

NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
QUARTER IV 2018**



NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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NO VA LAND INVESTMENT GROUP CORPORATION

CORPORATE INFORMATION

Business Registration Certificate

No. 054350 dated 18 September 1992 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 47th amended Business Registration Certificate No. 0301444753 dated 10 January 2019.

Board of Directors

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Xuan Huy	Member
Ms. Hoang Thu Chau	Member
Ms. Nguyen Thanh Bich Thuy	Independent Member
Mr. David Frederick Proctor	Independent Member (from 26 April 2018)

Audit committee

Ms. Nguyen Thanh Bich Thuy	Chief Internal Auditor
Ms. Nguyen Thi Minh Thanh	Member
Ms. Vo Thi Thu Van	Member
Mr. David Frederick Proctor	Member

Board of Management

Mr. Bui Xuan Huy	General Director
Ms. Hoang Thu Chau	Deputy General Director

Legal representative

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Xuan Huy	General Director
Ms. Luong Thi Thu Huong	Director

Registered office

313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3,
Ho Chi Minh City, Vietnam

Operation office

65 Nguyen Du Street, Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam

NO VA LAND INVESTMENT GROUP CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing separate financial statements which give a true and fair view of the financial position of the Company as at 31 December 2018 and the results of its operations and cash flows for the year then ended. In preparing for these separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 3 to 58 which give a true and fair view of the financial position of the Company as at 31 December 2018 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group.



Bui Xuan Huy
General Director

Ho Chi Minh City, SR Vietnam
30 January 2019

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			31/12/2018 VND	31/12/2017 VND
100	CURRENT ASSETS		9.842.808.514.571	7.336.717.166.620
110	Cash and cash equivalents	3	6.307.617.528.607	1.455.689.692.352
111	Cash		4.364.094.540.471	290.577.542.976
112	Cash equivalents		1.943.522.988.136	1.165.112.149.376
120	Short-term investments		3.317.247.322	430.671.476.752
123	Investments held to maturity	4(a)	3.317.247.322	430.671.476.752
130	Short-term receivables		978.301.813.696	2.341.407.152.135
131	Short-term trade accounts receivable	5	141.867.503.918	109.056.528.946
132	Short-term prepayments to suppliers	6	374.209.855.850	385.683.515.155
135	Short-term lending	7	7.520.000.000	232.671.600.222
136	Other short-term receivables	8(a)	454.704.453.928	1.613.995.507.812
140	Inventories	10	2.357.821.074.991	2.835.253.744.542
141	Inventories		2.357.821.074.991	2.835.253.744.542
150	Other current assets		195.750.849.955	273.695.100.839
151	Short-term prepaid expenses	11(a)	58.028.744.567	33.811.409.608
152	Value Added Tax to be reclaimed	18(a)	133.012.370.674	176.502.020.418
153	Other taxes receivable	18(a)	4.709.734.714	63.381.670.813

The notes on pages 10 to 58 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			31/12/2018 VND	31/12/2017 VND
200	LONG-TERM ASSETS		29.777.511.680.692	19.658.383.070.708
210	Long-term receivables		25.087.340.239	193.670.726.330
216	Other long-term receivables	8(b)	25.087.340.239	193.670.726.330
220	Fixed assets		124.438.202.598	134.599.843.385
221	Tangible fixed assets	12(a)	76.618.090.439	89.870.796.906
222	Historical Cost		126.386.351.237	124.401.270.278
223	Accumulated depreciation		(49.768.260.798)	(34.530.473.372)
227	Intangible fixed assets	12(b)	47.820.112.159	44.729.046.479
228	Historical Cost		57.830.576.870	50.149.950.044
229	Accumulated depreciation		(10.010.464.711)	(5.420.903.565)
230	Investment properties	13	1.735.567.797.236	1.314.479.799.383
231	Historical Cost		1.765.508.924.990	1.331.862.308.547
232	Accumulated depreciation		(29.941.127.754)	(17.382.509.164)
240	Long-term assets in progress		263.991.199.358	292.558.067.073
241	Long-term work in progress	14	181.962.136.884	224.136.375.352
242	Construction in progress	15	82.029.062.474	68.421.691.721
250	Long-term investments		27.496.490.177.977	17.648.684.947.467
251	Investments in subsidiaries	4(b)	27.411.298.117.977	16.617.792.887.467
252	Investments in associates, joint ventures	4(b)	85.192.060.000	1.030.892.060.000
260	Other long-term assets		131.936.963.284	74.389.687.070
261	Long-term prepaid expenses	11(b)	130.961.089.712	73.413.813.498
262	Deferred income tax assets	23	975.873.572	975.873.572
270	TOTAL ASSETS		39.620.320.195.263	26.995.100.237.328

The notes on pages 10 to 58 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			31/12/2018 VND	31/12/2017 VND
	300 LIABILITIES		23.326.676.368.410	15.815.002.083.930
	310 Short-term liabilities		11.619.176.651.293	6.482.181.340.468
311	Short-term trade accounts payable	16	132.842.393.354	109.079.438.699
312	Short-term advances from customers	17	376.442.933.681	541.931.205.610
313	Tax and other payables to the State Budget	18(a)	302.194.273.114	15.397.184.292
314	Payable to employees		34.233.897.281	114.616.082.625
315	Short-term accrued expenses	19	1.183.462.917.145	570.338.370.866
318	Short-term unearned revenue	20	1.489.172.289	1.505.790.703
319	Other short-term payables	21(a)	1.001.628.405.420	822.614.019.388
320	Short-term borrowings	22(a)	8.581.333.793.714	4.301.150.382.990
322	Bonus and welfare funds		5.548.865.295	5.548.865.295
	330 Long-term liabilities		11.707.499.717.117	9.332.820.743.462
336	Long-term unearned revenue	20	64.377.614.795	65.749.720.031
337	Other long-term payables	21(b)	1.540.932.195	244.556.717.870
338	Long-term borrowings	22(b)	11.641.581.170.127	9.022.514.305.561
	400 OWNERS' EQUITY		16.293.643.826.853	11.180.098.153.398
	410 Capital and reserves		16.293.643.826.853	11.180.098.153.398
411	Owners' capital	24,25	9.372.766.740.000	6.496.587.880.000
411a	- Ordinary shares with voting rights		9.304.466.740.000	6.428.287.880.000
411b	- Preference shares		68.300.000.000	68.300.000.000
412	Share premium	25	3.996.839.781.026	3.206.830.905.400
421	Undistributed earnings	25	2.924.037.305.827	1.476.679.367.998
421a	- Undistributed post-tax profits of the previous years		1.456.189.367.998	1.054.789.149.570
421b	- Post-tax profit of current year		1.467.847.937.829	421.890.218.428
	440 TOTAL RESOURCES		39.620.320.195.263	26.995.100.237.328

Do Phuong Thuy
Preparer

Tran Thi Thanh Van
Chief AccountantBui Xuan Huy
General Director
30 January 2019

The notes on pages 10 to 58 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Items	Note	For the year ended			
			Quarter 4/2018	Quarter 4/2017	31/12/2018	31/12/2017
			VND	VND	VND	VND
01	Sales of goods and rendering of services	27	2.772.154.036.682	443.990.938.735	3.803.674.313.262	2.997.814.436.871
02	Less deductions		-	(114.555.247)	-	(4.395.144.584)
10	Net revenue from sales of goods and rendering of services		2.772.154.036.682	443.876.383.488	3.803.674.313.262	2.993.419.292.287
11	Cost of goods sold and services	28	(669.988.118.827)	(318.112.174.295)	(1.548.913.116.322)	(2.736.582.160.890)
20	Gross profit from sales of goods and rendering of services		2.102.165.917.855	125.764.209.193	2.254.761.196.940	256.837.131.397
21	Financial income	29	10.068.957.969	617.517.030.924	1.938.004.182.314	1.676.500.005.991
22	Financial expenses	30	(581.007.344.188)	(535.517.934.403)	(2.157.483.807.684)	(1.311.898.120.465)
23	- Including: Interest expenses		(436.891.049.899)	(441.994.222.091)	(1.696.283.554.055)	(1.166.913.635.086)
25	Selling expenses	31	(31.967.037.959)	(26.619.007.386)	(90.133.019.101)	(70.744.142.906)
26	General and administration expenses	32	(39.386.113.206)	(46.890.758.855)	(143.489.558.924)	(115.451.349.858)
30	Net operating profit		1.459.874.380.471	134.253.539.473	1.801.658.993.545	435.243.524.159
31	Other income		12.745.921.981	2.738.816.801	14.239.428.402	10.657.894.231
32	Other expenses		(930.473.928)	(14.857.649.032)	(8.644.806.475)	(24.011.199.962)
40	Net other income/(expenses)	33	11.815.448.053	(12.118.832.231)	5.594.621.927	(13.353.305.731)
50	Net accounting profit before tax		1.471.689.828.524	122.134.707.242	1.807.253.615.472	421.890.218.428

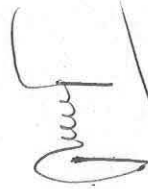
The notes on pages 10 to 58 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT
(continued)

Code	Note	For the year ended		
		Quarter 4/2018	Quarter 4/2017	31/12/2017
		VND	VND	VND
51 Business income tax - current	34	(339.405.677.643)	-	-
52 Business income tax - deferred	23, 34	-	-	-
60 Net profit after tax		1.132.284.150.881	122.134.707.242	421.890.218.428



Do Phuong Thuy
Preparer




Tran Thi Thanh Van
Chief Accountant


Bui Xuan Huy
General Director
30 January 2019

The notes on pages 10 to 58 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Items	Code	Note	For the year ended	
			31/12/2018 VND	31/12/2017 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		1.807.253.615.472	421.890.218.428
2. Adjustments for:				
- Depreciation and amortisation	02		33.690.947.426	28.497.320.448
- Unrealised foreign exchange losses	04		136.061.065.597	(5.156.804.641)
- Profits from investing activities	05		(1.897.940.148.655)	(1.664.913.840.881)
- Interest expenses, bond issuance costs	06		1.772.653.667.492	1.207.436.011.071
3. Operating profit before changes in working capital	08		1.851.719.147.332	(12.247.095.575)
- Decrease in receivables	09		1.293.779.330.507	3.388.267.647.438
- Decrease/(increase) in inventories	10		57.020.229.511	(272.243.758.657)
- Increase/(decrease) in payables	11		539.532.836.140	(2.013.503.312.520)
- (Increase)/Decrease in prepaid expenses	12		(8.750.393.929)	121.842.254.160
- Interest paid	14		(1.286.700.996.193)	(798.960.863.057)
- Business income tax paid	15		(5.000.000.000)	(1.167.942.963)
Net cash inflows from operating activities	20		2.441.600.153.368	411.986.928.826
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(68.872.576.324)	(1.042.079.304.474)
2. Proceeds from disposals of fixed assets and other long-term assets	22		585.107.136	3.782.828.295
3. Loans granted, purchases of debt instruments of other entities	23		(3.317.247.322)	(898.268.929.392)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		655.823.076.974	1.978.105.773.232
5. Investments in other entities	25		(11.579.859.830.510)	(7.497.424.490.000)
6. Proceeds from divestment in other entities	26		1.061.304.600.000	669.138.898.895
7. Dividends and interest received	27		1.987.420.867.693	1.337.650.118.231
Net cash outflows from investing activities	30		(7.946.916.002.353)	(5.449.095.105.213)

The notes on pages 10 to 58 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)
(continued)

Items	Code	Note	For the year ended	
			31/12/2018 VND	31/12/2017 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		3.643.414.735.626	200.000.000.000
2. Proceeds from borrowings	33		14.470.993.767.038	12.515.475.954.629
3. Repayments of borrowings	34		(7.757.081.605.185)	(8.358.606.729.136)
4. Dividends paid	36		-	(17.100.000.000)
Net cash inflows from financing activities	40		10.357.326.897.479	4.339.769.225.493
Net increase/(decrease) in cash and cash equivalents	50		4.852.011.048.494	(697.338.950.894)
Cash and cash equivalents at beginning of year	60		1.455.689.692.352	2.153.027.696.086
Effect of foreign exchange differences	61		(83.212.239)	947.160
Cash and cash equivalents at end of year	70		6.307.617.528.607	1.455.689.692.352

Do Phuong Thuy
Preparer

Tran Thi Thanh Van
Chief Accountant



Bui Xuan Huy
General Director
30 January 2019

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1 GENERAL INFORMATION

No Va Land Investment Group Corporation ("the Company") is a joint stock company which was established in SR Vietnam pursuant to Business registration certificate No. 054350 which was issued by the Department of Planning and Investment of Ho Chi Minh City dated 18 September 1992 and the 47th amended Business Registration Certificate No. 0301444753 dated 10 January 2019. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business registration certificate as above.

The principal activities of the Company are real estate trading; civil and industrial construction; providing design and management consultancy services; providing real estate brokerage services.

The Company stock was officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 28 December 2016 with stock symbol "NVL" pursuant to Decision No. 500/QĐ-SGDHCM issued by General Director of HOSE on 19 December 2016.

The normal business cycle of each project of the Company is 36 months.

As at 31 December 2018, the Company had 35 direct subsidiaries and 03 direct associates as presented in Note 4(b) of the financial statements – Equity investments in other entities. Besides, the Company had 18 indirect subsidiaries and 02 indirect associate as below:

Indirect subsidiaries:

No.	Name	Principal activity	% of voting right	Charter capital VNĐ
1	CQ89 Real Estate Investment & Development Company Limited	Real estate trading	99,59	4.902.700.000.000
2	350 Real Estate Investment & Development Company Limited	Real estate trading	99,99	2.906.570.000.000
3	The 21st Century International Development Limited Company	Real estate trading	98,97	2.534.458.265.952
4	Thinh Vuong Real Estate Joint Stock Company	Real estate trading	100,00	1.239.000.000.000
5	Nova Riverside Real Estate Company Limited	Real estate trading	99,98	1.115.144.468.745
6	Gia Phu Real Estate Company Limited	Real estate trading	99,99	1.065.000.000.000
7	Phuc Binh Real Estate Company Limited	Real estate trading	97,95	974.600.000.000
8	Dinh Phat Real Estate Joint Stock Company	Real estate trading	99,92	954.650.000.000
9	Thai Binh Real Estate Trading Joint Stock Company	Real estate trading	99,96	750.000.000.000
10	Nova Richstar Joint Stock Company	Real estate trading	99,99	724.000.000.000
11	Sai Gon Golf Company Limited	Real estate trading	100,00	588.560.000.000
12	Nhat Hoa Real Estate Joint Stock Company	Real estate trading	99,98	510.000.000.000
13	Nha Rong Investment and Trade Joint Stock Company	Real estate trading	99,97	327.426.000.000
14	Phu Tri Real Estate Investment Commercial Joint Stock Company	Real estate trading	99,98	363.000.000.000
15	Vuong Gia Real Estate Investment Joint Stock Company	Real estate trading	99,83	240.087.000.000
16	Mega Tie Company Limited	Real estate trading	99,99	191.400.000.000
17	Phuong Dong Building Joint Stock Company	Real estate trading	99,89	166.000.000.000
18	Merufa-Nova Company Limited	Real estate trading	99,90	125.000.000.000

1 GENERAL INFORMATION (continued)**Indirect associate:**

No.	Name	Principal activity	% of voting right	Charter capital VND
1	Thanh My Loi Joint Stock Company	Real estate trading	55,88	2.162.154.260.000
2	Dat Viet Development Joint Stock Company	Real estate trading	49,51	2.020.000.000.000

As at 31 December 2018, the Company had 1,104 employees (31 December 2017: 1,575 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of separate financial statements**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements 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 and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

Additionally, the Company has also prepared consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements for the Company and its subsidiaries (together, "the Group"). In the consolidated financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group for the year ended 31 December 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2.3 Currency

The separate financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.5 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year end. Bad debts are written off when identified. In year, there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

2.6 Inventories

Properties acquired or being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation are recognised as inventories. Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes land costs, construction costs, and other direct and overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete, slow-moving, defective inventory items and where cost is higher than net realisable values.

2.7 Investments**(a) Investments held-to-maturity**

Investments held to maturity are investments which the Company's Board of Management has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

(b) Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(c) Investments in associates

Associates are investments that the Company has significant influence but not control and would generally have from 20% to under 50% voting rights of the investee.

Investments in associates are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Fixed assets***Tangible fixed assets and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the assets are as follows:

Buildings	5 – 25 years
Machinery	3 – 7 years
Motor vehicles	4 – 8 years
Office equipment	3 – 8 years
Software and Trademark	3 – 7 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes software deployment fee, design and construction of office and show house. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.9 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investment properties**

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation

Investment properties for leasing are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the investment properties are as follows:

Buildings and structures	6 – 50 years
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Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the income statement.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly prepaid selling expenses, bonds interest expenses and tools and equipment already put to use. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period, except for selling expenses which are allocated to expenses on the basis of matching with revenue recorded when the Company has handed over significant risks and rewards of ownership to the buyers.

2.12 Payables

Classifications of payables are based on their nature.

Payables are reclassified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.14 Borrowings

Borrowings with payment period of more than 12 months from the date of the financial statements are presented as long-term loans. Borrowings fall due for settlement within the next 12 months from the date of the financial statements are presented as short-term loans. Borrowing expenses directly relate to the borrowings (other than payable interest), such as expenses for verification, audit, application... are recognised in the income statement when incurred. Where these expenses arise from borrowings for purposes of investment, construction or production of assets in progress, they shall be capitalised in accordance with the accounting policy stated in Note 2.13.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.16 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2.17 Provisions for severance allowance

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.18 Unearned revenue

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Company records unearned revenue for the future obligations that the Company has to conduct.

2.19 Convertible bonds

Convertible bonds are bonds that may be converted into common shares of the same issuer under the conditions identified in the bond issuance plan.

At initial recognition, the Company calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recorded as a liability; equity component (share options) of convertible bonds is recorded as an owner's equity item. Subsequently, the Company regularly records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted to the bond's liability component and allocated to financial expenses/capitalised on straight line basis.

At maturity, the equity component which is a share option is transferred to the share premium account regardless whether the bond holder exercised the option or not.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Share capital**

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Share conversion options on bonds is the value of the equity component of the convertible bonds at the reporting date. The value is defined as the difference between the total sums received from the issuance of convertible bonds and the value of the debt component of convertible bonds. At initial recognition, the value of share conversion options on bonds is recorded separately in owners' capital. At the bond maturity, this option is transferred to share premium.

Undistributed earnings record the Company's results (profit, loss) after business income tax at the reporting date.

2.21 Appropriation of net profit

Net profit after income tax could be distributed to owners/ shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The bonus and welfare fund is appropriated from the Company's net profit and subject to shareholders' approval at the General Meeting.

2.22 Revenue recognition**(a) Revenue from sale of real estate**

Revenue from sale of real estate is recognised in the income statement when the real estate sale has been completed and the Company has handed over significant risks and rewards of ownership to the buyer. Revenue from the sale of real estate is recognised in the income statement when all five (5) following conditions are satisfied:

- The real estate has been completed, and the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Company no longer hold the right to manage the real estate as real estate's owner or the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Company has received or enables to receive economic benefits from the sale of the real estate; and
- The costs incurred or to be incurred in respect of the real estate can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition (continued)****(b) Sale of services**

Revenue from the sale of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Company has established the receiving right from investees.

2.23 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period with of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2.24 Cost of sales

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold or service provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.25 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including interest expenses, other borrowing related expenses and bond issuance expenses, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.

2.26 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods and providing services, which mainly include publicity, display, promotions, advertising expenses and sale commissions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, outside services (electricity, water, telephone, fax, assets insurance, fire and explosive accidents insurance,...) and other cash expenses.

2.28 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.29 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's General Meeting of Shareholders.

2.30 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of the related party relationship, the Company considers the substance of the relationship not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Segment reporting**

A segment is a component which can be separated by the Company engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment or the Company's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's financial statements in order to help users of financial statements understand and evaluate the Company's operations in a comprehensive way.

3 CASH AND CASH EQUIVALENTS

	31/12/2018	31/12/2017
	VND	VND
Cash on hand	111.190.397	259.981.745
Cash at bank	4.363.983.350.074	290.317.561.231
Cash equivalents (*)	1.943.522.988.136	1.165.112.149.376
	6.307.617.528.607	1.455.689.692.352

(*) Cash equivalents are term deposits at banks with original maturity of 3 months or less and earn an interest rate from 4.5% per annum to 5.5% per annum (as at 31 December 2017: from 4.2% per annum to 5.5% per annum).

As at 31 December 2018, cash and cash equivalents of VND582,679 million (as at 31 December 2017: VND372,692 million) were pledged as collateral assets for the bank loans and VND25,781 million (as at 31 December 2017: VND551,331 million) were managed by banks in relation to borrowings for project development.

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4 INVESTMENTS

(a) Investments held-to-maturity

	31/12/2018			31/12/2017		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Short-term deposits	3.317.247.322	-	3.317.247.322	430.671.476.752	-	430.671.476.752

The short-term deposits represent bank deposits in VND with an original maturity of 95 days and earn interest rate 5.1% per annum (as at 31 December 2017: interest rate from 5.0% per annum to 6.5% per annum).

As at 31 December 2018, no term deposits (as at 31 December 2017: VND4,171 million) were pledged as collateral assets and the term deposits of VND3,317 (as at 31 December 2017: nil) were managed by bank under purpose of borrowings for each project.

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4 INVESTMENTS (continued)

(b) Long-term investments

(i) Investments in subsidiaries

No.	Name	Principal activity	Owner ship and voting rights %	31/12/2018			31/12/2017			Provisio n VND
				Cost VND	Fair value VND	Provision VND	Owner ship and voting rights %	Cost VND	Fair value VND	
1	No Va My Dinh Land Joint Stock Company	Real estate trading	99,99	5.501.386.000.000	(*)	-	99,98	19.996.000.000	(*)	-
2	Khair Hung Real Estate Company Limited	Real estate trading	96,94	5.020.965.000.000	(*)	-	95,97	3.773.925.000.000	(*)	-
3	Bach Hop Real Estate Company Limited	Real estate trading	99,77	2.148.356.560.000	(*)	-	99,99	212.978.700.000	(*)	-
4	Thanh Nhon Investment and Real Estate Company Limited	Real estate trading	99,99	1.319.868.000.000	(*)	-	98,48	1.300.000.000.000	(*)	-
5	Gia Duc Real Estate Company Limited	Real estate trading	99,99	1.243.200.000.000	(*)	-	99,99	1.938.950.000.000	(*)	-
6	No Va Thao Dien Company Limited	Real estate trading	99,98	1.202.996.000.000	(*)	-	100,00	1.102.996.000.000	(*)	-
7	No Va Land Investment Joint Stock Company	Real estate trading	91,76	1.188.300.000.000	(*)	-	91,76	1.188.300.000.000	(*)	-
8	Nova Nippon Joint Stock Company	Real estate trading	99,98	1.078.775.700.000	(*)	-	99,98	19.996.000.000	(*)	-
9	Sun City Real Estate Investment & Development Company Limited	Real estate trading	49,00	955.500.000.000	(*)	-	-	-	-	-
10	Phu Dinh Port Joint Stock Company	Real estate trading	59,73	941.511.225.000	(*)	-	59,73	941.511.225.000	(*)	-

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

No.	Name	Principal activity	Ownership and voting rights %	31/12/2018			31/12/2017		
				Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND	Fair value VND
11	Nova Rivergate Company Limited	Real estate trading	99,77	936.201.410.000	(*)	-	99,77	936.201.410.000	(*)
12	Thành Nhon Real Estate Joint Stock Company	Real estate trading	51,00	732.869.100.000	(*)	-	51,00	383.688.700.000	(*)
13	Ngoc Linh Hoa Investment Joint Stock Company	Real estate trading	99,83	579.000.000.000	(*)	-	99,83	579.000.000.000	(*)
14	Nova Sasco Company Limited	Real estate trading	99,99	528.310.550.000	(*)	-	99,99	528.310.550.000	(*)
15	Phuoc Long Investment and Development Company Limited	Real estate trading	99,99	469.967.000.000	(*)	-	99,99	469.967.000.000	(*)
16	Nova Nam A Company Limited	Real estate trading	92,70	374.918.018.977	(*)	-	83,16	293.913.568.467	(*)
17	Nova Princess Residence Joint Stock Company	Real estate trading	99,90	366.707.530.000	(*)	-	99,90	366.707.530.000	(*)
18	The Prince Residence Joint Stock Company	Real estate trading	99,81	338.947.200.000	(*)	-	99,81	338.947.200.000	(*)
19	Nova Saigon Royal Real Estate Investment Company Limited	Real estate trading	99,99	327.393.300.000	(*)	-	99,99	327.393.300.000	(*)
20	Tuong Minh Investment and Real Estate Company Limited	Real estate trading	99,99	325.665.604.000	(*)	-	99,99	325.665.604.000	(*)
21	Gia Huy Real Estate Investment & Development Company Limited	Real estate trading	51,00	290.190.000.000	(*)	-	-	-	-
22	Nova Sagel Company Limited	Real estate trading	73,00	267.910.000.000	(*)	-	73,99	267.910.000.000	(*)

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

No.	Name	Principal activity	Ownership and voting rights %	31/12/2018		31/12/2017		Provision VND
				Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	
23	Nova An Phu Company Limited	Real estate trading	92,27	234.500.000.000	(*)	-	92,27	234.500.000.000 (*)
24	Mega Housing Joint Stock Company	Real estate trading	98,60	211.998.000.000	(*)	-	98,60	211.998.000.000 (*)
25	Nova Phuc Nguyen Real Estate Company Limited	Transportation support, real estate trading	99,89	189.981.000.000	(*)	-	99,89	189.981.000.000 (*)
26	No Va Festival Corporation	Real estate trading	94,02	173.000.000.000	(*)	-	94,02	173.000.000.000 (*)
27	Nova Property Management Company Limited	Real estate trading	99,99	138.986.100.000	(*)	-	99,99	138.986.100.000 (*)
28	Nova Lucky Palace Company Limited	Real estate trading	100,00	99.995.000.000	(*)	-	99,99	199.990.000.000 (*)
29	No Va Land Company Limited	Real estate trading	100,00	81.600.000.000	(*)	-	100,00	81.600.000.000 (*)
30	Phong Dien Real Estate Investment Joint Stock Company	Real estate trading	50,99	49.014.100.000	(*)	-	-	-
31	Vung Tau Youth Hotel and Travel Joint Stock Company	Real estate trading	65,00	45.500.000.000	(*)	-	65,00	45.500.000.000 (*)
32	Nova Hospitality Joint Stock Company	Real estate trading	99,98	21.395.720.000	(*)	-	-	-
33	Novaland Agent One Member Company Limited	Real estate trading	100,00	20.000.000.000	(*)	-	100,00	20.000.000.000 (*)
34	Sai Gon Housing And Infrastructure Development Joint Stock Company	Real estate trading	98,00	5.880.000.000	(*)	-	98,00	5.880.000.000 (*)
35	Ky Nguyen Urban Development Joint Stock Company	Real estate trading	51,00	510.000.000	(*)	-	-	-
				27.411.298.117.977				16.617.792.887.467

(*) As at 31 December 2018, the Board of Management of the Company did not disclose the fair value of these investments as they have not been listed in the stock market. There were no fair value information available of these investments.

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(ii) Investments in associates

		31/12/2018				31/12/2017				
No.	Name	Principal activity	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND	Owner ship and voting rights %	Cost VND	Fair value VND	Provision VND
1	Ben Thanh Housing Service and Development Joint Stock Company	Trading electronic components and telecommunications	25,00	60.600.000.000	(*)	-	25,00	60.600.000.000	(*)	-
2	Saigon Electronics and Industrial Service Joint Stock Company	Real estate trading	33,31	14.792.060.000	(*)	-	33,31	14.792.060.000	(*)	-
3	234 Thanh My Loi Joint Stock Company	Real estate trading	49,90	9.800.000.000	(*)	-	-	-	-	-
4	Sun City Real Estate Investment & Development Company Limited	Real estate trading	-	-	-	-	49,00	955.500.000.000	(*)	-
				<u>85.192.060.000</u>				<u>1.030.892.060.000</u>		

(*) As at 31 December 2018, the Company did not disclose the fair value of this investments as it has not been listed in the stock market. There was no fair value information available of this investment.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2018 VND	31/12/2017 VND
Third parties	101.843.373.274	69.032.398.302
Related parties (Note 38(b))	40.024.130.644	40.024.130.644
	141.867.503.918	109.056.528.946

As at 31 December 2018 and 31 December 2017 there was no balance of the short-term trade accounts receivable which was past due or not past due but impaired.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2018 VND	31/12/2017 VND
Third parties		
Saigon General Service Joint Stock Company	323.024.476.227	320.189.629.546
Others	51.185.379.623	65.493.885.609
Related parties (Note 38(b))	-	-
	374.209.855.850	385.683.515.155

7 SHORT-TERM LENDING

	As at 01/01/2018 VND	Increase VND	Decrease VND	As at 31/12/2018 VND
Third parties	-	-	-	-
Related parties (Note 38(b))	232.671.600.222	-	(225.151.600.222)	7.520.000.000
	232.671.600.222	-	(225.151.600.222)	7.520.000.000

As at 31 December 2018, short-term lending presents short-term loans to related parties which are unsecured, earn an interest rate 11.2% per annum (as at 31 December 2017: from 9.0% to 10.9% per annum) and will fall due in May 2019.

As at 31 December 2018 and 31 December 2017, there was no balance of short-term lending that was past due or not past due but doubtful.

8 OTHER RECEIVABLES

(a) Other short-term receivables

	31/12/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
- Dividends receivable	50.739.880.000	-	76.890.000.000	-
- Deposits for investment consulting services	273.253.992.251	-	406.589.287.268	-
- Deposits for share acquisitions	24.000.000.000	-	49.000.000.000	-
- Deposits	25.338.241.862	-	25.272.708.234	-
- Interest receivable	16.631.053.340	-	158.404.717.510	-
- Advance	465.814.040	-	309.624.769	-
- Project development and investment co-operation	-	-	836.285.567.556	-
- Others	64.275.472.435	-	61.243.602.475	-
	454.704.453.928		1.613.995.507.812	

In which, the detailed balances with related parties and third parties were as follows:

	31/12/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	338.899.727.115	-	519.430.710.941	-
Related parties (Note 38(b))	115.804.726.813	-	1.094.564.796.871	-
	454.704.453.928		1.613.995.507.812	

(*) Details of the third party balance accounting for 10% or more of total the other short-term receivables are as follows:

Name	Nature	31/12/2018 VND	31/12/2017 VND
SSR Real Estate Investment and Development Limited Company	Deposits for investment consulting services	260.733.831.709	349.587.342.268

8 OTHER RECEIVABLES (continued)**(b) Other long-term receivables**

	31/12/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
Project development and investment co-operation	-	-	176.916.527.546	-
Others (*)	25.087.340.239	-	16.754.198.784	-
	25.087.340.239		193.670.726.330	

In which, the detailed balances with related parties and third parties were as follows:

	31/12/2018		31/12/2017	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	19.405.022.784	-	15.355.422.784	-
Related parties (Note 38(b))	5.682.317.455	-	178.315.303.546	-
	25.087.340.239		193.670.726.330	

(*) Details of other long-term receivables from third parties accounting from 10% or more of the total balance were as follows:

Name	31/12/2018		31/12/2017	
Vietnam Youth Tourist Joint Stock Company	16.500.000.000	-	11.500.000.000	-
Green house Culture Joint Stock Company	2.329.690.000	-	2.329.690.000	-
	18.829.690.000		13.829.690.000	

As at 31 December 2018 and 31 December 2017, there was no balance of other long-term receivables which was past due or not past due but impaired.

9 DOUBTFUL DEBTS

The Company had no doubtful debt as at the date of the separate financial statements.

10 INVENTORIES

	31/12/2018 VND	31/12/2017 VND
Properties in construction progress (i)	2.207.809.612.910	2.595.244.119.683
Completed properties (ii)	6.325.993.179	52.201.030.543
Property merchandises	140.018.384.477	182.564.853.964
Other merchandises	3.667.084.425	5.243.740.352
	2.357.821.074.991	2.835.253.744.542
Provision	-	-
	2.357.821.074.991	2.835.253.744.542

(i) The properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects. As at 31 December 2018, the projects were in construction progress and they were expected to be completed and handed over in 2019 and following years.

(ii) As at 31 December 2018, the balance of completed properties mainly represents the value of Icon56 project which is located at No.56, Ben Van Don street, ward 12, district 4, Ho Chi Minh City.

Total amount of interest expenses capitalised into value of properties during the year was nil (as at 31 December 2017: VND22,093 million).

11 PREPAID EXPENSES**(a) Short-term prepaid expenses**

	31/12/2018 VND	31/12/2017 VND
Prepaid interest expenses	27.597.384.840	-
Deferred expenses which were allocated based on revenue from sale of real estate	11.739.059.917	11.055.396.704
Short-term prepaid expenses	9.358.127.798	19.865.034.607
Tools, supplies and deferred expenses	9.334.172.012	2.890.978.297
	58.028.744.567	33.811.409.608

11 PREPAID EXPENSES (continued)**(b) Long-term prepaid expenses**

	31/12/2018	31/12/2017
	VND	VND
Office and real estate renovation costs	82.749.424.868	15.409.578.991
Long term prepaid expenses	46.055.690.334	35.112.590.856
Tools and supplies	1.576.053.604	6.695.901.714
Deferred expenses which were allocated based on revenue from sale of real estate	579.920.906	6.006.651.430
Interest expenses from issuing bonds	-	10.189.090.507
	130.961.089.712	73.413.813.498

Movements in long-term prepaid expenses were as follows:

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Opening balance	73.413.813.498	158.664.158.238
Transfers from construction in progress (Note 15)	58.419.635.995	27.130.420.628
Increase	79.999.138.334	19.062.578.804
Allocation	(80.871.498.115)	(131.443.344.172)
Closing balance	130.961.089.712	73.413.813.498

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12 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Historical cost						
As at 1 January 2018	41.875.974.538	5.435.726.639	50.738.607.836	26.251.961.265	99.000.000	124.401.270.278
Purchases	-	694.149.170	-	2.109.757.135	-	2.803.906.305
Disposals	-	(257.740.000)	(445.842.500)	(39.092.179)	-	(742.674.679)
Other decrease	(76.150.667)	-	-	-	-	(76.150.667)
As at 31 December 2018	<u>41.799.823.871</u>	<u>5.872.135.809</u>	<u>50.292.765.336</u>	<u>28.322.626.221</u>	<u>99.000.000</u>	<u>126.386.351.237</u>
Accumulated depreciation						
As at 1 January 2018	(7.245.730.427)	(3.237.379.486)	(16.338.501.637)	(7.609.861.822)	(99.000.000)	(34.530.473.372)
Charge for the year	(1.457.542.069)	(917.244.269)	(8.009.412.927)	(5.452.051.164)	-	(15.836.250.429)
Disposals	-	113.528.324	445.842.500	39.092.179	-	598.463.003
As at 31 December 2018	<u>(8.703.272.496)</u>	<u>(4.041.095.431)</u>	<u>(23.902.072.064)</u>	<u>(13.022.820.807)</u>	<u>(99.000.000)</u>	<u>(49.768.260.798)</u>
Net book value						
As at 1 January 2018	34.630.244.111	2.198.347.153	34.400.106.199	18.642.099.443	-	89.870.796.906
As at 31 December 2018	<u>33.096.551.375</u>	<u>1.831.040.378</u>	<u>26.390.693.272</u>	<u>15.299.805.414</u>	-	<u>76.618.090.439</u>

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND15,464 million (as at 31 December 2017: VND10,075 million).

As at 31 December 2018 and 31 December 2017, there were no tangible fixed assets pledged as collateral assets for the bank loans.

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12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software and Trademark VND	Total VND
Historical cost			
As at 1 January 2018	34.880.498.260	15.269.451.784	50.149.950.044
Purchases	-	2.068.014.950	2.068.014.950
Transfers from construction in progress	-	5.612.611.876	5.612.611.876
As at 31 December 2018	34.880.498.260	22.950.078.610	57.830.576.870
Accumulated amortisation			
As at 1 January 2018	-	(5.420.903.565)	(5.420.903.565)
Charge for the year	-	(4.589.561.146)	(4.589.561.146)
As at 31 December 2018	-	(10.010.464.711)	(10.010.464.711)
Net book value			
As at 1 January 2018	34.880.498.260	9.848.548.219	44.729.046.479
As at 31 December 2018	34.880.498.260	12.939.613.899	47.820.112.159

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2018 was VND2,754 million (as at 31 December 2017: nil).
As at 31 December 2018 and 31 December 2017, there were no intangible fixed assets pledged as collateral assets for the bank loans.

13 INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Total VND
Historical cost			
As at 1 January 2018	1.013.743.429.102	318.118.879.445	1.331.862.308.547
Transfers from inventories (*)	-	443.518.913.776	443.518.913.776
Disposals, other reduction	(7.693.482.739)	(2.178.814.594)	(9.872.297.333)
As at 31 December 2018	<u>1.006.049.946.363</u>	<u>759.458.978.627</u>	<u>1.765.508.924.990</u>
Accumulated amortisation			
As at 1 January 2018	-	(17.382.509.164)	(17.382.509.164)
Charge for the year	-	(13.265.135.851)	(13.265.135.851)
Disposals, other reduction	-	706.517.261	706.517.261
As at 31 December 2018	<u>-</u>	<u>(29.941.127.754)</u>	<u>(29.941.127.754)</u>
Net book value			
As at 1 January 2018	<u>1.013.743.429.102</u>	<u>300.736.370.281</u>	<u>1.314.479.799.383</u>
As at 31 December 2018	<u>1.006.049.946.363</u>	<u>729.517.850.873</u>	<u>1.735.567.797.236</u>

(*) The amount represents the properties transferred to investment properties for the leasing purpose.

As at 31 December 2018, an investment property in District 1 pledged as collateral assets for the loan at Kien Long Commercial Joint Stock Bank - Sai Gon Branch (as at 31 December 2017: Nil).

14 LONG-TERM WORK IN PROGRESS

This balance comprised of the work in progress amount of a project located at Thao Dien Ward, District 2, and at District 9, Ho Chi Minh City. These projects are in the progress of completing the legal papers for future developments.

15 CONSTRUCTION IN PROGRESS

	31/12/2018 VND	31/12/2017 VND
Office renovation	19.493.162.674	20.731.302.400
Showhouse	-	17.524.910.657
Software	62.467.019.800	28.522.073.344
Others	68.880.000	1.643.405.320
	<u>82.029.062.474</u>	<u>68.421.691.721</u>

15 CONSTRUCTION IN PROGRESS (continued)

Movement of construction in progress during the year was as follows:

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Beginning of the year	68.421.691.721	46.403.746.338
Purchases	64.000.655.069	74.097.998.889
Increase due to transfer from inventory	13.638.963.555	-
Transfers to tangible fixed assets	-	(2.456.940.802)
Transfers to intangible fixed assets	(5.612.611.876)	(3.057.100.000)
Transfers to long-term prepaid expenses (Note 11b)	(58.419.635.995)	(27.130.420.628)
Transfers to cost of sale	-	(10.413.204.264)
Others	-	(9.022.387.812)
	82.029.062.474	68.421.691.721

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31/12/2018 VND	31/12/2017 VND
Third parties		
- Binh An Real Estate Investment and Development Joint Stock Company	41.102.838.283	-
- Standard Chartered Bank (Hong Kong) Limited	26.266.850.000	-
- Public Transportation Joint Stock Company	1.326.072.184	12.796.268.508
- Others	63.599.009.593	96.283.170.191
Related parties	547.623.294	-
	132.842.393.354	109.079.438.699

As at 31 December 2018 and 31 December 2017, the Company had no short-term trade accounts payable overdue.

17 SHORT-TERM ADVANCES FROM CUSTOMERS

The short-term advances from customers are advances from customers according to the property transfer agreements of the Company's projects. The amount is recognised as revenue when the Company completes and hands over properties to customers.

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18 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

Movements in tax and other payables to the State Budget during the year were as follows:

	As at 01/01/2018 VND	Payable during the year VND	Net off VND	Settled during the year VND	As at 31/12/2018 VND
(a) Tax payables					
Personal income tax	12.088.580.884	84.831.715.681	-	(83.131.051.329)	13.789.245.236
Business income tax	-	339.405.677.643	(58.671.936.099)	(5.000.000.000)	275.733.741.544
Others	3.308.603.408	321.547.351.078	(114.252.051.231)	(197.932.616.921)	12.671.286.334
	<u>15.397.184.292</u>	<u>745.784.744.402</u>	<u>(172.923.987.330)</u>	<u>(286.063.668.250)</u>	<u>302.194.273.114</u>
(b) Tax receivables					
VAT to be reclaimed	(176.502.020.418)	(70.762.401.487)	114.252.051.231	-	(133.012.370.674)
Overpaid VAT	(1.044.485.377)	-	-	-	(1.044.485.377)
Business income tax temporarily paid 1%	(5.720.681.928)	-	2.055.432.591	-	(3.665.249.337)
Overpaid business income tax	(56.616.503.508)	-	56.616.503.508	-	-
	<u>(239.883.691.231)</u>	<u>(70.762.401.487)</u>	<u>172.923.987.330</u>	<u>-</u>	<u>(137.722.105.388)</u>

19 SHORT-TERM ACCRUED EXPENSES

	31/12/2018 VND	31/12/2017 VND
Interest expenses	857.276.333.771	439.993.820.358
Construction costs	223.943.287.387	54.200.516.870
Others	102.243.295.987	76.144.033.638
	1.183.462.917.145	570.338.370.866

In which, the detailed balances with third parties and related parties were as follows:

	31/12/2018 VND	31/12/2017 VND
Third parties		
<i>GW Supernova Pte.Ltd</i>	222.072.552.641	103.299.274.452
<i>Others</i>	771.945.999.311	356.940.602.646
Related parties (Note 38(b))	189.444.365.193	110.098.493.768
	1.183.462.917.145	570.338.370.866

20 UNEARNED REVENUES

At as 31 December 2018, the unearned revenue mainly represents the amount of rental fee for Tropic Garden 1 parking lot paid in advance with the lease term of 49 years.

21 OTHER PAYABLES**(a) Other short-term payables**

	31/12/2018 VND	31/12/2017 VND
Project development and investment co-operation (i)	904.000.000.000	-
Maintenance fund payables (ii)	53.409.370.899	81.935.205.651
Dividends payables	28.155.000.000	7.665.000.000
Deposits (iii)	5.031.478.355	9.032.478.355
Others	11.032.556.166	723.981.335.382
	1.001.628.405.420	822.614.019.388

(i) The balance represents the capital contribution for project development and investment cooperation in Thanh My Loi ward, District 2, Ho Chi Minh City.

(ii) The maintenance fund payables represent 2% of the total net value of the contract which the Company collected from the residents for the maintenance of apartments. This amount will be transferred to the Residence Committee when the Residence Committee is established.

(iii) These are deposits from customers for the purchase of apartments and commercial areas or interior decoration.

In which, the detailed balances with third parties and related parties were as follows:

21 OTHER PAYABLES (continued)**(a) Other short-term payables (continued)**

	31/12/2018	31/12/2017
	VND	VND
Third parties	1.001.628.405.420	126.864.019.388
Related parties (Note 38(b))	-	695.750.000.000
	1.001.628.405.420	822.614.019.388

(b) Other long-term payables

	31/12/2018	31/12/2017
	VND	VND
Project development and investment co-operation	-	244.000.000.000
Others	1.540.932.195	556.717.870
	1.540.932.195	244.556.717.870

In which, the detailed balances with third parties and related parties were as follows:

	31/12/2018	31/12/2017
	VND	VND
Third parties	1.540.932.195	556.717.870
Related parties (Note 38(b))	-	244.000.000.000
	1.540.932.195	244.556.717.870

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22 BORROWINGS

	As at 01/01/2018 VND	Increase VND	Decrease VND	Foreign exchange differences VND	Current portion of long-term borrowings VND	As at 31/12/2018 VND
(a) Short-term borrowings						
- Bank loans(*)	591.697.707.620	677.542.014.763	(1.063.310.607.620)	14.473.900.000	680.774.500.000	901.177.514.763
- Borrowings from third parties (**)	-	2.665.400.000.000	(2.665.400.000.000)	30.206.250.000	1.563.106.250.000	1.593.312.500.000
- Bonds (***)	1.900.000.000.000	946.840.000.000	(3.025.000.000.000)	-	5.220.000.000.000	5.041.840.000.000
- Bond issuance costs (***)	-	(21.013.963.636)	43.567.329.170	-	(41.095.364.388)	(18.541.998.854)
- Borrowings from related parties (****) (Note 38 (b))	1.809.452.675.370	208.600.000.000	(954.506.897.565)	-	-	1.063.545.777.805
	4.301.150.382.990	4.477.368.051.127	(7.664.650.176.015)	44.680.150.000	7.422.785.385.612	8.581.333.793.714
(b) Long-term borrowings						
- Bank loans(*)	663.399.500.000	1.777.000.000.000	(50.000.000.000)	-	(680.774.500.000)	1.709.625.000.000
- Borrowings from third parties (**)	2.841.875.000.000	1.137.250.000.000	-	26.668.750.000	(1.563.106.250.000)	2.442.687.500.000
- Bonds (***)	5.566.000.000.000	7.416.800.000.000	(22.773.000.000)	61.528.000.000	(5.220.000.000.000)	7.801.555.000.000
- Bond issuance costs (***)	(48.760.194.439)	(337.424.284.089)	32.802.784.267	-	41.095.364.388	(312.286.329.873)
- Borrowings from related parties (**)	-	-	-	-	-	-
	9.022.514.305.561	9.993.625.715.911	(39.970.215.733)	88.196.750.000	(7.422.785.385.612)	11.641.581.170.127

22 BORROWINGS (continued)

(*) Details of closing balance of borrowings from bank were as follows:

	31/12/2018 VND	31/12/2017 VND
(a) Short-term borrowings		
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (i)	313.807.500.000	34.102.500.000
Maybank International Labuan Branch (i)	188.284.500.000	20.461.500.000
The Shanghai Commercial & Savings Bank, Ltd - Offshore Banking Branch (i)	62.761.500.000	6.820.500.000
Chailease International Financial Services Co., Ltd (i)	41.841.000.000	4.547.000.000
Malayan Banking Berhad - Ho Chi Minh City Branch (i)	20.016.000.000	2.224.000.000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Nam Sai Gon Branch (ii)	226.342.014.763	73.542.207.620
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (iii)	48.125.000.000	-
Saigon Thuong Tin Commercial Joint Stock Bank – Transaction Office	-	250.000.000.000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	200.000.000.000
	901.177.514.763	591.697.707.620
(b) Long-term borrowings		
Standard Chartered Bank (Hong Kong) Limited (iv)	1.392.000.000.000	-
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (iii)	317.625.000.000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (i)	-	306.922.500.000
Maybank International Labuan Branch (i)	-	184.153.500.000
The Shanghai Commercial & Savings Bank, Ltd - Offshore Banking Branch (i)	-	61.384.500.000
Chailease International Financial Services Co., Ltd (i)	-	40.923.000.000
Malayan Banking Berhad - Ho Chi Minh City Branch (i)	-	20.016.000.000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	50.000.000.000
	1.709.625.000.000	663.399.500.000

22 BORROWINGS (continued)

(i) This is syndicated loan between Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch, Maybank International Labuan Branch, Vietinbank Filiale Deutschland, The Shanghai & Savings Bank - Offshore Banking and Chailease International Financial Service. Maybank – Ho Chi Minh Branch is the agent and representative to receive and deal with collaterals. Maybank International Labuan Branch transferred part of the loan to The Shanghai & Savings Bank - Offshore Banking and Chailease International Financial Services. Loan amount is USD30 million, in which with respective parties as Maybank – Ho Chi Minh Branch (USD1 million, equivalent to VND22,24 billion), Maybank Labuan (USD9 million), Vietinbank Filiale Deutschland (USD15 million), The Shanghai & Savings Bank - Offshore Banking (USD3 million) and Chailease International Financial Service (USD2 million) for a term of 30 months. The borrowing in USD is bearing an interest of 3-month LIBOR plus a margin of 5.5% per annum and borrowing in Vietnamese Dong is bearing an interest of basic lending interest of Maybank – Ho Chi Minh Branch plus a margin of 3.04% per annum. These borrowings are secured by parking areas of three (3) Sunrise City projects (South, Central, North) and two (2) commercial blocks of Sunrise City South project.

(ii) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of twelve (12) months to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 31 December 2018, the Group had the outstanding balance of VND226,342,014,763 which bears an interest rate from 7.1% to 7.6% per annum. These borrowings are secured by deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, is 10%.

(iii) These are borrowings in Vietnamese Dong with a credit limit of VND385,000,000,000 for a term of 60 months since the drawdown date. Interest rate is 9.65% per annum for the first month and 10.5% per annum for the next two months, then adjusted every three (3) months at a rate of the thirteen-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 3.69% per annum and not lower than current interest rate quoted at the time of adjustment (for loans with the same type and method). As at 31 December 2018, Company had the outstanding balance of VND365,750,000,000 which bears an interest rate of 9.32% per annum. These borrowings are secured by a real estate in District 1, Ho Chi Minh City.

(iv) These are borrowings in Vietnamese Dong with a credit limit of USD90 million, in which Standard Chartered Bank is the arranger and bookrunner and Standard Chartered Bank (Hong Kong) Limited is the facility agent and security agent. The borrowings will be matured in September 2020 with the principal being paid on the maturity date. The interest of these borrowings is paid on every six (6) month at the rate of 6% per annum. At maturity or early repayment, the Company would pay an additional amount to ensure that lender receives a target IRR of 11%. These borrowings are secured by shares of the Company owned by shareholders. As at 31 December 2018, an amount of USD60 million was disbursed fully by GPI3 Co., LTD.

(**) Details for the balances of third parties are as follows:

	31/12/2018 VND	31/12/2017 VND
(a) Short-term borrowings		
GW Supernova Pte.Ltd. (i)	1.162.250.000.000	-
Credit Suisse AG, Singapore Branch (ii)	286.225.500.000	-
Crane Investments Limited In Respect Of Series 211 (ii)	144.837.000.000	-
	1.593.312.500.000	-
(b) Long-term borrowings		
Credit Suisse AG, Singapore Branch (ii)	1.621.944.500.000	750.255.000.000
Crane Investments Limited In Respect Of Series 211 (ii)	820.743.000.000	954.870.000.000
GW Supernova Pte. Ltd. (i)	-	1.136.750.000.000
	2.442.687.500.000	2.841.875.000.000

22 BORROWINGS (continued)

(i) This borrowing is denominated in USD from GW Supernova Pte. Ltd., with a credit facility of USD50,000,000, maturing in thirty-six (36) months since the first drawdown in December 2016, including a portion of non-convertible borrowing amounting to USD20,000,000 and the other portion of convertible borrowing amounting to USD30,000,000. The principal is repaid at the maturity date. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 15%. The borrowing is unsecured. The lender may elect to convert the convertible borrowing component into shares of the Company at any time after ten (10) months since the first drawdown date or six (6) months since the conversion date of the borrowing from Credit Suisse AG, Singapore Branch (has already been converted on 28 June 2017), depending on which date comes first. As at 31 December 2018, the Company's Board of Management estimated that the value of the convertible debt component was the same as the principal of the borrowing. Accordingly, there was no equity component recognised.

As at 31 December 2018, this borrowing was fully disbursed. In case the debt conversion option is exercised, the maximum shares to be converted will be 22,978,142 shares of the Company. As at the date of these consolidated financial statements, the loan was not converted.

(ii) These are borrowings according to the loan agreement and appendix with the adjusted credit facility of USD125,000,000, which Credit Suisse AG, Singapore Branch is the facility agent and the party arranging the loan. The loan duration is forty-two (42) months from the first date of drawdown, the principal is repayable every six (6) months from the eighteenth (18th) month since the first date of drawdown to maturity. Interest rate is defined as LIBOR rate plus a margin of 5.5% per annum and repayable every three (3) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 13%. The borrowing is unsecured. As at 31 December 2018, these borrowings was disbursed fully by USD125,000,000.

(***) Details of closing balance of issued bonds are as follows:

	31/12/2018 VND	31/12/2017 VND
(a) Current portion of long-term bonds		
Bonds issued at discount		
Techcom Securities Limited Company	-	450.000.000.000
Bonds issued at par		
The Vietnam Technological and Commercial Joint Stock Bank (i)	1.000.000.000.000	-
Indovina Bank Limited (i)	1.050.000.000.000	-
Techcom Securities Limited Company (i)	250.000.000.000	-
The Vietnam Technological and Commercial Joint Stock Bank (ii)	500.000.000.000	-
Techcom Securities Limited Company (ii)	500.000.000.000	-
Military Commercial Joint Stock Bank - North Sai Gon Branch (iii)	500.000.000.000	-
MB Securities Joint Stock Company (iv)	400.000.000.000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (v)	295.000.000.000	275.000.000.000
IB Securities Joint Stock Company (vi)	200.000.000.000	-
IB Securities Joint Stock Company (vii)	146.840.000.000	-
VietinBank Insurance Joint Stock Company (viii)	100.000.000.000	-
VietinBank Gold & Jewellery Trading Company Limited (viii)	100.000.000.000	-
Techcom Securities Limited Company	-	500.000.000.000
Bao Viet Joint Stock Commercial Bank	-	300.000.000.000
Military Commercial Joint Stock Bank - North Sai Gon Branch	-	250.000.000.000
Tien Phong Commercial Joint Stock Bank	-	125.000.000.000
	5.041.840.000.000	1.900.000.000.000

22 BORROWINGS (continued)

(***) Details of closing balance of issued bonds are as follows (continued):

(b) Long-term issued bonds**Bonds issued at par**

The Bank of New York Mellon - London Branch (ix)	5.555.555.000.000	-
Tien Phong Commercial Joint Stock Bank (x)	1.500.000.000.000	375.000.000.000
Military Commercial Joint Stock Bank - North Sai Gon Branch (xi)	400.000.000.000	-
Bao Viet Group (xii)	200.000.000.000	200.000.000.000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (v)	146.000.000.000	441.000.000.000
The Vietnam Technological and Commercial Joint Stock Bank (i)	-	1.000.000.000.000
Indovina Bank Limited (i)	-	1.050.000.000.000
Techcom Securities Limited Company (i)	-	250.000.000.000
Vietnam Technological and Commercial Joint Stock Bank (ii)	-	500.000.000.000
Techcom Securities Limited Company (ii)	-	500.000.000.000
Military Commercial Joint Stock Bank - North Sai Gon (iii)	-	500.000.000.000
Military Commercial Joint Stock Bank - North Sai Gon Branch	-	750.000.000.000
	7.801.555.000.000	5.566.000.000.000

(i) Bonds issued at par value in Vietnamese Dong, include:

- Package of bonds with a par value of VND500,000,000,000, maturing in February 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The reference rate is calculated by average of the interest rates determined period by four (4) banks including: Bank for Investment and Development of Vietnam - Head office 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head office, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development - Head office. These bonds are secured by shares of the Company owned by shareholders. The initial buyer was Indovina Limited Bank.

- Package of bonds with a par value of VND1,800,000,000,000, maturing in March 2019, bearing an interest rate of 10.9% per annum for the first two (2) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus a margin of 4.5% per annum. The reference rate is calculated by average of the interest rates determined period by four (4) banks including: Bank for Investment and Development of Vietnam - Head office 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head office, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development - Head office. These bonds are secured by shares of the Company owned by shareholders. These bonds are secured by shares of the Company owned by shareholders. The initial buyers were Indovina Limited Bank, Vietnam Technology and Commercial Joint Stock Bank and Techcom Securities Company Limited with respective value of VND550,000,000,000, VND1,000,000,000,000 and VND250,000,000,000.

22 BORROWINGS (continued)

(ii) Bonds issued at par value in Vietnamese Dong with total par value of VND1,000,000,000,000, maturing in August 2019 and bearing an interest of 10.9% per annum for the first two (02) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The reference interest rate is calculated as the average of the interest rate for individual deposits (interest paid in arrears) in Vietnam Dong, the term of twelve (12) months (or equivalent) announced on the seventh working day before the first day of the interest rate determination period of four (4) banks: Bank for Investment and Development of Vietnam - Transaction Center 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Transaction Center, Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch Hanoi and Vietnam Bank for Agriculture and Rural Development - Transaction Center. These bonds are secured by shares of the Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Limited Company

(iii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch include package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10.0% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders.

(iv) Bonds issued at par value of VND400,000,000,000 in Vietnamese Dong, in which par value of VND200,000,000,000 maturing in February 2019 and par value of VND200,000,000,000 maturing in May 2019, bearing an interest rate of 10.8% per annum. These bonds are secured by shares of the Company owned by shareholders.

(v) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch. Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) on the date of interest rate determination. As at 31 December 2018, the Company repurchased total VND295,000,000,000 of par value, the remaining balance of bonds is VND441,000,000,000. These bonds are secured by shares of the Company owned by shareholders, receivables relating to a Company's project, part of shares owned by the Company in subsidiary.

(vi) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, will be matured in June 2019, bearing an interest rate of 10.6% per annum. These bonds are secured by shares of the Company owned by shareholders.

(vii) Bonds issued at par value of VND146,840,000,000 in Vietnamese Dong, advised by IB Securities, which will be matured in November 2019, bearing an interest rate of 10.6% per annum. These bonds are secured by shares of the Company owned by shareholders.

(viii) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, advised by VietinBank Securities which will be matured in July 2019, bearing an interest rate of 10.5% per annum. These bonds are secured by shares of the Company owned by shareholders.

22 BORROWINGS (continued)

(ix) These are 800 convertible bonds issued on 27 April 2018 ("Issue Date") and additional 400 convertible bonds issued on 14 December 2018 at par value in USD to international investors which The Bank of New York Mellon - London Branch is trustee, Credit Suisse - Singapore Branch is arranger and issuance agents. The package of convertible bonds amounted of USD240,000,000 with a par value of USD200,000 per bond will mature on 27 April 2023 ("Maturity Date"), subject to a bond coupon interest of 5.5% per annum which will be repaid every 6 months and a redemption yield of 6.25% per annum which is calculated on a 6 month basis. These bonds are unsecured and could be converted into shares of No Va Land Investment Group Corporation (NVL) since the 41st day from the Issue Date until the 10th day before the Maturity Date. The initial conversion price was determined at VND74,750 per share, and was adjusted to VND71,000 per share on 27 October 2018, corresponding to the conversion rate of 64,149.3 shares per convertible bond and may be adjusted in the following cases: (1) Business events resulting in a change in the share value, and/or (2) adjustment corresponding to the decrease in NVL share price with an adjustment not exceeding 75% of the Initial Conversion Price, VND56,062.5 per share.

(x) Bonds issued at par value in Vietnamese Dong with total par value of VND1,500,000,000,000, include three (3) bonds with their details as follows:

- Bond A: total par value of VND500,000,000,000 with a term of 18 months, maturing in 2020.
- Bond B: total par value of VND300,000,000,000 with a term of 24 months, maturing in 2020.
- Bond C: total par value of VND700,000,000,000 with a term of 36 months, maturing in 2021.

The interest rate of 10.5% per annum is applied for the first interest period. Each interest period lasts for three (03) consecutive months from the issue date to the maturity date. Then interest rate is defined by reference interest rate plus a margin of 4.0% per annum. The reference interest rate is calculated as a rate of the twelve-month (or equivalent) saving deposits in Vietnamese Dong from individuals (paid in arrears) announced by Tien Phong Commercial Joint Stock Bank. These bonds are secured by the development right of the project Grand Manhattan and shares of the Developer of this project owned by shareholders.

(xi) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch ("MB"). The package of bonds with a par value of VND400,000,000,000 have the last maturity in 2021, bearing an interest rate of 10.0% per annum for the first year period, then it will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including assets of Lakeview City Project, part of shares owned by the Company in procuring agency and shares of the Company owned by shareholders.

(xii) Bonds issued at par value in Vietnamese Dong to Baoviet Holdings, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest periods. The interest rate applied for the remaining period will be adjusted every twelve (12) months and defined as a reference rate plus 2.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month (12) deposits from individuals in Vietnamese Dong (paid in arrears) by Ho Chi Minh City branches of four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders.

(****) These are borrowings from related parties, maturing from January in 2019 to May in 2019, bear interest at the rate from 5% to 11.0% per annum and are unsecured.

23 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	31/12/2018 VND	31/12/2017 VND
Deferred income tax assets:		
Deferred tax assets to be recovered after more than 12 months	975.873.572	975.873.572

The movement in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	For the year ended 31/12/2018 VND	31/12/2017 VND
Beginning of year	975.873.572	975.873.572
Income statement charge	-	-
End of year	975.873.572	975.873.572

The deferred income tax assets mainly arise from the temporary differences relating to depreciation of fixed assets, capitalised interest expense and accrual for other operating expenses. The Company uses tax rate of 20% at 31 December 2018 (as at 31 December 2017: 20%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

24 OWNERS' CAPITAL**(a) Number of shares**

	31/12/2018		31/12/2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	930.446.674	6.830.000	642.828.788	6.830.000
Number of shares issued	930.446.674	6.830.000	642.828.788	6.830.000
Number of existing shares in circulation	930.446.674	6.830.000	642.828.788	6.830.000

24 OWNERS' CAPITAL (continued)
(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 01 January 2017	589.369.234	6.830.000	596.199.234
New shares issued for converting debts	33.459.554	-	33.459.554
New shares issued for ESOP	20.000.000	-	20.000.000
As at 31 December 2017	642.828.788	6.830.000	649.658.788
New shares issued for ESOP 2017	9.809.962	-	9.809.962
Bonus shares issued	202.317.178	-	202.317.178
Issuance of ordinary shares	52.500.000	-	52.500.000
New shares issued for converting bonds	320.746	-	320.746
New shares issued for ESOP 2018	22.670.000	-	22.670.000
As at 31 December 2018	930.446.674	6.830.000	937.276.674

Par value per share: VND10,000.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN

25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital		Share premium	Undistributed earnings	Total
	Ordinary shares	Preference shares			
	VND	VND	VND	VND	VND
As at 1 January 2017	5.893.692.340.000	68.300.000.000	2.174.026.445.400	1.079.554.149.570	9.215.572.934.970
Issuance of ordinary shares for converting debts	334.595.540.000	-	1.032.804.460.000	-	1.367.400.000.000
Issuance of ordinary shares under Employee Stock Ownership Plan to employees	200.000.000.000	-	-	-	200.000.000.000
Dividends paid	-	-	-	(24.765.000.000)	(24.765.000.000)
Profit for the year	-	-	-	421.890.218.428	421.890.218.428
As at 31 December 2017	6.428.287.880.000	68.300.000.000	3.206.830.905.400	1.476.679.367.998	11.180.098.153.398
Issuance of ordinary shares under ESOP 2017 (i)	98.099.620.000	-	-	-	98.099.620.000
Bonus shares issued from share premium (ii)	2.023.171.780.000	-	(2.023.171.780.000)	-	-
Issuance of ordinary shares (iii)	525.000.000.000	-	2.793.725.115.626	-	3.318.725.115.626
Issuance of ordinary shares for converting bonds (iv)	3.207.460.000	-	19.565.540.000	-	22.773.000.000
Issuance of ordinary shares for ESOP 2018 (v)	226.700.000.000	-	(110.000.000)	-	226.590.000.000
Dividends paid	-	-	-	(20.490.000.000)	(20.490.000.000)
Profit for the year	-	-	-	1.467.847.937.829	1.467.847.937.829
As at 31 December 2018	9.304.466.740.000	68.300.000.000	3.996.839.781.026	2.924.037.305.827	16.293.643.826.853

25 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) According to Annual Resolution No. 09/2017-NQ-NVLG on 27 April 2017, the General Meeting of Shareholders approved the issuance of Shares under the Employee Stock Ownership Plan ("ESOP") with the maximum number of 29,809,962 shares. In 2017, the Company completed the issue of 20,000,000 ordinary shares to employees. Besides, according to Decision No. 004/2018-QD.HDQT-NVLG dated 12 January 2018, the Board of Directors approved the issuance of the remaining shares of 9,809,962 to employees at par value of VND10,000 per share under the Resolution of the Annual General Meeting of Shareholders. As the issuing price
- (ii) According to the Resolution No.18/2018-QD-NVLG dated 1 March 2018, the Board of Directors has implemented a plan to issue shares to increase the share capital from share premium which was approved by the Annual General Meeting of Shareholders in 2017.
- (iii) According to the Resolution of the General Meeting of Shareholders No. 05/2018-NQ-NVLG dated 28 February 2018, Resolution No. 28/2018-QD-NVLG dated 9 April 2018 and Resolution No. 34/2018-CV-NVLG dated 23 April 2018, the Company has approved the issuance of shares to increase the share capital in accordance with the private placement plan of 2018 with the number of shares of 52,500,000 shares. The issuing price is VND64,837 per share and the total issuance cost is VND85,217,384,374, so the value of the issued shares is recorded as share capital and the share premium of VND525,000,000,000 and VND2,793,725,115,626 respectively.
- (iv) Under the convertible bond agreement dated 19 April 2018, the bond conversion notification dated 16 November 2018 from bondholders and the Resolution of the Board of Directors No. 87/2018-NQ.HDQT-NVLG dated 27 November 2018, the Company has approved the issuance of 320,746 ordinary shares to convert 5 convertible bonds with a total value of USD1,000,000. The conversion of bonds into shares was calculated according to the exchange rate stipulated in the convertible bond agreement which is VND22,773, so the value of issued shares is recorded as share capital and share premium of VND3,207,460,000 and VND19,565,540,000 respectively.
- (v) According to the Resolution of the Annual General Meeting of Shareholders No. 18/2018-NQ.DHDCT-NVLG dated 26 April 2018 and the Resolution of the Board of Directors No. 75/2018-NQ.HDQT-NVLG dated 24 October 2018, the Company has approved the issuance of 22,670,000 shares under the Employee Stock Ownership Plan ("ESOP") with the issue price of VND10,000 per share. Since the issue price is equal to the par value of VND10,000 per share, the total value of issued shares was recorded as the share capital.

26 OFF BALANCE SHEET ITEMS**(a) Foreign currencies and precious metals**

	31/12/2018	31/12/2017
Gold (tael of gold)	-	2,4
USD	62.070.830,21	4.160,69

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases are VND350,315,032,136 and VND68,849,478,134 for the year ended 31 December 2018 and 31 December 2017, respectively (Note 39).

27 REVENUE

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Sales of goods and rendering of services		
Revenue from sale of real estate	2.603.905.656.083	820.791.284.800
Rendering of services for corporate management, project development consultancy and sale consultancy	1.093.113.831.688	1.303.733.128.893
Revenue from transfers of real estate sales and purchase agreement	39.139.086.989	815.587.838.071
Revenue from leasing properties	67.515.738.502	57.702.185.107
	3.803.674.313.262	2.997.814.436.871
Sales deductions		
Trade discounts	-	(4.395.144.584)
Net revenue from goods and rendering of services		
Net Revenue from sale of real estate	2.603.905.656.083	816.396.140.216
Net Rendering of services for corporate management, project development consultancy and sale consultancy	1.093.113.831.688	1.303.733.128.893
Net Revenue from transfers of real estate sales and purchase agreement	39.139.086.989	815.587.838.071
Net revenue from leasing properties	67.515.738.502	57.702.185.107
	3.803.674.313.262	2.993.419.292.287

28 COST OF SALES

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Cost of real estate sold	630.541.828.794	680.212.520.564
Cost of rendering of services for corporate management, project development consultancy and sale consultancy	863.410.962.166	1.232.484.286.688
Cost of transfers of real estate sales and purchase agreement	32.329.096.097	791.711.193.933
Cost of leasing properties	22.631.229.265	32.174.159.705
	1.548.913.116.322	2.736.582.160.890

29 FINANCIAL INCOME

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Dividend income	1.795.658.195.088	1.308.335.303.000
Interest income from deposits and loans	101.843.292.961	187.949.388.688
Interest income from investment co-operation	38.738.129.342	171.698.974.001
Realised foreign exchange gains	1.731.208.959	727.640.699
Net gain from foreign currency translation at year-end	-	5.156.804.641
Others	33.355.964	2.631.894.962
	1.938.004.182.314	1.676.500.005.991

30 FINANCIAL EXPENSES

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Interest expenses	1.696.283.554.055	1.166.913.635.086
Borrowing related costs	186.624.480.156	96.991.551.724
Bond issuance fee	76.370.113.437	40.522.375.985
Realised foreign exchange losses	13.441.770.938	5.298.090.654
Net loss from foreign currency translation at year-end	136.061.065.597	-
Expenses on cross-currency swap contracts	43.611.441.769	-
Others	5.091.381.732	2.172.467.016
	2.157.483.807.684	1.311.898.120.465

31 SELLING EXPENSES

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Staff costs	328.787.745	507.516.443
Materials, packages	-	19.840.070
Tools and equipment	386.106.416	255.701.887
Depreciation charge	675.226.157	-
Outside services	47.840.238.810	37.725.613.993
Others	40.902.659.973	32.235.470.513
	90.133.019.101	70.744.142.906

32 GENERAL AND ADMINISTRATION EXPENSES

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Staff costs	4.920.520.429	7.085.961.367
Tools and supplies	-	386.364
Office stationary	713.731.331	518.860.701
Depreciation charge	731.771.386	2.500.511.821
Tax and other fees	12.859.182	2.835.000
Outside services	67.124.557.371	54.776.910.006
Others	69.986.119.225	50.565.884.599
	143.489.558.924	115.451.349.858

33 OTHER INCOME AND OTHER EXPENSES

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
Other income		
Gains on disposal of fixed assets	438.660.606	-
Fines	13.488.034.725	7.400.117.636
Others	312.733.071	3.257.776.595
	14.239.428.402	10.657.894.231
Other expenses		
Fines	8.484.515.923	12.298.369.038
Others	160.290.552	11.712.830.924
	8.644.806.475	24.011.199.962
Net other income/(expenses)	5.594.621.927	(13.353.305.731)

34 BUSINESS INCOME TAX

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2017: 20%) as follows:

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Net accounting profit before tax	1.807.253.615.472	421.890.218.428
Tax calculated at a rate of 20% (2017: 20%)	361.450.723.094	84.378.043.686
Effect of:		
Expenses not deductible for tax purposes	1.900.165.114	4.382.003.808
Income not subject to tax	(359.397.257.889)	(261.932.679.472)
Using tax losses from real estate transferring activities in previous years	(16.116.533.962)	-
Tax losses for which no deferred income tax assets	351.568.581.285	173.172.631.978
Business income tax charge (*)	339.405.677.643	-

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Charged to income statement:		
Business income tax - current	339.405.677.643	-
Business income tax - deferred (Note 23)	-	-
	339.405.677.643	-

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

35 EXPENSES BY FACTOR

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Construction costs and land costs	547.653.194.530	1.360.508.655.992
Labour costs	666.341.235.120	860.296.071.231
Depreciation charge	33.690.947.426	28.497.320.448
Outside services	114.964.796.181	92.502.523.999
Others	112.001.476.127	83.598.979.134
	1.474.651.649.384	2.425.403.550.804

36 SEGMENT REPORTING*Geographical segment*

The Company does not have any operations outside the territory of Vietnam, so it is not necessary to present information based on the geographical location.

Business activity segment

The Company's revenue and profit are mainly derived from the business activities of the real estate, services for management consultancy.

37 ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS**(a) Non-cash transactions affect the cash flow statement:**

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Issuance of ordinary shares for converting debts	22.773.000.000	1.367.400.000.000
Bonus shares issued from share premium	2.023.171.780.000	-

(b) Amount of borrowings actually withdrawn during the year

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Proceeds from borrowings following normal borrowing contracts	6.465.792.014.763	7.515.475.954.629
Proceeds from bonds issuance	8.005.201.752.275	5.000.000.000.000

(c) Amount of borrowings actually repaid during the year

	For the year ended	
	31/12/2018	31/12/2017
	VND	VND
Repayments for borrowings following normal borrowing contracts	(4.732.054.605.185)	(6.642.606.729.136)
Repayments for bonds	(3.025.027.000.000)	(1.716.000.000.000)

38 RELATED PARTY DISCLOSURES

In the year and the same year in 2018, the Company had transactions and balances with related parties as follows:

Relationship	Name
Subsidiary	No Va Land Investment Joint Stock Company
Subsidiary	No Va Thao Dien Company Limited
Subsidiary	Nova Festival Corporation
Subsidiary	No Va Land Company Limited
Subsidiary	Nova Saigon Royal Investment Limited Company
Subsidiary	Sai Gon Housing And Infrastructure Development J.S.C
Subsidiary	Nova Lucky Palace Company Limited
Subsidiary	The Prince Residence Joint Stock Company
Subsidiary	Thanh Nhon Real Estate Joint Stock Company
Subsidiary	Sai Gon Golf Company Limited
Subsidiary	Nova Sagel Company Limited
Subsidiary	Novaland Agent One Member Company Limited
Subsidiary	Phuoc Long Investment and Development Company Limited
Subsidiary	Vung Tau Youth Hotel and Travel Joint Stock Company
Subsidiary	Nova Richstar Joint Stock Company
Subsidiary	Nova Nippon Joint Stock Company
Subsidiary	Khai Hung Real Estate Company Limited
Subsidiary	Nova Nam A Company Limited
Subsidiary	Nova Sasco Company Limited
Subsidiary	No Va My Dinh Land Joint Stock Company

38 RELATED PARTY DISCLOSURES (continued)

Relationship	Name
Subsidiary	Nova An Phu Company Limited
Subsidiary	Nova Phuc Nguyen Real Estate Company Limited
Subsidiary	Tuong Minh Investment and Real Estate Company Limited
Subsidiary	The 21st Century International Development Company Limited
Subsidiary	Phuong Dong Building Joint Stock Company
Subsidiary	Nova Rivergate Company Limited
Subsidiary	Nova Princess Residence Joint Stock Company
Subsidiary	Nha Rong Investment and Commercial Joint Stock Company
Subsidiary	Mega Housing Joint Stock Company
Subsidiary	Mega Tie Company Limited
Subsidiary	Bach Hop Real Estate Company Limited
Subsidiary	Phu Dinh Port Joint Stock Company
Subsidiary	Gia Duc Real Estate Company Limited
Subsidiary	Gia Phu Real Estate Company Limited
Subsidiary	Nova Riverside Real Estate Company Limited
Subsidiary	Nhat Hoa Real Estate Joint Stock Company
Subsidiary	Merufa-Nova Company Limited
Subsidiary	Nova Property Management Company Limited
Subsidiary	Thanh Nhon Investment Real Estate Company Limited
Subsidiary	Vuong Gia Real Estate Investment Joint Stock Company
Subsidiary	Ky Nguyen Urban Development Joint Stock Company
Subsidiary	Ngoc Linh Hoa Joint Stock Company
Subsidiary	350 Real Estate Investment & Development Company Limited
Subsidiary	CQ89 Real Estate Investment & Development Company Limited
Subsidiary	Sun City Real Estate Investment & Development Company Limited
Subsidiary	Phong Dien Real Estate Investment Joint Stock Company
Subsidiary	Thai Binh Real Estate Trading Joint Stock Company
Subsidiary	Nova Hospitality Joint Stock Company
Subsidiary	Binh An Investment and Development Joint Stock Company (*)
Subsidiary	Nova Lexington Real Estate Joint Stock Company (*)
Subsidiary	Nova Phu Sa Real Estate Joint Stock Company (*)
Subsidiary	Redwood Investment Joint Stock Company (*)
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Ben Thanh Housing Development and Service Joint Stock Company
Company owned by the shareholder	Diamond Properties Joint Stock Company

(a) Related party transactions

During the year, the following transactions were carried out with related parties.

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
i) Sales of goods and services (VAT inclusive)		
Nova Riverside Real Estate Company Limited	136.893.362.199	-
The 21st Century International Development Company Limited	126.737.599.383	318.648.699.887
Gia Phu Real Estate Company Limited	108.877.777.290	63.890.663.296
Nova Richstar Joint Stock Company	76.574.592.172	56.138.478.000
Nova An Phu Company Limited	70.742.688.096	1.427.381.778
Nha Rong Investment and Commercial Joint Stock Company	65.673.687.132	25.812.375.600
Phuong Dong Building Joint Stock Company	57.222.642.163	25.793.345.755
Nhat Hoa Real Estate Joint Stock Company	47.984.664.861	9.682.128.413
Nova Sasco Company Limited	46.438.487.456	33.084.300.004
Thai Binh Real Estate Trading Joint Stock Company	45.905.171.648	-

38 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

	For the year ended	
	31/12/2018 VND	31/12/2017 VND
<i>i) Sales of goods and services (VAT inclusive) (continued)</i>		
Novaland Agent One Member Company Limited	44.727.314.369	27.320.538.277
Nova Nam A Company Limited	25.077.481.825	19.396.695.596
Nova Rivergate Company Limited	25.013.434.636	59.497.306.988
Sun City Real Estate Investment & Development Company Limited	23.445.144.034	37.800.000
Nova Phuc Nguyen Real Estate Company Limited	17.335.732.209	39.650.171.207
Vung Tau Youth Hotel and Travel Joint Stock Company	12.391.533.693	-
Merufa-Nova Company Limited	11.082.954.979	1.891.862.414
Nova Sagel Company Limited	9.518.909.012	34.265.871.600
Nova Princess Residence Joint Stock Company	8.344.649.591	15.156.420.133
Phu Dinh Port Joint Stock Company	5.170.941.600	12.023.898.700
Nova Lucky Palace Company Limited	3.661.730.198	28.693.172.869
Nova Property Management Company Limited	1.896.440.556	41.303.886
Nova Festival Corporation	886.320.285	11.895.063.861
No Va Land Investment Joint Stock Company	722.010.717	7.769.165.501
Phong Dien Real Estate Investment Joint Stock Company	495.000.000	-
Sai Gon Golf Company Limited	271.032.300	2.439.290.700
Nova Saigon Royal Investment Limited Company	83.999.995	149.999.996
No Va Land Company Limited	83.999.995	132.000.000
Thanh Nhon Real Estate Joint Stock Company	83.999.995	83.999.996
No Va Thao Dien Company Limited	83.999.995	83.999.996
Mega Housing Joint Stock Company	83.999.995	83.999.996
No Va My Dinh Land Joint Stock Company	83.999.995	83.999.996
Bach Hop Real Estate Company Limited	83.999.995	77.399.996
Nova Nippon Joint Stock Company	83.999.995	66.000.000
Nova Hospitality Joint Stock Company	83.999.995	66.000.000
Gia Duc Real Estate Company Limited	83.999.995	55.999.997
Ngoc Linh Hoa Joint Stock Company	83.999.995	-
Phuoc Long Investment and Development Company Limited	83.999.995	-
Thanh Nhon Investment Real Estate Company Limited	83.999.995	-
Ky Nguyen Urban Development Joint Stock Company	83.999.995	-
Tuong Minh Investment and Real Estate Company Limited	21.428.572	-
Vuong Gia Real Estate Investment Joint Stock Company	21.214.288	-
350 Real Estate Investment & Development Company Limited	8.000.001	-
Mega Tie Company Limited	-	3.385.643.715
Nova Lexington Real Estate Joint Stock Company (*)	-	186.116.999
The Prince Residence Joint Stock Company	-	157.291.765
Sai Gon Housing And Infrastructure Development J.S.C	-	149.999.996
Nova Phu Sa Real Estate Joint Stock Company (*)	-	99.999.998
Redwood Investment Joint Stock Company (*)	-	99.999.998
	974.317.945.195	799.518.386.909

38 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the year ended	
		31/12/2018	31/12/2017
		VND	VND
ii) Purchase of services			
Ben Thanh Housing Development and Service Joint Stock Company		55.056.246.652	10.623.533.580
		55.056.246.652	10.623.533.580
iii) Transfer real estate from subsidiaries			
Gia Phu Real Estate Company Limited		28.647.338.698	134.102.484.621
Nova Phuc Nguyen Real Estate Company Limited		3.806.351.217	118.889.135.025
Nova Festival Corporation		2.342.208.385	251.995.599.183
Nova Rivergate Company Limited		766.107.407	39.648.534.089
		35.562.005.707	544.635.752.918
iv) Lending			
Khai Hung Real Estate Company Limited	-		83.200.000.000
Nova An Phu Company Limited	-		29.900.000.000
Nova Saigon Royal Investment Limited Company	-		8.500.000.000
			121.600.000.000
v) Loan collection			
Khai Hung Real Estate Company Limited		130.240.000.000	126.900.000.000
Nova Phuc Nguyen Real Estate Company Limited		50.511.600.222	85.608.399.778
Sai Gon Electronics and Industrial Service Joint Stock Company		35.900.000.000	-
Nova Saigon Royal Investment Limited Company		8.500.000.000	-
Nova An Phu Company Limited	-		118.030.000.000
Mega Housing Joint Stock Company	-		116.706.000.000
No Va Land Investment Joint Stock Company	-		49.677.512.000
Nova Rivergate Company Limited	-		10.320.000.000
		225.151.600.222	507.241.911.778
vi) Receipt from investment co-operation			
Nova Richstar Joint Stock Company	-		244.000.000.000
			244.000.000.000
vii) Repayment of investment co-operation			
The 21st Century International Development Company Limited	-		175.256.918.969
Binh An Real Estate Investment and Development Joint Stock Company	-		125.500.000.000
Nova Richstar Joint Stock Company		244.000.000.000	-
		244.000.000.000	300.756.918.969

38 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

		For the year ended	
		31/12/2018	31/12/2017
		VND	VND
viii) Borrowings			
The 21st Century International Development Company Limited	-	510.500.000.000	
Nova Richstar Joint Stock Company	-	400.000.000.000	
Nova Festival Corporation	-	211.900.000.000	
Thai Binh Real Estate Trading Joint Stock Company	208.600.000.000	-	
Binh An Investment and Development Joint Stock Company (*)	-	169.000.000.000	
Nova Rivergate Company Limited	-	124.000.000.000	
Nova Sasco Company Limited	-	103.000.000.000	
Phuong Dong Building Joint Stock Company	-	81.000.000.000	
		208.600.000.000	1.599.400.000.000
ix) Repayments of borrowings			
Nova Rivergate Company Limited	262.548.000.000	103.583.000.000	
Thai Binh Real Estate Trading Joint Stock Company	167.100.000.000	-	
The 21st Century International Development Company Limited	134.871.054.795	20.000.000.000	
Phuong Dong Building Joint Stock Company	140.000.000.000	-	
Nova Festival Corporation	104.987.842.770	145.466.157.230	
Nova Sasco Company Limited	78.000.000.000	186.700.000.000	
Gia Phu Real Estate Company Limited	55.000.000.000	-	
Nova Sagel Company Limited	12.000.000.000	-	
Nova Richstar Joint Stock Company	-	400.000.000.000	
Phuoc Long Investment and Development Company Limited	-	259.000.000.000	
Nova Lexington Real Estate Joint Stock Company (*)	-	84.000.000.000	
Nova Phu Sa Real Estate Joint Stock Company (*)	-	200.000.000	
Binh An Investment and Development Joint Stock Company (*)	-	-	
		954.506.897.565	1.198.949.157.230
x) Interest income			
Nova Saigon Royal Investment Limited Company	29.373.745.228	53.940.412.501	
Nova Sasco Company Limited	7.215.661.111	48.748.826.390	
Khai Hung Real Estate Company Limited	6.666.497.267	23.186.732.605	
Sai Gon Electronics and Industrial Service Joint Stock Company	3.409.254.775	4.553.310.664	
Nova Nam A Company Limited	2.535.803.561	37.957.074.566	
Nova Phuc Nguyen Real Estate Company Limited	1.350.904.686	9.444.361.222	
Mega Housing Joint Stock Company	-	12.473.602.129	
Nova An Phu Company Limited	-	11.742.319.455	
No Va Land Investment Joint Stock Company	-	955.295.194	
Nova Rivergate Company Limited	-	684.302.012	
		50.551.866.628	203.686.236.738

38 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the year ended	
		31/12/2018	31/12/2017
		VND	VND
xi)	Interest expenses		
	Nova Rivergate Company Limited	35.467.552.975	37.956.997.482
	The 21st Century International Development Company Limited	49.363.843.302	26.429.484.020
	Phuong Dong Building Joint Stock Company	11.220.360.924	13.219.130.411
	Nova Festival Corporation	9.835.395.594	6.374.748.972
	Nova Sasco Company Limited	512.876.712	9.703.403.197
	Gia Phu Real Estate Company Limited	7.391.095.893	2.573.698.630
	Thai Binh Real Estate Trading Joint Stock Company	5.032.465.753	-
	Nova Sagel Company Limited	41.666.667	608.333.334
	Phuoc Long Investment and Development Company Limited	-	7.016.608.335
	Binh An Real Estate Investment and Development Joint Stock Company	-	156.260.274
	Nova Richstar Joint Stock Company	-	10.060.273.973
	Nova Lexington Real Estate Joint Stock Company	-	365.863.426
	Nova Phu Sa Joint Stock Company	-	185.569.447
		118.865.257.820	114.650.371.501
xii)	Compensation of key management		
	Gross salaries and other benefits	23.726.625.300	35.024.121.743

(*) In the year and as at 31 December 2018, this company was no longer a related party of the Company.

(b) Year end balances with related parties

		31/12/2018	31/12/2017
		VND	VND
i)	Short-term trade accounts receivable (Note 5)		
	Diamond Properties Joint Stock Company	40.024.130.644	40.024.130.644
		40.024.130.644	40.024.130.644
ii)	Short-term lending (Note 7)		
	Khai Hung Real Estate Company Limited	-	130.240.000.000
	Sai Gon Electronics and Industrial Service Joint Stock Company	7.520.000.000	43.420.000.000
	Nova Phuc Nguyen Real Estate Company Limited	-	50.511.600.222
	Nha Rong Investment and Commercial Joint Stock Company	-	8.500.000.000
		7.520.000.000	232.671.600.222

38 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	31/12/2018 VND	31/12/2017 VND
iii) Other short-term receivables (Note 8(a))		
Nova Phuc Nguyen Real Estate Company Limited	50.725.000.000	11.541.315.321
Ben Thanh Housing Development and Service Joint Stock Company	38.324.741.374	39.827.672.410
Sai Gon Electronics and Industrial Service Joint Stock Company	26.740.105.439	23.907.772.634
Nova Princess Residence Joint Stock Company	14.880.000	-
Khai Hung Real Estate Company Limited	-	27.189.285.260
Nova Saigon Royal Investment Limited Company	-	570.584.867.912
Nova Sasco Company Limited	-	344.623.883.334
No Va Land Investment Joint Stock Company	-	76.890.000.000
	115.804.726.813	1.094.564.796.871
iv) Other long-term receivables (Note 8(b))		
Ben Thanh Housing Development and Service Joint Stock Company	5.682.317.455	1.398.776.000
Nova Nam A Company Limited	-	176.916.527.546
	5.682.317.455	178.315.303.546
v) Other short-term payables (Note 16)		
Ben Thanh Housing Development and Service Joint Stock Company	489.425.295	-
Nova Riverside Real Estate Company Limited	58.197.999	-
	547.623.294	-
vi) Other short-term payables (Note 21(a))		
Gia Duc Real Estate Company Limited	-	695.750.000.000
	-	695.750.000.000
vii) Other long-term payables (Note 21(b))		
Nova Richstar Joint Stock Company	-	244.000.000.000
	-	244.000.000.000
viii) Short-term accrued expenses (Note 19)		
Nova Rivergate Company Limited	79.938.769.976	63.445.174.918
Phuong Dong Building Joint Stock Company	30.242.187.224	20.452.730.411
The 21st Century International Development Company Limited	64.202.860.046	18.467.961.949
Nova Festival Corporation	-	3.541.523.703
Gia Phu Real Estate Company Limited	10.028.082.194	2.636.986.301
Thai Binh Real Estate Trading Joint Stock Company	5.032.465.753	-
Nova Sasco Company Limited	-	256.438.356
Nova Sagel Company Limited	-	1.172.777.780
Ben Thanh Housing Development and Service Joint Stock Company	-	124.900.350
	189.444.365.193	110.098.493.768

38 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	31/12/2018 VND	31/12/2017 VND
ix) Short-term borrowings (Note 22(a))		
Nova Rivergate Company Limited	393.816.832.600	656.364.832.600
The 21st Century International Development Company Limited	355.628.945.205	490.500.000.000
Phuong Dong Building Joint Stock Company	187.600.000.000	327.600.000.000
Thai Binh Real Estate Trading Joint Stock Company	41.500.000.000	-
Gia Phu Real Estate Company Limited	85.000.000.000	140.000.000.000
Nova Festival Corporation	-	104.987.842.770
Nova Sasco Company Limited	-	78.000.000.000
Nova Sagel Company Limited	-	12.000.000.000
	1.063.545.777.805	1.809.452.675.370

39 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2018 VND	31/12/2017 VND
Within one year	30.849.306.236	50.293.359.874
Between two and five years	51.114.516.144	18.556.118.260
Over five years	268.351.209.756	-
	350.315.032.136	68.849.478.134

40 CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	31/12/2018 VND	31/12/2017 VND
Construction costs of projects	120.334.805.289	199.089.741.792

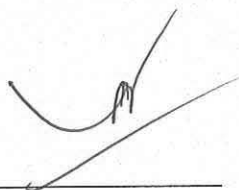
41 EVENTS AFTER THE BALANCE SHEET DATE

There has been no significant events occurring after the year ended 31 December 2018 to the date of the financial statements.

The separate financial statements were approved by the Board of Management on 30 January 2019.



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Xuan Huy
General Director
30 January 2019