

Nam Long Investment Corporation

Interim consolidated financial statements

30 June 2017



Nam Long Investment Corporation

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Nam Long Investment Corporation

GENERAL INFORMATION

THE COMPANY

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code NLG in accordance with Decision No. 14/2013/QĐ-SGDHCM issued by HOSE on 25 January 2013.

As at 30 June 2017, the Company has fourteen direct subsidiaries, two indirect subsidiaries, one associate and one jointly-controlled entity with details as follows:

<i>Company</i>	<i>Location</i>	<i>Business</i>
Subsidiaries		
Nam Long Property Management and Development One Member Limited Company	Ho Chi Minh City ("HCMC")	Construction and real estate
Nam Long Service Joint Stock Company	HCMC	Service and construction
Nam Long - Hong Phat Joint Stock Company	Can Tho City	Construction and real estate
Nguyen Son Real Estate Joint Stock Company	HCMC	Real estate
Nam Long Apartment Development Corporation	HCMC	Construction and real estate
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	HCMC	Real estate trading floor
Nam Khang Construction Investment Development One Member Limited Liability Company	HCMC	Construction and real estate
Nam Vien Construction and Design Consulting Joint Stock Company	HCMC	Service
Nam Khang Construction Materials Trading Company Limited	HCMC	Construction material trading
Nam Long VCD Corporation	Long An Province	Construction and real estate
Nam Phan Investment Corporation	HCMC	Construction and real estate
Nguyen Phuc Real Estate Trading and Investment Company Limited	HCMC	Real estate
Thao Nguyen Real Estate Business and Investment Company Limited	HCMC	Real estate
NLG – NNR – HR Fuji Limited Liability Company	HCMC	Construction and real estate
NNH Kikyo Flora Company Limited	HCMC	Real estate
NNH Kikyo Valora Company Limited	HCMC	Real estate
Joint venture		
NNH Mizuki Joint Stock Company	HCMC	Real estate
Associate		
Okamura Tokyo Company Limited	HCMC	Real estate

Nam Long Investment Corporation

GENERAL INFORMATION (continued)

THE COMPANY (continued)

The current principal activities of Nam Long Investment Corporation and its subsidiaries ("the Group") are the engaging in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; real estate management services.

The Company's head office is located at 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

BOARD OF DIRECTORS

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

Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Vice Chairman
Mr Lai Voon Hon	Member
Mr Bui Duc Khang	Member
Mr Chad Ryan Ovel	Member
Mr Trinh Van Tuan	Member
Mr Ziang Tony Ngo	Member
Mr Ngian Siew Siong	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member

BOARD OF SUPERVISION

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

Ms Nguyen Luu Tuyen	Head	appointed on 22 April 2017
Ms Nguyen Thi Thanh Thao	Head	resigned on 22 April 2017
	Member	appointed on 22 April 2017
Mr Dang Hong Tan	Member	appointed on 22 April 2017
Mr Yip Chong Kuan	Member	resigned on 22 April 2017
Mr Vuong Thuan	Member	resigned on 22 April 2017

MANAGEMENT

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

Mr Chu Chee Kwang	General Director
Mr Chau Quang Phuc	Chief Financial Officer
Ms Nguyen Thanh Huong	Investment Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Nguyen Xuan Quang.

AUDITORS

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

Nam Long Investment Corporation

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Nam Long Investment Corporation ("the Company") is pleased to present its report relating to the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2017.

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.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying interim consolidated financial statements, which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2017, 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.

For and on behalf of the Board of Directors:



Nguyễn Xuân Quang
Chairman

Ho Chi Minh City, Vietnam

11 August 2017



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Reference: 60755865/19324218/LR-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders and the Board of Directors of Nam Long Investment Corporation

We have reviewed the accompanying interim consolidated financial statements of Nam Long Investment Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 11 August 2017, and as set out on pages 6 to 48 which comprise the interim consolidated balance sheet as at 30 June 2017, and 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 consolidated 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.



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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 2017, 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



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2013-004-1

Ho Chi Minh City, Vietnam

11 August 2017

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2017

VND

Code	ASSETS	Notes	30 June 2017	31 December 2016
100	A. CURRENT ASSETS		6,646,509,429,185	5,828,216,387,403
110	i. Cash and cash equivalents	4	1,167,165,809,340	931,562,883,084
111	1. Cash		287,992,743,676	391,805,138,578
112	2. Cash equivalents		879,173,065,664	539,757,744,506
120	ii. Short-term investment	5	44,615,650,676	38,869,085,285
123	1. Held-to-maturity investments		44,615,650,676	38,869,085,285
130	iii. Current accounts receivable		1,687,056,243,107	1,094,934,187,907
131	1. Short-term trade receivables	6	761,153,080,947	340,384,104,224
132	2. Short-term advances to suppliers	7	679,345,333,362	556,785,295,674
135	3. Short-term loan receivables	8	41,780,000,000	41,780,000,000
136	4. Other short-term receivables	9	209,616,920,336	160,823,879,547
137	5. Provision for doubtful debts		(4,839,091,538)	(4,839,091,538)
140	IV. Inventories		3,668,827,694,985	3,698,432,512,033
141	1. Inventories	10	3,670,932,690,740	3,700,202,039,743
149	2. Provision for obsolete inventories		(2,104,995,755)	(1,769,527,710)
150	V. Other current assets		78,844,031,077	64,417,719,094
151	1. Short-term prepaid expenses	11	11,787,044,576	7,423,269,944
152	2. Value-added tax deductible		67,003,473,175	56,962,394,171
153	3. Tax and other receivables from the State		53,513,326	32,054,979

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

VND

Code	ASSETS	Notes	30 June 2017	31 December 2016
200	B. NON-CURRENT ASSETS		1,083,357,293,569	380,593,080,263
210	<i>I. Long-term receivables</i>		151,407,977,704	124,874,169,981
211	1. Long-term trade receivables		151,739,000	151,739,000
215	2. Long-term loan receivables	8	57,000,000,000	-
216	3. Other long-term receivables	9	94,256,238,704	124,722,430,981
220	<i>II. Fixed assets</i>		55,490,972,841	55,173,350,327
221	1. Tangible fixed assets	12	43,402,094,374	42,094,934,637
222	Cost		79,328,149,616	75,999,017,018
223	Accumulated depreciation		(35,926,055,242)	(33,904,082,381)
227	2. Intangible fixed assets	13	12,088,878,467	13,078,415,690
228	Cost		17,387,596,237	17,927,596,237
229	Accumulated amortisation		(5,298,717,770)	(4,849,180,547)
230	<i>III. Investment properties</i>	14	36,608,119,246	39,335,877,272
231	1. Cost		52,388,388,716	54,222,910,307
232	2. Accumulated depreciation		(15,780,269,470)	(14,887,033,035)
250	<i>IV. Long-term investments</i>	15	556,210,804,358	30,520,390,516
252	1. Investments in the associate and jointly-controlled entity	15.1	550,488,165,698	24,797,751,856
253	2. Investment in other entities	15.2	5,942,300,000	5,942,300,000
254	3. Provision for long-term investments		(219,661,340)	(219,661,340)
260	<i>V. Other long-term assets</i>		283,639,419,420	130,689,292,167
261	1. Long-term prepaid expenses	11	102,876,242,206	48,237,961,214
262	2. Deferred tax assets	31.3	169,441,793,927	68,614,084,713
269	3. Goodwill	16	11,321,383,287	13,837,246,240
270	TOTAL ASSETS		7,729,866,722,754	6,208,809,467,666

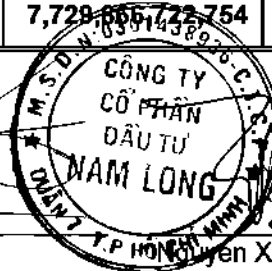
INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2017

VND

Code	RESOURCES	Notes	30 June 2017	31 December 2016
300	C. LIABILITIES		4,141,333,689,370	3,061,535,857,828
310	I. Current liabilities		2,997,808,523,038	2,170,632,810,715
311	1. Short-term trade payables	17	100,622,024,186	199,476,008,760
312	2. Short-term advances from customers	18	1,160,607,143,692	651,548,705,368
313	3. Statutory obligations	19	365,686,666,319	166,366,982,121
314	4. Payables to employees		2,623,399,380	20,358,866,753
315	5. Short-term accrued expenses	20	851,145,473,857	585,315,818,762
319	6. Other short-term payables	21	234,309,319,332	183,317,756,801
320	7. Short-term loans	22	254,030,088,071	353,654,528,674
322	8. Bonus and welfare fund		28,784,408,201	10,594,143,476
330	II. Non-current liabilities		1,143,525,166,332	890,903,047,113
336	1. Long-term unearned revenues	24	341,515,834,540	-
337	2. Other long-term liabilities		8,174,266,838	7,971,859,607
338	3. Long-term loans and debts	22	257,128,926,000	349,613,387,000
339	4. Convertible bond	23	466,491,174,402	463,083,450,079
341	5. Deferred tax liabilities	31.3	55,331,868,345	55,331,868,345
342	6. Long-term provisions		14,883,096,207	14,902,482,082
400	D. OWNERS' EQUITY		3,588,533,033,384	3,147,273,609,838
410	I. Capital		3,588,533,033,384	3,147,273,609,838
411	1. Share capital	25.1	1,421,145,100,000	1,421,145,100,000
411a	- Shares with voting rights		1,421,145,100,000	1,421,145,100,000
412	2. Share premium	25.1	492,161,147,061	492,161,147,061
413	3. Convertible bond options	25.1	40,503,427,830	40,503,427,830
415	4. Treasury shares	25.1	(60,464,200,000)	(60,464,200,000)
418	5. Investment and development fund	25.1	10,929,726,999	10,929,726,999
420	6. Other funds belonging to owners' equity	25.1	3,375,866,454	1,081,198,777
421	7. Undistributed earnings	25.1	827,422,448,466	578,402,902,765
421a	- Undistributed earnings by the end of prior year		517,933,464,226	277,746,420,785
421b	- Undistributed earnings of current period		309,488,984,240	300,656,481,980
429	8. Non-controlling interests	26	853,459,516,574	663,514,306,406
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,729,866,722,754	6,208,809,467,666

Pham Hong Hanh
Preparer

Luong Thi Kim Thoa
Chief Accountant



Phan Xuân Quang
Legal representative

11 August 2017

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
01	1. Revenues from sale of goods and rendering of services	27.1	1,263,120,176,360	1,067,732,991,626
02	2. Deductions	27.1	(1,484,466,390)	-
10	3. Net revenues from sale of goods and rendering of services	27.1	1,261,635,709,970	1,067,732,991,626
11	4. Costs of goods sold and services rendered	28	(646,236,517,255)	(742,618,156,213)
20	5. Gross profit from sale of goods and rendering of services		615,399,192,715	325,114,835,413
21	6. Finance income	27.2	34,970,743,142	5,202,349,551
22	7. Finance expenses	30	(17,628,471,002)	(6,419,328,997)
23	- In which: Interest expense		(16,759,278,943)	(5,920,328,116)
24	8. Shares of (loss) profit of associate, joint-controlled entity		(1,909,586,158)	326,564,524
25	9. Selling expenses	29	(54,202,512,913)	(75,171,288,971)
26	10. General and administration expenses	29	(80,363,856,236)	(76,337,091,768)
30	11. Operating profit		496,265,509,548	172,716,039,752
31	12. Other income		2,677,448,968	6,558,925,366
32	13. Other expenses		(360,150,936)	(3,103,803,346)
40	14. Other profit		2,317,298,032	3,455,122,020
50	15. Accounting profit before tax		498,582,807,580	176,171,161,772
51	16. Current corporate income tax expense	31.1	(206,161,388,719)	(28,223,857,398)
52	17. Deferred tax income (expense)	31.3	100,827,709,214	(10,903,606,701)
60	18. Net profit after tax		393,249,128,075	137,043,697,673
61	19. Net profit after tax attributable to shareholders of the parent		309,985,815,382	127,385,153,397
62	20. Net profit after tax attributable to non-controlling interests	26	83,263,312,693	9,658,544,276
70	21. Basic earnings per share	33	1,925	798
71	22. Diluted earnings per share	33	1,748	742

Pham Hong Hanh
Preparer

Luong Thi Kim Thoa
Chief Accountant

Nguyen Xuan Quang
Legal representative

11 August 2017

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		498,582,807,580	176,171,161,772
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	12, 13, 14, 16	6,826,019,636	8,289,883,217
03	Provisions (reversal of provisions)		431,382,670	(1,659,191,313)
05	Profits from investing activities		(33,328,194,426)	(5,528,914,075)
06	Interest expense	30	16,759,278,943	5,920,328,116
08	Operating profit before changes in working capital		489,271,294,403	183,193,267,717
09	Increase in receivables		(555,320,034,300)	(220,397,985,085)
10	Decrease in inventories		32,784,808,101	87,501,144,056
11	Increase (decrease) in payables		1,106,704,462,782	(76,237,394,190)
12	(Increase) decrease in prepaid expenses		(59,002,055,624)	4,837,825,845
14	Interest paid		(44,234,009,716)	(15,900,476,139)
15	Corporate income tax paid	19	(66,417,466,061)	(56,217,214,179)
17	Other cash outflows used in operating activities		(6,264,698,899)	(8,668,760,436)
20	Net cash flows from (used in) operating activities		897,522,300,686	(101,889,592,411)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	12	(4,314,635,455)	(5,983,751,612)
22	Proceeds from disposals of fixed assets		527,272,727	-
23	Loans to other entities and term deposits		(62,746,565,391)	(32,284,914,386)
25	Payments for investments in other entities		(550,770,000,000)	(211,359,264,265)
26	Proceeds from sale of an investment in other entities		22,400,000,000	183,583,558,448
27	Interest and dividends received	15.1	18,572,377,168	5,202,349,551
30	Net cash flows used in investing activities		(576,331,550,951)	(60,842,022,264)

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

VND

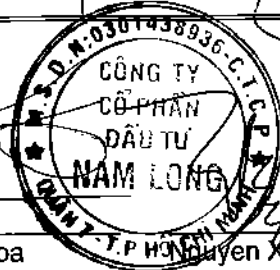
Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of convertible bond	25.1	-	40,503,427,830
	Capital contribution from non-controlling interests	26	155,516,750,000	100,000,000,000
32	Capital redemption	26	(20,000,000,000)	-
33	Drawdown of borrowings	22.4	117,896,289,786	648,988,030,173
34	Repayment of borrowings	22.4	(310,298,478,426)	(137,283,407,305)
36	Dividends paid to equity holders	25.3, 26	(28,702,384,839)	(64,089,593,115)
40	Net cash flows (used in) from financing activities		(85,587,823,479)	588,118,457,583
50	Net increase in cash and cash equivalents		235,602,926,256	425,386,842,908
60	Cash and cash equivalents at beginning of period		931,562,883,084	423,195,907,688
70	Cash and cash equivalents at end of period	4	1,167,165,809,340	848,582,750,596



Pham Hong Hanh
Preparer



Luong Thi Kim Thoa
Chief Accountant



Trần Xuân Quang
Legal representative

11 August 2017

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

1. **CORPORATE INFORMATION**

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, as amended.

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As at 30 June 2017, the Company has fourteen direct subsidiaries, two indirect subsidiaries, one associate and one jointly-controlled entity with details as follows:

<i>Company</i>	<i>Location</i>	<i>Business</i>	<i>Ownership</i> %
Subsidiaries			
Nam Long Property Management and Development One Member Limited Company ("Nam Long PMD")	Ho Chi Minh City ("HCMC")	Construction and real estate	100
Nam Long Service Joint Stock Company ("Nam Long Service")	HCMC	Service and construction	100
Nam Long - Hong Phat Joint Stock Company ("Nam Long - Hong Phat")	Can Tho City	Construction and real estate	99.98
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	HCMC	Real estate	87.33
Nam Long Apartment Development Corporation ("Nam Long ADC")	HCMC	Construction and real estate	97.14
Nam Long Real Estate Transaction Floor One Member Limited Liability Company ("Trading Floor")	HCMC	Real estate trading floor	100
Nam Khang Construction Investment Development One Member Limited Liability Company ("Nam Khang")	HCMC	Construction and real estate	100
Nam Vien Construction and Design Consulting Joint Stock Company ("Nam Vien")	HCMC	Service	81.25
Nam Khang Construction Materials Trading Company Limited ("Nam Khang Materials")	HCMC	Construction material trading	100
Nam Long VCD Corporation ("Nam Long VCD")	Long An Province	Construction and real estate	99.91
Nam Phan Investment Corporation ("Nam Phan")	HCMC	Construction and real estate	100
Nguyen Phuc Real Estate Trading and Investment Company Limited ("Nguyen Phuc")	HCMC	Real estate	50.00
Thao Nguyen Real Estate Business and Investment Company Limited ("Thao Nguyen")	HCMC	Real estate	50.00
NLG – NNR – HR Fuji Limited Liability Company ("NLG – NNR – HR Fuji")	HCMC	Construction and real estate	50.00
NNH Kikyo Flora Company Limited ("Kikyo Flora")	HCMC	Real estate	50.00
NNH Kikyo Valora Company Limited ("Kikyo Valora")	HCMC	Real estate	50.00
Joint venture			
NNH Mizuki Joint Stock Company ("NNH Mizuki")	HCMC	Real estate	50.00
Associate			
Okamura Tokyo Company Limited	HCMC	Real estate	40.00

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

1. CORPORATE INFORMATION (continued)

The current principal activities of Nam Long Investment Corporation and its subsidiaries ("the Group") are the engaging in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; real estate management services.

The Company's head office is located at 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

The number of the Group's employees as at 30 June 2017 is 485 (31 December 2016: 624 employees).

2. BASIS OF PREPARATION

2.1 *Accounting Standards and System*

The interim consolidated financial statements of the Group expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System, 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 balance sheet, interim consolidated financial statements and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group'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.

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

2. BASIS OF PREPARATION (continued)

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 2017.

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

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

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

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the 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.

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 (3) 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

Inventories comprise development projects undertaken by the Group which are in the work in progress stage and including mainly apartments, town houses and villas for sale under construction and land held for sale.

Apartments, town houses and villas for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments, town houses and villas. Net realizable value represents current selling price less estimated cost to complete apartments, town houses and villas, and estimated selling and marketing expenses.

Land held for constructing apartments, town houses and villas which is presented as part of "Inventories" is carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs directly related to the acquisition, site clearance, land compensation, and infrastructure construction. Net realizable value represents estimated current selling price less anticipated cost of disposal.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories* (continued)

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value of inventories owned by the Group, based on appropriate evidence of impairment available at the interim balance sheet date.

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

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 or decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

3.4 *Fixed assets*

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

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

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

When fixed assets are sold or retired, any gain or loss resulting from their disposal is (the difference between the net disposal proceeds and the carrying amount) included in the interim consolidated income statement.

Land use rights ("LURs")

LURs are recorded as intangible fixed assets if the land is held for use in the production or business, for rental to others by the enterprise and when the Group receives the LUR certificate. The cost of LUR comprises any directly attributable costs of preparing the land for its intended use. LUR with indefinite useful life is not amortised.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and the land use rights certificate being issued are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45"). The land use right is amortized over the useful life, except for land use right having indefinite useful life is not amortised.

3.5 *Leased assets*

Where the Group is the lessee

Rentals under operating leases are charged to the interim consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment properties in the interim consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated income statement as incurred.

Lease income is recognised in the interim consolidated income statement on a straight-line basis over the lease term.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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	25 - 47 years
Machinery and equipment	5 - 12 years
Means of transportation	6 - 8 years
Office equipment and furniture	3 - 8 years
Computer software	3 - 5 years
Land use rights	47 years
Other assets	3 - 5 years

3.7 *Investment properties*

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

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

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

Buildings and structures	6 - 47 years
Land use rights	47 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.

3.8 *Borrowing costs*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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 are amortised to the interim consolidated income statement:

- ▶ Tools and consumables with large value issued into construction and can be used for more than one year;
- ▶ Show houses; and
- ▶ Commission fee.

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 acquirer'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 a maximum period of 10 years 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.

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

The interim 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments (continued)

Interests in joint ventures

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entities reduce the carrying amount of the investment.

The interim financial statements of the jointly controlled entities 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 the line with those of the Group.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of 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 or 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 Payable and accruals

Payable and accruals are recognised for amount 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 31 December 2008 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 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. Increases or decreases 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 and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions

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

- transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

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

- monetary assets are translated at buying exchange rate of the commercial bank where the 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 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 profit

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors after approval by appropriate level of authority, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

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

▶ *Investment and development fund*

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

▶ *Other funds belonging to owners' equity*

Subsidised funds for operating activities, projects include remuneration schedule fund and operating budget fund.

▶ *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.

3.17 Earnings per share

Basic earnings per share amount is computed by dividing net profit attributable to ordinary equity holders 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 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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:

Sale of villas, town houses, and apartments

For villas, town houses and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the villas, town houses, or apartments have passed to the buyers.

Sale of residential plots and related infrastructure

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

Rendering of other services

Revenue is recognised when services have been rendered and completed.

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.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

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 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 offset 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Deferred tax (continued)

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.

The carrying amount of deferred tax assets is reviewed at each interim 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 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 is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

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 off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the 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 income tax liabilities or assets are expected to be settled or recovered.

3.20 *Convertible bond*

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or other financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost. This amount is classified as a financial liability measured at amortised cost (net of issuance costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent periods.

Transaction costs are amortised during the lifetime of the bond. At initial recognition, issuance costs are deducted from the liability component of the bond.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influences over the Group, key management personnel, including directors and officers of the Group and close members of the families of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.22 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2017	31 December 2016
Cash on hand	2,649,522,605	4,103,225,059
Cash at banks	285,343,221,071	387,701,913,519
Cash equivalents (*)	879,173,065,664	539,757,744,506
TOTAL	<u>1,167,165,809,340</u>	<u>931,562,883,084</u>

(*) Cash equivalents comprised bank deposits with original maturity of less than three months and earn interest at the rate of from 4.6 to 6.5% per annum.

5. SHORT-TERM INVESTMENTS

Held-to-maturity investments represented the term deposits at the commercial banks with the original maturity of six months and earned the interest at the rates ranging from 6 to 6.5% per annum.

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	30 June 2017	31 December 2016
Trade receivables from related parties (Note 32)	521,677,422,169	341,755,097
Trade receivables from other customers	239,475,658,778	340,042,349,127
TOTAL	<u>761,153,080,947</u>	<u>340,384,104,224</u>

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

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	30 June 2017	31 December 2016
Advances for purchases of land use rights	563,221,478,775	477,881,353,363
- Hoang Nam Company Limited	501,000,000,000	471,400,000,000
- Others	62,221,478,775	6,481,353,363
Advances for construction services	109,711,991,479	70,998,535,407
- Dien Quang Nguyen Construction Joint Stock Company	22,390,980,953	14,317,824,472
- Others	87,321,010,526	56,680,710,935
Others	6,411,863,108	7,905,406,904
TOTAL	<u>679,345,333,362</u>	<u>556,785,295,674</u>

8. LOAN RECEIVABLES

	VND	
	30 June 2017	31 December 2016
Loans to individuals, in which:		
- Short-term	41,780,000,000	41,780,000,000
- Long-term	57,000,000,000	-
TOTAL	<u>98,780,000,000</u>	<u>41,780,000,000</u>

Details of the loan receivables are as follows:

<i>Borrower</i>	<i>30 June 2017</i>	<i>Maturity date</i>	<i>Interest rate</i>
	VND		% p.a
Mr Nguyen Thanh Dong			
Loan 1	23,180,000,000	30 December 2017	7.0
Loan 2	32,000,000,000	24 April 2019	6.0
Ms Vu Bich Lan			
Loan 1	18,600,000,000	28 December 2017	7.0
Loan 2	<u>25,000,000,000</u>	24 April 2019	6.0
TOTAL	<u>98,780,000,000</u>		
<i>In which:</i>			
- Short-term loans	41,780,000,000		
- Long-term loans	57,000,000,000		

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

9. OTHER RECEIVABLES

	VND	
	30 June 2017	31 December 2016
Short-term		
Staff advances for land compensation purpose	145,864,089,752	111,354,640,763
Receivable from disposal of investment in Business Cooperation Contracts ("BCC")	20,506,113,376	6,210,353,467
Prepayment of corporate income tax based on payment progress of customers	17,594,940,580	9,213,961,104
Staff advances for other purposes	5,479,579,152	14,261,932,186
Others	<u>20,172,197,476</u>	<u>19,782,992,027</u>
	<u>209,616,920,336</u>	<u>160,823,879,547</u>
Long-term		
Investments in BCC projects (i)	87,264,530,680	117,264,530,680
Deposit	<u>6,991,708,024</u>	<u>7,457,900,301</u>
	<u>94,256,238,704</u>	<u>124,722,430,981</u>
TOTAL	<u>303,873,159,040</u>	<u>285,546,310,528</u>
<i>In which:</i>		
Due from other parties	303,411,159,040	285,546,310,528
Due from related parties (Note 32)	462,000,000	-

- (i) This amount mainly represented the BCC with 21 Century Joint Stock Company in 2015 to develop Lot 9B7 Residential Area on an area of 5.9 hectares in South Sai Gon Urban Area. The Company has 60% interest in this BCC. As at 30 June 2017, this project was under completion stage and hand over.

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

10. INVENTORIES

	VND	
	30 June 2017	31 December 2016
Inventory properties under development (i)	3,660,364,468,325	3,687,742,046,329
Engineering Procurement Contracts ("EPC") services (ii)	10,379,701,166	10,004,027,344
Construction materials	188,521,249	768,175,161
Finished goods	-	1,687,790,909
TOTAL	3,670,932,690,740	3,700,202,039,743
(i) Inventory properties under development:		
<i>Long An project</i> (*) (**)	1,441,219,889,674	1,410,132,529,019
<i>Phu Huu project</i>	784,719,253,151	515,253,842,875
<i>Fuji project</i>	779,877,233,203	693,986,174,349
<i>Nguyen Son project</i>	207,996,788,913	581,124,624,485
<i>Nam Long – Hong Phat project</i>	111,036,808,273	160,568,491,597
<i>Phuoc Long B project – Extension</i>	74,825,698,409	72,484,697,580
<i>Tan Thuan Dong project</i>	65,458,292,803	66,297,696,252
<i>Hoang Nam project</i> (**)	57,422,173,990	34,065,035,864
<i>Can Tho project</i> (*)	51,702,161,980	48,647,599,538
<i>Thao Nguyen project</i>	48,142,041,859	48,142,041,859
<i>Binh Duong project ("Ehome 4 project")</i>	9,340,761,041	6,677,696,256
<i>Phuoc Long B project – Apartment</i>	987,311,356	13,050,022,077
<i>Ehome West Sai Gon project ("Ehome 3 project")</i>	-	8,867,612,807
<i>Nhon Trach project</i>	-	211,865,659
<i>Others</i>	27,636,053,673	28,232,116,112
(ii) Engineering Procurement Contracts services:		
<i>Camelia - Nam Sai Gon</i>	10,379,701,166	10,004,027,344

(*) LURs have been mortgaged to secure the Group's outstanding borrowings (Note 22):

- LURs in Hung Thanh Ward, Cai Rang District, Can Tho City;
- LURs in An Thanh Ward, Ben Luc District, Long An Province; and
- LURs in An Lac Ward, Binh Tan District, Ho Chi Minh City;

(**) During the period, the Group capitalised interest amounting to VND 35,524,766,808 (for the the six-month period ended 30 June 2016: VND 36,484,840,171) to work in progress.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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11. PREPAID EXPENSES

	<i>VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term		
Operating expenses	5,786,676,269	2,960,621,998
Tools and supplies	4,927,653,276	3,987,948,691
Others	1,072,715,031	474,699,255
	<u>11,787,044,576</u>	<u>7,423,269,944</u>
Long-term		
Commission fees	100,732,875,254	46,037,828,520
Tools and supplies	1,976,738,010	2,069,793,214
Others	166,628,942	130,339,480
	<u>102,876,242,206</u>	<u>48,237,961,214</u>
TOTAL	<u>114,663,286,782</u>	<u>55,661,231,158</u>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment and furniture	Other assets	Total	VND
Cost:							
31 December 2016	50,779,575,483	11,703,266,072	6,980,703,283	5,396,138,334	1,139,333,846	75,999,017,018	
New purchase	-	2,058,526,364	1,983,609,091	38,500,000	234,000,000	4,314,635,455	
Disposal	-	(666,666,667)	(318,836,190)	-	-	(985,502,857)	
30 June 2017	50,779,575,483	13,095,125,769	8,645,476,184	5,434,638,334	1,373,333,846	79,328,149,616	
<i>In which:</i>							
Fully depreciated	349,211,061	562,553,418	1,705,921,744	1,996,140,141	1,292,036,145	5,905,862,509	
Accumulated depreciation:							
31 December 2016	(18,188,960,280)	(6,826,950,225)	(4,809,886,452)	(3,089,751,578)	(988,533,846)	(33,904,082,381)	
Depreciation for the period	(1,032,409,094)	(605,043,911)	(799,535,429)	(285,551,999)	(24,700,000)	(2,747,240,433)	
Disposal	-	666,666,667	58,600,905	-	-	725,267,572	
30 June 2017	(19,221,369,374)	(6,765,327,469)	(5,550,820,976)	(3,375,303,577)	(1,013,233,846)	(35,926,055,242)	
Net carrying amount:							
31 December 2016	32,590,615,203	4,876,315,847	2,170,816,831	2,306,386,756	150,800,000	42,094,934,637	
30 June 2017	31,558,206,109	6,329,798,300	3,094,655,208	2,059,334,757	360,100,000	43,402,094,374	
<i>In which:</i>							
Pledged/mortgaged as loan security (Note 22)	28,852,509,243	-	-	-	-	28,852,509,243	

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

13. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Computer software</i>	<i>VND Total</i>
Cost:			
31 December 2016	13,128,104,718	4,799,491,519	17,927,596,237
Transfer to inventory	<u>(540,000,000)</u>	<u>-</u>	<u>(540,000,000)</u>
30 June 2017	<u>12,588,104,718</u>	<u>4,799,491,519</u>	<u>17,387,596,237</u>
<i>In which:</i>			
<i>Fully depreciated</i>	-	386,040,600	386,040,600
Accumulated amortisation:			
31 December 2016	(1,459,217,583)	(3,389,962,964)	(4,849,180,547)
Amortization for the period	<u>(102,660,177)</u>	<u>(346,877,046)</u>	<u>(449,537,223)</u>
30 June 2017	<u>(1,561,877,760)</u>	<u>(3,736,840,010)</u>	<u>(5,298,717,770)</u>
Net carrying amount:			
31 December 2016	<u>11,668,887,135</u>	<u>1,409,528,555</u>	<u>13,078,415,690</u>
30 June 2017	<u>11,026,226,958</u>	<u>1,062,651,509</u>	<u>12,088,878,467</u>
<i>In which:</i>			
<i>Pledged/mortgaged as loan security (Note 22)</i>	7,899,586,078	-	7,899,586,078

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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14. INVESTMENT PROPERTIES

			VND
	<i>Land use rights</i>	<i>Buildings and structures</i>	<i>Total</i>
Cost:			
31 December 2016	9,418,240,612	44,804,669,695	54,222,910,307
Transfer to inventory	-	(1,834,521,591)	(1,834,521,591)
30 June 2017	<u>9,418,240,612</u>	<u>42,970,148,104</u>	<u>52,388,388,716</u>
<i>In which:</i>			
Fully depreciated	-	816,491,827	816,491,827
Accumulated depreciation and amortisation:			
31 December 2016	(8,479,085,367)	(6,407,947,668)	(14,887,033,035)
Charge for the period	(85,432,081)	(1,027,946,946)	(1,113,379,027)
Transfer to inventory	-	220,142,592	220,142,592
30 June 2017	<u>(8,564,517,448)</u>	<u>(7,215,752,022)</u>	<u>(15,780,269,470)</u>
Net carrying amount:			
31 December 2016	<u>939,155,245</u>	<u>38,396,722,027</u>	<u>39,335,877,272</u>
30 June 2017	<u>853,723,164</u>	<u>35,754,396,082</u>	<u>36,608,119,246</u>

Additional disclosures:

The rental income and operating expenses relating to investment properties is presented as below:

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Rental income from investment properties	8,138,401,686	12,401,705,581
Direct operating expenses of investment properties that generated rental income during the period	(4,529,045,016)	(5,570,478,667)

The future annual rental receivable under the operating leases is included in Note 35.

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2017. However, given the present occupancy of these properties and the market value of the land, it is management's assessment that these properties' fair values are higher than their carrying values at the interim balance sheet date.

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

15. LONG-TERM INVESTMENTS

	VND	
	30 June 2017	31 December 2016
Investment in an associate and a jointly-controlled entity (Note 15.1)	550,488,165,698	24,797,751,856
Other long-term investments (Note 15.2)	5,942,300,000	5,942,300,000
Provision for long-term investments	<u>(219,661,340)</u>	<u>(219,661,340)</u>
NET	<u>556,210,804,358</u>	<u>30,520,390,516</u>

15.1 Investment in an associate and a jointly-controlled entity

Entities	Business	30 June 2017		31 December 2016	
		Interest %	Cost of investment VND	Interest %	Cost of investment VND
NNH Mizuki	Real Estate	50	550,000,000,000	-	-
Okamura Tokyo Co., Ltd.	Real estate	40	834,000,000	40	834,000,000
Gamuda - Nam Long Development Limited Liability Company	Real estate	-	-	30	22,400,000,000

Detail of this investment in an associate and jointly-controlled entity are as follows:

	VND			
	Okamura Tokyo Co., Ltd.	Gamuda - Nam Long	NNH Mizuki	Total
Cost of investment:				
31 December 2016	834,000,000	22,400,000,000	-	23,234,000,000
Increase	-	-	550,000,000,000	550,000,000,000
Disposal	-	<u>(22,400,000,000)</u>	-	<u>(22,400,000,000)</u>
30 June 2017	<u>834,000,000</u>	<u>-</u>	<u>550,000,000,000</u>	<u>550,834,000,000</u>
Accumulated share in post-acquisition profit (loss):				
31 December 2016	(465,284,009)	2,029,035,865	-	1,563,751,856
Share in post-acquisition profit (loss) for the period	342,041,762	53,933,449	(222,592,055)	173,383,156
Dividend received	-	(4,569,150,584)	-	(4,569,150,584)
Decrease	-	<u>2,486,181,270</u>	-	<u>2,486,181,270</u>
30 June 2017	<u>(123,242,247)</u>	<u>-</u>	<u>(222,592,055)</u>	<u>(345,834,302)</u>
Net carrying amount:				
31 December 2016	<u>368,715,991</u>	<u>24,429,035,865</u>	<u>-</u>	<u>24,797,751,856</u>
30 June 2017	<u>710,757,753</u>	<u>-</u>	<u>549,777,407,945</u>	<u>550,488,165,698</u>

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

15. LONG-TERM INVESTMENTS (continued)

15.2 Other long-term investments

	As at 30 June 2017 and 31 December 2016		
	Quantity of shares	Interest (%)	Cost of investment VND
Bac Trung Nam Housing Development Joint Stock Company	353,330	7.00	3,533,300,000
Hong Phat Finance Investment Corporation	150,000	1.25	<u>2,409,000,000</u>
TOTAL			<u>5,942,300,000</u>

16. GOODWILL

	VND
	<i>Goodwill arising from investment in Nguyen Son</i>
Cost:	
31 December 2016 and 30 June 2017	<u>32,906,583,473</u>
Accumulated amortisation:	
31 December 2016	(19,069,337,233)
Amortization for the period	<u>(2,515,862,953)</u>
30 June 2017	<u>(21,585,200,186)</u>
Net carrying amount:	
31 December 2016	<u>13,837,246,240</u>
30 June 2017	<u>11,321,383,287</u>

17. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2017	31 December 2016
Trade payables to other suppliers:		
- 6D Joint Stock Company	10,885,986,500	25,517,601,720
- QH Plus Corporation	10,116,153,518	10,405,912,933
- Uni Eastern VN Company	8,166,002,512	12,523,635,523
- Hung Quoc Think Services Trading Company Limited	6,366,101,894	51,254,292,144
- Payables to other construction contractors	<u>65,087,779,762</u>	<u>99,774,566,440</u>
TOTAL	<u>100,622,024,186</u>	<u>199,476,008,760</u>

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

18. ADVANCES FROM CUSTOMERS

This amount represented advances from customers for apartments, town houses, villas and land purchases which were not handed over as at the interim balance sheet date.

19. STATUTORY OBLIGATIONS

				VND
	31 December 2016	Increase in the period	Decrease in the period	30 June 2017
Corporate income tax	85,937,895,301	206,161,388,719	(66,417,466,061)	225,681,817,959
Value-added tax	35,057,866,819	236,164,301,360	(135,177,303,651)	136,044,864,528
Land use fee	45,371,220,001	94,122,067	(45,465,342,068)	-
Other tax	-	19,663,805,766	(15,703,821,934)	3,959,983,832
TOTAL	166,366,982,121	462,083,617,912	(262,763,933,714)	365,686,666,319

20. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2017	31 December 2016
Cost-to-complete of projects that revenues have been recognised	772,320,608,224	494,846,884,624
Interest expense payables	24,560,478,639	36,325,426,027
Other operating costs	54,264,386,994	54,143,508,111
TOTAL	851,145,473,857	585,315,818,762

21. OTHER SHORT-TERM PAYABLES

	VND	
	30 June 2017	31 December 2016
Maintenance and warranty expenses	117,961,411,011	109,145,785,847
Dividends payable to non-controlling interests	34,432,062,281	1,846,051,299
Payables for on-going projects	32,976,087,511	40,874,681,511
Investment contributions received for BCCs	23,914,537,138	7,764,901,664
Deposits received	838,885,000	755,635,000
Others	24,186,336,391	22,930,701,480
TOTAL	234,309,319,332	183,317,756,801

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22. LOANS

	VND	
	30 June 2017	31 December 2016
Short-term		
Short-term loans from individuals (Note 22.1)	17,154,947,000	69,894,565,335
Short-term loan from banks (Note 22.1)	70,337,525,775	82,126,096,080
Current portion of long-term loans (Note 22.2)	127,553,819,000	101,943,358,000
Current portion of bond (Note 22.3)	38,983,796,296	99,690,509,259
	<u>254,030,088,071</u>	<u>353,654,528,674</u>
Long-term		
Loans from banks (Note 22.2)	384,682,745,000	451,556,745,000
Current portion	127,553,819,000	101,943,358,000
Non-current portion	257,128,926,000	349,613,387,000
Current portion of bond (Note 22.3)	38,983,796,296	99,690,509,259
	<u>257,128,926,000</u>	<u>349,613,387,000</u>
TOTAL	<u>511,159,014,071</u>	<u>703,267,915,674</u>

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22. LOANS (continued)

22.1 Short-term loans

Details of the short-term loans are as follows:

	30 June 2017	Maturity date	Purpose	Interest rate % p.a	Description of collateral
	VND				
Short-term loans from individuals					
Short-term loans from individuals	17,154,947,000	From 9 December 2017 to 14 April 2018	Support working capital needs	8.5 - 10.5	Unsecured
Short-term loans from banks					
Orient Commercial Joint Stock Bank	36,582,061,778	From 22 August 2017 to 24 May 2018	Support working capital needs	7.5 - 8.4	LUR in map number 5, An Thanh Ward, Ben Luc District, Long An Province
Vietnam Bank for Agriculture and Rural Development - Branch 8	20,755,463,997	From 8 December 2017 to 12 January 2018		7.5	LUR and associated assets of An Thanh Ward, Ben Luc District, Long An Province
Ho Chi Minh City Housing Development Bank	13,000,000,000	18 November 2017		9.5	LUR for 2,574 square meters and associated assets in Can Tho City; and LUR for 2,818 square meters in Long An Province
TOTAL	70,337,525,775				

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

22. LOANS (continued)

22.2 Long-term loans from banks

Details of the long-term loans from banks are as follows:

Bank	30 June 2017	Maturity date	Purpose	Interest rate % p.a	Description of collateral
	VND				
Orient Commercial Joint Stock Bank					
Loan 1	84,682,745,000	From 26 September 2016 to 6 May 2018	Support working capital needs	10.2	LUR for 1,064,307 square meters and future associated assets of Long An VCD project
Loan 2	300,000,000,000	From 12 October 2017 to 12 October 2022	Purchase project Hoang Nam	9.9	Guaranteed by Hoang Nam Construction Trading Limited
TOTAL	384,682,745,000				

In which:

- Current portion	127,553,819,000
- Long-term	257,128,926,000

22.3 Bond

On 28 July 2014, the Group issued 350 non-convertible bonds to Orient Commercial Joint Stock Bank at par value of VND 1,000,000,000 per bond and at interest rate of 8.78% per annum for the first half year, paid on issuance date, and of 2.5% plus average interest rate of 12 month deposits at Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Investment and Development of Vietnam and Orient Commercial Joint Stock Bank, for the following years. The bond will expire on 28 July 2017, and are used to finance working capital and for Ehome projects. During the period, the Group repaid VND 61,000,000,000. Amount of VND 38,983,796,296 will be paid on 28 July 2017.

The bond is mortgaged by 59 LURs at An Thanh residential compound, An Thanh, Ben Luc, Long An (Note 13).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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22. LOANS (continued)

22.4 Movements of loans and bond during the period

	Loans	Bond	VND Total
31 December 2016	603,577,406,415	99,690,509,259	703,267,915,674
Drawdown from borrowings	117,896,289,786	-	117,896,289,786
Repayment from borrowings	(249,298,478,426)	(61,000,000,000)	(310,298,478,426)
Cost of issuing bond	-	293,287,037	293,287,037
30 June 2017	<u>472,175,217,775</u>	<u>38,983,796,296</u>	<u>511,159,014,071</u>

23. CONVERTIBLE BOND

On 8 April 2016, the Board of Directors approved a detailed plan to execute the issuance of the convertible bonds amounting to VND 500,000,000,000 to Ibeworth Pte. Ltd, a wholly-owned subsidiary of Keppel Land Ltd. in accordance with the terms and conditions stipulated in the shareholders' resolution No. 01/2016/NQ/ĐHĐCĐ/NLGs dated 18 March 2016. On 15 April 2016, the Group issued VND 500,000,000,000 convertible bonds at par value of VND 1,000,000,000 per unit. The bond will be converted into equity at the bond holder's option upon maturity and interest is charged from the purchase date at 7% per annum. Interest since the Interest Payment date last preceding the relevant Conversion date is waived if conversion option is exercised at a conversion price of VND 23,500 per share which is subject to adjustments for dilutive events if any.

The equity and liability component of the convertible bond are presented as below:

	VND 30 June 2017
Value of convertible bond	500,000,000,000
Equity component (Note 25.1)	<u>(40,503,427,830)</u>
Liability component at initial recognition	459,496,572,170
Add: Accumulated amortisation	<u>6,994,602,232</u>
Liability component as at 30 June 2017	<u>466,491,174,402</u>

24. LONG-TERM UNEARNED REVENUE

This represented the value of the Group's income received from the transfer part of Nguyen Son Project to NNH Mizuki Joint Stock Company, proportionate to the ownership of the Group in this joint venture.

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25. OWNERS' EQUITY

25.1 Increases and decreases in owners' equity

	Share capital	Share premium	Treasury share	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Convertible bond option	Total	VND
For the six-month period ended 30 June 2016									
31 December 2015	1,415,721,570,000	492,337,147,061	(60,464,200,000)	10,929,726,999	1,115,488,341	358,306,808,042	-	2,217,946,540,443	
Issuance of convertible bond	-	-	-	-	-	-	40,503,427,830	40,503,427,830	
Net profit for the period	-	-	-	-	-	127,385,153,397	-	127,385,153,397	
Dividends declared	-	-	-	-	-	(64,089,593,115)	-	(64,089,593,115)	
Appropriation of net profit	-	-	-	-	2,841,009,839	(16,065,009,660)	-	(13,223,999,821)	
Utilisation of funds	-	-	-	-	(1,207,151,192)	-	-	(1,207,151,192)	
Other increase	-	-	-	-	-	12,269,466,311	-	12,269,466,311	
30 June 2016	1,415,721,570,000	492,337,147,061	(60,464,200,000)	10,929,726,999	2,749,346,988	417,806,824,975	40,503,427,830	2,319,583,843,853	
For the six-month period ended 30 June 2017									
31 December 2016	1,421,145,100,000	492,161,147,061	(60,464,200,000)	10,929,726,999	1,081,198,777	578,402,902,765	40,503,427,830	2,483,759,303,432	
Net profit after tax	-	-	-	-	-	309,985,815,382	-	309,985,815,382	
Dividends declared	-	-	-	-	-	(33,767,473,905)	-	(33,767,473,905)	
Appropriation of net profit	-	-	-	-	3,913,667,677	(26,701,964,634)	-	(22,788,296,957)	
Utilisation of funds	-	-	-	-	(1,619,000,000)	-	-	(1,619,000,000)	
Other decrease	-	-	-	-	-	(496,831,142)	-	(496,831,142)	
30 June 2017	1,421,145,100,000	492,161,147,061	(60,464,200,000)	10,929,726,999	3,375,866,454	827,422,448,466	40,503,427,830	2,735,073,516,810	

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25. OWNERS' EQUITY (continued)

25.2 Shares

	<i>Number of shares</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Authorized shares	142,114,510	142,114,510
Issued shares		
<i>Issued and paid-up shares</i>	<i>142,114,510</i>	<i>142,114,510</i>
Ordinary shares	142,114,510	142,114,510
Treasury shares		
<i>Held by subsidiaries</i>	<i>6,502,165</i>	<i>6,502,165</i>
Ordinary shares	6,502,165	6,502,165
Shares in circulation		
Ordinary shares	135,612,345	135,612,345

25.3 Dividends

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Contributed capital		
Beginning and ending balances	<u>1,421,145,100,000</u>	<u>1,415,721,570,000</u>
Cash dividends declared (<i>to be payable in cash</i>)	33,767,473,905	64,089,593,115
Stock dividends declared (<i>to be payable in issuance of share</i>)	141,537,390,000	-
Dividends paid	188,367,839	64,089,593,115

26. NON-CONTROLLING INTERESTS

	<i>VND</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>
Contributed charter capital	735,122,978,470	599,906,143,470
Share premium	26,412,286,830	26,412,286,830
Treasury shares	(656,280,000)	(656,280,000)
Investment and development fund	62,485,858	125,693,756
Other funds belonging to owner's equity	798,865,602	846,532,269
Asset revaluation reserve	63,818,489	63,818,489
Undistributed earnings	<u>91,655,361,325</u>	<u>36,816,111,592</u>
TOTAL	<u>853,459,516,574</u>	<u>663,514,306,406</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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26. NON-CONTROLLING INTERESTS (continued)

Movements of non-controlling interests are as follows:

	VND
	<i>For the six-month period ended 30 June 2017</i>
As at 31 December 2016	663,514,306,406
Additional capital contribution	155,516,750,000
Capital withdrawal	(20,000,000,000)
Net profit for the period	83,263,312,693
Transferred non-controlling interest to the Group	(273,168,858)
Dividends paid	(28,514,017,000)
Fund contribution	(47,666,667)
As at 30 June 2017	<u>853,459,516,574</u>

27. REVENUES

27.1 Revenues from sale of goods and rendering of services

	VND	VND
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Gross revenues	1,263,120,176,360	1,067,732,991,626
<i>In which:</i>		
Sale of transfer of project	838,344,394,031	-
Sale of land, apartments, town houses and villas	393,613,244,363	1,041,197,506,976
Rendering of services	23,024,136,280	14,133,779,069
Rental income from investment properties	8,138,401,686	12,401,705,581
Less		
Sales deduction	(1,484,466,390)	-
Net revenues	<u>1,261,635,709,970</u>	<u>1,067,732,991,626</u>
<i>In which:</i>		
Sale of transfer of project	838,344,394,031	-
Sale of land, apartments, town houses and villas	392,128,777,973	1,041,197,506,976
Rendering of services	23,024,136,280	14,133,779,069
Rental income from investment properties	8,138,401,686	12,401,705,581
<i>In which:</i>		
Sale to a related party (Note 32)	838,344,394,031	-
Sale to other parties	423,291,315,939	1,067,732,991,626

27.2 Finance income

	VND	VND
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Interest income	15,716,468,584	4,991,824,913
Profit received from BCCs	14,296,460,974	-
Dividends income	4,957,813,584	210,524,638
TOTAL	<u>34,970,743,142</u>	<u>5,202,349,551</u>

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

28. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Cost of transfer of project (*)	393,429,586,858	-
Cost of land, apartments, town houses and villas (*)	225,182,054,696	726,911,075,121
Cost of rendering of services	23,095,830,685	10,136,602,425
Operating costs of investment property	4,529,045,016	5,570,478,667
TOTAL	<u>646,236,517,255</u>	<u>742,618,156,213</u>

Nam Long Investment Corporation

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

28. COST OF GOODS SOLD AND SERVICES RENDERED (continued)

(*) Details of costs of property inventories sold are as follow:

	For the six-month period ended 30 June 2017		For the six-month period ended 30 June 2016		VND
	Actual costs incurred	Accrued as at 30 June 2017	Actual costs incurred	Accrued as at 30 June 2016	
Cost of transfer of project	154,154,197,643	239,275,389,215	-	-	-
Cost of land, apartments, town houses and villas	170,852,256,719	54,329,797,977	618,907,484,971	108,003,590,150	726,911,075,121
TOTAL	325,006,454,362	293,605,187,192	618,907,484,971	108,003,590,150	726,911,075,121

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

29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Selling expenses		
Salary expenses	8,473,300,379	8,709,979,269
Consultant fee	13,653,445,974	13,606,937,457
Commission fee	21,339,948,420	38,752,722,556
Marketing fees and show-houses construction cost	2,477,579,296	11,313,800,157
Others	8,258,238,844	2,787,849,532
	<u>54,202,512,913</u>	<u>75,171,288,971</u>
General and administrative expenses		
Salary expenses	58,399,445,533	52,714,785,031
External services	8,098,441,416	7,221,341,417
Rental expenses	2,087,832,018	3,501,736,892
Depreciation	1,294,393,568	1,267,829,584
Others	10,483,743,701	11,631,398,844
	<u>80,363,856,236</u>	<u>76,337,091,768</u>
TOTAL	<u>134,566,369,149</u>	<u>151,508,380,739</u>

30. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Interest expense on bonds issued and bank loans	16,759,278,943	5,920,328,116
Other finance expenses	869,192,059	499,000,881
TOTAL	<u>17,628,471,002</u>	<u>6,419,328,997</u>

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

31. CORPORATE INCOME TAX

The statutory enterprise income tax ("CIT") rate applicable to the Group is 20% of taxable profits.

The tax returns filed by the Group 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

31.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Current CIT expense	206,161,388,719	28,223,857,398
Deferred tax (income) expenses	<u>(100,827,709,214)</u>	<u>10,903,606,701</u>
TOTAL	<u>105,333,679,505</u>	<u>39,127,464,099</u>

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

	VND	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Accounting profit before tax	<u>498,582,807,580</u>	<u>176,171,161,772</u>
At applicable CIT rate of tax 20%	99,716,561,516	35,234,232,354
<i>Adjustments to increase (decrease)</i>		
Difference between actual interest rate and nominal interest rate on convertible bond	673,901,250	373,884,650
Dividend income	(3,468,937,680)	-
Loss of subsidiaries	93,065,786	352,399,821
Tax loss carried forward	(1,011,679,764)	-
Other non-deductible expenses	4,276,768,229	2,947,760,953
Unrecognised tax losses	5,054,000,168	-
Under provision of CIT from previous periods	-	219,186,321
CIT expense	<u>105,333,679,505</u>	<u>39,127,464,099</u>

31.2 Current tax

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

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

31. CORPORATE INCOME TAX (continued)

31.3 Deferred tax

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

	Interim consolidated balance sheet		Interim consolidated income statement		VND
	30 June 2017	31 December 2016	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016	
Deferred tax assets					
Deferred tax related to transfer of project	96,599,875,223	-	96,599,875,223	-	
Intra-group unrealised profits eliminated in consolidation	56,013,797,345	50,473,975,502	5,539,821,843	(10,099,438,382)	
Accrued expenses	7,895,550,665	8,006,030,567	(110,479,902)	(7,246,430,961)	
Warranty expenses	7,320,196,255	7,320,196,255	-	6,079,782,718	
Others	1,612,374,439	2,813,882,389	(1,201,507,950)	(207,093,598)	
	169,441,793,927	68,614,084,713			
Deferred tax liabilities					
Deferred tax loss	(2,696,372,478)	(2,696,372,478)	-	569,573,522	
Temporary difference in cost of sales	-	-	-	-	
Fair value adjustment on assets acquired in business combination	(52,635,495,867)	(52,635,495,867)	-	-	
	(55,331,868,345)	(55,331,868,345)			
Net deferred income tax income (expense)			100,827,709,214	(10,903,606,701)	

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

32. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Group with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
NNH Mizuki	Joint venture	Sale of project	838,344,394,031	-
		Capital contribution	550,000,000,000	-

Amounts due to and due from related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>30 June 2017</i>	<i>31 December 2016</i>
Short-term trade receivables (Note 6)				
NNH Mizuki	Joint venture	Sale of project	521,335,667,072	-
Ms Nguyen Thi Bich Ngoc	Shareholder	Sales of apartments	231,750,000	231,750,000
Ms Ngo Thi Ngoc Lieu	Shareholder	Sales of apartments	110,005,097	110,005,097
			<u>521,677,422,169</u>	<u>341,755,097</u>
Other short-term receivables (Note 9)				
NNH Mizuki	Joint venture	Payment on behalf	<u>462,000,000</u>	-

Remunerations for members of the Board of Directors ("BOD") and the Management are as follows:

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Remunerations for members of the BOD	4,688,329,667	3,728,534,841
Remunerations for members of the Management	3,532,330,764	3,352,000,000
TOTAL	<u>8,220,660,431</u>	<u>7,080,534,841</u>

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

33. 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 by the weighted average number of ordinary shares outstanding during the period.

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

	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016 (Restated)</i>
Net profit after tax (VND)	309,985,815,382	127,385,153,397
Less: Bonus and welfare fund (VND) (i)	(21,699,007,077)	(8,407,420,124)
Net interest after tax on convertible bonds charged to the interim consolidated income statement (VND)	10,770,703,066	7,486,111,111
Net profit attributable to ordinary shareholders (VND)	299,057,511,371	126,463,844,384
Weighted average number of ordinary shares during the period (VND) (*)	149,766,084	149,167,126
Adjusted weighted average number of potential shares from convertible bonds (VND) (ii)	21,276,596	21,276,596
Weighted average number of ordinary shares adjusted for the effect of dilution	171,042,680	170,443,722
Earnings per share (VND)		
Basic earnings per share	1,925	798
Diluted earnings per share	1,748	742

(i) Net profit used to compute earnings per share for the the six-month period ended 30 June 2016 was restated following the actual distribution to Bonus and welfare funds from 2016 undistributed earnings as approved in the Annual General Meeting 2016's Resolution dated 22 April 2017 ("AGM Resolution 2016").

Net profit used to compute earnings per share for the six-month period ended 30 June 2017 is adjusted for distribution to Bonus and welfare funds, which is appropriated at 7% of net profit after tax as approved in accordance with AGM Resolution 2016.

(ii) The weighted average number of shares in circulation for the six-month period ended 30 June 2017 and 30 June 2016 were adjusted to reflect the issuance of 14,153,739 shares as dividends on 17 July 2017. (Note 36)

(iii) As disclosed in Note 23 to the interim consolidated financial statements, on 8 April 2016, the Company issued VND 500,000,000,000 convertible bonds at par value of VND 1,000,000,000 per unit. These convertible bonds could potentially dilute basic earnings per share in the future as calculated for the six-month period ended 30 June 2017.

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

34. CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 31 December 2016 have been reclassified to reflect the presentation of the current period's consolidated financial statements.

35. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases assets under operating lease arrangements. The future minimum rental payable as at 30 June 2017 under the operating lease agreements are as follows:

	VND	
	30 June 2017	31 December 2016
Less than one year	5,503,367,907	2,596,923,678
From one to five years	6,024,364,075	9,219,026,569
TOTAL	11,527,731,982	11,815,950,247

The Group leases out assets under operating lease arrangements. The future minimum rental receivable as at 30 June 2017 under the operating lease agreements are as follows:

	VND	
	30 June 2017	31 December 2016
Less than one year	6,355,368,480	5,327,026,280
From one to five years	7,697,923,834	15,741,304,299
More than five years	-	18,374,978,680
TOTAL	14,053,292,314	39,443,309,259

Capital commitments

As at 30 June 2017, the Group has contractual commitments for the construction work for its apartments, villa projects as follows:

	VND		
	Contracted amount	Recognized amount	Remaining commitment
Kyio Residence Project	587,517,836,703	108,968,002,329	478,549,834,374
Fuji Residence Project	573,415,029,238	324,923,043,941	248,491,985,297
Flora Anh Dao Project	230,062,750,992	226,451,230,617	3,611,520,375
Hoang Nam Project	161,570,213,253	76,016,637,352	85,553,575,901
Tien Hung Project	126,429,953,075	126,282,003,075	147,950,000
Tan Thuan Dong project	55,580,938,425	50,220,467,706	5,360,470,719
Nguyen Son Project	55,732,329,305	35,221,915,506	20,510,413,799
Other projects	19,292,136,814	9,406,254,794	9,885,882,020
TOTAL	1,809,601,187,805	957,489,555,320	852,111,632,485


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

36. EVENT AFTER THE INTERIM BALANCE SHEET DATE


On 17 July 2017, the Company received the Official letter No. 4964/UBCK-QLCB from the State Securities Commission acknowledging the receipt of the result report of the issuance of 14,153,739 shares as dividends to existing shareholders at ratio 9.96% and 958,160 new shares to the executives in accordance with the Executive Stock Grant program. This issuance was appropriated from undistributed earnings as at 31 December 2016 and bonus and welfare fund as at 25 April 2017, respectively, which in accordance with the Resolution of Shareholders No. 01/2017/NQ/DHDCD/NLG dated 22 April 2017.

At the date of these interim separate financials statements, the Company is in the process of submitting its application to Ho Chi Minh City Department of Planning and Investment for amendment of its Business Registration Certificate on the increase of share capital.

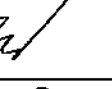
Except for the above event, there have been no other significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the accompanying interim consolidated financial statements




 Pham Hong Hanh
 Preparer



 Luong Thi Kim Thoa
 Chief Accountant



 Nguyen Xuan Quang
 Legal representative



11 August 2017