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
Ban Viet Capital Fund Management JSC (*)	-	-	-	3	43.67	4,367,000,000
TOTAL			448,500,200,000			452,867,200,000
Provision for other long-term investments			(23,052,816,635)			(23,052,816,635)
NET			425,447,383,365			429,814,383,365

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

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

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

	Currency: VND			
	30 June 2016		31 December 2015	
	Amount	Amount payable	Amount	Amount payable
Trade payables to suppliers				
- Kinh Bac Service JSC	29,978,050,000	29,978,050,000	-	-
- Truong Phat investment JSC	3,890,306,850	3,890,306,850	9,559,539,000	9,559,539,000
- Thanh Tien Commerce and Transportation Limited Company	-	-	10,418,885,000	10,418,885,000
- Others	55,620,226,717	55,620,226,717	56,923,982,642	56,923,982,642
Payable to related parties (Note 29)	100,100,000	100,100,000	90,860,000	90,860,000
TOTAL	89,588,683,567	89,588,683,567	76,993,266,642	76,993,266,642

15.2 Short-term advances from customers

	Currency: VND	
	30 June 2016	31 December 2015
LG Electronics Vietnam Hai Phong Co., Ltd.	312,324,383,895	-
Deposit for contract obligation execution	300,000,000,000	-
Deposit for purchase of houses and land use rights at Phuc Ninh urban project	195,253,258,200	195,253,258,200
Prepayment for land rental at Tan Phu Trung industrial parks	67,416,789,558	66,582,840,000
Deposit by National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank) for purchase of houses and land use rights at Phuc Ninh urban project	66,582,840,000	57,394,622,400
Deposit for purchase of houses and land use rights at Quang Chau urban project	57,394,622,400	54,192,897,792
Thien Bao Hai Phong limited Company	21,440,133,000	-
Prepayment for land rental at Trang Due industrial parks	-	17,885,190,217
Electricity Sector 1 JSC	-	22,500,000,000
Other advances from customers	34,588,553,477	12,108,413,259
TOTAL	1,055,000,580,530	425,917,221,868

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

16. STATUTORY OBLIGATIONS

	Currency: VND			
	31 December 2015	Payable for the period	Payment/off-set in the period	30 June 2016
Payables				
Value added tax	47,399,850,908	2,022,048,088	(16,796,613,909)	32,625,285,087
Corporate income tax (Note 28.2)	99,054,381,716	50,851,367,616	(55,931,124,813)	93,974,624,519
Personal income tax	536,743,867	2,466,627,301	(2,406,664,715)	596,706,453
Other taxes (*)	28,796,549,283	368,100,321	(335,575,176)	28,829,074,428
TOTAL	175,787,525,774	55,708,143,326	(75,469,978,613)	156,025,690,487
Receivables				
Corporate income tax (Note 28.2)	37,959,474,360	(1,097,877,499)	-	36,861,596,861
TOTAL	37,959,474,360	(1,097,877,499)	-	36,861,596,861

(*) Included in statutory obligations is the accrual for land lease of Northwest Saigon City Development Corporation ("SCD") for Tan Phu Trung Industrial Zone Project with an amount of VND 28.4 billion. SCD is currently in the process of working with the relevant government agencies to determine the land lease obligations to the State (see also Note 31).

17. ACCRUED EXPENSES

	Currency: VND	
	30 June 2016	31 December 2015
Short-term		
Accrued future development cost for recognised sales	948,716,731,444	822,904,001,980
- Que Vo I Industrial Park	30,780,364,674	30,949,674,086
- Que Vo II Industrial Park	145,328,549,832	158,932,801,994
- Trang Due Industrial Park	315,304,002,214	199,760,146,688
- Quang Chau Industrial Park	164,052,834,286	164,052,834,286
- Tan Phu Trung Industrial Park	293,250,980,438	269,208,544,926
Accrued interest expenses (*)	225,056,597,503	187,289,277,021
Accrued interest expenses to related parties (Note 29)	438,090,237	370,691,739
Other accrued expenses	6,482,732,794	12,723,744,292
TOTAL	1,180,694,151,978	1,023,287,715,032
Long-term		
Accrued interest expenses (*)	776,585,947,259	757,092,452,968
TOTAL	776,585,947,259	757,092,452,968

(*) This amount mainly includes the bond interest expense payable to PVcomBank. PVcomBank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be due in 2017 and 2019 (Note 19.2).

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

18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term		
Kinh Bac Investment and Consulting JSC	6,874,366,495	5,000,000,000
Payable to Mr Nguyen Son (i)	35,685,973,447	-
Other payables	36,141,498,835	25,319,777,921
TOTAL	<u>78,701,838,777</u>	<u>30,319,777,921</u>
Long-term		
Cholimex MEI JSC (ii)	55,500,000,000	55,500,000,000
Other deposits	4,632,942,420	3,772,399,555
TOTAL	<u>60,132,942,420</u>	<u>59,272,399,555</u>

- (i) The payable to Mr Nguyen Son relates to land return agreement during the period.
- (ii) In 2014, the Company received VND 55.5 billion from Cholimex MEI JSC for the development of Phuc Ninh Urban Project in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

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

19. LOANS

	31 December 2015		Movement during the period		30 June 2016	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Loans from others (*)	32,868,697,019	32,868,697,019	-	(1,333,318,452)	31,535,378,567	31,535,378,567
Current portion of long term loans (Note 19.1 and 19.2)	1,058,502,212,972	1,058,502,212,972	89,286,593,434	-	1,147,788,806,406	1,147,788,806,406
Loans from related parties (Note 29)	113,830,830,000	113,830,830,000	-	-	113,830,830,000	113,830,830,000
	1,205,201,739,991	1,205,201,739,991	89,286,593,434	(1,333,318,452)	1,293,155,014,973	1,293,155,014,973
Long-term						
Loans from banks (Note 19.1)	842,368,376,208	842,368,376,208	45,873,241,650	(111,015,414,608)	777,226,203,250	777,226,203,250
Loans from related parties (Note 29)	3,849,163,882	3,849,163,882	-	(3,849,163,882)	-	-
Bonds (Note 19.2)	505,318,602,000	505,318,602,000	40,054,713	(269,046,000,000)	236,312,656,713	236,312,656,713
	1,351,536,142,090	1,351,536,142,090	45,913,296,363	(383,910,578,490)	1,013,538,859,963	1,013,538,859,963
TOTAL						

(*) These include unsecured, interest free loans from Saigon Investment JSC and Kinh Bac Service JSC.

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

19. LOANS (continued)

19.1 Long-term loans

As at 30 June 2016, details of long-term loans from banks are as follows:

Currency: VND

Banks	Ending balance	Original amount (USD)	Interest rate	Principal and interest payment term	Description of collateral
Vietnam Bank for Industry and Trade -Que Vo Industrial Park branch	358,611,749,000		10.5%/year	Principal repayment on 6 February 2020. Interest payment on last 25 th per quarter	Infrastructure and other assets which will be formed in the future at Trang Due II Industrial Park with a land area of 214.02 ha. All proceeds, dividends, advantage, asset right arising from sale of land, infrastructure, land use rights and asset attached with the land.
	42,605,672,950		10.5%/year	Principal repayment in every 6-month, interest payment on the last 25 th each quarter	Factory no. L at Que Vo Industrial Park and all assets attached with the land which will be formed in the future and asset rights arising from business contracts
National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank) - Hanoi branch	4,791,034,389	214,460	5.975%/year	Interest payment every month. Principal repayment every quarter. Maturity date is 6 January 2019.	Assets formed from the loan proceed which is the waste water treatment plant at Quang Chau Industrial Park.
Vietnam Public Bank	320,000,000,000		9.2%/year	Maturity date is 31 December 2017	Assets formed in the future on 120 ha of land at Quang Chau Industrial Park
National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank)	104,960,553,317		11%/year	Principal repayment every 6-month, and in 5 instalments from 1 August 2016	Value of land use right No B1, B2, B4, B5, B6 at Tan Phu Trung Industrial Park
TOTAL	830,969,009,656				
<i>In which:</i>					
- Current portion of long-term loans	53,742,806,406				
- Long-term loan	777,226,203,250				

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

19. LOANS (continued)

19.2 Bonds

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

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Description of collaterals
KBC Bond 001	Secured corporate bond issued to Vietnam Joint Stock Commercial Bank for Industry and Trade	2,500,000	100,000	250,000,000,000	10,65%	8 May 2017	All assets which the Company has invested and will invest in the future on the 300 ha of land of Que Vo II Industrial Park and 45 ha of land at Phuc Ninh Residential Area.
KBC Bond 004	Guarantee fee for issuing KBC Bond 001			(666,343,287)			
KBC Bond 005	Corporate bond issued to PVcomBank	4,000,000	100,000	400,000,000,000	9,2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
	Secured corporate bond issued to Vietnam Investment and Development Bank	2,750,000	100,000	275,000,000,000	10,05%	28 December 2017	12,63 million SGT shares and 16,75 million KBC shares owned by Mr. Dang Thanh Tam and assets to be formed in the future at Quang Chau IZ
KBC Bond 007	Corporate bond issued to PVcomBank	2,500,000	100,000	250,000,000,000	9,2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
001/2009/TPS CD01/HDBM	Secured corporate bond issued to National Citizen Bank	417,490	100,000	41,749,000,000	12,50%	18 December 2018	Land use right for area B1, B2, B4, B5, B6 under Mortgage Agreement No.570/14/HĐTC-BĐDS/101-11 dated on 31 December 2014
002/2009/TPS CD01/HDBM	Secured corporate bond issued to National Citizen Bank	1,142,760	100,000	114,276,000,000	12,50%	18 June 2017	Land use right for area B1, B2, B4, B5, B6 under Mortgage Agreement No.570/14/HĐTC-BĐDS/101-11 dated on 31 December 2014
TOTAL		13,310,250		1,330,358,656,713			

In which:

Bonds due in the next 12 months
Long-term Bonds
Guarantee fee for bond issuance

1,094,712,343,287
236,312,656,713
(666,343,287)

KinhBac City Development Holding Corporation

B09a-DN/HN

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

20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
	Currency: VND						
For the six-month period ended 30 June 2015							
As at 31 December 2014	3,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	1,169,625,513,861	880,383,874,802	6,256,481,532,486
- Increase in capital	800,000,000,000	377,461,000,000	-	-	-	-	1,177,461,000,000
- Net profit/(loss) for the period	-	-	-	-	252,710,595,472	(1,700,857,381)	251,009,738,091
As at 30 June 2015	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	1,422,336,109,333	878,683,017,421	7,684,952,270,577
For the six-month period ended 30 June 2016							
As at 31 December 2015	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	1,781,536,119,480	870,535,724,540	8,036,004,987,843
- Net profit for the period	-	-	-	-	392,178,799,975	27,769,355,852	419,948,155,822
As at 30 June 2016	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	2,173,714,919,455	898,305,080,392	8,455,953,143,670

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

20. OWNERS' EQUITY (continued)

20.2 Shares

Currency: VND

	30 June 2016			31 December 2015		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contributed by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000	4,757,111,670,000	-
Share premium	989,064,430,000	989,064,430,000	-	989,064,430,000	989,064,430,000	-
Treasury share	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,709,450,000	5,381,709,450,000	-	5,381,709,450,000	5,381,709,450,000	-

20.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

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

20.4 Dividends

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

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

20. OWNERS' EQUITY (continued)

20.5 Shares

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

Par value of outstanding share: VND 10,000/share (2015: VND10,000/share).

21. NON-CONTROLLING INTEREST

	Currency: VND	
	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Beginning balance	870,535,724,540	880,383,874,802
Profit/(loss) attributable to non-controlling interest	27,769,355,852	(1,700,857,381)
Ending balance	898,305,080,392	878,683,017,421

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

22. REVENUES

22.1 Revenue from sales of goods and rendering of services

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Gross revenue	1,113,392,007,736	646,914,470,560
<i>Of which:</i>		
Revenue from lease of land and infrastructures (*)	842,565,756,915	520,094,403,272
Revenue from sale of factories	-	93,397,402,000
Revenue from transfer of project	218,749,608,000	-
Revenue from lease of warehouses, buildings and offices	6,531,853,808	63,812,112
Other revenue	45,544,789,013	33,358,853,176
Less		
Sales returns	-	-
Net revenue	1,113,392,007,736	646,914,470,560
<i>Of which:</i>		
Sales to others	1,113,392,007,736	646,914,470,560
Sales to related parties	-	-

(*) During the period, the Group has recorded revenue from long-term lease of land with infrastructure in the industrial parks in the consolidated income statement when the land is handed-over to the customers, which is based on the assessment that significant risks and rewards associated with ownership of the land were transferred to tenants. If revenue from the lease of land with infrastructure is allocated over the lease term, the impacts to revenue, cost of goods sold and services rendered; and profit before and after corporate income tax of the Group are as follows:

	<i>Currency: VND</i>	
	<i>Revenue recognized in full at the hand-over date</i>	<i>Revenue is amortized over the lease term</i>
Revenue	1,113,392,007,736	298,865,705,941
<i>Of which:</i>		
Revenue from lease of land and infrastructures (*)	842,565,756,915	11,178,077,494
Cost of goods sold and services rendered	(501,853,973,690)	(47,274,950,620)
Gross profit of goods sold and services rendered	611,538,034,046	251,590,755,321
Profit before tax	515,057,644,628	120,089,883,336
Current corporate income tax expense	(51,949,245,115)	(44,715,692,123)
Deferred tax expense	(43,160,243,685)	(50,393,796,677)
Profit after tax	419,948,155,828	58,313,395,642

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

22. REVENUES (continued)

22.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Interest income on outstanding receivables from lease of land and sale of factories (*)	14,322,329,194	20,734,648,545
Interest income from deposits and lending	2,096,871,149	3,627,128,502
Gains from securities trading and financial investment	1,826,656,294	101,927,440,000
Foreign exchange gains	52,115,685	130,119,497
Other financial income	-	414,288,762
TOTAL	<u>18,297,972,322</u>	<u>126,833,625,306</u>

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

23. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Cost leased land and infrastructures	454,252,858,464	323,779,292,916
Cost of transfer of project	23,945,143,067	-
Cost of leased warehouses, factories and offices	2,075,098,594	1,131,369,501
Cost of factories sold	-	41,907,066,064
Others	21,580,873,565	18,983,931,509
TOTAL	<u>501,853,973,690</u>	<u>385,801,659,990</u>

Included in costs of long-term lease of land and infrastructure are the following accruals:

	<i>Currency: VND</i>			
	<i>For the six-month period ended 30 June 2016</i>		<i>For the six-month period ended 30 June 2015</i>	
	<i>Costs of sales</i>	<i>Accrued amount</i>	<i>Costs of sales</i>	<i>Accrued amount</i>
Long-term lease of land and infrastructure	454,252,858,464	164,365,651,432	323,779,292,916	109,132,270,610
TOTAL	<u>454,252,858,464</u>	<u>164,365,651,432</u>	<u>323,779,292,916</u>	<u>109,132,270,610</u>

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

24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Interest expenses	41,093,256,525	42,843,269,634
Bond issue and guarantee cost	2,639,568,146	4,381,014,334
Provision/(reversal of provision) for investments	405,830,100	(20,809,505,383)
Interest expenses incurred from the deposits to purchase land at Phuc Ninh Urban Area	-	1,775,655,000
Others	142,662,496	1,146,398,204
TOTAL	<u>44,281,317,267</u>	<u>29,336,831,789</u>

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Selling expenses		
Purchases of Company's logo	10,933,000,000	14,901,600,000
Consultant and promotion expenses	10,531,692,270	10,776,285,917
Labour costs	990,579,444	1,276,550,000
Others	789,757,705	764,469,802
TOTAL	<u>23,245,029,419</u>	<u>27,718,905,719</u>
General and administrative expenses		
Depreciation	4,655,612,073	3,604,518,724
Labour costs	30,407,233,836	27,069,028,628
External services	6,399,707,059	5,600,543,313
Others	19,112,500,219	13,452,391,704
TOTAL	<u>60,575,053,187</u>	<u>49,726,482,369</u>

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

26. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Other income		
Gains from disposal of assets	4,461,343,102	-
Others	927,748,555	677,775,898
	5,389,091,657	677,775,898
Other expense		
Others	93,030,859	171,360,999
	93,030,859	171,360,999
NET OTHER PROFIT	5,296,060,798	506,414,899

27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Land, infrastructure, building development and services rendering expenses	472,309,062,471	356,766,932,135
Labour costs	32,384,073,404	29,693,700,287
Depreciation of fixed assets, amortisation of goodwill and allocation of prepaid expenses	14,588,819,488	13,041,264,694
Expenses for external services	54,354,892,410	49,594,445,415
Other expenses	12,037,208,523	14,150,705,547
TOTAL	585,674,056,296	463,247,048,078

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

28. CORPORATE INCOME TAX

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

- ▶ For the operating activities at Que Vo I Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The Company is entitled to an exemption from CIT for the four years from 2005 to 2008, and a 50% reduction of the applicable CIT rate for the following 9 years until 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10% with a 50% reduction.
- ▶ For the operating activities at the Que Vo II Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The Company is entitled to an exemption from CIT for the three years from 2008 to 2010, and a 50% reduction of the applicable CIT rate for the following 7 years from 2011 to 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10% with a 50% reduction.
- ▶ For the operating activities at Quang Chau Industrial Park, Saigon - Bacgiang Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10% with a 50% reduction.
- ▶ For the operating activities at Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10% with a 50% reduction.
- ▶ For the operating activities at Trang Due Industrial Park - phase 2, Sai Gon - Hai Phong Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation. The subsidiary is entitled to an exemption from CIT for 4 years from 2015 to 2018, and a 50% reduction of the applicable CIT rate for the following 9 years up to 2027. The company is exempted from tax for the six-month period ended 30 June 2016.
- ▶ For operating activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2007 to 2010, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2016 is 10% with a 50% reduction.
- ▶ For operating activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Limited Company Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2012 to 2016, and a 50% reduction of the applicable CIT rate for the following 9 years. The company is exempted from tax for the six-month period ended 30 June 2016.

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

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

28. CORPORATE INCOME TAX (continued)

28.1 CIT expense

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015 (Restated)</i>
Current CIT expense	51,949,245,115	26,816,662,859
Deferred CIT expense	43,160,243,685	5,310,300,510
TOTAL	<u>95,109,488,800</u>	<u>32,126,963,369</u>

28.2 Current CIT

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Company and its subsidiaries for the period differs from the profit as reported in the interim consolidated 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 consolidated balance sheet date.

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

28. CORPORATE INCOME TAX (continued)

28.2 Current CIT (continued)

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015 (Restated)</i>
Profit before tax	515,057,644,628	283,136,701,460
Adjustments to increase/(decrease) accounting profit		
Adjustments to increase		
Non-deductible expenses	13,306,397,267	1,541,155,566
Taxable income from previous years' land lease activities which is taxable in the current period	18,089,665,631	9,003,094,631
Allocation of fair value adjustment on business combination	33,707,529,208	103,738,280,662
Unrealize profit in inventory	57,296,331,024	-
Adjustments to decrease		
Profit from associates	(8,026,977,335)	(1,466,070,562)
Taxable income from land lease activities to be allocated for the following years	(347,757,756,709)	(171,942,167,917)
Provisions	(44,078,051,562)	(43,390,024,808)
Adjusted net profit before loss carry forward and tax	237,594,782,152	180,620,969,031
<i>In which:</i>		
<i>Profit before tax of the Company</i>	<i>220,769,066,060</i>	<i>154,063,846,599</i>
<i>Profit before tax of the Company (Hochiminh Branch)</i>	<i>(4,649,980)</i>	<i>(29,491,579)</i>
<i>Profit before tax of subsidiaries</i>	<i>22,952,904,813</i>	<i>31,737,124,537</i>
<i>Loss before tax of subsidiaries</i>	<i>(24,212,204,372)</i>	<i>(14,153,605,157)</i>
Taxable income from land lease activities in previous years	18,089,665,631	9,003,094,631
Tax loss carried forward	-	(71,752,673,639)
Estimated current taxable income	261,811,636,504	194,804,065,767
Estimated current CIT	51,949,245,115	26,816,662,859
CIT payable at the beginning of period	99,054,381,716	64,828,024,019
CIT prepaid at the beginning of period	(37,959,474,360)	(8,655,756,459)
CIT paid during the period	(55,931,124,813)	(2,587,223,946)
CIT payable at the end of the period	57,113,027,658	106,358,009,984
<i>In which:</i>		
<i>CIT payable (Note 16)</i>	<i>93,974,624,519</i>	<i>108,187,834,814</i>
<i>CIT prepaid (Note 16)</i>	<i>(36,861,596,861)</i>	<i>(1,829,824,830)</i>

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

28. CORPORATE INCOME TAX (continued)

28.3 Deferred tax

The followings are the deferred tax liabilities recognized by the Group, and the movements thereon, during the current and previous periods:

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
	<i>Currency: VND</i>			
Deferred tax liabilities				
Deferred tax liabilities arising from fair value adjustment on business combination date at Northwest Saigon City Development JSC	234,611,174,698	240,425,723,486	(5,814,548,788)	(13,720,014,822)
Deferred tax liabilities arising from fair value adjustment on business combination date at Sai Gon - Hai Phong Industrial Park JSC	457,334,951	457,334,951	-	(4,180,339,038)
Deferred tax liabilities arising from allocation of CIT over the leased term	306,979,503,063	258,004,710,590	48,974,792,473	23,210,654,369
	<u>542,048,012,712</u>	<u>498,887,769,027</u>		
Net deferred tax debit to interim consolidated income statement			<u>43,160,243,685</u>	<u>5,310,300,509</u>

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

28. CORPORATE INCOME TAX (continued):

28.4 Unrecognised deferred tax assets

Tax losses carried forward

The Group is entitled to carry the tax loss forward to offset with the taxable profit arising within 5 years subsequent to the year in which the loss was incurred. As at 30 June 2016, the Group has accumulated losses which are available for offset against future taxable profits. Details are as follows:

Currency: VND

Original year	Can be utilized up to		Tax loss amount	Utilized up to 30 June 2016	Forfeited	Unutilized at 30 June 2016
2012	2017	(i)	290,447,513,954	(226,772,051,054)	-	63,675,462,900
2013	2018	(i)	114,297,270,724	(44,106,959,987)	(13,358,056,421)	56,832,254,316
2014	2019	(i)	89,268,404,637	-	-	89,268,404,637
2015	2010	(i)	71,200,307,244	-	-	71,200,307,244
2016	2011	(i)	24,216,854,352	-	-	24,216,854,352
TOTAL			589,430,350,911	(270,879,011,041)	(13,358,056,421)	305,193,283,449

- (i) These are estimated tax losses as per the Company and its subsidiaries' corporate income tax declarations which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

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

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

29. TRANSACTIONS WITH RELATED PARTIES

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

No	Related party	Relationship
1	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate
2	Saigon Telecommunication & Technologies Corporation	Associate
3	Saigon - Hue Investment JSC	Associate
4	Scanviwood Joint Stock Company	Associate
5	Saigon - Da Nang Investment JSC	Common investor
6	Mr. Dang Thanh Tam	Chairman
7	Ms. Nguyen Thi Thu Huong	General Director
8	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 2016 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2016, the Group has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Significant transactions between the Group and its related parties during the period are as follows:

Related party	Transactions	Currency: VND	
		For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Mr. Dang Thanh Tam	Advance	110,908,008,534	13,679,289,000
	Payment of loan principal	3,849,163,882	5,645,373,150
	Advance clearance	189,824,000	18,289,115,088
	Loan from related party	-	33,136,871,057

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

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

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

			<i>Currency: VND</i>	
	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
<i>Short-term loan receivables (Note 7)</i>				
Saigon - Hue Investment JSC	Associate	Short-term loans	400,000,000	400,000,000
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Associate	Short-term loans	8,700,000,000	8,700,000,000
			9,100,000,000	9,100,000,000
<i>Other short-term receivables (Note 8)</i>				
Mr. Dang Thanh Tam	Chairman	Advance	116,893,543,534	6,175,359,000
Ms. Nguyen Thi Thu Huong	General Director	Advance	3,786,854,420	3,960,772,420
Mr. Phan Anh Dung	Deputy General Director	Advance	110,000,000	110,000,000
Ms. Nguyen Chung Thuy	Head of Board of Supervision	Advance	207,786,000	183,356,000
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Associate	Deposit	21,592,687,097	21,592,687,097
			142,590,871,051	32,022,174,517
<i>Trade payables (Note 15)</i>				
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Associate	Service fee	100,100,000	90,860,000
			100,100,000	90,860,000
<i>Accrued expenses (Note 17)</i>				
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate	Interest payable	438,090,237	370,691,739
			438,090,237	370,691,739

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			<i>Currency: VND</i>	
	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
Short-term loans (Note 19)				
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (*)	Associate	Short-term loans	112,330,830,000	112,330,830,000
Saigon - Da Nang Investment JSC (**)	Associate	Short-term loans	1,500,000,000	1,500,000,000
			<u>113,830,830,000</u>	<u>113,830,830,000</u>
Long-term loans (Note 19)				
Mr. Dang Thanh Tam	Chairman	Long-term loans	-	3,849,163,882
			<u>-</u>	<u>3,849,163,882</u>

(*) This is the short-term loan from Saigon High-tech Park Infrastructure Development Investment Joint Stock Company which bears interest at 0.01% per month and will mature on 30 June 2016.

(**) This is the long-term loan from Saigon - Da Nang Investment JSC. This loan is interest free and unsecured which will be due in 10 July 2016.

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of Management and Board of Directors:

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

30. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

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

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	392,178,799,975	252,710,595,472
<i>Effect of dilution:</i>		
Interest on convertible bonds	-	-
Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution	<u>392,178,799,975</u>	<u>252,710,595,472</u>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	469,760,190	459,982,410
<i>Effect of dilution:</i>		
Convertible preference shares	-	-
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	<u>469,760,190</u>	<u>459,982,410</u>
Basic earnings per share	835	549
Diluted earnings per share	835	549

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

31. COMMITMENTS AND CONTINGENCIES

31.1 Commitments relating to real estate investment projects

Commitments relating to the State:

- (i) According to Decision 413/QD-UBND issued by Hanoi People's Committee on 22 January 2010, the Company is selected as the developer of Hanoi Lotus Hotel Project which is located on a land area of approximately 40,484 m² with the estimated total investment capital of US\$ 250,000,000. At the same time, the Group is also obliged to construct a children playground in a rural, poor area in Hanoi with an estimated total investment value of US\$1,500,000.
- (ii) According to Decision No. 1526/QD-CT 17 December 2003 and Decision No. 971/QD-UBND 15 July 2009 of the People's Committee of Bac Ninh Province regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh town, Bac Ninh province, the Company is under an obligation to pay land use fees and other charges for the residential land area, commercial and public areas within the Phuc Ninh Residential Area. Accordingly, the Company was handed over with 49.53 hectare of land in 2010, completed the land marking for 47.2 hectare of land in 2013 with the People's Committee of Bac Ninh Province and settled the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT of Bac Ninh province at 23 December 2004 which approved the land use fee (phase 1) and the notice of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2016, the Company is in the process of finalizing the land use fee settlement to the People's Committee of Bac Ninh province for the above assigned land.
- (iii) From 2003 to 2014, the Company signed a number of land lease agreements with the People's Committee of Bac Ninh province for the land area at Que Vo I Industrial Park and the Extended Que Vo, which is 2,268,388,8 m² and 1,652,779 m², respectively. During the period, the Company received the Decision on land rental exemptions for the construction and infrastructure business in the industrial zone; however, the Company is still in the process of working with the authorities to determine land rent obligations after the expiration of land rent exemption set out in the Decision.
- (iv) On 20 March 2013, the Department of Finance of Ho Chi Minh City sent a notice to Northwest Saigon City Development JSC ("SCD") advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square metre for 2011 and 2012. However, Decision No. 2093/QD-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC, to remove difficulties for business enterprises, confirmed that the land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, SCD currently accrued the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014, which is based on the land rental rate of VND500/m² or two times higher than 2010 land rental fee which had been agreed by the Ho Chi Minh City People's Committee under the Land Lease Contract No. 2516/HD-TNMT-QHSDD dated 5 April 2007. At the same time, SCD sent a letter to the Ho Chi Minh City People's Committee to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 pursuant to the above regulations. As at 30 June 2016, SCD is still in the process of finalising the land rental rate for the above leased land area with the Ho Chi Minh City People's Committee.

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

31. COMMITMENTS AND CONTINGENCIES (continued)

31.1 *Commitments relating to real estate investment projects* (continued)

Commitments relating to the State: (continued)

- (v) From 2011 to 2014, Saigon - Haiphong Industrial Park JSC ("SHP") signed land lease agreements with the People's Committee of Hai Phong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m². Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m² land area), Contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m² land area) and Contract No.13 / HĐTD dated 17 February 2014 (for 93,303.7 m² land area). On 12 December 2014, the General Department of Taxation of Haiphong City issued Decision No. 4274 / QĐ-CT on land rent exemption for Saigon-Hai Phong Industrial Park JSC. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the Land Lease Contracts No. 04, No.13 and No.179, respectively. However, according to Investment Certificate No.02221000009 issued by the Hai Phong Economic Zone Management Board on 29 November 2013, SHP is exempted from land rental for the above land area. Therefore, SHP is in the process of working with the relevant government agencies to clarify the inconsistency in the above legal documents.
- (vi) From 2008 to 2010, Saigon - Bac Giang Industrial Park JSC ("SBG") signed land lease agreements with the People's Committee of Bac Giang Province for a total land area of 3,577,274 m² at Quang Chau Industrial Park. As at 30 June 2016, SBG is still in the process of working with the authority to determine the land rental obligations applicable to SBG. According to the second Investment Certificate dated 12 September 2014, Quang Chau Industrial Park is entitled to land rental exemption for 6 years during the development of the Industrial Park and another 7 years from the date the project is completed and put into operations.

Capital expenditure commitments

As at 30 June 2016, the Company and its subsidiaries have contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Quang Chau urban area, Trang Due Industrial Park and Trang Cat urban area with a total value of approximately VND 482 billion.

31.2 *Guarantee and security*

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

Guarantee under the mortgage contract with PVcomBank:

As disclosed in Note 9, Trang Cat One Member Urban Development Limited Company ("Trang Cat Company") signed mortgage contract No. 0202/2013/HĐTC-DN dated 22 February 2013 with PVcomBank to guarantee for payment obligations of third parties. Accordingly, Trang Cat Company has agreed to pledge part of its assets related to the Trang Cat Urban and Service Zone Project ("the Project") to guarantee for the loans, trust investment, corporate bonds and other contractual obligations of the Group, its subsidiaries, associates and other companies.

Commitment with Bank for Investment and Development of Vietnam

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

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

31. COMMITMENTS AND CONTINGENCIES (continued)

31.3 Disputes

Disputes with VTC Wireless Telecommunications Corporation

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 Group'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.





32. CORRESPONDING FIGURES

<i>Code</i>	<i>Items</i>	<i>For the six-month period ended 30 June 2015 (as previously stated)</i>	<i>Restatement</i>	<i>For the six-month period ended 30 June 2015 (restated amounts)</i>
Interim Consolidated Income Statement				
51	Current corporate income tax expense	(52,772,966,370)	25,956,303,511	(26,816,662,859)
52	Deferred income tax income/(expense)	20,646,003,001	(25,956,303,511)	(5,310,300,510)

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

33. EVENTS AFTER THE BALANCE SHEET DATE

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

		 
_____ Luu Phuong Mai Preparer	_____ Pham Phuc Hieu Chief Accountant and Deputy General Director	_____ Nguyen Thi Thu Huong General Director

12 August 2016