

**Hanoi Southern City Development
Joint Stock Company**

Separate financial statements

31 December 2016



Hanoi Southern City Development Joint Stock Company

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Hanoi Southern City Development Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Hanoi Southern City Development Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Business Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company subsequently received amended Enterprise Registration Certificates, with the latest being the 17th amended Enterprise Registration Certificate dated 13 May 2013.

The current principal activities of the Company are leasing offices, constructing and trading apartments in Vinhomes Times City project at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam and No. 25, alley 13, Linh Nam Street, Mai Dong Ward, Hoang Mai District, Hanoi, Vietnam ("Vinhomes Times City project").

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam. The Company's business address is at No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam.

BOARD OF DIRECTORS

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

Ms Mai Huong Noi	Chairwoman
Mr Pham Thieu Hoa	Member
Ms Nguyen Mai Hoa	Member

BOARD OF SUPERVISION

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

Ms Le Thi Kim Thanh	Head of Board of Supervision	
Ms Doan Thi Bich Ngoc	Member	
Ms Doan Thi Ha	Member	Appointed on 28 June 2016
Mr Bui Thanh Viet	Member	Resigned on 28 June 2016

MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr Nguyen Viet Quang	General Director
Ms Phi Thi Thuc Nga	Deputy General Director
Mr Pham Thieu Hoa	Deputy General Director
Ms Mai Thu Thuy	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Viet Quang, General Director.

AUDITORS

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

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Hanoi Southern City Development Joint Stock Company

REPORT OF MANAGEMENT

Management of Hanoi Southern City Development Joint Stock Company ("the Company") is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgement and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2016 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

For and on behalf of management:



Nguyen Viet Quang
General Director

Hanoi, Vietnam

31 March 2017



Ernst & Young Vietnam Limited
8th Floor, CornerStone Building
16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, S.R. of Vietnam

Tel : + 84 4 3831 5100
Fax: + 84 4 3831 5090
ey.com

Reference: 60871645/18490348

INDEPENDENT AUDITORS' REPORT

To: Shareholders of Hanoi Southern City Development Joint Stock Company

We have audited the accompanying separate financial statements of Hanoi Southern City Development Joint Stock Company ("the Company") as prepared on 31 March 2017 and set out on pages 5 to 52, which comprise the separate balance sheet as at 31 December 2016, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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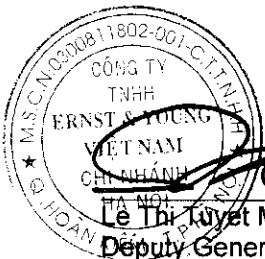
Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2016, and of the results of its separate operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

Emphasis of Matter

We draw attention to Note 2.1 of the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements. We have audited those consolidated financial statements and our auditors' report dated 31 March 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Le Thi Tuyet Mai
Deputy General Director
Audit Practicing Registration
Certificate No. 1575-2013-004-1

Tran Thanh Thuy
Auditor
Audit Practicing Registration
Certificate No. 3076-2014-004-1

Hanoi, Vietnam

31 March 2017

SEPARATE BALANCE SHEET
as at 31 December 2016

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		6,607,359,667,426	13,527,330,928,719
110	I. Cash and cash equivalents	4	389,942,871,329	485,029,197,909
111	1. Cash		389,942,871,329	485,029,197,909
120	II. Short-term investments		-	418,092,189,939
123	1. Held-to-maturity investments		-	418,092,189,939
130	III. Current accounts receivable	5	983,941,924,368	6,110,457,138,029
131	1. Short-term trade receivables	5.1	400,024,215,175	64,986,769,078
132	2. Short-term advances to suppliers	5.2	183,769,629,253	769,468,703,631
135	3. Short-term loan receivables	6	368,627,391,265	4,793,139,790,100
136	4. Other short-term receivables	7	40,254,377,410	486,990,781,875
137	5. Provision for doubtful short-term receivables	8	(8,733,688,735)	(4,128,906,655)
140	IV. Inventories	9	4,828,864,306,780	5,969,800,851,071
141	1. Inventories		4,828,864,306,780	5,969,800,851,071
150	V. Other current assets		404,610,564,949	543,951,551,771
151	1. Short-term prepaid expenses	10	307,752,195,848	434,639,344,285
152	2. Value-added tax deductible		41,731,071	41,731,071
153	3. Tax and other receivables from the State		-	250,790,200
155	4. Other current assets	11	96,816,638,030	109,019,686,215

SEPARATE BALANCE SHEET (continued)
as at 31 December 2016

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		18,718,860,777,919	7,194,803,475,070
210	I. Long-term receivables		5,751,204,560	9,211,531,943
215	1. Long-term loan receivables	6	3,989,915,115	7,559,839,165
216	2. Other long-term receivables	7	1,761,289,445	1,651,692,778
220	II. Fixed assets		728,883,809,781	368,518,341,418
221	1. Tangible fixed assets	12	728,832,582,191	368,414,405,683
222	Cost		767,660,528,490	388,958,121,646
223	Accumulated depreciation		(38,827,946,299)	(20,543,715,963)
227	2. Intangible fixed assets	13	51,227,590	103,935,735
228	Cost		613,785,952	588,785,952
229	Accumulated amortisation		(562,558,362)	(484,850,217)
230	III. Investment properties	14	552,340,658,485	224,400,932,228
231	1. Cost		585,363,311,294	244,727,738,582
232	2. Accumulated depreciation		(33,022,652,809)	(20,326,806,354)
240	IV. Long-term assets in progress	15	165,329,465,868	194,067,238,832
242	1. Construction in progress	15	165,329,465,868	194,067,238,832
250	V. Long-term investments	17	17,262,648,436,478	6,393,076,960,200
251	1. Investments in subsidiaries	17.1	11,165,423,384,078	2,466,500,000,000
252	2. Investments in jointly controlled entities and associates	17.2	2,072,167,400,000	2,236,080,000,000
253	3. Investment in other entities	17.3	3,975,057,652,400	1,690,496,960,200
254	4. Provision for diminution in value of long-term investments		-	-
255	5. Held-to-maturity investments	17	50,000,000,000	-
260	VI. Other long-term assets		3,907,202,747	5,528,470,449
262	1. Deferred tax assets	31.3	3,907,202,747	5,528,470,449
270	TOTAL ASSETS		25,326,220,445,345	20,722,134,403,789

SEPARATE BALANCE SHEET (continued)
as at 31 December 2016

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		19,896,385,054,561	17,365,734,435,211
310	I. Current liabilities		19,854,692,120,245	16,343,068,588,214
311	1. Short-term trade payables	18.1	1,342,913,217,478	513,265,692,568
312	2. Short-term advances from customers	18.2	8,054,686,483,869	7,927,693,636,198
313	3. Statutory obligations	19	389,538,937,746	73,232,052,452
314	4. Payable to employees		184,994,526	158,972,340
315	5. Short-term accrued expenses	20	948,735,617,414	826,272,684,330
318	6. Short-term unearned revenues		2,339,362,728	-
319	7. Other short-term payables	21	2,325,713,944,782	3,115,081,746,607
320	8. Short-term loans	22	6,790,579,561,702	3,887,363,803,719
330	II. Non-current liabilities		41,692,934,316	1,022,665,846,997
337	1. Other long-term liabilities		5,370,112,546	3,873,287,640
338	2. Long-term loans	22	-	991,439,065,769
342	3. Long-term provisions	23	36,322,821,770	27,353,493,588
400	D. OWNERS' EQUITY		5,429,835,390,784	3,356,399,968,578
410	I. Capital	24	5,429,835,390,784	3,356,399,968,578
411	1. Share capital		2,000,000,000,000	2,000,000,000,000
411a	- Shares with voting rights		2,000,000,000,000	2,000,000,000,000
421	2. Undistributed earnings		3,429,835,390,784	1,356,399,968,578
421a	- Undistributed earnings up to prior year		1,356,399,968,578	720,689,957,200
421b	- Undistributed earnings of current year		2,073,435,422,206	635,710,011,378
440	TOTAL LIABILITIES AND OWNERS' EQUITY		25,326,220,445,345	20,722,134,403,789

Tran Thanh Tam
Preparer

Bui Thi Ha
Chief Accountant



Nguyễn Việt Quang
General Director

Hanoi, Vietnam

31 March 2017

SEPARATE INCOME STATEMENT
for the year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	9,518,319,150,184	4,103,020,449,878
02	2. Deductions	25.1	-	-
10	3. Net revenue from sale of goods and rendering of services	25.1	9,518,319,150,184	4,103,020,449,878
11	4. Cost of goods sold and services rendered	26	(5,384,114,926,827)	(2,701,903,049,050)
20	5. Gross profit from sale of goods and rendering of services		4,134,204,223,357	1,401,117,400,828
21	6. Finance income	25.2	384,149,869,463	82,347,721,108
22	7. Finance expenses	27	(629,012,671,128)	(219,876,059,698)
23	<i>In which: Interest expenses</i>		(294,224,985,261)	(221,074,470,974)
25	8. Selling expenses	28	(913,746,402,275)	(378,406,384,872)
26	9. General and administrative expenses	28	(324,323,725,694)	(190,667,157,500)
30	10. Operating profit		2,651,271,293,723	694,515,519,866
31	11. Other income	29	28,112,234,250	127,864,525,830
32	12. Other expenses	29	(18,504,591,031)	(87,433,097)
40	13. Other profit	29	9,607,643,219	127,777,092,733
50	14. Accounting profit before tax		2,660,878,936,942	822,292,612,599
51	15. Current corporate income tax expense	31.1	(585,822,247,034)	(192,111,071,670)
52	16. Deferred tax (expense)/income	31.3	(1,621,267,702)	5,528,470,449
60	17. Net profit after tax		2,073,435,422,206	635,710,011,378


Tran Thanh Tam
Preparer

Bui Thi Ha
Chief AccountantNguyễn Văn Quang
General Director

Hanoi, Vietnam

31 March 2017

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOW FROM OPERATING ACTIVITIES			
01	Profit before tax		2,660,878,936,942	822,292,612,599
	<i>Adjustments for:</i>			
02	Depreciation fixed assets and investment properties and amortisation of intangible fixed assets	12,13,14	31,127,084,026	28,219,252,280
03	Provisions		13,574,110,261	3,115,986,030
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(315,030,748)	-
05	Profits from investing activities		(49,134,838,711)	(82,347,721,108)
06	Interest expenses	27	294,224,985,261	221,074,470,974
08	Operating profit before changes in working capital		2,950,355,247,031	992,354,600,775
09	Decrease in receivables		602,634,352,711	1,016,130,010,188
10	Decrease/(increase) in inventories		1,153,139,592,477	(707,462,343,943)
11	Increase in payables (other than interest, corporate income tax)		40,799,851,422	8,755,969,830,979
12	Decrease/(increase) in prepaid expenses		128,714,665,551	(468,033,609,338)
14	Interest paid		(67,084,510,804)	(566,520,284,931)
15	Corporate income tax paid	19	(336,709,069,907)	(265,156,018,040)
20	Net cash flows from operating activities		4,471,850,128,481	8,757,282,185,690
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(520,017,765,894)	(100,577,503,360)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(536,300,738,202)	(7,620,740,083,992)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		5,332,475,251,026	3,200,279,238,678
25	Payments for investments in other entities (net of cash held by entity being acquired)		(11,819,432,704,672)	(1,460,597,960,200)
26	Proceeds from sale of investments in other entities, (net of cash held by entity being disposed)		665,161,228,394	3,000,000,000
27	Interest and dividends received		402,677,754,489	59,905,514,152
30	Net cash flows used in investing activities		(6,475,436,974,859)	(5,918,730,794,722)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2016

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOW FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	4	7,684,688,771,606	7,869,642,343,542
34	Repayment of borrowings	4	(5,776,200,621,058)	(10,420,937,027,506)
40	Net cash flows from/(used in) financing activities		1,908,488,150,548	(2,551,294,683,964)
50	Net (decrease)/ increase in cash for the year		(95,098,695,830)	287,256,707,004
60	Cash at beginning of year		485,029,197,909	197,772,490,905
61	Impact of exchange rate fluctuation		12,369,250	-
70	Cash at the end of year	4	389,942,871,329	485,029,197,909


Tran Thanh Tam
Preparer

Bui Thi Ha
Chief AccountantNguyen Viet Quang
General Director

Hanoi, Vietnam

31 March 2017

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2016 and for the year then ended

1. CORPORATE INFORMATION

Hanoi Southern City Development Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Business Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company subsequently received amended Enterprise Registration Certificates, with the latest being the 17th amended Enterprise Registration Certificate dated 13 May 2013.

The current principal activities of the Company are leasing offices, constructing and trading apartments for sale in Vinhomes Times City project at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam and No. 25, alley 13, Linh Nam Street, Mai Dong Ward, Hoang Mai District, Hanoi, Vietnam ("Vinhomes Times City project").

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam. The Company's business address is at No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam.

The number of the Company's employees as at 31 December 2016: 10 (31 December 2015: 12).

The Company's business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the business cycle of real estate development activity ranges from 12 months to 36 months.

The Company's business cycle of other activities is 12 months.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2016, the Company has 6 subsidiaries. The information on these subsidiaries, along with the Company's voting rights and equity interest in each subsidiary are as below:

<i>No.</i>	<i>Company</i>	<i>Voting right (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
1	Vinpearlland Joint Stock Company ("Vinpearlland JSC")	98.19	98.19	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	Providing entertainment services, domestic tourism services, passenger transport, restaurant and food court services
2	VinDS Trading and Services Limited Liability Company ("VinDS LLC")	99.00	99.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Retail and wholesale in general merchandising stores, specialty stores, management consulting and business support activities
3	Ecology Development and Investment Joint Stock Company ("Ecology JSC")	80.94	80.94	No. 191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam Urban LLC")	85.00	68.80	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
5	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC")	98.00	79.32	No. 63, Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
6	Vietnam Investment and Consulting Investment Joint Stock Company ("Lieu Giai JSC")	50.00	40.47	No. 191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the separate financial statements*

The Company has subsidiaries as disclosed in Note 1 and Note 17.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 ("the consolidated financial statements") dated 31 March 2017.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.

2.2 *Accounting standards and system*

The separate financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

2.3 *Applied accounting documentation system*

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

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand and cash at banks.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

Inventory properties

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost of inventory property includes:

- ▶ Freehold, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, and less costs to completion and the estimated selling expenses.

The cost of inventory property recognised in the separate income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of common costs based on the relative size of the inventory property sold.

Provision for obsolete inventories

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the separate income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company is the lessee

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

Where the Company is the lessor

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

Income under operating leases are charged to the separate income statement on a straight-line basis over the lease term.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

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

3.7 *Depreciation and amortisation*

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

Buildings and structures	47 years
Machinery and equipment	9 - 10 years
Office equipment	3 years
Computer software	3 years
Others	4 years

3.8 *Investment properties*

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

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

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

Buildings	47 years
Others	9 - 10 years

The Company does not amortise indefinite land use right that presented as investment properties.

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Borrowing costs

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

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 Prepaid expenses

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

Short-term prepaid expenses include commission fees for selling apartments, provisional corporate income tax for downpayments from customers for the purchases of apartments at Vinhomes Times City project and other short-term prepaid expenses which are expected to bring future economic benefits within one ordinary course of business cycle.

3.11 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

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

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Held-for-trading securities and investments in other entities

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

Provision for diminution in value of investments

Provision is made for any diminution in value of the investments at the balance sheet date based on difference between original price of shares and market price on that date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009, and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments (continued)

Held-to-maturity investments

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

3.12 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company.

3.13 Foreign currency transactions

The Company applies guidance of Circular 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200 to record foreign currency transactions.

Transactions in currencies other than the Company's reporting currency of (VND) are recorded at the exchange rate that approximates the average of buying and selling transfer exchange rates announced by the commercial bank where the Company most frequently conducts its transactions ("the average transfer exchange rate"). This approximate exchange rate does not exceed +/- 1% of the average transfer exchange rate. The average transfer exchange rate is determined monthly based on the average of daily buying transfer rates and selling transfer rates of the commercial bank.

At the end of the year, balances of monetary items denominated in foreign currencies are translated at the transfer exchange rate announced by the commercial bank where the Company most frequently conducts its transactions. This transfer exchange rate is the buying transfer exchange rate of the commercial bank.

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

3.14 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as an asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the separate income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.14 Provisions (continued)***Warranty provision for apartments*

The Company estimates provision for warranty expenses based on revenues and available information about the repair of apartments sold in the past.

3.15 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors/shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.16 Advance from customers

Advance from customers for purchasing apartment in the future, which has not qualified to be recognised as revenue for the year, is recorded to account "Advance from customers" in liability of the separate balance sheet.

3.17 Revenue recognition

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

Revenue from sales of inventory property

Revenue from sales of inventory property is recognised when significant risks and rewards incident to ownership of the properties has passed to the buyers.

Revenue from sale of inventory property also includes long-term lease of inventory property qualified for recognition of outright sales. If the lease-term is greater than 90% of the asset's useful life, the Company will recognise the revenue for the entire prepaid lease payment if all of the following conditions are met:

- ▶ Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- ▶ The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- ▶ Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- ▶ Lessor must estimate the full cost of leasing activity.

Rental income

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

Income from business cooperation

Income from business cooperation is recognised as shared revenue and determined reliably in according to the business cooperation agreements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition (continued)

Rendering of services

Income from rendering service is recognised when service is rendered to customers.

Interest

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

Dividends

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

Income from securities trading and capital transfer

Income from securities trading and capital transfer is identified as difference between selling price and securities cost. This income is recorded on date when transaction arises, that is when the transfer contract is exercised.

3.18 Taxation

Current income tax

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

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

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

Deferred tax

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax (continued)

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

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

3.19 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. Real estate and related services are the major activities to generate revenue and profits of the Company. As other revenue accounts for a small proportion of the total revenue of the Company, management assesses that the Company operates in only one business segment. In addition, management defines the Company's geographical segment based on the location of the property which is in Vietnam.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4. CASH

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	5,732,951	75,618,952
Cash at banks	389,937,138,378	484,953,578,957
TOTAL	<u>389,942,871,329</u>	<u>485,029,197,909</u>

Details of each type of foreign currency:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	6,629	6,640

Additional information regarding the separate cash flow statement:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Actual cash received from loans		
- Cash received from normal loan agreements	7,684,688,771,606	7,869,642,343,542
Actual cash payment of loans		
- Cash payment for normal loan agreements	5,076,200,621,058	9,120,937,027,506
- Cash payment for principal of bonds	700,000,000,000	1,300,000,000,000

5. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**5.1 Short-term trade receivables**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables	395,989,298,838	58,511,179,390
- <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam</i>	36,712,658,040	36,712,658,040
- <i>Other customers</i>	359,276,640,798	21,798,521,350
Trade receivables from related parties (Note 32)	4,034,916,337	6,475,589,688
TOTAL	<u>400,024,215,175</u>	<u>64,986,769,078</u>
Provision for doubtful receivables	-	-

5.2 Short-term advances to suppliers

This represents advances to suppliers, constructors and consultants involved in Vinhomes Times City project.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

6. LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Loans to corporate counterparties (i)	339,728,767,601	-
Current portion of short-term lendings	24,697,885,462	22,139,790,100
Loans to related parties (Note 32)	4,200,738,202	4,771,000,000,000
TOTAL	368,627,391,265	4,793,139,790,100
Provision for doubtful loans receivables	(8,733,688,735)	(4,128,906,655)
Long-term		
Loans to corporate counterparties	3,989,915,115	7,559,839,165
TOTAL	3,989,915,115	7,559,839,165

(i) This is an unsecured loan with terms of 12 months, earning interest at rate of 7% per annum.

7. OTHER RECEIVABLES

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
Short-term				
Interest receivables	19,655,901,165	-	38,015,368,188	-
Receivable from master account (i)	9,493,033,629	-	446,499,275,228	-
Others	11,105,442,616	-	2,476,138,459	-
TOTAL	40,254,377,410	-	486,990,781,875	-
<i>In which:</i>				
<i>Other short-term receivables</i>	30,702,533,447	-	18,798,701,092	-
<i>Other short-term receivables from related parties (Note 32)</i>	9,551,843,963	-	468,192,080,783	-
Long-term				
Others	1,761,289,445	-	1,651,692,778	-
TOTAL	1,761,289,445	-	1,651,692,778	-
<i>In which:</i>				
<i>Other long-term receivables</i>	1,761,289,445	-	1,651,692,778	-
<i>Other long-term receivables from related parties</i>	-	-	-	-

(i) Pursuant to the Centralised Cash Flow Management Agreement No. 10/2014/DTTT/MINGROUP-NHN dated 15 September 2014, Vingroup JSC, the parent company, would perform centralised cash flow management for all companies within the Group via bank accounts at Bank for Investment and Development of Vietnam JSC. Accordingly, this represents the receivables from Vingroup JSC following the centralised cash flow management system at Bank for Investment and Development of Vietnam JSC.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

8. BAD DEBTS

The Company's bad debts include overdue loan principals and interests receivables from corporate counterparties:

Currency: VND

<i>Debtor</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Corporate counterparties	15,999,942,000	7,266,253,265	15,999,942,000	11,871,035,345
TOTAL	15,999,942,000	7,266,253,265	15,999,942,000	11,871,035,345

9. INVENTORIES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Inventory properties under construction (i)	4,794,869,124,533	-	5,925,886,077,510	-
Completed inventory properties	33,995,182,247	-	43,914,773,561	-
TOTAL	4,828,864,306,780	-	5,969,800,851,071	-

(i) This represents construction costs of inventory properties for sale, which mainly comprise direct construction costs of apartments for sales in Vinhomes Times City project and other allocated overhead costs such as land use fees, land compensation and site clearance, capitalised borrowing costs, planning and design costs, construction management costs and other related costs.

10. SHORT-TERM PREPAID EXPENSES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Commission fee related to apartments not yet handed over to buyers	214,287,494,740	339,189,167,134
Provisional corporate income tax for down payments from customers	89,606,187,509	87,778,670,575
Others	3,858,513,599	7,671,506,576
TOTAL	307,752,195,848	434,639,344,285

11. OTHER CURRENT ASSETS

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Electrical equipment system (i)	96,816,638,030	109,019,686,215
TOTAL	96,816,638,030	109,019,686,215

(i) This is electrical equipment system which will be transferred to Hanoi City Power Corporation.

Hanoi Southern City Development Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	387,324,112,359	-	1,386,052,468	187,593,183	60,363,636	388,958,121,646
Transferred from construction in progress	330,056,637,778	48,715,068,156	-	-	-	378,771,705,934
Reclassification	(49,959,754,687)	50,029,490,793	48,557,987	(118,294,093)	-	-
Other decrease	-	-	-	(69,299,090)	-	(69,299,090)
Ending balance	667,420,995,450	98,744,558,949	1,434,610,455	-	60,363,636	767,660,528,490
Accumulated depreciation:						
Beginning balance	19,102,675,589	-	1,193,083,555	187,593,183	60,363,636	20,543,715,963
Depreciation for the year	10,475,169,006	7,639,258,682	239,101,738	-	-	18,353,529,426
Reclassification	(8,219,954,372)	8,338,248,465	-	(118,294,093)	-	-
Other decrease	-	-	-	(69,299,090)	-	(69,299,090)
Ending balance	21,357,890,223	15,977,507,147	1,432,185,293	-	60,363,636	38,827,946,299
Net carrying amount:						
Beginning balance	368,221,436,770	-	192,968,913	-	-	368,414,405,683
Ending balance	646,063,105,227	82,767,051,802	2,425,162	-	-	728,832,582,191

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

13. INTANGIBLE FIXED ASSETS

	<i>Currency: VND</i>
	<i>Computer software</i>
Cost:	
Beginning balance	588,785,952
Newly purchased	25,000,000
	<u>613,785,952</u>
Ending balance	613,785,952
<i>In which:</i>	
<i>Fully amortised</i>	528,785,952
Accumulated amortisation:	
Beginning balance	484,850,217
Amortisation for the year	77,708,145
	<u>562,558,362</u>
Ending balance	562,558,362
Net carrying amount:	
Beginning balance	<u>103,935,735</u>
Ending balance	<u>51,227,590</u>

14. INVESTMENT PROPERTIES

	<i>Currency: VND</i>			
	<i>Buildings and structures</i>	<i>Indefinite land use rights</i>	<i>Machinery and equipment</i>	<i>Total</i>
Cost:				
Beginning balance	205,597,295,043	4,566,717,646	34,563,725,893	244,727,738,582
Transferred from construction in progress	243,993,430,426	18,917,480,177	77,724,662,109	340,635,572,712
Reclassification	<u>(21,745,256,197)</u>	<u>(1,492,085,858)</u>	<u>23,237,342,055</u>	-
Ending balance	<u>427,845,469,272</u>	<u>21,992,111,965</u>	<u>135,525,730,057</u>	<u>585,363,311,294</u>
Accumulated depreciation:				
Beginning balance	10,200,665,099	-	10,126,141,255	20,326,806,354
Depreciation for the year	6,273,505,571	-	6,422,340,884	12,695,846,455
Reclassification	<u>(2,513,478,735)</u>	<u>-</u>	<u>2,513,478,735</u>	-
Ending balance	<u>13,960,691,935</u>	<u>-</u>	<u>19,061,960,874</u>	<u>33,022,652,809</u>
Net carrying amount				
Beginning balance	<u>195,396,629,944</u>	<u>4,566,717,646</u>	<u>24,437,584,638</u>	<u>224,400,932,228</u>
Ending balance (i)	<u>413,884,777,337</u>	<u>21,992,111,965</u>	<u>116,463,769,183</u>	<u>552,340,658,485</u>

(i) Investment properties as at 31 December 2016 include land use rights and assets attached to land of office for lease component and parking area of Lot 6 of Vinhomes Times City project. The fair value of these investment properties have not been determined as at 31 December 2016 due to lack of market information.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

15. CONSTRUCTION IN PROGRESS

This comprises costs directly incurred for the construction of supporting components in Vinhomes Times City project – Phase 2 and other allocated overhead costs such as land use fees, land compensation and site clearance, capitalised borrowing costs, planning and design costs, construction management costs and other related costs.

16. CAPITALISED BORROWING COSTS

During the year, the Company capitalised borrowing costs amounting to VND 0 (in 2015: VND 211,605,335,516).

17. LONG-TERM INVESTMENTS

Currency: VND

	Notes	Ending balance		Beginning balance	
		Cost	Provision	Cost	Provision
Investment in subsidiaries	17.1	11,165,423,384,078	-	2,466,500,000,000	-
Investment in joint ventures, associates	17.2	2,072,167,400,000	-	2,236,080,000,000	-
Other long-term investments	17.3	3,975,057,652,400	-	1,690,496,960,200	-
Held-to-maturity investments	(i)	50,000,000,000	-	-	-
TOTAL		17,262,648,436,478	-	6,393,076,960,200	-

- (i) This represents the investment in bonds of Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ba Dinh branch, with term of 120 months, earning interest at rate of 7.57% per annum for the first year. Interest rate from the following years would be 12-month saving interest (+) 1% per annum. The carrying amount of these bonds as at 31 December 2016 is VND 50 billion.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

17. LONG-TERM INVESTMENTS (continued)

17.1 Investment in subsidiaries

Details of subsidiaries, the voting rights and the equity interest of the Company in those subsidiaries as at 31 December 2016 are as follows:

No	Subsidiaries	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	VinDS LLC	99.00	99.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Retail and wholesale in general merchandising stores, specialty stores, management consulting and business support activities
2	Vinpearlland JSC	98.19	98.19	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	Providing entertainment services, domestic tourism services, passenger transport, restaurant and food court services
3	Ecology JSC	80.94	80.94	No. 191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties

Details of each investment in subsidiaries of the Company is as follows (*):

Subsidiaries	Ending balance		Beginning balance	
	No. of shares	Amount (VND)	No. of shares	Amount (VND)
Ecology JSC (i)	242,810,503	6,013,032,522,800	-	-
Vinpearlland JSC (ii)	139,434,787	4,459,390,861,278	-	-
VinDS LLC (iii)	(**)	693,000,000,000	(**)	490,000,000,000
Vinmec International General Hospital JSC ("Vinmec JSC") (iv)	-	-	118,800,000	1,188,000,000,000
Dong Phu Hung – Binh Thuan JSC (v)	-	-	34,580,000	788,500,000,000
TOTAL		11,165,423,384,078		2,466,500,000,000

(*) The fair value of these investments have not been determined as at 31 December 2016 due to lack of market information.

(**) This is a limited liability company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

17. LONG-TERM INVESTMENTS (continued)

17.1 Investment in subsidiaries (continued)

- (i) On 15 December 2016, the Company acquired 80.94% shares of Ecology JSC from individuals with total consideration of VND 6,013 billion. As a result, Ecology JSC became a subsidiary of the Company. On the date of acquisition, Ecology JSC held investments in three (03) subsidiaries and two (02) associates. As at 31 December 2016, through Ecology JSC, the Company indirectly exercises control over the following subsidiaries:
- ▶ Vietnam Investment and Consulting Investment JSC;
 - ▶ Gia Lam Urban Development and Investment LLC; and
 - ▶ Phu Gia Property Trading LLC.
- (ii) On 26 September 2016, the Company acquired 100% equity interest of Vinpearland JSC from Vingroup JSC, the parent company, with total consideration of VND 4,415 billion. As a result of this acquisition, Vinpearland JSC became a subsidiary of the Company. On 24 November 2016, the Company disposed 2% equity interest in Vinpearland JSC to corporate counterparties.
- Afterwards, Vinpearland JSC issued an additional 13,216,067 shares to Vinpearl Phu Quoc One Member LLC ("Vinpearl Phu Quoc LLC"), another subsidiary of the Group. On 21 December 2016, the Company acquired all shares of Vinpearland JSC previously owned by Vinpearl Phu Quoc LLC. As at 31 December 2016, the Company owns 98.19% voting rights in this subsidiary.
- (iii) On 1 December 2016, the Company acquired 29% equity interest of VinDS LLC from individuals with total consideration of VND 203 billion. Thereby, the Company owns a total of 99% equity interest of this subsidiary as at the separate balance date.
- (iv) On 14 November 2016, Vinmec International General Hospital JSC ("Vinmec JSC") issued additional ordinary shares to Vingroup JSC, the parent company. Thereby, the Company's equity interest in Vinmec JSC decreased to 45.05% and Vinmec JSC become an associate of the Company (Note 17.2).
- (v) On 1 November 2016, the Company disposed all equity interest in Dong Phu Hung – Binh Thuan JSC to corporate counterparties with total consideration of VND 450 billion. Thereby, this company is no longer a subsidiary of the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

17. LONG-TERM INVESTMENTS (continued)

17.2 Investment in associates

Details of associates and the voting rights of the Company in those companies as at 31 December 2016 are as follows (*):

No	Associates	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Vinmec JSC	45.05	45.05	No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam	Hospital and medical services
2	VinEco Agricultural Investment Development and Production LLC ("VinEco LLC")	30.00	30.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco Urban area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam	Growing and trading agricultural products

Associates	Ending balance		Beginning balance	
	No. of shares	Amount (VND)	No. of shares	Amount (VND)
VinEco LLC (i)	(**)	600,490,000,000	-	-
Vinmec JSC (Note 17.1)	147,167,740	1,471,677,400,000	-	-
Vincom Retail Joint Stock Company ("Vincom Retail JSC") (ii)	-	-	223,608,000	2,236,080,000,000
TOTAL		2,072,167,400,000		2,236,080,000,000

(*) The fair value of these investments have not been determined as at 31 December 2016 due to lack of market information.

(**) This is a limited liability company.

- (i) On 22 December 2016, the Company acquired of 30% equity interest in VinEco LLC from individuals with total consideration of VND 600 billion. As a result, VinEco LLC became an associate of the Company with the equity interest of 30.00% as at the balance sheet date.
- (ii) On 15 December 2016, Vincom Retail JSC has approved the General Shareholder's Resolution No.07/2016/NQ-DHDCD-Vincom Retail on increasing its chartered capital, in which Vingroup JSC takes all rights to contribute additional capital with total of VND 4,002 billion. Thereby, the equity interest of the Company in Vincom Retail JSC decreased to 15.52%, and Vincom Retail JSC is no longer an associate of the Company.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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17. LONG-TERM INVESTMENTS (continued)

17.3 Other long-term investments

Details of other long-term investments are as follows (*):

Entities	Ending balance			Beginning balance				
	No. of shares	Voting right (%)	Equity interest (%)	Amount (VND)	No. of shares	Voting right (%)	Equity interest (%)	Amount (VND)
Vincom Retail JSC (Note 17.2)	235,393,100	15.52	15.52	2,353,931,000,000	-	-	-	-
Vinpearl JSC (i)	20,781,830	10.30	10.30	1,303,517,300,200	45,940,796	10.30	10.30	1,555,106,960,200
Vinpearl Investment and Trading JSC (i)	25,158,966	10.30	10.30	251,589,660,000	-	-	-	-
Metri Sport and Entertainment Development JSC ("Metri JSC") (ii)	1,000,800	1.20	1.20	32,350,863,000	-	-	-	-
Vincom 3 Construction Management LLC ("Vincom 3 Construction LLC") (iii)	(**)	6.00	6.00	24,000,000,000	(**)	-	-	-
Southern Star Urban Development and Trading Investment JSC ("Southern Star JSC") (iv)	590,000	0.98	0.98	5,900,000,000	600,000	1.00	1.00	6,000,000,000
Hai Linh Energy JSC (v)	30,000	3.00	3.00	3,408,829,200	-	-	-	-
Vinhomes 2 Real Estate Trading LLC	(**)	6.00	6.00	360,000,000	(**)	6.00	6.00	360,000,000
Vinpro Trading LLC (vi)	(**)	-	-	-	(**)	6.00	6.00	60,000,000,000
Sunflower Development and Investment JSC (vii)	-	-	-	-	3,000,000	1.00	1.00	55,005,000,000
Vincom 2 Construction Management LLC (iii)	(**)	-	-	-	(**)	6.00	6.00	9,300,000,000
Super High-speed Logistics Services JSC (vi)	-	-	-	-	472,500	3.00	3.00	4,725,000,000
TOTAL				3,975,057,652,400				1,690,496,960,200

(*) The fair value of these investments have not been determined as at 31 December 2016 due to lack of market information.

(**) This is a limited liability company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended**17. LONG-TERM INVESTMENTS** (continued)**17.3 Other long-term investments** (continued)

- (i) On 7 November 2016, Vinpearl Joint Stock Company ("Vinpearl JSC") completed to spin off a portion of its assets and chartered capital to establish a new company, under the name Vinpearl Investment and Trading JSC (the demerged entity). Thereby, the previous investment of the Company in Vinpearl JSC was also demerged, with the equity interest of the Company in Vinpearl JSC and Vinpearl Investment and Trading JSC being both 10.30%.
- (ii) On 13 July 2016, the Company acquired 1.2% equity interest of Metri JSC from an individual shareholder with total consideration of VND 32 billion.
- (iii) On 1 February 2016, Vincom 2 Construction Management LLC was merged into Vincom 3 Construction LLC. On 12 September 2016, the Company contributed an additional chartered capital to Vincom 3 Construction LLC with the amount of VND 14.7 billion.
- (iv) On 4 November 2016, the Company disposed 0.02% shares of Southern Star JSC to a corporate counterparty with total consideration of VND 100 million. As at 31 December 2016, the equity interest of the Company in this entity is 0.98%.
- (v) On 27 September 2016, the Company acquired 3% shares of Hai Linh Energy JSC from an individual shareholder with total consideration of VND 3.4 billion.
- (vi) On 15 January 2016, Vinpro Trading LLC, Super High-speed Logistics Services JSC and other entities in the Group completed the merger into Vincommerce General Commerce Services JSC ("Vincommerce JSC"). Thereby, the Company also owns equity interest in Vincommerce JSC. On 6 May 2016, the Company completed the disposal of its entire equity interest in Vincommerce JSC to individual counterparties with total consideration of VND 65 billion.
- (vii) On 25 April 2016, the Company disposed its entire shares in Sunflower Development and Investment JSC to individuals with total consideration of VND 55 billion.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

18. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

18.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Amount	Payable amount	Amount	Payable amount
Short-term trade payables	1,087,988,322,799	1,087,988,322,799	500,020,981,288	500,020,981,288
<i>In which:</i>				
<i>A supplier of real estate management services</i>	516,198,464,501	516,198,464,501	4,005,825,304	4,005,825,304
<i>A construction contractor Thai Hoa Investment and Trading JSC</i>	125,643,164,410	125,643,164,410	-	-
<i>A corporate counterparty supplying equipment for Vinhomes Times City project</i>	-	-	202,115,146,454	202,115,146,454
<i>Others</i>	446,146,693,888	446,146,693,888	151,183,233,858	151,183,233,858
Trade payables from related parties (Note 32)	254,924,894,679	254,924,894,679	13,244,711,280	13,244,711,280
TOTAL	1,342,913,217,478	1,342,913,217,478	513,265,692,568	513,265,692,568

18.2 Advances from customers

Currency: VND

	Ending balance	Beginning balance
Down payments from customers under property sale and purchase agreements (*)	8,054,686,483,869	7,927,693,636,198
TOTAL	8,054,686,483,869	7,927,693,636,198

(*) This represents down payments to purchase apartments at the Vinhomes Times City project from customers who signed sales and purchase agreements with the Company.

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19. STATUTORY OBLIGATIONS

	Beginning balance	Payable for the year	Payment made in the year	Ending balance
Payables				
Value added tax	15,566,327,317	417,701,550,759	(352,346,215,430)	80,921,662,646
Corporate income tax	57,661,290,426	587,649,764,148	(336,709,069,907)	308,601,984,667
Personal income tax	4,434,709	521,204,928	(510,349,204)	15,290,433
Other taxes	-	19,698,593,695	(19,698,593,695)	-
TOTAL	73,232,052,452	1,025,571,113,530	(709,264,228,236)	389,538,937,746

Currency: VND

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

20. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued interest expenses	393,870,640,358	48,470,555,117
Accrued costs for handed over apartments	246,808,820,819	136,348,198,783
Accrued construction costs	270,277,663,609	577,359,045,487
Accrued commission fees and other expenses related to apartments not handed over	36,935,766,002	53,320,225,222
Other accrued expenses	842,726,626	10,774,659,721
TOTAL	<u>948,735,617,414</u>	<u>826,272,684,330</u>
<i>In which:</i>		
<i>Other accrued expenses</i>	691,836,757,297	802,312,052,193
<i>Accrued expenses to related parties (Note 32)</i>	256,898,860,117	23,960,632,137

21. OTHER SHORT-TERM PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i> <i>(Reclassified)</i>
Down payments from customers buying apartments	1,934,294,585,641	2,888,133,870,931
Maintenance fund of apartments handed over (i)	296,078,519,457	219,087,788,847
Deposits from lessees and brokers (ii)	8,050,000,000	6,110,000,000
Other payables	87,290,839,684	1,750,086,829
TOTAL	<u>2,325,713,944,782</u>	<u>3,115,081,746,607</u>
<i>In which:</i>		
<i>Other payables</i>	2,241,469,556,307	3,115,081,746,607
<i>Payables to related parties (Note 32)</i>	84,244,388,475	-

(i) This is the maintenance fund for apartments handed over in Vinhomes Times City project which will be transferred to the Building Management Board upon the establishment of the Board. As at 31 December 2016, the maintenance fund will be deposited in the Company's saving account at bank.

(ii) This represents deposits of apartment buyers for the purpose of signing sale and purchase agreement in Vinhomes Times City project, and deposit from tenants in Tower 1 and Tower 2 in Times City Urban area, Minh Khai, Hai Ba Trung, Hanoi.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

22. LOANS

Currency: VND

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term loans						
Loans from related parties (Note 32)	3,740,000,000,000	3,740,000,000,000	9,794,688,771,606	(6,744,109,209,904)	6,790,579,561,702	6,790,579,561,702
Current portion of long-term loans	147,363,803,719	147,363,803,719	-	(147,363,803,719)	-	-
	3,887,363,803,719	3,887,363,803,719	9,794,688,771,606	(6,891,473,013,623)	6,790,579,561,702	6,790,579,561,702
Long-term loans						
Bond issued (i)	696,711,458,333	696,711,458,333	3,288,541,667	(700,000,000,000)	-	-
Loans from banks	294,727,607,436	294,727,607,436	-	(294,727,607,436)	-	-
	991,439,065,769	991,439,065,769	3,288,541,667	(994,727,607,436)	-	-
TOTAL	4,878,802,869,488	4,878,802,869,488	9,797,977,313,273	(7,896,200,621,059)	6,790,579,561,702	6,790,579,561,702

(i) The corporate bond had a book value of VND 700 billion as at 31 December 2015, bearing floating interest rate, which was determined by the highest paid-in-arrears saving rates in VND of Vietinbank (+) other cost of capital (+) 6% per annum. During the year, the Company has redeemed all these bonds.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

23. LONG-TERM PROVISION

This represents provision for repairment costs of apartments in the Vinhomes Times City project under the warranty terms in the apartment sale contracts.

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

	Currency: VND		
	<i>Issued share capital</i>	<i>Undistributed earnings</i>	<i>Total</i>
Previous year			
Beginning balance	2,000,000,000,000	720,689,957,200	2,720,689,957,200
- Net profit for the year	-	635,710,011,378	635,710,011,378
Ending balance	<u>2,000,000,000,000</u>	<u>1,356,399,968,578</u>	<u>3,356,399,968,578</u>
Current year			
Beginning balance	2,000,000,000,000	1,356,399,968,578	3,356,399,968,578
- Net profit for the year	-	2,073,435,422,206	2,073,435,422,206
Ending balance	<u>2,000,000,000,000</u>	<u>3,429,835,390,784</u>	<u>5,429,835,390,784</u>

24.2 Capital transactions with owners' equity

	Currency: VND	
	<i>Current year</i>	<i>Previous year</i>
Contributed share capital from owners		
Beginning balance	2,000,000,000,000	2,000,000,000,000
Increase during the year	-	-
Decrease during the year	-	-
Ending balance	<u>2,000,000,000,000</u>	<u>2,000,000,000,000</u>

24.3 Shares

	<i>Ending balance</i>	<i>Beginning balance</i>
Authorized shares	200,000,000	200,000,000
Shares issued	200,000,000	200,000,000
<i>Ordinary shares</i>	200,000,000	200,000,000
<i>Preference shares</i>	-	-
Shares in circulation	200,000,000	200,000,000
<i>Ordinary shares</i>	200,000,000	200,000,000
<i>Preference shares</i>	-	-

The par value of outstanding share: VND 10,000 per share (2015: VND 10,000 per share).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

25. REVENUES

25.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	9,518,319,150,184	4,103,020,449,878
<i>In which:</i>		
Revenue from sales of inventory properties (i)	9,356,650,803,844	3,928,936,635,327
Revenue from leasing activities and rendering related services (ii)	133,605,531,370	160,703,623,184
Revenue from business cooperation contract	28,062,814,970	13,380,191,367
Deductions	-	-
Net revenue	9,518,319,150,184	4,103,020,449,878
<i>In which:</i>		
Net revenue from sales of inventory properties	9,356,650,803,844	3,928,936,635,327
Net revenue from leasing of investment properties and rendering related services	133,605,531,370	160,703,623,184
Net revenue from business cooperation contract	28,062,814,970	13,380,191,367
<i>In which:</i>		
Revenue from others	9,435,951,493,739	4,034,528,496,478
Revenue from related parties	82,367,656,445	68,491,953,400

(i) This revenue derives from the sale of apartments in Vinhomes Times City project.

(ii) This revenue derives mainly from leasing of offices and rendering related services in Vinhomes Times City project.

25.2 Finance income

	Currency: VND	
	Current year	Previous year
Interest income	239,834,838,715	81,592,721,108
Foreign exchange gains	315,030,748	-
Dividend income	144,000,000,000	-
Gains from investment activities	-	755,000,000
TOTAL	384,149,869,463	82,347,721,108

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

25. REVENUES (continued)

25.3 Revenue and expenses relating to investment properties

	Currency: VND	
	Current year	Previous year (Reclassified)
Revenue from leasing investment properties	133,605,531,370	160,703,623,184
Direct operating expenses of investment properties that generated rental income during the year	126,812,473,198	154,701,933,520
Revenue from trading of investment properties	-	-

26. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	Current year	Previous year
Cost of inventory properties sold	5,238,626,253,734	2,533,696,525,579
Cost relating to leasing activities and other related costs	126,812,473,198	154,701,933,520
Cost relating to business cooperation contract	18,676,199,895	13,504,589,951
TOTAL	<u>5,384,114,926,827</u>	<u>2,701,903,049,050</u>

27. FINANCE EXPENSES

	Currency: VND	
	Current year	Previous year
Loan interest	294,224,985,261	221,074,470,974
Loss from disposal of an investment in subsidiary	334,700,000,000	-
Reversal of provision	-	(3,000,000,000)
Other finance expenses	87,685,867	1,801,588,724
TOTAL	<u>629,012,671,128</u>	<u>219,876,059,698</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Reclassified)</i>
Selling expenses during the year		
Consultant fees for apartments handed over	423,204,126,778	165,955,900,998
Commission fees	267,412,079,609	105,402,856,945
Vinhomes brand name royalty fee	99,112,805,363	44,142,000,000
Advertising and marketing expenses	36,515,181,287	46,276,397,236
Others	87,502,209,238	16,629,229,693
	<u>913,746,402,275</u>	<u>378,406,384,872</u>
General and administrative expenses during the year		
Labour costs	2,817,021,222	2,658,141,558
Depreciation and amortisation	316,809,885	407,708,345
Raw materials	-	1,617,132,987
Expenses for external services	142,248,256,176	131,836,434,667
Others	178,941,638,411	54,147,739,943
	<u>324,323,725,694</u>	<u>190,667,157,500</u>
TOTAL	<u>1,238,070,127,969</u>	<u>569,073,542,372</u>

29. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income		
Contract penalty	9,943,789,680	67,829,137,084
Income from investing activities	17,555,372,617	57,309,672,244
Others	613,071,953	2,725,716,502
	<u>28,112,234,250</u>	<u>127,864,525,830</u>
Other expenses		
Penalties for late payment of land use fee	18,275,242,660	-
Others	229,348,371	87,433,097
	<u>18,504,591,031</u>	<u>87,433,097</u>
OTHER PROFIT	<u>9,607,643,219</u>	<u>127,777,092,733</u>

30. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Costs of developing inventory properties	3,984,823,191,445	1,826,234,181,636
Labour costs	2,817,021,222	2,658,141,558
Depreciation and amortisation	31,127,084,026	28,219,252,280
Expenses for external services	1,183,353,444,393	518,052,612,149
Raw materials	-	1,617,132,987
Others	168,667,147,383	186,732,926,869
TOTAL	<u>5,370,787,888,469</u>	<u>2,563,514,247,479</u>

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31. CORPORATE INCOME TAX

The corporate income tax (CIT) rate applicable to the Company is 20% of taxable profits (in 2015: 22%).

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

31.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	585,822,247,034	192,111,071,670
Deferred tax expenses/(income)	1,621,267,702	(5,528,470,449)
TOTAL	<u>587,443,514,736</u>	<u>186,582,601,221</u>

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	2,660,878,936,942	822,292,612,599
At applicable CIT rate	532,175,787,389	180,904,374,772
Adjustments to increase/(decrease) CIT expenses:		
Losses ineligible for offsetting against taxable income	63,575,372,565	-
Dividend income	(28,800,000,000)	-
Expenses without eligible supporting documents	19,983,711,450	992,739,463
Adjustment due to change in CIT rate	502,588,223	-
Interest expenses on uncontributed chartered capital	6,055,109	1,702,408,919
Other adjustments	-	2,983,078,067
CIT expenses	<u>587,443,514,736</u>	<u>186,582,601,221</u>

31.2 Current CIT expense

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

31. CORPORATE INCOME TAX (continued)

31.2 Current CIT expense (continued)

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	2,660,878,936,942	822,292,612,599
Adjustments to increase/(decrease) accounting profit:		
Dividend income	(144,000,000,000)	-
Donations	80,200,000,000	-
Non-deductible expenses	21,006,039,546	4,512,452,009
Selling expenses deductible in this year	(25,129,411,133)	-
Accruals for early settlement penalties subject to interest support program	17,205,013,737	-
Deferred revenue of parking services	2,331,000,000	-
Interest expenses on uncontributed chartered capital	30,275,545	7,738,222,358
Unrealised foreign exchange loss	(12,369,250)	-
Selling expenses for Vinhomes Times City project	-	25,129,411,133
Other adjustments	(3,050,762,044)	-
Estimated current taxable profit	2,609,458,723,343	859,672,698,099
(Loss)/profit from other business activities	(319,652,511,824)	121,787,429,409
Profit from real estate trading	2,929,111,235,167	737,885,268,690
Estimated current taxable profit	2,929,111,235,167	859,672,698,099
Estimated current CIT	585,822,247,034	189,127,993,603
CIT payable at beginning of year	57,661,290,426	63,635,393,421
Provisional CIT for down payments from customers	69,827,879,384	89,386,729,364
Provisional CIT for down payments from customers in previous year utilized during the year	(68,000,362,270)	(22,315,885,989)
CIT paid during the year	(336,709,069,907)	(265,156,018,040)
Other adjustments	-	2,983,078,067
CIT payable at the end of the year	308,601,984,667	57,661,290,426

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

31. CORPORATE INCOME TAX (continued)

31.3 Deferred tax

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

Currency: VND

	<u>Separate balance sheet</u>		<u>Separate income statement</u>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Deferred tax assets				
Accruals for early settlement penalties subject to interest support program and deferred revenue of parking services	3,907,202,747	-	3,907,202,747	-
Selling expenses for Vinhomes Times City project	-	5,528,470,449	(5,528,470,449)	5,528,470,449
Net deferred income tax assets	<u>3,907,202,747</u>	<u>5,528,470,449</u>		
Deferred tax (expense)/income (charge)/credit to separate income statement			<u>(1,621,267,702)</u>	<u>5,528,470,449</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES

32.1 Significant transactions with related parties

Significant transactions with related parties during the year were as follows:

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Royal City Real Estate Development and Investment JSC ("Royal City JSC")	Affiliate	Repayment of borrowings	-	1,674,500,000,000
		Interest payables	-	(61,378,357,830)
		Interest paid	-	336,920,518,915
		Lending receivables	-	300,000,000,000
		Lending received	-	(300,000,000,000)
Vingroup JSC	Parent company	Borrowings arisen from offsetting liabilities among three parties	-	(271,621,040,755)
		Borrowings	(3,616,844,385,803)	(7,135,000,000,000)
		Repayment of borrowings	4,588,409,209,904	5,265,506,739,000
		Interest payables	-	(32,291,715,472)
		Money transferred into Master account	1,580,093,683,600	1,003,672,798,588
		Receipt from Master account	(2,017,099,925,199)	(662,519,593,924)
		General management fee payables	(97,673,152,906)	(114,561,202,012)
		General management fee paid	61,088,590,304	95,081,589,875
		Share transferring payables	(4,415,561,419,672)	(490,300,000,000)
		Share transferring paid	4,415,561,419,672	585,999,000,000
		Share transferring received	(44,155,614,197)	(6,000,000,000)
		Share transferring receivables	44,155,614,197	6,000,000,000
		Interest payables	(134,259,212,406)	(130,787,026,750)
		Interest paid	-	121,782,840,842
		Lending receivables	-	1,155,000,000,000
		Lending received	-	(1,155,000,000,000)
		Payable for real estate development service fee	(17,837,816,307)	-
		Payment for real estate development service fee	15,339,230,527	-
		Payable for Vinhomes brand name royalty fee	(109,024,085,899)	(48,556,200,000)
		Payment for Vinhomes brand name royalty fee	653,097,334	50,266,569,177
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Payables for service package sold together with apartments	(16,510,620,000)	(52,021,010,000)
		Payments for service package sold together with apartments	16,510,620,000	30,188,329,641
		Revenue from business cooperating contract	28,062,814,970	13,380,191,367

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.1 Significant transactions with related parties (continued)

Significant transactions with related parties during the year were as follows (continued):

Currency: VND				
Related parties	Relationship	Transactions	Current year	Previous year
Dong Phu Hung – Binh Thuan JSC	Subsidiary (until 1 November 2016)	Lending receivables	482,100,000,000	4,975,000,000,000
		Lending received	(4,759,035,578,459)	(204,000,000,000)
		Settle borrowings arisen from offsetting liabilities among three parties	(154,335,653,940)	-
		Interest receivables	222,152,168,210	21,692,805,555
		Interest received	(243,844,973,765)	-
		Share transferring received	-	788,500,000,000
		Collection on behalf to be payable	(303,873,570,000)	-
		Collect on behalf paid	303,873,570,000	-
		Transfer borrowings to Hung Phu JSC	(339,728,767,601)	-
		Vinhomes 1 Real Estate Trading LLC	Affiliate	Commission and marketing fee payables
Commission and marketing fee paid	9,866,831,344			350,873,904,824
Vinmec JSC (*)	Associate	Capital contributed	283,677,400,000	-
		Service package sold together with apartments payables	-	(31,590,638,400)
		Service package sold together with apartments paid	-	51,180,640,001
		Interest receivables	-	600,000,000,000
		Interest received	-	(600,000,000,000)
Sai Dong Urban Development and Investment JSC ("Sai Dong JSC")	Affiliate	Receivable from share transfer	44,255,614,197	-
		Receipt from share transfer	(44,255,614,197)	-
		Borrowings	(405,844,385,803)	-
		Interest payables	(9,190,278,269)	-
		Collection on behalf to be payable	(56,841,420,000)	-
		Collection on behalf paid	56,841,420,000	-
Vincom Construction Management 7 LLC	Affiliate	Construction cost payables	(11,467,823,371)	(5,766,292,377)
		Construction cost paid	13,870,135,945	717,046,067
Vincom Retail JSC	Affiliate	Capital contributed	117,851,000,000	300,000,000
		Repayment of borrowings	-	210,000,000,000

(*) Vinmec was a subsidiary of the Company until 14 November 2016.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.1 Significant transactions with related parties (continued)

Significant transactions with related parties during the year were as follows (continued):

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
North Vincom Retail LLC	Affiliate	Leasing retail outlet fee payables	(27,450,650,044)	(4,803,076,112)
		Leasing retail outlet fee paid	33,607,294,644	7,210,948,944
		Receivable from office rental revenue	14,758,892,527	-
		Receipt from office rental revenue	(14,613,638,124)	-
		Payable from transferring community house and land use rights	(29,747,276,212)	-
		Payment from transferring community house and land use rights	29,747,276,212	-
		Vincommerce JSC	Affiliate	Payables for purchased goods
		Payments for purchased goods	682,089,331,380	609,109,452,292
		Receivable from office rental revenue	24,503,526,456	-
		Receipt from office rental revenue	(24,503,526,456)	-
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Affiliate	Payable for share acquisition	(409,838,070,000)	-
		Payment for share acquisition	409,838,070,000	-
		Borrowings	(2,150,000,000,000)	-
		Repayment of borrowings	40,000,000,000	-
		Interest payables	(49,151,666,666)	-
Tan Lien Phat Construction Investment Corporation JSC	Affiliate	Lending receivables	-	450,000,000,000
		Lending received	-	(450,000,000,000)
		Borrowings	(900,000,000,000)	(650,000,000,000)
		Repayment of borrowings	-	378,378,959,245
		Interest payables	(14,913,888,888)	(3,570,421,662)
Vincom 3 Construction LLC	Affiliate	Construction cost payables	(71,964,865,611)	(25,266,043,672)
		Construction cost paid	37,013,823,089	25,245,679,756
Vinpearl JSC	Affiliate	Capital contributed	-	46,407,960,200
		Dividend receivables	144,000,000,000	-
		Dividend received	(144,000,000,000)	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.1 Significant transactions with related parties (continued)

Significant transactions with related parties during the year were as follows (continued):

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Vincom Security Services LLC	Affiliate	Security service fee payables	(12,299,640,020)	(8,417,314,000)
		Security service fee paid	12,217,140,020	8,252,765,000
Vinpearlland JSC	Subsidiary	Service package sold together with apartments payables	(12,779,850,000)	(13,563,966,500)
		Service package sold together with apartments paid	10,599,000,000	12,711,966,054
VinDS LLC	Subsidiary	Capital contributed	-	490,000,000,000

32.2 Amount due to and due from related parties

Amounts due to and due from related parties at the separate balance sheet date were as follows:

Related parties	Relationship	Transactions	Ending balance VND	Beginning balance VND
Short-term trade receivables (Note 5.1)				
Vinschool LLC	Affiliate	Revenue from business cooperating contract	2,779,438,237	3,334,260,988
North Vincom Retail LLC	Affiliate	Receivable from office rental revenue	1,177,432,030	1,504,927,210
Other affiliates		Other trade receivables	78,046,070	1,636,401,490
			4,034,916,337	6,475,589,688
Other short-term receivables (Note 7)				
Vingroup JSC	Parent company	Receivables from centralized cash flow management accounts	9,493,033,629	446,499,275,228
Dong Phu Hung Binh Thuan JSC	Subsidiary (until 1 November 2016)	Interest receivable	-	21,692,805,555
Hai Linh Energy JSC	Affiliate	Interest receivable	58,810,334	-
			9,551,843,963	468,192,080,783

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.2 Amount due to and due from related parties (continued)

Amounts due to and due from related parties at the separate balance sheet date were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Short-term trade payables (Note 18.1)				
Vinpearlland LLC	Subsidiary	Service package sold together with apartments payables	3,434,850,000	1,254,000,000
Vinhomes 1 Real Estate Trading LLC	Affiliate	Commission and marketing fee payables	27,500,000,000	164,818,558
Vincommerce JSC	Affiliate	Payables for purchased goods	29,353,480,850	-
Vincom 3 Construction LLC	Affiliate	Construction cost payables	34,532,387,088	20,363,916
Vincom 1 Construction Management LLC	Affiliate	Construction cost payables	6,399,904,727	1,062,129,461
Vinhomes Real Estate Management LLC	Affiliate (until 4 February 2016)	Payables for management services of public areas	-	4,548,561,432
North Vincom Retail LLC	Affiliate	Payables for shopping mall rental fee	3,492,186,275	3,172,446,381
Vingroup JSC	Parent company	Payables for general management fees	147,454,136,947	-
Other affiliates			2,757,948,792	3,022,391,532
			254,924,894,679	13,244,711,280

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.2 Amount due to and due from related parties (continued)

Amounts due to and due from related parties at the separate balance sheet date were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Accrued expenses (Note 20)				
Tan Lien Phat Construction Investment Corporation JSC	Affiliate	Interest payables	8,380,555,555	-
Southern Star JSC	Affiliate	Interest payables	37,197,980,556	-
Sai Dong JSC	Affiliate	Interest payables	9,190,278,269	-
Phu Quoc Tourism JSC	Affiliate	Interest payables	49,151,666,666	-
Vincom 7 Construction Management LLC	Affiliate	Construction service payables	-	5,076,916,472
Vincom Security Service LLC	Affiliate	Security service payables	-	164,549,000
Vingroup JSC	Parent company	Interest payables	152,978,379,071	18,719,166,665
			256,898,860,117	23,960,632,137
Other short-term payables (Note 21)				
Vingroup JSC	Parent company	Payables from receipt on behalf	83,610,228,125	-
Vincom 3 Construction LLC	Affiliate	Payables from receipt on behalf	439,019,350	-
Other affiliates			195,141,000	-
			84,244,388,475	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

32.3 Details of lendings to related parties (Note 6)

Details of lendings on 31 December 2016:

<i>Related parties</i>	<i>Relationship</i>	<i>Principal</i> VND	<i>Interest</i> % per annum	<i>Due date</i>	<i>Collateral</i>
Hai Linh Energy JSC	Affiliate	<u>4,200,738,202</u>	7	21 October 2017	None
		<u>4,200,738,202</u>			

Details of lendings on 31 December 2015:

<i>Related parties</i>	<i>Relationship</i>	<i>Principal</i> VND	<i>Interest</i> % per annum	<i>Due date</i>	<i>Collateral</i>
Dong Phu Hung Binh Thuan JSC	Subsidiary	<u>4,771,000,000,000</u>	7	11 June 2016	None
		<u>4,771,000,000,000</u>			

32.4 Details of borrowings from related parties (Note 22)

Details of borrowings on 31 December 2016:

<i>Related parties</i>	<i>Relationship</i>	<i>Principal</i> VND	<i>Interest</i> % per annum	<i>Due date</i>	<i>Collateral</i>
Tan Lien Phat Construction Investment Corporation JSC	Affiliate	900,000,000,000	7	14 March 2017	None
Southern Star JSC	Affiliate	606,300,000,000	7	22 February 2017	None
Sai Dong JSC	Affiliate	405,844,385,803	7	5 September 2017	None
Phu Quoc Tourism JSC	Affiliate	2,110,000,000,000	7	5 March 2017	None
Vingroup JSC	Parent company	<u>2,768,435,175,899</u>	7	31 January 2017	None
		<u>6,790,579,561,702</u>			

Details of borrowings on 31 December 2015:

<i>Related parties</i>	<i>Relationship</i>	<i>Principal</i> VND	<i>Interest</i> % per annum	<i>Due date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	<u>3,740,000,000,000</u>	7	11 June 2016	None
		<u>3,740,000,000,000</u>			

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

33. COMMITMENTS AND CONTINGENCIES

Commitments relating to investing activities

No	Name of investees	Investee's chartered capital	The Company's capital contribution commitment		Contributed capital Amount	Commitment (uncontributed capital) Amount
			Amount	%		
		VND	VND		VND	VND
1	Vincom 6 Construction LLC	50,000,000,000	3,000,000,000	6.00	-	3,000,000,000
2	VinAcademy Education and Training LLC	50,000,000,000	3,000,000,000	6.00	-	3,000,000,000
3	Vinhomes 2 Real Estate Trading LLC	100,000,000,000	6,000,000,000	6.00	360,000,000	5,640,000,000
		<u>200,000,000,000</u>	<u>12,000,000,000</u>		<u>360,000,000</u>	<u>11,640,000,000</u>

Commitment under operating leases where the Company are lessees

The Company, as lessees, have signed land rental contract with the Hanoi People's Committee with the minimum rental fee under these agreements as at 31 December 2016 are as follows:

	Ending balance VND	Beginning balance VND
Less than 1 year	1,043,209,112	1,043,209,112
From 1-5 years	4,172,836,448	4,172,836,448
More than 5 years	40,685,155,372	41,728,364,484
TOTAL	<u>45,901,200,932</u>	<u>46,944,410,044</u>

Commitment under operating leases where the Company are lessor

The Company, as lessor, has signed agreements for leasing offices, retail areas and multi-functional spaces with the minimum rental fee under these agreements as at 31 December 2016 are as follows:

	Ending balance VND	Beginning balance VND
Less than 1 year	93,402,539,919	52,212,965,886
From 1-5 years	73,251,650,788	66,654,027,692
TOTAL	<u>166,654,190,707</u>	<u>118,866,993,578</u>

Commitments relating to construction investing activities

The Company has signed contracts relating to the development of the Vinhomes Times City project at No. 458 Minh Khai Street, Hai Ba Trung District, Hanoi and at No. 25, Street 13, Linh Nam Street, Hoang Mai District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND 1,869 billion as at 31 December 2016.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

33. COMMITMENTS AND CONTINGENCIES (continued)

Commitment under contracts for borrowing interest support to buyers of apartments at Vinhomes Times City project

The Company has entered into certain tri-party agreements with the buyers of the apartments at Vinhomes Times City project and certain banks which will provide loan to these customers to finance apartment purchase. According to these agreements:

- ▶ The banks will lend the buyers to finance for the purchase of the apartments at Vinhomes Times City project ;
- ▶ The Company will support to pay interest for buyers at the rate of banks during a period from 12 to 30 months after the first disbursement date.

34. EVENTS AFTER THE BALANCE SHEET DATE

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



Tran Thanh Tam
Preparer



Bui Thi Ha
Chief Accountant



Nguyen Viet Quang
General Director

Hanoi, Vietnam

31 March 2017