

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City
Development Joint Stock Company]

Consolidated financial statements

31 December 2017



Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

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Vinhomes Joint Stock Company

[previously known as Hanoi Southern City Development Joint Stock Company]

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development Joint Stock Company, is a shareholding company incorporated under the Law on Enterprises 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. According to the 19th amended Enterprise Registration Certificate dated 2 February 2018, the Company changed its name into Vinhomes Joint Stock Company. The Company subsequently received amended Enterprise Registration Certificates, with the latest being the 21th amended Enterprise Registration Certificate dated 23 February 2018.

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.

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:

Mr Pham Nhat Vuong	Chairman	Appointed on 21 February 2018
Ms Mai Huong Noi	Chairwoman	Resigned on 21 February 2018
Ms Nguyen Dieu Linh	Member	Appointed on 21 February 2018
Mr Nguyen Viet Quang	Member	Appointed on 21 February 2018
Ms Cao Thi Ha An	Member	Appointed on 21 February 2018
Mr Varun Kapur	Independent member	Appointed on 21 February 2018
Mr Mueen Uddeen	Independent member	Appointed on 21 February 2018
Mr Pham Thieu Hoa	Member	Resigned on 21 February 2018
Ms Nguyen Mai Hoa	Member	Resigned on 21 February 2018

BOARD OF SUPERVISION

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

Mr Pham Khoi Nguyen	Head of Board of Supervision	Appointed on 21 February 2018
Ms Le Thi Kim Thanh	Head of Board of Supervision	Resigned on 21 February 2018
Ms Doan Thi Thu Mai	Member	Appointed on 21 February 2018
Ms Le Thi Duyen	Member	Appointed on 21 February 2018
Ms Doan Thi Bich Ngoc	Member	Resigned on 21 February 2018
Ms Doan Thi Ha	Member	Resigned on 21 February 2018

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

GENERAL INFORMATION (continued)

MANAGEMENT

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

Ms Nguyen Dieu Linh	General Director	Appointed on 23 February 2018
Mr Nguyen Viet Quang	General Director	Resigned on 23 February 2018
Ms Nguyen Thi Thu Hoai	Deputy General Director	Appointed on 21 February 2018
Mr Douglas John Farrell	Deputy General Director	Appointed on 21 February 2018
Ms Nguyen Ngoc Thuy Linh	Deputy General Director	Appointed on 21 February 2018
Mr Nguyen Duc Quang	Deputy General Director	Appointed on 21 February 2018
Ms Nguyen Mai Hoa	Deputy General Director	Resigned on 21 February 2018
		Appointed on 20 September 2017
Mr Pham Thieu Hoa	Deputy General Director	
Ms Phi Thi Thuc Nga	Deputy General Director	Resigned on 21 February 2018
Ms Mai Thu Thuy	Deputy General Director	Resigned on 21 February 2018

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2017 to 22 February 2018 is Mr Nguyen Viet Quang and from 23 February 2018 to the date of this report is Ms Nguyen Dieu Linh, General Director.

AUDITORS

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

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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


Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and its subsidiaries 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 its subsidiaries 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2017 and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

For and on behalf of management:



Nguyễn Diệu Linh
General Director

Hanoi, Vietnam

25 February 2018

Reference: 60871645/19450158-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]**

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development Joint Stock Company, and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 25 February 2018 and set out on pages 6 to 84, which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated income statement and the consolidated 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 consolidated financial statements 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, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2017, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited



Phạm Công Khanh
Deputy General Director
Audit Practising Registration
Certificate No. 3483-2015-004-1

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

Hanoi, Vietnam

25 February 2018

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CONSOLIDATED BALANCE SHEET
as at 31 December 2017

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		44,421,050,167,080	16,491,882,437,206
110	I. Cash and cash equivalents	5	1,561,577,770,818	2,802,422,910,160
111	1. Cash		818,341,400,251	941,467,410,160
112	2. Cash equivalents		743,236,370,567	1,860,955,500,000
130	II. Current accounts receivable		24,774,715,203,806	4,615,635,775,596
131	1. Short-term trade receivables	6.1	11,945,377,777,386	425,995,510,193
132	2. Short-term advances to suppliers	6.2	1,695,194,896,147	535,598,217,891
135	3. Short-term loan receivables	7	9,477,028,513,431	3,122,655,962,694
136	4. Other short-term receivables	8	1,755,862,686,147	540,119,773,553
137	5. Provision for doubtful short-term receivables		(98,748,669,305)	(8,733,688,735)
140	III. Inventories	10	17,006,259,676,992	8,475,032,237,345
141	1. Inventories		17,265,369,555,979	8,483,419,117,083
149	2. Provision for obsolete inventories		(259,109,878,987)	(8,386,879,738)
150	IV. Other current assets		1,078,497,515,464	598,791,514,105
151	1. Short-term prepaid expenses	11	786,169,470,464	403,032,543,445
152	2. Value-added tax deductible	21	83,535,446,363	98,942,332,623
153	3. Tax and other receivables from the State		2,214,131,652	-
155	4. Other current assets	12	206,578,466,985	96,816,638,037

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

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CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2017

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance (Reclassified)
200	B. NON-CURRENT ASSETS		6,882,768,858,975	21,028,863,345,245
210	I. Long-term receivables		87,738,322,397	100,386,460,732
215	1. Long-term loan receivables	7	3,257,497,661	3,989,915,115
216	2. Other long-term receivables	8	84,480,824,736	96,396,545,617
220	II. Fixed assets		1,355,894,476,327	3,642,554,098,283
221	1. Tangible fixed assets	13	1,296,934,619,609	3,604,596,313,488
222	Cost		1,451,230,179,505	4,236,503,734,172
223	Accumulated depreciation		(154,295,559,896)	(631,907,420,684)
227	2. Intangible fixed assets	14	58,959,856,718	37,957,784,795
228	Cost		75,484,179,936	50,607,397,891
229	Accumulated amortisation		(16,524,323,218)	(12,649,613,096)
230	III. Investment properties	15	163,038,247,202	1,538,049,792,026
231	1. Cost		196,220,103,796	1,607,993,452,960
232	2. Accumulated depreciation		(33,181,856,594)	(69,943,660,934)
240	IV. Long-term assets in progress		2,462,055,543,041	4,453,581,454,272
242	1. Construction in progress	17	2,462,055,543,041	4,453,581,454,272
250	V. Long-term investments	18	1,754,972,107,124	10,541,691,385,994
252	1. Investments in associates, jointly controlled entities	18.1	9,443,697,124	8,846,077,533,594
253	2. Investment in other entities	18.2	1,695,528,410,000	1,645,613,852,400
255	3. Held-to-maturity investments	18	50,000,000,000	50,000,000,000
260	VI. Other long-term assets		1,059,070,162,884	752,600,153,938
261	1. Long-term prepaid expenses	11	392,514,863,581	47,574,090,345
262	2. Deferred tax assets	34.3	39,743,980,836	8,255,174,025
269	3. Goodwill	19	626,811,318,467	696,770,889,568
270	TOTAL ASSETS		51,303,819,026,055	37,520,745,782,451

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

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CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2017

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		41,180,033,529,612	27,971,803,635,341
310	I. Current liabilities		34,223,057,193,372	26,828,479,016,702
311	1. Short-term trade payables	20.1	925,390,582,708	1,666,274,701,367
312	2. Short-term advances from customers	20.2	16,845,744,264,404	10,663,036,084,145
313	3. Statutory obligations	21	230,506,823,635	672,182,791,882
314	4. Payable to employees		3,626,966,610	22,622,263,771
315	5. Short-term accrued expenses	22	1,738,436,383,603	1,203,017,876,116
318	6. Short-term unearned revenue	23	16,617,259,917	40,532,077,606
319	7. Other short-term payables	24	5,763,144,422,167	3,404,186,074,203
320	8. Short-term loans	25	8,699,590,490,328	9,156,627,147,612
330	II. Non-current liabilities		6,956,976,336,240	1,143,324,618,639
336	1. Long-term unearned revenue	23	268,018,281,667	1,101,722,564,138
337	2. Other long-term liabilities	24	4,453,549,069	5,279,232,731
338	3. Long-term loans	25	6,627,686,696,069	-
342	4. Long-term provisions	26	56,817,809,435	36,322,821,770

Vinhomes Joint Stock Company
[previously known as Hanoi Southern City Development Joint Stock Company]

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CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2017

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		10,123,785,496,443	9,548,942,147,110
410	I. Capital	27	10,123,785,496,443	9,548,942,147,110
411	1. Share capital	27.1	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
420	2. Other funds belonging to owners' equity	27.1	(99,117,851,011)	(2,768,622,679,306)
421	3. Undistributed earnings		5,003,298,133,184	2,970,805,560,320
421a	- Undistributed earnings by the end of prior year		2,970,805,560,320	1,446,491,007,481
421b	- Undistributed earnings of current year		2,032,492,572,864	1,524,314,552,839
429	4. Non-controlling interests	27.1	3,219,605,214,270	7,346,759,266,096
440	TOTAL LIABILITIES AND OWNERS' EQUITY		51,303,819,026,055	37,520,745,782,451

Nguyen Thi Hong Trang
Preparer

Bui Thi Ha
Chief Accountant



Nguyen Dieu Linh
General Director

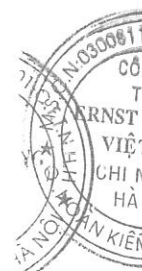
Hanoi, Vietnam

25 February 2018

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2017

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	15,297,312,397,141	11,217,376,095,522
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	15,297,312,397,141	11,217,376,095,522
11	4. Cost of goods sold and services rendered	29	(10,130,622,531,207)	(6,763,559,185,952)
20	5. Gross profit from sale of goods and rendering of services		5,166,689,865,934	4,453,816,909,570
21	6. Finance income	28.2	964,268,046,313	822,034,511,730
22 23	7. Finance expenses In which: Interest expenses	31	(1,652,417,155,368) (901,949,220,589)	(946,663,181,685) (384,720,077,362)
24	8. Shares of (loss)/profit of associates, joint-ventures	18.1	(88,152,941,732)	504,832,648,035
25	9. Selling expenses	30	(1,585,809,553,121)	(1,298,335,291,291)
26	10. General and administrative expenses	30	(452,513,058,995)	(883,874,735,719)
30	11. Operating profit		2,352,065,203,031	2,651,810,860,640
31	12. Other income	32	91,806,843,120	181,549,283,406
32	13. Other expenses	32	(335,089,997,551)	(38,454,358,354)
40	14. Other (loss)/profit	32	(243,283,154,431)	143,094,925,052
50	15. Accounting profit before tax		2,108,782,048,600	2,794,905,785,692
51	16. Current corporate income tax expense	34.2	(574,855,234,140)	(585,985,392,868)
52	17. Deferred tax income/(expense)	34.3	31,562,245,294	(1,621,267,702)
60	18. Net profit after tax		1,565,489,059,754	2,207,299,125,122



CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2017

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
61	19. Net profit after tax attributable to shareholders of the parent		1,409,642,043,514	1,648,549,290,410
62	20. Net profit after tax attributable to non-controlling interests		155,847,016,240	558,749,834,712
70	21. Basic earnings per share	36	2,349	2,748
71	22. Diluted earnings per share	36	2,349	2,748



Nguyen Thi Hong Trang
Preparer



Bui Thi Ha
Chief Accountant




Nguyen Dieu Linh
General Director

Hanoi, Vietnam

25 February 2018

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CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2017

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		2,108,782,048,600	2,794,905,785,692
02	<i>Adjustments for:</i> Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	13,14, 15,19	410,151,852,498	355,233,525,481
03	Provisions		278,527,967,484	20,772,079,308
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	28.2, 31	15,599,813,801	18,389,448
05	Losses/(profits) from investing activities		176,968,048,334	(746,694,602,847)
06	Interest expenses	31	901,949,220,589	384,720,077,362
08	Operating profit before changes in working capital		3,891,978,951,306	2,808,955,254,444
09	(Increase)/decrease in receivables		(2,625,640,190,299)	1,638,891,342,965
10	Decrease in inventories		250,399,794,809	955,820,656,746
11	Increase/(decrease) in payables (other than interest, corporate income tax)		3,408,875,999,083	(272,903,519,333)
12	(Increase)/decrease in prepaid expenses		(696,801,595,134)	95,352,984,466
14	Interest paid		(561,183,467,403)	(140,484,923,411)
15	Corporate income tax paid	21	(871,578,330,632)	(344,271,766,727)
20	Net cash flows from operating activities		2,796,051,161,730	4,741,360,029,150

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2017

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(2,405,312,393,577)	(2,222,134,748,949)
22	Proceeds from disposals of fixed assets and other long-term assets		33,942,874,366	75,084,489,463
23	Loans to other entities and payments for purchase of debt instruments of other entities		(10,670,000,000,000)	(489,200,738,202)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		4,692,359,866,717	2,604,904,018,627
25	Payments for investments in other entities (net of cash held by entity being acquired)		(3,469,299,732,640)	(15,923,861,346,083)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		2,028,086,730,055	5,637,411,141,821
27	Interest and dividends received		331,260,739,350	197,068,616,393
30	Net cash flows used in investing activities		(9,458,961,915,729)	(10,120,728,566,930)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		28,111,000,000	3,393,212,365,000
33	Drawdown of borrowings		31,231,831,086,884	11,161,421,565,443
34	Repayment of borrowings		(25,837,875,938,367)	(6,589,869,040,550)
36	Dividends paid		-	(339,697,297,800)
40	Net cash flows from financing activities		5,422,066,148,517	7,625,067,592,093
50	Net (decrease)/increase in cash the year		(1,240,844,605,482)	2,245,699,054,313
60	Cash and cash equivalents at the beginning of the year		2,802,422,910,160	556,711,486,785
61	Impact of exchange rate fluctuation		(533,860)	12,369,062
70	Cash and cash equivalents at the end of the year	5	1,561,577,770,818	2,802,422,910,160

Nguyen Thi Hong Trang
Preparer

Hanoi, Vietnam

25 February 2018

Bui Thi Ha
Chief Accountant



Nguyen Dieu Linh
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2017 and for the year then ended

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company"), previously known as Hanoi Southern City Development Joint Stock Company, is a shareholding company incorporated under the Law on Enterprises 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. According to the 19th amended Enterprise Registration Certificate dated 2 February 2018, the Company changed its name into Vinhomes Joint Stock Company. The Company subsequently received amended Enterprise Registration Certificates, with the latest being the 21th amended Enterprise Registration Certificate dated 23 February 2018.

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.

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 2017: 11 (31 December 2016: 10).

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

The Company and its subsidiaries' normal course of business cycle of other activities is normally within 12 months.

As at 31 December 2017, the Company and its subsidiaries own investments in associates as presented in Note 18.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2017, the Company has 7 subsidiaries. The information on these subsidiaries, along with the Company's voting rights and equity interest in each subsidiary are as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	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
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC")	98.18	98.18	No. 191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam Urban LLC")	85.00	83.46	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
4	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC")	98.00	96.22	No. 63, Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
5	Vietnam Investment and Consulting Investment Joint Stock Company ("Lieu Giai JSC")	50.00	49.09	No. 191, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
6	Metri Sport and Entertainment Development Joint Stock Company ("Metri JSC")	98.00	98.00	No. 7, Thang Long Avenue, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties
7	Prime Land Real Estate Investment Joint Stock Company ("Prime Land JSC")	91.48	89.65	Yen Nhan Village, Tien Phong Commune, Me Linh District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries, 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/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

2.2 Applied accounting documentation system

The Company and its subsidiaries' applied accounting documentation system is the General Journal.

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

Inventories 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 is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated selling costs.

The perpetual method is used to record inventories, which are valued using first in, first out basis and weighted average basis.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business or for long-term lease qualified for recognition of outright sales, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost incurred in bringing the inventories to their present location and condition, 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, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in the consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Provision for obsolete inventories

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

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated 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 and its subsidiaries are lessors

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognized in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
 as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Leased assets* (continued)

Where the Company and its subsidiaries are lessors (continued)

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

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

Where the Company and its subsidiaries are lessees

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

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

Land use rights

Definite and indefinite land use rights are recorded as intangible fixed assets based on Land use right certificates issued by authorities.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

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	8 - 47 years
Machinery and equipment	9 - 10 years
Means of transportation	3 - 12 years
Office equipment	2 - 10 years
Copyrights	5 - 10 years
Computer software	3 - 10 years
Others	4 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investment properties

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

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 and its subsidiaries.

Depreciation 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 years

The Company and its subsidiaries do not amortise indenfinite land use rights 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 consolidated 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.

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 that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are 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 consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Prepaid expenses (continued)

Short term prepaid expenses include commission fees for selling apartments, provisional corporate income tax for downpayments from customers for the purchase of apartments at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit for less than one normal business cycle.

Long-term prepaid expenses include pre-operation expenditure, tools and supplies and other prepaid expenses that generate future economic benefits for more than one year.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with preferential lease terms compared with the fair value at the date of business combination.

Other prepaid expenses

Substantial expenditure on fixed asset overhaul is recorded as prepaid expense and are amortised to the consolidated income statement.

3.11 Business combinations and goodwill

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill (continued)

Business combinations involving entities or businesses under common control

Business combinations involving entities or businesses under common control are accounted for as follows:

- ▶ The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which previously recognised in owners' equity, is recognised in the consolidated income statement.

3.12 Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries' accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the parent company shall not remeasure the previously held equity interests. Instead previously held equity interests and the consideration were allocated to the assets and liabilities acquired based on their relative fair values on acquisition date.

3.13 Investments

Investments in associates

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

Investments in associates (continued)

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

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

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 the held-for-trading securities and investments in entities

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

Held-to-maturity investments

Held-to-maturity investments are initially recorded at costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the consolidated income statements and deducted against the value of such investments.

3.14 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 and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

3.15 Provisions

General

Provisions are recognised when the Company and its subsidiaries have 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions (continued)

Warranty provision for apartments and villas

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

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

If the effect of the time value of money is material, provisions are discounted using a current pretax 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.

3.16 Foreign currency transactions

The Company and its subsidiaries apply guidance of Circular 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200/2014/TT-BTC dated 22 December 2014 to record foreign currency transactions.

Transactions in currencies other than the Company and its subsidiaries' 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 and its subsidiaries most frequently conduct their 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 and its subsidiaries most frequently conduct their transactions. This transfer exchange rate is the buying transfer exchange rate of the commercial bank.

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

3.17 Appropriation of net profits

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

3.18 Advances from customers

Advances from customers for purchasing apartments in the future, which are not qualified to be recognised as revenue for the year, is recorded to account "Advances from customers" in liability caption of the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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 sale of inventory property

Revenue from sale of inventory property is recognised when the significant risks and rewards incident to ownership of the properties have passed to the buyer.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering services

Revenue from rendering service is recognised when service is rendered for customers.

Revenue from investment cooperation

Revenue from investment cooperation is recognised as shared revenue and determined reliably according to the investment cooperation contracts.

Rental income

Rental income arising from operating lease of properties is recognised in the consolidated income statement on a straight-line basis over the lease term.

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 and its subsidiaries' 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 determined as the excess of selling prices against the cost of securities sold. This income is recognised on date when the transaction arises, that is when the transfer contract is exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior 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 consolidated balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to set off current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their 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.

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, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries 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 and its subsidiaries intend 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.

3.21 Earnings per share

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

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

3.22 Segment information

A segment is a component determined separately by the Company and its subsidiaries which is engaged in providing products or related services (business segment), that is subject to risks and returns that are different from those of other segments.

Management defines the Company and its subsidiaries' segments to be based on the products and services provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Related parties

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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

4.1 Business combination

Acquisition of Metri JSC, a new subsidiary

In April 2017, the Company acquired additional 96.80% shares in Metri JSC from Vingroup JSC, parent company, with total consideration of VND2,624 billion. As a result, Metri JSC became a subsidiary of the Company.

The principal activities of Metri JSC are constructing and selling villas and apartments in Vinhomes Green Bay project at Me Tri Ward, Nam Tu Liem District, Hanoi ("Vinhomes Green Bay project"). As at 31 December 2017, the Company held 98.00% voting rights in this subsidiary and through Metri JSC, the Company indirectly exercised control over Prime Land JSC, a subsidiary.

Management assessed that the acquisition of Metri JSC is a business combination under common control. Therefore, for the purpose of presenting the consolidated financial statements, the assets and liabilities of Metri JSC are presented at their carrying amounts at the date of acquisition in the consolidated financial statements of Vingroup JSC, the ultimate parent company of the Company. Any difference between the consideration transferred and the net assets of Metri JSC was recognised in owners' equity in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.1 Business combination (continued)

Acquisition of Metri JSC, a new subsidiary (continued)

The carrying amounts of assets and liabilities of Metri JSC at the acquisition date are presented below:

	<i>Currency: VND</i>
	<i>Carrying amount at acquisition date (*)</i>
Assets	
Cash and cash equivalents	258,564,617,015
Short-term receivables	2,749,542,486,248
Other current assets	108,227,328,434
Inventories	789,739,508,194
Long-term receivables	25,944,650,000
Fixed assets	97,222,219
Construction in progress	6,062,884,566,365
Other non-current assets	1,789,788,558,714
Total	11,784,788,937,189
Liabilities	
Short-term borrowings	3,338,166,527,778
Short-term trade payables and other payables	5,787,510,178,550
Total net assets	2,659,112,230,861
Non-controlling interest	(53,182,244,617)
Other funds belonging to owners' equity (Note 27.1)	50,184,876,756
Total consideration	2,656,114,863,000
Analysis of cash flows on acquisition	
Cash of the acquired subsidiary	258,564,617,015
Cash paid for acquiring the subsidiary up to 31 December 2017	(2,623,764,000,000)
Net cash flow used in acquisition	(2,365,199,382,985)

(*) The carrying amounts of assets and liabilities of Metri JSC in the consolidated financial statements of Vingroup JSC, the Company's ultimate parent company.

Total consideration was VND2,656 billion, in which, VND32 billion was fully paid in cash in 2016.

Profit before tax of Metri JSC for the period from the acquisition date to 31 December 2017 was VND304 billion.

Revenue and net loss before tax of Metri JSC during the year and before the acquisition date were VND93 billion and VND60 billion, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.1 Business combination (continued)

Step-up acquisition of Ecology JSC, an existing subsidiary

In April 2017, the Company acquired additional 17.25% shares in Ecology JSC from an affiliate with the consideration of VND543 billion. As a result, the Company's equity interest in this subsidiary increased to 98.18%. The difference between the consideration and the carrying amount of the additional equity interest amounting to VND604 billion was recognised in undistributed earnings.

As at 31 December 2017, through Ecology JSC, the Company also held investments in following subsidiaries and associate:

(i) Investment in subsidiaries:

- ▶ Lieu Giai JSC;
- ▶ Gia Lam Urban LLC; and
- ▶ Phu Gia LLC.

(ii) Investment in associate:

- ▶ Tay Tang Long Real Estate LLC ("Tay Tang Long LLC").

4.2 Acquisition of subsidiaries for the purpose of holding for resale

Acquisition and transfer of Vinmec International General Hospital JSC ("Vinmec JSC")

On 28 April 2017, the Company completed the acquisition of additional 53.95% shares of Vinmec JSC from Vingroup JSC, parent company with total consideration of VND1,762 billion. Thereby, the Company increased its equity interest in Vinmec JSC from 45.05% to 99.00% and Vinmec JSC became a subsidiary of the Company. The principal activities of Vinmec JSC are to provide hospital services and other business activities as stipulated in the Enterprise Registration Certificate.

Management assessed that the acquisition of Vinmec JSC is an acquisition with a view to resale within 12 months, and thereby, the Company only temporarily controlled Vinmec JSC. Accordingly, the Company did not consolidate the financial statements of this company.

On 28 December 2017, the Company transferred its entire shares in Vinmec JSC for total consideration of VND3,233 billion to Vingroup JSC and Southern Star Urban Development and Trading Investment JSC ("Southern Star JSC"). Gain from this transfer amounting to VND234 billion was recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)

4.3 Significant disposal transactions

Decrease of equity interest and loss of control of Vinpearlland JSC ("Vinpearlland JSC")

On 7 September 2017, Vinpearlland JSC was merged into Vinpearl JSC ("Vinpearl JSC"), an affiliate. At the merger date, the Company held 46.31% shares in Vinpearl JSC. On the same date, the Company no longer had significant influence over Vincom Retail JSC ("Vincom Retail JSC"). On 28 December 2017, the Company completed the transfer of its entire shares in Vinpearl JSC to Vingroup JSC, parent company. As a result, the Company recognised a decrease in other funds belonging to owner's equity by VND2,720 billion and a loss from this transaction amounting to VND665 billion was recognised in the consolidated income statement.

Disposal of VinEco Agricultural Investment Production and Development LLC ("VinEco LLC"), an associate

On 28 December 2017, the Company disposed its entire shares in VinEco LLC to Vingroup JSC, parent company, and thereby, this company was no longer an associate of the Company. Gain from this disposal amounting to VND147 billion was recognised in the consolidated income statement.

5. CASH AND CASH EQUIVALENTS

Currency: VND

	Ending balance	Beginning balance
Cash on hand	159,912,175	6,697,482,907
Cash at banks	815,874,983,916	933,191,537,760
Cash in transit	2,306,504,160	1,578,389,493
Cash equivalents	743,236,370,567	1,860,955,500,000
TOTAL	1,561,577,770,818	2,802,422,910,160

Cash equivalents include bank deposits in VND with the term of 1 month and interest rate ranging from 4.2% to 5.5% per annum (2016: from 4.3% to 5.0% per annum).

Details of each type of foreign currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	6,915	7,020

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6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables	2,074,306,433,306	408,400,085,783
Receivables from related parties (Note 35)	9,871,071,344,080	17,595,424,410
TOTAL	11,945,377,777,386	425,995,510,193

6.2 Short-term advances to suppliers

	Currency: VND	
	Ending balance	Beginning balance
Advances to suppliers	1,587,118,313,431	525,792,765,378
- Land Development Center in Gia Lam District	792,312,969,328	-
- A corporate counterparty providing construction services	196,368,118,035	-
- Intamin Amusement Rides Company	-	148,797,161,908
- Vekoma Rides Manufacturing Company	-	93,789,810,030
- Others	598,437,226,068	283,205,793,440
Advances to related parties (Note 35)	108,076,582,716	9,805,452,513
TOTAL	1,695,194,896,147	535,598,217,891

- (i) These mainly represent advances to Land Development Center in Gia Lam District for the purpose of site clearance, avances to suppliers, construction contractors and construction consultants involved in the Company and its subsidiaries' real estate projects and other projects, and advances to a charity organisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

7. LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short term		
Current portion of long-term lendings	21,999,942,002	24,697,885,462
Loans to corporate counterparties (i)	6,771,028,571,429	443,757,339,030
Loans to related parties (Note 35)	2,684,000,000,000	2,654,200,738,202
	<u>9,477,028,513,431</u>	<u>3,122,655,962,694</u>
Provisions for doubtful loan receivables	(67,643,669,305)	(8,733,688,735)
Long-term		
Long-term receivables from corporate counterparties	3,257,497,661	3,989,915,115
	<u>3,257,497,661</u>	<u>3,989,915,115</u>

(i) This comprises:

- ▶ Lending to a corporate counterparty with the amount of VND2,122 billion, due on 30 June 2018, earning interest of 9% per annum and unsecured; and
- ▶ Lending to another corporate counterparty with the amount of VND4,691 billion with term of 6 months and earning interest of 7% per annum. This loan is secured by shares of this corporate counterparty and villas at Vinhomes Riverside project.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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8. OTHER RECEIVABLES

		<i>Currency: VND</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Short-term			
Receivable from downpayments collected on behalf (i)	1,033,361,277,516	431,005,348,149	
Interest receivables	445,998,056,165	28,260,407,430	
Short-term deposits	56,767,160,790	46,933,800,625	
Receivables from master account	53,070,861,526	15,332,869,730	
Receivables from payment on behalf	5,027,005,262	9,327,472,790	
Other short-term receivables	161,638,324,888	9,259,874,829	
	1,755,862,686,147	540,119,773,553	
<i>In which:</i>			
Other short-term receivables	1,610,486,942,318	520,823,971,146	
Short-term receivables from related parties (Note 35)	145,375,743,829	19,295,802,407	
Long-term			
Deposits for outlet rentals	84,149,639,179	94,166,061,172	
Other receivables	331,185,557	2,230,484,445	
	84,480,824,736	96,396,545,617	
<i>In which:</i>			
Other long-term receivables	84,480,824,736	96,396,545,617	

- (i) These are receivables from a corporate counterparty which collected customers' downpayments in Vinhomes Green Bay project and Vinhomes Metropolis project on behalf of the Company and its subsidiaries. Subsequent to the balance sheet date, the Company and its subsidiaries have collected in full these receivables.

9. BAD DEBTS

Bad debts of the Company and its subsidiaries mainly include principal and interest receivables that are overdue from corporate counterparties:

				Currency: VND
		Ending balance	Beginning balance	
Debtor	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	106,704,942,000	7,956,272,695	15,999,942,000	7,266,253,265
TOTAL	106,704,942,000	7,956,272,695	15,999,942,000	7,266,253,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

10. INVENTORIES

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	14,576,232,471,898	(78,720,193,331)	8,077,767,596,222	-
Completed inventory properties (ii)	2,573,413,405,959	(131,131,232,245)	110,504,231,111	-
Inventories for retail outlets	115,615,927,880	(49,258,453,411)	283,779,551,173	(8,386,879,738)
Others	107,750,242	-	11,367,738,577	-
TOTAL	17,265,369,555,979	(259,109,878,987)	8,483,419,117,083	(8,386,879,738)

(i) This represents construction costs of inventory properties for sale, which mainly comprise direct costs relating to construction of apartments and villas at Vinhomes Times City project, Vinhomes Green Bay project, Vinhomes Metropolis project, Vincom Bien Hoa project and other allocated common costs such as land use fees, land compensation and site clearance fee, capitalised borrowing costs, planning and design costs, construction management costs and other relevant costs.

(ii) This represents villas purchased for resale at Vinhomes Thang Long project and completed apartments at Vinhomes Times City project.

Movements of provision for obsolete inventories:

Currency: VND

	Current year	Previous year
Beginning balance	8,386,879,738	1,188,910,691
Add: Provision made during the year	259,109,878,987	8,386,879,738
Less: Utilisation and reversal of provision during the year	(8,386,879,738)	(1,188,910,691)
Ending balance	<u>259,109,878,987</u>	<u>8,386,879,738</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended**11. PREPAID EXPENSES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Commission fee related to apartments not yet handed over	607,480,080,694	265,578,091,639
Provisional corporate income tax	173,135,075,150	115,369,577,568
Tools and equipment	4,250,000	4,382,971,982
Others	5,550,064,620	17,701,902,256
TOTAL	786,169,470,464	403,032,543,445

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term		
Land rental right (i)	378,947,299,410	-
Tools and equipment	13,531,226,142	36,423,073,830
Overhaul expenditure	-	4,612,619,069
Pre-operating expenses	-	1,604,671,224
Others	36,338,029	4,933,726,222
TOTAL	392,514,863,581	47,574,090,345

- (i) This is land rental right relating to shopping malls of Ecology JSC arising from the acquisition transaction; in which, Ecology JSC is the lessee under operating leases with favorable lease terms compared to the market terms at the date of business combination.

12. OTHER CURRENT ASSETS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Electrical equipment system (i)	196,578,466,985	96,816,638,037
Other deposits	10,000,000,000	-
TOTAL	206,578,466,985	96,816,638,037

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

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

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: VND						
Cost:						
Beginning balance (Reclassified)	2,503,706,969,409	1,475,428,770,175	55,631,156,198	148,594,569,016	53,142,269,374	4,236,503,734,172
Additions	52,960,587,668	110,787,901,359	19,177,401,566	426,339,565	21,136,224,622	204,488,454,780
Transfer from construction in progress	271,331,113,585	10,815,006,882	-	51,445,454	-	282,197,565,921
Acquisition of subsidiaries	1,018,135,167	-	1,143,405,455	-	-	2,161,540,622
Other additions	8,507,382,516	-	-	-	-	8,507,382,516
Disposal (*)	(192,960,000,650)	(14,089,756,693)	(1,518,345,847)	(72,634,292,380)	(2,863,300,729)	(284,065,696,299)
Disposal of subsidiaries	(1,360,693,064,387)	(1,374,095,958,106)	(71,414,381,402)	(3,772,534,107)	(71,415,193,267)	(2,881,391,131,269)
Other decreases	(102,974,177,576)	(14,197,493,362)	-	-	-	(117,171,670,938)
Ending balance	1,180,896,945,732	194,648,470,255	3,019,235,970	72,665,527,548	-	1,451,230,179,505
Fully depreciated	1,018,135,167	-	2,578,015,910	-	50,363,636	3,656,514,713
Accumulated depreciation:						
Beginning balance (Reclassified)	491,274,421,993	75,809,226,406	18,425,421,603	28,643,045,531	7,755,305,151	631,907,420,684
Depreciation for the year	105,965,174,145	116,044,197,772	3,864,686,321	21,557,456,931	5,833,947,458	253,265,462,627
Acquisition of subsidiaries	1,018,135,167	-	1,143,405,455	-	-	2,161,540,622
Disposal	(45,852,438,245)	(4,377,658,727)	(151,381,485)	(19,295,776,015)	(503,051,969)	(70,180,306,441)
Disposal of subsidiaries	(467,187,634,886)	(144,957,313,729)	(20,262,895,924)	(4,256,139,323)	(23,086,200,640)	(659,760,184,502)
Other decreases	(2,814,423,227)	(283,949,867)	-	-	-	(3,098,373,094)
Ending balance	82,403,234,947	42,234,501,855	3,019,235,970	26,638,587,124	-	154,295,559,896
Net carrying amount:						
Beginning balance (Reclassified)	2,012,432,547,416	1,399,619,543,769	37,205,734,595	119,951,523,485	35,386,964,223	3,604,556,313,488
Ending balance	1,098,493,710,785	152,413,968,400	-	46,026,940,424	-	1,296,934,619,609

(*) This mainly comprises disposal of assets in VinDS LLC's stores.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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14. INTANGIBLE FIXED ASSETS

	Currency: VND
	Total
Cost:	
Beginning balance	50,607,397,891
New purchase	72,059,273,046
Acquisition of subsidiaries	122,000,000
Disposal	(37,561,421,171)
Disposal of subsidiaries	(9,743,069,830)
Ending balance	75,484,179,936
<i>Fully amortised</i>	1,874,939,799
Accumulated amortisation:	
Beginning balance	12,649,613,096
Amortisation for the year	24,978,090,352
Acquisition of subsidiaries	24,777,781
Disposal	(16,833,241,078)
Disposal of subsidiaries	(4,294,916,933)
Ending balance	16,524,323,218
Net carrying amount:	
Beginning balance	37,957,784,795
Ending balance	58,959,856,718

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

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Currency: VND Total</i>
Cost:			
Beginning balance (Reclassified)	1,427,747,574,489	180,245,878,471	1,607,993,452,960
Transfer from construction in progress	235,605,339	-	235,605,339
Other additions	4,176,760,590	-	4,176,760,590
Disposal of subsidiaries	(33,645,037,414)	(2,615,311,150)	(36,260,348,564)
Disposal	-	(4,525,361,059)	(4,525,361,059)
Other decreases (i)	(1,249,022,531,141)	(126,377,474,329)	(1,375,400,005,470)
Ending balance	149,492,371,863	46,727,731,933	196,220,103,796
Accumulated depreciation:			
Beginning balance (Reclassified)	50,892,828,344	19,050,832,590	69,943,660,934
Depreciation for the year	47,172,086,809	14,776,641,609	61,948,728,418
Other increases	2,054,406,766	2,167,043,513	4,221,456,279
Disposal of subsidiaries	(7,806,032,732)	(2,615,311,150)	(10,421,343,882)
Disposal	-	(427,395,211)	(427,395,211)
Other decreases	(79,899,313,469)	(12,183,936,475)	(92,083,249,944)
Ending balance	12,413,975,718	20,767,883,876	33,181,856,594
Net carrying amount:			
Beginning balance (Reclassified)	1,376,854,746,145	161,195,045,881	1,538,049,792,026
Ending balance (ii)	137,078,396,145	25,959,851,057	163,038,247,202

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

15. INVESTMENT PROPERTIES (continued)

- (i) In October 2017, a number of terms in the business co-operation contracts between Ecology JSC and South Vincom Retail LLC ("South Vincom Retail LLC") were amended as follows:
 - ▶ buildings and structures at Vincom Quang Trung and Vincom Le Van Viet shopping malls as stipulated under the business co-operation contract were reclassified from investment properties to trade receivables in the consolidated balance sheet, due to the business co-operation contracts relating to these shopping malls were classified as finance lease; and
 - ▶ buildings and structures at Vincom Bien Hoa shopping mall were recognised as a disposal of investment property to South Vincom Retail LLC (Note 32).
- (ii) Investment properties as at 31 December 2017 represent office component of Vinhomes Times City project and land use rights of shopping malls of Ecology JSC. According to the draft valuation report by an independent valuer, the fair value of the office component as at 31 December 2017 is VND497.8 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs amounting to VND112,729,256,647 (for the year ended 31 December 2016: VND6,985,695,101). These borrowing costs related to specific borrowings obtained to finance for the construction of Vinhomes Green Bay project located in Me Tri Ward, Tu Liem District, Hanoi and general borrowings obtained to finance for the construction of renovation and upgrade of Vinpearlland Cultural and Eco tourism Park located in Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, and Thu Thiem Indoor Amusement Park project in Ho Chi Minh City. The capitalised borrowing costs are determined by applying a capitalisation rate of 7.00% (for the year ended 31 December 2016: 7.00%). Capitalisation rate was calculated based on the weighted average of the rates applicable to the borrowings of the Company and its subsidiaries that are outstanding during the year.

17. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vidifi project (i)	1,566,693,795,705	108,044,747,462
Lang Hoa – Tien Phong project (ii)	636,534,654,499	-
Vinhomes Green Bay project (iii)	192,252,033,947	-
Vinhomes Thang Long project	51,292,959,544	-
Vinhomes Metropolis project (iv)	-	3,527,866,789,586
Project of renovation and upgrade of Vinpearlland Amusement Parks	-	648,487,376,774
Vinhomes Times City project	-	165,329,465,865
Other projects	15,282,099,346	3,853,074,585
TOTAL	<u>2,462,055,543,041</u>	<u>4,453,581,454,272</u>

- (i) This comprises direct costs incurred for the construction of Vidifi project, including site clearance costs, labour costs, construction management costs, design costs and other related costs.
- (ii) This comprises direct costs incurred for the construction of Lang Hoa – Tien Phong project, such as site clearance costs, construction management costs, design costs and other related costs.
- (iii) This comprises direct costs incurred for the construction of schools, public house and underground parking component in Vinhomes Green Bay project and other allocated common costs, such as land use fees, compensation and site clearance costs, capitalised borrowing costs, planning and design costs, construction management costs and other related costs.
- (iv) This comprises direct costs incurred for the construction of shopping malls and other components in Vinhomes Metropolis project and other allocated common costs, such as land use fees, land compensation and site clearance costs, planning and design costs, construction management costs and other related costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended**18. LONG-TERM INVESTMENTS**

Currency: VND

	Notes	Ending balance		Beginning balance	
		Cost	Provision	Cost	Provision
Investments in associates	18.1	9,443,697,124	-	8,846,077,533,594	-
Investments in other entities	18.2	1,695,528,410,000	-	1,645,613,852,400	-
Held-to-maturity investment	(i)	50,000,000,000	-	50,000,000,000	-
TOTAL		1,754,972,107,124	-	10,541,691,385,994	-

- (i) This represents the investments in bonds of Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ba Dinh branch, with term of 120 months and interest rate of 7.57% per annum for the first year. Interest rate from the following years would be 12-month individual saving interest (+) 1% per annum. The carrying amount of these bonds as at 31 December 2017 is VND50 billion.

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18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in associates

Movements of the investments in associates are presented below (*):

	Vincom Retail JSC	VinEco LLC (i)	Vinmec JSC	Vinaconex Water Supply JSC ("Vinasupco JSC") (ii)	Ta, Tang Long LLC	Total
						Currency: VND
Cost of investment:						
Beginning balance	5,476,569,034,588	500,490,000,000	1,270,685,208,344	872,000,000,000	9,000,000,000	8,228,744,242,932
Decrease	(5,476,569,034,588)	(500,490,000,000)	(1,270,685,208,344)	(872,000,000,000)	-	(8,219,744,242,932)
Ending balance	-	-	-	-	9,000,000,000	9,000,000,000
Accumulated share in post-acquisition profit/(loss) of the associates:						
Beginning balance	567,466,315,520	(2,763,530,801)	49,333,970,395	3,268,082,450	28,453,098	617,333,290,662
Share of profit/(loss) from associates	108,913,047,494	(143,914,090,651)	(81,889,820,374)	47,535,880,381	415,244,026	(68,839,739,124)
(Decrease)/increase	(676,379,363,014)	146,677,621,452	32,555,849,979	(50,903,962,831)	-	(548,049,854,414)
Ending balance	-	-	-	-	443,697,124	443,697,124
Net carrying amount:						
Beginning balance	6,044,035,350,108	597,726,469,199	1,320,019,178,739	875,268,082,450	9,023,453,098	8,846,077,533,594
Ending balance	-	-	-	-	9,443,697,124	9,443,697,124

(*) The fair value of these investments has not been determined as at 31 December 2017 due to lack of market information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended**18. LONG-TERM INVESTMENTS** (continued)**18.1 Investments in associates** (continued)

<i>Entity</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Voting rights (%)</i>	<i>Equity interest (%)</i>	<i>Voting rights (%)</i>	<i>Equity interest (%)</i>
Tay Tang Long LLC	31.00	30.44	31.00	25.09
Vinmec JSC (Note 4.2)	-	-	45.05	45.05
Vincom Retail JSC (Note 4.3)	-	-	25.71	25.52
Viwasupco JSC (i)	-	-	43.60	35.29
VinEco LLC (ii)	-	-	30.00	30.00

- (i) On 1 September 2017, Ecology JSC, a subsidiary, completed the disposal of its entire shares in Viwasupco JSC to counterparties.
- (ii) On 28 December 2017, the Company completed the disposal of its entire shares in VinEco LLC to Vingroup JSC, parent company. Thereby, VinEco LLC is no longer an associate of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities

Details of other long-term investments as at 31 December 2017 are as follows (*):

	Ending balance			Beginning balance			Currency: VND
	Number of shares	Voting rights (%)	Ownership (%)	Cost (VND)	Number of shares	Ownership (%)	
Vincom Retail JSC (i)	156,888,450	8.25	8.25	1,568,884,500,000	-	-	-
Ho Chi Minh City Investment Service Trading JSC (ii)	2,770,980	1.00	1.00	81,743,910,000	-	-	-
Vincom General Service Trading LLC ("Vinservice LLC") (iii)	(**)	6.00	6.00	24,000,000,000	(**)	6.00	24,000,000,000
Vinacademy Education and Training LLC ("VinAcademy LLC") (iv)	(**)	6.00	6.00	15,000,000,000	-	-	-
Southern Star JSC	590,000	0.98	0.98	5,900,000,000	590,000	0.98	5,900,000,000
Vinpearl JSC (v)	-	-	-	-	20,731,830	10.30	1,303,517,300,200
Vinpearl Trading Investment JSC (v)	-	-	-	-	25,158,966	10.30	251,539,660,000
Metri JSC (Note 4.1)	-	-	-	-	1,000,800	1.20	32,350,863,000
VIWACO JSC ("VIWACO JSC")	-	-	-	-	1,201,800	15.00	24,487,200,000
Hai Linh Energy Joint Stock Company (vi)	-	-	-	-	30,000	3.00	3,438,829,200
Vinhomes 2 Real Estate Trading LLC	(**)	-	-	-	(**)	6.00	360,000,000
TOTAL				1,695,528,410,000			1,645,613,852,400

(*) The Company and its subsidiaries did not determine fair value of these investments due to lack of market information as at 31 December 2017, except for the investment in Vincom Retail JSC.

(**) These are limited liabilities companies.

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18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in other entities (continued)

- (i) In September 2017, the Company completed the disposal of 78.5 million shares in Vincom Retail JSC to individuals. During the same period, preference shareholders of Vincom Retail JSC exercised the conversion options to convert preference shares into ordinary shares. Thereby, the ownership of the Company in Vincom Retail JSC decreased to 8.25%. The fair value of this investment as at 31 December 2017 is VND7,397 billion.
- (ii) In December 2017, the Company completed the acquisition of 1% shares in Vicentra JSC from Can Gio Tourist City Corporation ("Can Gio Tourist JSC"), an affiliate.
- (iii) On 5 April 2017, Vincom 3 Construction Management LLC ("Vincom 3 Construction LLC") changed its registered name into Vinservice LLC.
- (iv) During the year, the Company contributed capital in this entity.
- (v) According to the merger contract dated 8 November 2017 signed between Vinpearl JSC and Vinpearl Trading Investment JSC, all the shares currently held by shareholders of Vinpearl Trading Investment JSC will be exchanged with shares of Vinpearl JSC at the ratio of 1:1 (01 share of Vinpearl JSC is exchanged for 01 share of Vinpearl Trading Investment JSC). Thereby, the investment of the Company in Vinpearl Trading Investment JSC became the investment in Vinpearl JSC.

On 28 December 2017, the Company completed the disposal of its entire shares in Vinpearl JSC to Vingroup JSC, the parent company.

- (vi) In February 2017, the Company transferred its entire investment in Hai Linh Energy JSC to Vingroup JSC, the parent company.

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19. GOODWILL

	Currency: VND				Total
	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Lieu Giai JSC	Goodwill arising from acquisition of Gia Lam Urban LLC	Goodwill arising from acquisition of Phu Gia LLC	
Cost:					
Beginning balance	369,866,854,773	288,148,907,591	1,235,307,223	40,344,641,425	699,595,711,012
Ending balance	369,866,854,773	288,148,907,591	1,235,307,223	40,344,641,425	699,595,711,012
Accumulated amortisation:					
Beginning balance	1,469,771,349	1,184,173,593	5,076,605	155,799,897	2,824,321,444
Amortisation for the year	36,986,685,477	28,814,890,759	123,530,722	4,034,464,143	69,959,571,101
Ending balance	38,456,456,826	29,999,064,352	128,607,327	4,200,264,040	72,784,392,545
Net carrying amount:					
Beginning balance	368,397,083,424	286,964,733,998	1,230,230,618	40,178,841,528	696,770,389,568
Ending balance	331,410,397,947	258,149,843,239	1,106,699,896	36,144,377,385	626,811,318,467

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20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Balance	Amount payable	Balance	Amount payable
Short-term trade payables	629,985,256,556	629,985,256,556	1,325,938,486,355	1,325,938,486,355
- Lanmak Real Estate Construction Investment JSC	100,785,912,863	100,785,912,863	91,127,552,024	91,127,552,024
- A corporate counterparty providing construction services	66,222,458,251	66,222,458,251	136,602,642,874	136,602,642,874
- A corporate counterparty providing real estate management services	54,453,054,935	54,453,054,935	516,198,464,501	516,198,464,501
- Others	408,523,830,507	408,523,830,507	582,009,826,956	582,009,826,956
Short-term trade payables to related parties (Note 35)	295,405,326,152	295,405,326,152	340,336,215,012	340,336,215,012
TOTAL	925,390,582,708	925,390,582,708	1,666,274,701,367	1,666,274,701,367

20.2 Advances from customers

Currency: VND

	Ending balance	Beginning balance
Downpayments from customers under apartment sale and purchase agreements (i)	16,843,606,855,148	10,631,077,251,986
Others	2,137,409,256	31,958,832,159
TOTAL	16,845,744,264,404	10,663,036,084,145
<i>In which:</i>		
Advances from other customers	16,845,744,264,404	10,635,903,109,474
Advances from related parties (Note 35)	-	27,132,974,671

- (i) This represents downpayments to purchase apartments, villas and shophouses at Vinhomes Times City project, Vinhomes Green Bay project, Vinhomes Thang Long project and Vinhomes Metropolis project from customers who signed sale and purchase agreements with the Company and its subsidiaries.

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21. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	379,099,693,226	616,910,385,385	(871,578,330,632)	124,431,747,979
Value added tax	289,644,577,168	517,710,472,036	(730,422,785,136)	76,932,264,068
Personal income tax	3,200,862,878	6,782,721,263	(9,427,811,800)	555,772,341
Other taxes	237,658,610	58,825,775,889	(30,476,395,252)	28,587,039,247
TOTAL	672,182,791,882	1,200,229,354,573	(1,641,905,322,820)	230,506,823,635
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Reimbursement in the year</i>	<i>Ending balance</i>
Receivables				
Value added tax	98,942,332,623	806,615,449,254	(822,022,335,514)	83,535,446,363
TOTAL	98,942,332,623	806,615,449,254	(822,022,335,514)	83,535,446,363

22. SHORT-TERM ACCRUED EXPENSES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued interest expenses	782,481,153,118	540,714,901,489
Accrued cost for handed over apartments	506,239,161,968	246,808,820,819
Accrued construction costs	304,621,884,440	320,292,346,338
Accrued commission fees and other expenses related to apartments not yet handed over	132,626,220,949	66,857,868,592
Accrued labor costs	4,437,131,404	11,973,371,549
Other accrued expenses	8,030,831,724	16,370,587,329
TOTAL	1,738,436,383,603	1,203,017,876,116
<i>In which:</i>		
Other accrued expenses	1,254,035,975,214	801,374,754,869
Accrued expenses to related parties (Note 35)	484,400,408,389	401,643,121,247

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23. UNEARNED REVENUE

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Unearned revenue from leasing services (i)	16,617,259,917	35,765,531,305
Unearned revenue from entertainment services	-	4,350,329,981
Unearned revenue from capital contribution into Vincom Retail JSC	-	416,216,320
	<u>16,617,259,917</u>	<u>40,532,077,606</u>
Long-term		
Unearned revenue from leasing services (i)	268,018,281,667	1,084,011,858,038
Unearned revenue from capital contribution into Vincom Retail JSC	-	17,710,706,100
	<u>268,018,281,667</u>	<u>1,101,722,564,138</u>
TOTAL	<u>284,635,541,584</u>	<u>1,142,254,641,744</u>

- (i) This represents advances for office rentals from customers at Tower 1 and Tower 2 buildings in Vinhomes Times City project and from South Vincom Retail LLC for lease of shopping malls of Ecology JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. OTHER PAYABLES

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Downpayments from customers buying apartments and villas	3,995,676,778,890	3,024,710,050,382
Deposits by counterparties for shares transfer (i)	961,124,640,000	-
Maintenance fund of apartments handed over (ii)	471,081,820,805	296,078,519,457
Deposit by counterparties to conduct business co-operation contracts (iii)	188,000,000,000	-
Deposit from customers to guarantee implementation of sale and purchase agreements (iv)	69,328,051,450	-
Others	77,933,131,022	83,397,504,364
	<u>5,763,144,422,167</u>	<u>3,404,186,074,203</u>
Long-term		
Deposits received	4,453,549,069	5,279,232,731
	<u>4,453,549,069</u>	<u>5,279,232,731</u>
TOTAL	<u>5,767,597,971,236</u>	<u>3,409,465,306,934</u>
<i>In which:</i>		
Other payables	5,715,720,442,159	3,313,046,373,696
Other payables to related parties (Note 35)	51,877,529,077	96,418,933,238

- (i) This is deposits from counterparties to buy shares in a long-term investment owned by Ecology JSC.
- (ii) This is maintenance fund for apartments handed over in Vinhomes Times City project which will be transferred to the Building Management Board upon its establishment.
- (iii) This is an interest-bearing deposit from an affiliate to Lieu Giai JSC in accordance with a investment co-operation contract with the purpose of co-operation and transfer of shopping mall component at Vinhomes Metropolis project.
- (iv) This is deposit received from customers buying apartments at Vinhomes Times City project, bearing interest of 10% per annum, which will be used by the Company to complete legal procedures for land use right certificates and housing ownership certificates, other assets attached to land to be given to the customers.

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as at 31 December 2017 and for the year then ended

25. LOANS

	Beginning balance		Movement during the year		Ending balance		Currency: VND
	Balance	Amount payable	Increase	Decrease	Balance	Amount payable	
Short-term							
Loans from banks (i)	226,949,095,582	226,949,095,582	750,436,598,625	(977,385,694,207)	-	-	-
<i>In which: Current portion of long-term loans</i>	-	-	-	-	-	-	-
Loans from a corporate counterparty (ii)	-	-	2,550,000,000,000	(550,000,000,000)	2,000,000,000,000	2,000,000,000,000	-
Loans from related parties (Note 35)	8,929,678,052,030	8,929,678,052,030	24,101,925,022,223	(26,332,012,583,925)	6,699,590,490,328	6,699,590,490,328	-
	9,156,627,147,612	9,156,627,147,612	27,402,361,620,848	(27,859,398,278,132)	8,699,550,490,328	8,699,590,490,328	-
Long-term							
Loans from banks	-	-	1,213,565,229,651	-	1,213,565,229,651	1,213,565,229,651	-
<i>In which: Current portion of long-term loans</i>	-	-	-	-	-	-	-
Corporate bond (Note 25.1)	-	-	5,414,121,466,418	-	5,414,121,466,418	5,414,121,466,418	-
	-	-	6,627,686,696,069	-	6,627,686,696,069	6,627,686,696,069	-
TOTAL	9,156,627,147,612	9,156,627,147,612	34,030,048,316,917	(27,859,398,278,132)	15,327,277,186,397	15,327,277,186,397	-

Currency: VND

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25. LOANS (continued)

(i) Details on long-term loans from bank is presented as below:

<i>Lender</i>	<i>Ending balance (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate</i>	<i>Collaterals</i>
Vietnam Technological and Commercial Joint Stock Bank	1,213,565,229,651	Principal amount is paid in full on 18 January 2021. Interest is paid in each three-month period and on 18th	Interest rate for the first period is 10% per annum. Interest rate for the following periods is calculated as the average of 12-month interest paid-in-arrears VND saving rate for individual from 4 domestic trading banks: Vietcombank, Vietinbank, BIDV and Agribank, plus 3.33% per annum	Capital contribution amount of Ecology JSC in Gia Lam Urban LLC, VIC shares hold by a subsidiary and other collaterals agreed upon by both parties
TOTAL	<u>1,213,565,229,651</u>			

(ii) Details on loans from a corporate counterparty as at 31 December 2017:

<i>Lender</i>	<i>Ending balance VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collaterals</i>
Vinhomes Real Estate Management LLC ("Vinhomes Management LLC")	2,000,000,000,000	7	21 December 2018	None
	<u>2,000,000,000,000</u>			

25.1 Corporate bond

This is corporate bond issued by the Company bearing the interest rate of 9.2% per annum for the first 2 interest-bearing periods. In subsequent periods, interest rate will be the total of 3.25% per annum and the reference interest rate which is the average of 12-month interest paid-in-arrears VND individual saving interest rates announced by Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Vietnam Bank for Agriculture and Rural Development in each interest-bearing period.

Collateral of this bond includes assets, rights and rewards of Vinpearl JSC related to Vinpearl Eco-tourism and Cultural Park project.

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26. LONG-TERM PROVISIONS

This represents provision for repairing costs for apartments and villas at Vinhomes Times City project and Vinhomes Green Bay project in accordance with warranties provision in sale and purchase agreements.

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

		Issued share capital	Other funds belonging to owners' equity (iii)	Undistributed earnings	Non-controlling interests	Total
Previous year						
Beginning balance		2,000,000,000,000	(41,216,278,212)	1,445,491,007,481	3,723,275,155,843	7,128,549,925,112
- Capital contribution from non-controlling shareholders		-	-	-	3,525,373,035,000	3,525,373,035,000
- Investment in new subsidiaries		-	(2,759,030,246,311)	-	4,097,282,361,342	1,338,252,115,031
- Net profit for the year		-	-	1,648,549,290,410	558,749,834,711	2,207,299,125,121
- Changes of equity interest in subsidiaries without loss of control		-	55,180,582,547	(124,234,737,571)	(330,219,757,216)	(399,273,912,240)
- Share common control reserve from associate		-	(23,556,737,330)	-	-	(23,556,737,330)
- Disposal of subsidiaries		-	-	-	(3,567,851,036,077)	(3,567,851,036,077)
- Dividend declared to non-controlling shareholders		-	-	-	(559,850,367,507)	(559,850,367,507)
Ending balance		2,000,000,000,000	(2,768,622,679,306)	2,970,805,560,320	7,345,759,266,096	9,548,942,147,110
Current year						
Beginning balance		2,000,000,000,000	(2,768,622,679,306)	2,970,805,560,320	7,345,759,266,096	9,548,942,147,110
- Capital contribution from non-controlling shareholders		-	-	-	28,111,000,000	28,111,000,000
(i)		-	(50,184,876,756)	-	107,699,880,268	57,515,003,512
- Investment in new subsidiaries (ii)		-	-	1,409,642,043,514	155,847,016,240	1,565,489,059,754
- Net profit for the year		-	-	603,537,326,742	(1,146,823,045,242)	(543,285,718,500)
- Changes of equity interest in subsidiaries without loss of control		-	-	19,313,202,608	-	19,313,202,608
- Share common control reserve from associate		-	2,719,689,705,051	-	(3,271,958,903,092)	(552,269,198,041)
- Disposal of subsidiaries		-	-	-	-	-
Ending balance		2,000,000,000,000	(99,117,851,011)	5,003,298,133,184	3,219,605,214,270	10,123,785,496,443

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

- (i) Capital contribution from non-controlling shareholders:

This is capital contribution from non-controlling shareholders of Prime Land JSC.

- (ii) Investment in new subsidiaries:

In April 2017, the Company completed the acquisition of additional 96.8% shares of Metri JSC from Vingroup JSC, parent company. Thereby, Metri JSC became a subsidiary of the Company, non-controlling interest increased by VND53 billion and other reserve decreased by VND50 billion.

In May 2017, the Company and its subsidiaries completed the acquisition of 91.48% shares of Prime Land JSC from Individuals. Therefore, Prime Land JSC became a subsidiary of the Company and non-controlling interest increased by VND54 billion.

- (iii) The difference between the value of considerations and net assets of acquirees arising from business combinations under common control. Movements of other reserves are presented below:

	Currency: VND
	Amount
Beginning balance	(2,768,622,679,306)
Arising from business combination with Metri JSC (Note 4.1)	(50,184,876,756)
Decrease from disposal of equity interest and loss of control in Vinpearlland JSC (Note 4.3)	2,719,689,705,051
Ending balance	(99,117,851,011)

27.2 Capital transactions with owners

	Current year	Previous year
	Currency: VND	
Contributed share capital		
Beginning balance	2,000,000,000,000	2,000,000,000,000
Ending balance	2,000,000,000,000	2,000,000,000,000

27.3 Shares

	Ending balance	Beginning balance
Authorised shares	200,000,000	200,000,000
Issued shares	200,000,000	200,000,000
Ordinary shares	200,000,000	200,000,000
Preference shares	-	-
Shares in circulation	200,000,000	200,000,000
Ordinary shares	200,000,000	200,000,000
Preference shares	-	-

The par value of the outstanding ordinary share is: VND10,000 per share (as at 31 December 2016: VND10,000 per share).

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28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	15,297,312,397,141	11,217,376,095,522
<i>In which:</i>		
Revenue from sale of inventory properties		
(i)	12,780,318,223,633	9,339,339,587,138
Revenue from amusement park services	1,334,428,299,282	190,545,532,140
Revenue from retail outlets	875,032,962,332	538,750,231,729
Revenue from leasing investment properties and rendering related services		
(ii)	263,340,348,860	132,859,502,428
Revenue from rendering hospital and related services	-	987,473,153,808
Others	44,192,563,034	28,408,088,279
Deductions	-	-
Net revenue	15,297,312,397,141	11,217,376,095,522
<i>In which:</i>		
Revenue from others	15,126,637,985,674	11,121,295,683,197
Revenue from related parties	170,674,411,467	96,080,412,325

- (i) Revenue from sale of inventory properties mainly derives from the transfer of apartments and villas in Vinhomes Times City project, Vinhomes Green Bay project, Vinhomes Thang Long project and Vincom Bien Hoa shopping mall.
- (ii) This revenue mainly derives from leasing outlets, offices and rendering of related services in Vinhomes Times City project and shopping malls of Ecology JSC.

28.2 Finance income

	Currency: VND	
	Current year	Previous year
Interest income	541,879,952,178	49,048,942,251
Gains from investment activities	421,805,183,687	410,698,503,868
Dividend income	-	144,000,000,000
Other finance income	-	216,385,093,238
Foreign exchange gains	582,910,448	1,901,972,373
TOTAL	964,268,046,313	822,034,511,730

28.3 Revenue and expenses relating to investment properties

	Currency: VND	
	Current year	Previous year
Rental income from leasing investment properties	263,340,348,860	132,859,502,428
Direct operating expenses of investment properties that generated rental income during the year	(275,439,560,242)	(135,463,397,211)
Income from trading investment properties	-	-

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as at 31 December 2017 and for the year then ended

29. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of inventory properties sold	8,499,524,190,215	5,238,626,253,734
Cost of leasing investment properties and other related services	275,439,560,242	135,463,397,211
Cost of goods sold at retail outlets	731,683,524,494	376,711,492,169
Cost of amusement park services	597,365,670,084	191,243,640,856
Cost of rendering hospital and other related services	-	808,499,666,278
Others	26,609,586,172	13,014,735,704
TOTAL	10,130,622,531,207	6,763,559,185,952

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses incurred during the year		
Consultant fees for apartments handed over	439,351,202,198	423,204,126,778
Commission fees for apartments handed over	285,273,803,137	267,412,079,609
Rental expenses of retail outlets	223,080,732,256	194,818,980,130
Vinhomes brand name royalty fees	139,032,120,079	99,112,805,363
Advertising, marketing expenses	106,024,427,253	74,992,282,788
Others	393,047,268,198	238,795,016,623
	<u>1,585,809,553,121</u>	<u>1,298,335,291,291</u>
General and administrative expenses incurred during the year		
Expenses for external services	167,532,596,621	306,145,406,078
Labour costs	102,413,761,345	277,541,877,662
Depreciation and amortisation	86,413,850,614	96,308,970,161
Donation	52,702,865,528	174,580,925,789
Others	43,449,984,887	29,297,556,029
	<u>452,513,058,995</u>	<u>883,874,735,719</u>
TOTAL	2,038,322,612,116	2,182,210,027,010

31. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	901,949,220,589	384,720,077,362
Loss from disposals of investments	733,888,966,909	559,506,689,732
Foreign exchange losses	16,182,190,389	1,661,845,568
Others	396,777,481	774,569,023
TOTAL	1,652,417,155,368	946,663,181,685

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32. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other Income		
Penalty from breach of contracts	42,910,278,443	11,333,993,505
Gain from capital contribution	-	14,403,318,072
Receipt from sponsors	-	147,999,348,415
Others	48,896,564,677	7,812,623,414
	<u>91,806,843,120</u>	<u>181,549,283,406</u>
Other expenses		
Disposal of fixed assets (i)	277,174,546,052	17,754,174,885
Penalty on late payment of land use fee	53,517,649,674	18,657,272,291
Others	4,397,801,825	2,042,911,178
	<u>335,089,997,551</u>	<u>38,454,358,354</u>
NET OTHER (LOSS)/PROFIT	<u>(243,283,154,431)</u>	<u>143,094,925,052</u>

(i) These include losses from disposal of stores of VinDS LLC and disposal of investment property of Ecology JSC as presented in Note 13 and Note 15.

33. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	16,991,616,474,014	7,307,158,644,106
External service expenses	1,886,926,780,572	1,706,974,135,627
Raw materials	889,244,379,883	619,285,512,762
Depreciation and amortisation	410,151,852,498	355,233,525,481
Labour costs	309,607,229,539	738,653,335,747
Others	173,490,710,616	286,996,449,611
TOTAL	<u>20,661,037,427,122</u>	<u>11,014,301,603,334</u>

34. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. CORPORATE INCOME TAX (continued)

34.1 CIT expenses

	Currency: VND	
	Current year	Previous year
Current tax expenses	574,855,234,140	585,985,392,868
Deferred tax (income)/expenses	(31,562,245,294)	1,621,267,702
TOTAL	543,292,988,846	587,606,660,570

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

	Currency: VND	
	Current year	Previous year
Accounting profit before tax	2,108,782,048,600	2,794,905,785,692
At CIT rate applied to the Company	421,756,409,720	558,981,157,138
Losses of subsidiaries	117,323,994,254	101,254,030,318
Impact from difference in CIT rate applicable for subsidiaries	(98,247,010,299)	502,588,223
Impacts from acquisition and disposal transactions in the consolidated financial statements	70,704,162,764	(34,582,774,061)
Differences of cost of goods sold between the separate financial statements and the consolidated financial statements	42,236,809,853	-
CIT adjustments of subsidiaries	(21,986,803,707)	-
Tax losses carried forward	(18,344,184,968)	-
Shared loss/(profit) from associates	17,630,588,346	(100,966,529,607)
Goodwill amortisation in the consolidated financial statements	13,991,914,220	7,533,802,092
Dividend income	(6,540,000,000)	(28,800,000,000)
Expenses without eligible supporting documents	2,281,304,482	20,102,958,792
Loan interest corresponding to the uncontributed chartered capital	20,565,934	6,055,110
Losses ineligible for offsetting against taxable income	-	63,575,372,565
Others	2,465,238,247	-
Estimated CIT expenses	543,292,988,846	587,606,660,570

34.2 Current CIT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. CORPORATE INCOME TAX (continued)

34.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

Currency: VND

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Deferred tax assets				
Revenue from outright sales	24,041,041,601	-	24,041,041,601	-
Accruals for early settlement penalties subject to interest support program and deferred revenue of parking services	7,939,927,647	3,907,202,747	4,032,724,900	3,907,202,747
Selling expenses for real estate project	7,763,011,588	4,347,971,278	3,488,478,793	(5,528,470,449)
Net deferred tax assets	39,743,980,836	8,255,174,025		
Net deferred tax credit/(charge) to consolidated income statement			31,562,245,294	(1,621,267,702)

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company and its subsidiaries has aggregated accumulated tax losses of VND1,602,149,409,988 (31 December 2016: VND1,047,510,394,385) available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 31 December 2017</i>	<i>Forfeited</i>	<i>Unutilized at 31 December 2017</i>
2014	2019	94,423,077,231	(94,423,077,231)	-	-
2015	2020	89,015,408,311	-	-	89,015,408,311
2016	2021	910,777,701,314	(44,003,166,210)	-	866,774,535,104
2017	2022	646,359,466,573	-	-	646,359,466,573
TOTAL		1,740,575,653,429	(138,426,243,441)	-	1,602,149,409,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES

35.1 Significant transactions of the Company and its subsidiaries with related parties

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows:

			Currency: VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vingroup JSC	Parent company	Borrowings	(14,024,758,494,445)	(7,115,454,052,469)
		Repayment of borrowings	14,233,593,670,344	7,143,010,876,570
		Share transferring receivables	9,828,660,610,678	-
		Share transferring received	(6,408,829,200)	-
		Money transferred into Master account	4,712,763,476,758	4,016,551,091,373
		Receipts from Master account	(4,675,025,484,962)	(4,411,856,390,150)
		Share transferring payables	(4,386,006,520,000)	(4,415,561,419,672)
		Share transferring paid	4,386,006,520,000	4,415,561,419,672
		Lending receivables	679,000,000,000	2,650,000,000,000
		Lending received	(2,939,000,000,000)	(2,185,800,000,000)
		Interest payables	(383,755,364,118)	(221,346,947,349)
		Interest paid	603,164,309,832	77,919,164,071
		Payables for Vinhomes brand royalty fee	(129,985,738,053)	(109,024,085,899)
		Payment for Vinhomes brand royalty fee paid	238,356,726,618	653,097,334
		General management fee payables	(54,328,334,559)	(103,570,310,538)
		General management fee paid	90,912,897,161	61,088,590,304
		Interest receivables	82,422,277,777	33,345,394,445
		Interest received	(84,678,310,334)	(36,752,372,223)
		Repayment of sponsor fee paid by parent company	80,200,000,000	-
		Real estate development fee payables	-	(17,837,816,307)
		Real estate development fee paid	2,498,585,780	15,339,230,527

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows: (continued)

Currency: VND				
Related parties	Relationship	Transactions	Current year	Previous year
Vicentra JSC	Affiliate	Borrowings	(3,150,000,000,000)	-
		Repayment of borrowings	2,290,000,000,000	-
		Interest payables	(62,288,333,332)	-
		Interest paid	11,433,333,333	-
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Affiliate	Borrowings	-	(2,150,000,000,000)
		Repayment of borrowings	2,110,000,000,000	40,000,000,000
		Interest payables	(105,550,083,333)	(49,151,666,666)
		Interest paid	6,000,000,000	-
		Share transferring payables	-	(409,838,070,000)
		Share transferring paid	-	409,838,070,000
		Receivables from disposal of assets	-	80,297,577,645
		Receipts from disposal of assets	-	(80,297,577,645)
		Payables for business cooperation expense	-	(25,034,178,487)
		Payments for business cooperation expense	-	37,397,809,768
Times Trading Investment and Development One Member LLC ("Times Trading LLC")	Affiliate	Lending receivables	1,840,000,000,000	-
		Lending received	(210,000,000,000)	-
		Interest receivables	45,888,888,889	-
		Interest received	(2,333,333,334)	-
Can Gio Tourist JSC	Affiliate	Borrowings	(1,630,000,000,000)	-
		Repayment of borrowings	1,630,000,000,000	-
		Share transferring payables	(81,743,910,000)	-
		Interest payables	(42,781,666,667)	-
		Interest paid	42,781,666,667	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Tan Lien Phat Construction Investment Corporation JSC ("Tan Lien Phat JSC")	Affiliate	Lending receivables	1,160,000,000,000	-
		Lending received	(806,000,000,000)	-
		Borrowings	-	(900,000,000,000)
		Repayment of borrowings	900,000,000,000	-
		Interest receivables	25,096,944,443	-
		Interest received	(3,919,999,999)	-
		Interest payables	(777,777,778)	(14,913,888,888)
		Interest paid	9,158,333,333	-
		Receipts from sponsorship	-	192,358,933,030
		Rental payables	-	(32,482,568,846)
		Rental paid	-	27,842,201,868
		Receipts in advance to provide services	-	(23,613,602,195)
Xavinco JSC	Affiliate	Borrowings	(1,070,000,000,000)	-
		Repayment of borrowings	303,000,000,000	-
Vinpearl JSC	Affiliate	Interest payables	(47,825,361,113)	-
		Borrowings	(680,000,000,000)	-
		Repayment of borrowings	1,040,000,000,000	-
		Interest payables	(16,616,582,177)	-
		Interest paid	8,153,582,177	-
		Dividend receivables	-	144,000,000,000
		Dividend receipts	-	(144,000,000,000)
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Borrowings	(1,040,000,000,000)	-
		Repayment of borrowings	305,000,000,000	-
		Revenue from business cooperation contract	44,202,542,255	28,062,814,968
		Receipt from revenue from business cooperation contract	(40,979,533,779)	-
		Interest payables	(17,084,861,112)	-
		Payables for service package sold together with apartments	(2,941,664,000)	(16,510,620,000)
		Payments for service package sold together with apartments	2,941,664,000	16,510,620,000

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows: (continued)

			Currency: VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vincommerce General Commerce Services JSC ("Vincommerce JSC")	Affiliate	Payables for purchased goods	(923,277,752,028)	(821,806,993,103)
		Payments for purchased goods	953,042,807,463	702,904,454,135
		Expenses for machinery, materials and services payables	(187,073,531,711)	-
		Expenses for machinery, materials and services paid	95,141,401,241	-
		Receivable from office rental revenue	27,112,781,944	24,830,480,856
		Receipt from office rental revenue	(24,553,504,798)	(24,830,480,856)
		Sales commission fee payables	(3,276,458,798)	-
		Sales commission fee paid	2,034,715,311	-
Saidong Urban Development and Investment JSC ("Sai Dong JSC")	Affiliate	Borrowings	(450,000,000,000)	(405,844,385,803)
		Repayment of borrowings	855,844,385,803	-
		Lending receivables	240,000,000,000	-
		Lending received	(240,000,000,000)	-
		Capital contribution received	(28,111,000,000)	-
		Interest payables	(12,937,000,942)	(9,190,278,269)
		Interest paid	22,127,279,211	-
		Receipts on behalf payables	-	(56,841,420,000)
		Receipts on behalf paid	-	56,841,420,000
		Share transferring receivables	-	44,255,614,197
		Share transferring received	-	(44,255,614,197)
Central Park Development LLC	Affiliate	Borrowings	(760,000,000,000)	-
		Repayment of borrowings	520,000,000,000	-
		Interest payables	(9,416,944,446)	-
		Interest paid	6,718,055,556	-
Metropolis Hanoi LLC	Affiliate	Borrowings	(700,000,000,000)	-
		Repayment of borrowings	80,000,000,000	-
		Lending receivables	(33,953,888,888)	-
Vietnam Books JSC	Affiliate	Repayment of borrowings	600,000,000,000	-

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions of the Company and its subsidiaries with related parties quan (continued)

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows: (continued)

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
VINFAST	Affiliate	Borrowings	(600,000,000,000)	-
Production and Trading LLC		Repayment of borrowings	600,000,000,000	-
		Interest payables	(12,835,277,778)	-
		Interest paid	12,835,277,778	-
Royal City Real Estate Development and Investment JSC ("Royal City JSC")	Affiliate	Share transferring payables	(543,285,718,500)	-
		Share transferring paid	543,285,718,500	-
		Borrowings	(440,000,000,000)	-
		Repayment of borrowings	20,000,000,000	-
		Interest payables	(6,821,111,112)	-
Xalivico LLC	Affiliate	Borrowings	(255,000,000,000)	-
		Repayment of borrowings	1,000,000,000	-
		Interest payables	(13,424,833,334)	-
VinAcademy LLC	Affiliate	Borrowings	(250,000,000,000)	-
		Repayment of borrowings	128,500,000,000	-
		Interest payables	(15,005,569,446)	-
Vinmec JSC	Affiliate	Lending receivables	170,000,000,000	-
		Capital contributed	-	283,677,400,000
Southern Star JSC	Affiliate	Repayment of borrowings	96,300,000,000	-
		Interest payables	(42,544,191,667)	-
		Share transferring receivables	32,665,960,000	-
Kind Heart Foundation	Under common owners	Advance of sponsor fee	91,382,084,246	-
		Sponsor fee paid	-	7,857,449,500
Vincom Retail JSC	Affiliate	Dividends receivables	80,947,254,143	-
		Dividends received	(80,947,254,143)	-
		Capital contributed	-	117,851,000,000
		Receipts on behalf paid	-	40,000,000,000
Vincom Construction and Consulting LLC ¹	Affiliate	Payables for purchased goods	(55,464,683,115)	-
		Payments for purchased goods	26,104,473,687	-
		Construction cost payables	(8,269,731,574)	(82,001,386,184)
		Construction cost paid	9,905,402,063	13,870,135,945

¹ In 2017, Vincom 6 Construction Management LLC was merged into Vincom 1 Construction Management LLC. Vincom 1 Construction Management LLC was changed its name to Vincom Construction and Consulting LLC in the same year.

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions of the Company and its subsidiaries with related parties in current year and prior year are as follows. (continued)

			Currency: VND	
Related parties	Relationship	Transactions	Current year	Previous year
North Vincom Retail LLC	Affiliate	Leasing retail outlet fee payables	(55,374,861,494)	(116,003,758,629)
		Leasing retail outlet fee paid	54,197,231,925	174,057,450,182
		Receivables from office rental revenue	13,568,630,283	14,758,892,527
		Receipts from office rental revenue	(13,652,642,733)	(14,613,638,124)
		Receivables from dispose assets	-	49,483,544,510
		Receipts from dispose assets	-	(46,495,339,339)
		Payables from transferring community house and land use rights	-	(29,747,276,212)
		Payments from transferring community house and land use rights	-	29,747,276,212
Vinservice LLC ¹	Affiliate	Construction cost payables	(11,215,946,108)	(303,614,684,478)
		Construction cost paid	24,490,003,190	217,131,962,410
Dong Phu Hung – Binh Thuan JSC	Affiliate	Lending receivables	-	482,100,000,000
		Lending received	-	(4,759,035,578,459)
		Transfer borrowings to Hung Phu JSC	-	(339,728,767,601)
		Receipts on behalf payables	-	(303,873,570,000)
		Receipts on behalf paid	-	303,873,570,000
		Interest receivables	-	222,152,168,210
		Interest received	-	(243,844,973,765)
		Settle borrowings arisen from offsetting liabilities among three parties	-	(154,335,653,940)
Vincom Security Services LLC ("Vincom Security LLC")	Affiliate	Share transferring payables	-	(409,838,070,000)
		Share transferring paid	-	409,838,070,000
Vinhomes 1 Real Estate Trading LLC	Affiliate (until 8 May 2017)	Commission and marketing fee payables	-	(37,266,446,661)
		Commission and marketing fee paid	-	9,866,831,344

¹ Previously known as Vincom 3 Construction Management LLC.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Trade receivables (Note 6.1)				
Vingroup JSC	Parent company	Share transferring receivables	9,822,251,781,478	-
Southern Star JSC	Affiliate	Share transferring receivables	32,665,960,000	-
Vinschool LLC	Affiliate	Receivables from business cooperating contract	6,025,154,038	2,802,145,562
Vincommerce JSC	Affiliate	Receivables from rendering of services	2,559,277,146	6,648,417,327
Vincom Retail JSC	Affiliate	Receivables from leasing and related services	1,590,576,173	-
South VCR LLC	Affiliate	Receivables from leasing of real estates.	1,587,730,744	-
VINFAST Production and Trading LLC	Affiliate	Receivables from leasing	1,547,810,047	-
North VCR LLC	Affiliate	Rental receivables	1,093,419,580	1,184,932,030
BFF Commercial Trading Investment LLC	Affiliate	Management fee receivables	208,121,676	3,799,353,311
Vinpearl JSC ¹	Affiliate	Receivables from rendering of services	-	3,160,576,180
Other affiliates		Other trade receivables	1,541,513,198	-
			9,871,071,344,080	17,595,424,410

¹ This is a balance of Vinpearl Nha Trang LLC which was merged into Vinpearl JSC on 3rd January 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended**35. TRANSACTIONS WITH RELATED PARTIES (continued)****35.2 Amounts due to and due from related parties (continued)**

Amounts due to and due from related parties at the 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>
Advances to suppliers (Note 6.2)				
Kind Heart Foundation	Under common owners	Advances for sponsor fee	92,448,663,563	1,066,579,317
Vincommerce JSC	Affiliate	Advances for construction materials	6,040,636,752	-
		Advances for goods and services	3,520,314,840	-
Vingroup JSC	Parent company	Advances for management fee	3,726,870,242	-
North VCR LLC	Affiliate	Advances for management fee, rental fee	441,652,547	6,308,890,460
Vincom Construction and Consulting LLC	Affiliate	Advance for construction fee	-	2,429,982,736
Other affiliates		Other advances to suppliers	1,898,444,772	-
			108,076,582,716	9,805,452,513
Other receivables (Note 8)				
Vingroup JSC	Parent company	Receivables from centralized cash flow management accounts	53,070,861,526	15,332,869,730
		Interest receivables	-	2,256,032,557
Times Trading LLC	Affiliate	Interest receivables	43,555,555,555	-
Tan Lien Phat JSC	Affiliate	Interest receivables	23,094,166,666	-
Vincom Construction and Consulting LLC	Affiliate	Receivables from finalisation adjustment	16,043,403,463	-
South VCR LLC	Affiliate	Receivables from deposits on office and shopping mall rental	3,912,295,197	-
North VCR LLC	Affiliate	Receivables from deposits on office and shopping mall rental	3,000,285,150	-
Vincom Retail JSC	Affiliate	Receivables from deposits on office and shopping mall rental	2,312,231,832	-
Vinmec JSC	Affiliate	Interest receivables	386,944,440	-
Hai Linh Energy JSC	Affiliate	Interest receivables	-	58,810,334
Other affiliates		Other receivables	-	1,648,089,786
			145,375,743,829	19,295,802,407

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties at the 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>
Trade payables (Note 20.1)				
Vincommerce JSC	Affiliate	Payables for machinery, materials and services	92,832,889,672	900,759,202
		Commission fee payables	1,241,743,487	-
		Payables for purchased goods	-	29,765,055,435
Can Gio Tourist JSC	Affiliate	Share transferring payables	81,743,910,000	-
Vingroup JSC	Affiliate	Payables for materials, cards and services	32,043,746,050	-
		Interest payables	8,272,516,470	-
		VinID card accumulated points payables	4,488,851,062	1,277,185,499
		Gift certificate payables	2,202,904,000	-
		Vinhomes brand royalty fee payables	-	108,370,988,565
		Payables for general management fees	-	36,584,562,602
		Real estate development fee payables	-	2,498,585,780
Vincom Construction and Consulting LLC	Affiliate	Consulting and services payables	29,360,209,428	-
Vinservice LLC	Affiliate	Construction cost payables	2,320,691,507	-
		Construction cost payables	21,258,330,006	34,532,387,088
		Other payables	3,008,149,337	-
Vincom Retail JSC	Affiliate	Interest from deposit for business cooperation contract	1,457,000,000	-
		Payables for leasing and other related services	-	56,167,621,037
		Other payables	200,251,920	-
North VCR LLC	Affiliate	Payables for shopping mall leasing	773,020,244	3,492,186,275
		Other payables	3,437,883,274	-
South VCR LLC	Affiliate	Payables for leasing and other related services	-	13,355,329,431
		Other payables	50,716,600	-
Vinhomes 1 Real Estate Trading LLC	Affiliate (until 8 May 2017)	Apartment management and commission fee payables	-	27,500,000,000
Other affiliates		Other trade payables	10,712,513,095	25,891,554,098
			295,405,326,152	340,336,215,012
Advances from customers (Note 20.2)				
Tan Lien Phat JSC	Affiliate	Advances for purchase of goods	-	27,132,974,671
			-	27,132,974,671

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties at the 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 expense (Note 22)				
Phu Quoc Tourism JSC	Affiliate	Interest payables	148,701,749,999	49,151,666,666
Southern Star JSC	Affiliate	Interest payables	79,742,172,223	37,197,980,556
Vingroup JSC	Parent company	Interest payables	64,190,805,600	283,599,751,314
Vicentra JSC	Affiliate	Interest payables	50,854,999,999	-
Xavinco JSC	Affiliate	Interest payables	47,825,361,113	-
Metropolis Hanoi LLC	Affiliate	Interest payables	33,953,888,888	-
Vinschool LLC	Affiliate	Interest payables	17,084,861,112	-
VinAcademy LLC	Affiliate	Interest payables	15,005,569,446	-
Xalivico LLC	Affiliate	Interest payables	13,424,833,334	-
Central Park Development LLC	Affiliate	Interest payables	2,698,888,890	-
Vinpearl JSC ¹	Affiliate	Interest payables	-	11,138,750,002
Sai Dong JSC	Affiliate	Interest payables	-	9,190,278,269
Tan Lien Phat JSC	Affiliate	Interest payables	-	8,380,555,555
Hon Tre Investment and Development LLC	Affiliate	Interest payables	-	1,429,749,998
Cam Ranh Investment LLC	Affiliate	Interest payables	-	1,170,555,554
Vincom Security LLC	Affiliate	Security service payable	-	144,173,333
Other affiliates		Other accrued expenses	10,917,277,785	239,660,000
			484,400,408,389	401,643,121,247

¹ This is a balance of Vinpearl Quy Nhon JSC which was merged into Vinpearl JSC on 3rd January 2017.

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties (continued)

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

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>
Other payables (Note 24)				
Vincom Retail JSC	Affiliate	Deposit for investment co-operation	188,000,000,000 -	
Vingroup JSC	Parent company	Interest payables	39,938,694,445	-
		Receipts on behalf payables	2,262,768,400	83,610,228,126
		Other payables	108,477,993	-
Vincom Construction and Consulting LLC	Affiliate	Payment on behalf payables	4,905,694,998	-
		Payables for service expenses	2,384,992,237	-
Phu Quoc Tourism JSC	Affiliate	Other payables	-	11,477,905,609
Other affiliates		Payables for service expenses	2,276,901,004	1,330,799,504
			239,877,529,077	96,418,933,238

35.3 Details of lendings to related parties (Note 7)

Details of lendings as at 31 December 2017:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collaterals</i>
Times Trading LLC	Affiliate	840,000,000,000	7	25 October 2018	None
		790,000,000,000	7	16 May 2018	None
Tan Lien Phat JSC	Affiliate	555,000,000,000	7	19 July 2018	None
		329,000,000,000	7	27 December 2018	None
Vinmec JSC	Affiliate	170,000,000,000	7	19 December 2018	None
		2,684,000,000,000			

Details of lendings as at 31 December 2016:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collaterals</i>
Vingroup JSC	Parent company	2,260,000,000,000	7	27 June 2017	None
		390,000,000,000	7	21 June 2017	None
Hai Linh Energy JSC	Affiliate	4,200,738,202	7	21 October 2017	None
		2,654,200,738,202			

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.4 Details of borrowings from related parties (Note 25)

Details of borrowings as at 31 December 2017:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount</i> VND	<i>Interest rate</i> % per annum	<i>Maturity date</i>	<i>Collaterals</i>
Vingroup JSC	Parent company	1,500,000,000,000	7	25 December 2018	None
		660,000,000,000	7	14 December 2018	None
Vicentra JSC	Affiliate	860,000,000,000	7	15 July 2018	None
Xavinco JSC	Affiliate	767,000,000,000	7	4 April 2018	None
Vinschool LLC	Affiliate	735,000,000,000	7	21 August 2018	None
Metropolis Hanoi LLC	Affiliate	620,000,000,000	7	5 April 2018	None
Southern Star JSC	Affiliate	510,000,000,000	7	21 February 2018	None
Royal City JSC	Affiliate	420,000,000,000	7	13 October 2018	None
Xalivico LLC	Affiliate	254,000,000,000	7	5 April 2018	None
Central Park Development LLC	Affiliate	240,000,000,000	7	16 May 2018	None
VinAcademy LLC	Affiliate	121,500,000,000	7	9 January 2018	None
Tay Tang Long LLC	Affiliate	12,090,490,328	7	30 June 2018	None
		6,699,590,490,328			

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35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.4 Details of borrowings from related parties (continued)

Details of borrowings as at 31 December 2016:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount</i> <i>VND</i>	<i>Interest rate</i> <i>% per annum</i>	<i>Maturity date</i>	<i>Collaterals</i>
Vingroup JSC	Parent company	2,768,435,175,899	7	31 January 2017	None
		316,008,000,000	7	9 June 2017	None
		308,000,000,000	7	28 April 2017	None
		143,000,000,000	7	8 June 2017	None
		130,000,000,000	7	29 January 2017	None
		91,000,000,000	7	26 March 2017	None
		60,000,000,000	7	9 June 2017	None
		57,000,000,000	7	26 March 2017	None
Phu Quoc Tourism JSC	Affiliate	2,110,000,000,000	7	5 March 2017	None
Tan Lien Phat JSC	Affiliate	900,000,000,000	7	14 March 2017	None
Southern Star JSC	Affiliate	606,300,000,000	7	22 February 2017	None
Vietnam Books JSC	Affiliate	600,000,000,000	7	13 July 2017	None
Sai Dong JSC	Affiliate	405,844,385,803	7	5 September 2017	None
Vinpearl Quy Nhon JSC ¹	Affiliate	335,000,000,000	7	14 July 2017	None
Hon Tre Investment and Development LLC	Affiliate	43,000,000,000	7	14 July 2017	None
Cam Ranh Investment LLC	Affiliate	28,000,000,000	7	14 July 2017	None
Vinpearl Bai Dai LLC	Affiliate	16,000,000,000	7	14 July 2017	None
Tay Tang Long LLC	Affiliate	12,090,490,328	7	30 June 2017	None
		8,929,678,052,030			

¹ On 3rd January 2017, Vinpearl Quy Nhon JSC was merged into Vinpearl JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended**36. EARNINGS PER SHARE**

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

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary shareholders of the Company (after adjusting for dividend on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used by the Company and its subsidiaries in the basic and diluted earnings per share computations.

	Currency: VND	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	1,409,642,043,514	1,648,549,290,410
Adjusted for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	1,409,642,043,514	1,648,549,290,410

	Current year	Previous year
Weighted average number of ordinary shares for basic earnings per share	200,000,000	200,000,000
Effect of stock dividends issued in January 2018	400,000,000	400,000,000
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	600,000,000	600,000,000

	Currency: VND	
	Current year	Previous year (Restated)
Basic earnings per share	2,349	2,748
Diluted earnings per share	2,349	2,748

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

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37. SEGMENT INFORMATION

For the management purpose, the operating businesses are organised and managed separately according to the nature of the products and services provided, and consist of business segments as follows:

- ▶ Real estate trading: including trading apartments at real estate projects of the Company and its subsidiaries, leasing retail areas and offices in shopping malls, and redereing of services related to investment properties of the Company and its subsidiaries;
- ▶ Hospital and related services: including provision of health care and related services at Vinmec International General Hospital;
- ▶ Retail trading services: including provision of goods in retail outlets;
- ▶ Entertainment and related services: including theme parks, culinary village and other tourism services; and
- ▶ Others: including provision of education services, water supply and other services.

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37. SEGMENT INFORMATION (continued)

The following tables present revenue, expenses and certain assets information regarding the Company and its subsidiaries business segment as at 31 December 2017 and for the year then ended are as follows:

	Sales of inventory properties and related services	Entertainment and related services	Retail trading services	Others	Adjustments and eliminations	Total
Currency: VND						
Revenue						
Sales to external parties	13,448,701,163,283	1,334,428,299,282	875,032,962,332	44,192,563,034	-	15,702,354,987,931
Inter-segment sales (1)	4,049,863,993	-	-	-	(4,049,863,993)	-
Total net revenue	13,452,751,027,276	1,334,428,299,282	875,032,962,332	44,192,563,034	(4,049,863,993)	15,702,354,987,931
Results						
Depreciation and amortisation	174,357,574,333	144,603,615,904	91,190,662,261	-	-	410,151,852,498
Share in profit of associates	89,599,543,793	-	-	(177,752,485,525)	-	(88,152,941,732)
Segment profit/(loss) before tax (2)	2,773,518,124,985	706,407,350,385	(453,344,238,306)	17,671,595,186	(535,470,783,650)	2,108,782,048,600
Assets						
Investment in associates	-	-	-	9,443,697,124	-	9,443,697,124
Capital expenditure	2,385,198,418,497	303,317,677,818	125,529,767,513	123,610,743,108	-	2,937,656,606,936
Total assets (3)	36,464,658,824,399	-	424,921,785,355	1,287,426,887,520	13,126,811,528,281	51,303,819,026,055
Total liabilities (4)	30,596,093,028,186	-	814,544,224,910	-	9,769,396,276,516	41,180,033,529,612

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION (continued)

- Net inter-segment sales are eliminated in consolidation.
- Segment profit does not include:

Currency: VND

Finance income	964,268,046,313
Finance expenses	(1,652,417,155,368)
Other income	91,806,843,120
Other expenses	(335,089,997,551)
Provision for lending principal	(4,909,980,570)
TOTAL	(936,342,244,056)

Eliminate:
Inter-segment income

871,460,406

(935,470,783,650)

- Segment liabilities do not include the following items because these liabilities are managed on a group basis:

Currency: VND

Short-term loan receivables	9,477,028,513,431
Long-term loan receivables	3,257,497,661
Other current assets	206,578,466,985
Provision for doubtful short-term receivables	(98,748,669,305)
Prepaid corporate income tax	173,135,075,150
Value-added tax deductible	83,535,446,363
Deferred tax assets	39,743,980,836
Provision for obsolete inventories	(259,109,878,987)
Other short-term receivables	1,755,862,686,147
Investment in other entities	1,745,528,410,000
TOTAL	13,126,811,528,281

- Segment liabilities do not include the following items because these liabilities are managed on a group basis:

Currency: VND

Statutory obligations	230,506,823,635
Accrued interest expenses	782,481,153,118
Short-term loans	8,699,590,490,328
Long-term provisions	56,817,809,435
TOTAL	9,769,396,276,516

The Company and its subsidiaries monitor operating results separately for each business segment for the purpose of making resource allocation decision and operating result assessment. The result of each segment will be assessed based on the operating result which is also in line with operating result of the Company and its subsidiaries in consolidated financial statements. Nevertheless, financial activities of the Company and its subsidiaries (including finance income and finance expenses) are managed on centralized basis and are not subject to allocate to business segment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in the preparation of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

37. SEGMENT INFORMATION (continued)

The following tables present revenue, expenses and certain assets information regarding the Company and its subsidiaries business segment as at 31 December 2016 and for the year then ended are as follows:

	Sales of inventory properties and related services	Entertainment and related services	Hospital and related services	Retails trading services	Others	Adjustments and eliminations	Total
Currency: VND							
Revenue							
Sales to external parties	9,472,199,089,566	190,545,532,140	987,473,153,808	538,750,231,729	28,408,088,279	-	11,217,376,095,522
Inter-segment sales (1)	4,664,887,104	-	720,960,166	-	-	(5,385,847,270)	-
Total net revenue	9,476,863,976,670	190,545,532,140	988,194,113,974	538,750,231,729	28,408,088,279	(5,385,847,270)	11,217,376,095,522
Results							
Depreciation and amortization	52,388,553,965	47,322,271,086	176,788,913,336	60,380,257,668	18,353,529,426	-	355,233,525,481
Share in profit of associates	454,994,125,992	-	49,333,970,395	-	504,551,648	-	504,832,648,035
Segment profit/(loss) before tax (2)	3,433,542,490,666	(51,071,890,010)	(246,955,867,126)	(356,809,719,651)	-	16,200,771,813	2,794,905,735,692
Assets							
Investment in associates	6,053,063,803,207	-	1,320,019,178,739	-	1,472,994,551,648	-	8,846,077,533,594
Capital expenditure	4,321,248,027,630	682,195,061,732	52,720,352,310	114,800,090,340	-	-	5,170,963,532,012
Total assets (3)	28,388,859,009,301	2,003,016,169,034	-	698,062,392,174	766,165,554,400	5,664,642,657,542	37,520,745,782,451
Total liabilities (4)	17,102,987,661,607	230,839,254,107	-	232,129,056,875	-	10,405,847,662,752	27,971,803,635,341

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION (continued)

1. Net inter-segment sales are eliminated in consolidation.
2. Segment profit does not include:

Currency: VND

Finance income	822,034,511,730
Finance expenses	(946,663,181,685)
Other income	181,549,283,406
Other expenses	(38,454,358,354)
Provision for lending principal	(4,604,782,080)
TOTAL	13,861,473,017

Eliminate:

Inter-segment income	2,339,298,796
	16,200,771,813

3. Segment assets do not include the following items because these assets are managed on a group basis:

Currency: VND

Short-term loan receivables	3,122,655,962,694
Long-term loan receivables	3,989,915,115
Other current assets	96,816,638,037
Provision for doubtful short-term receivables	(8,733,688,735)
Prepaid corporate income tax	115,369,577,568
Value-added tax deductible	98,942,332,623
Deferred tax assets	8,255,174,025
Provision for obsolete inventories	(8,386,879,738)
Other short-term receivables	540,119,773,553
Investment in other entities	1,695,613,852,400
TOTAL	5,664,642,657,542

4. Segment liabilities do not include the following items because these liabilities are managed on a group basis:

Currency: VND

Statutory obligations	672,182,791,882
Accrued interest expenses	540,714,901,488
Short-term loans	9,156,627,147,612
Long-term provisions	36,322,821,770
TOTAL	10,405,847,662,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

37. SEGMENT INFORMATION (continued)

The Company and its subsidiaries monitor operating results separately for each business segment for the purpose of making resource allocation decision and operating result assessment. The result of each segment will be assessed based on the operating result which is also in line with operating result of the Company and its subsidiaries in consolidated financial statements. Nevertheless, financial activities of the Company and its subsidiaries (including finance income and finance expenses) are managed on centralized basis and are not subject to allocate to business segment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in the preparation of the consolidated financial statements.

38. COMMITMENTS AND CONTINGENCIES

Commitment under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract with Hanoi People's Committee and several other operating lease contracts with the minimum rental fee under these agreements as at 31 December 2017 are as follows:

	Currency: VND	
	Ending balance	Beginning balance (Reclassified)
Less than 1 year	48,063,593,847	48,063,593,487
From 1-5 years	225,526,669,666	209,396,158,874
More than 5 years	1,816,537,846,789	1,747,940,052,306
TOTAL	2,090,128,110,302	2,005,399,805,027

Under the business co-operation contracts signed in December 2014 between Ecology JSC and corporate counterparties with regard to construction and employment of Vincom Quang Trung project and Vincom Le Van Viet project, owned by Ecology JSC, corporate counterparties would receive revenue from rental fee as adjusted by agreement. The business cooperation contracts would come to due date in 30 years after completion and finalisation of these projects and two parties signed lease contract.

Commitment under operating leases where the Company and its subsidiaries are lessor

The Company and its subsidiaries, as lessor, have signed agreements for leasing offices, retail areas and multi-functional spaces with the minimum rental fee under these agreements as at 31 December 2017 are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	39,430,125,966	250,414,780,683
From 1-5 years	77,521,104,378	445,455,202,248
More than 5 years	422,257,194,540	523,148,596,392
TOTAL	539,208,424,883	1,219,018,579,323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

38. COMMITMENTS AND CONTINGENCIES (continued)

Commitments under finance leases

Ecology JSC, a subsidiary, has signed business cooperation contracts ("BCCs") with South Vincom Retail LLC for leasing retail areas at Vincom Quang Trung project and Vincom Le Van Viet project in which Ecology JSC is the lessor. In October 2017, the above BCCs were amended and reclassified as finance lease agreements. The present value of minimum rental fee under these contracts as at 31 December 2017 are as follows:

Currency: VND

	Ending balance			Beginning balance		
	Total minimum lease payments	Finance charges	Present value of payments	Total minimum lease payments	Finance charges	Present value of payments
Short-term receivables from finance lease						
Less than 1 year	19,451,635,857	1,422,474,881	18,029,160,976	-	-	-
Long-term receivables from finance lease						
From 1-5 years	83,155,743,291	35,894,216,874	47,261,526,417	-	-	-
More than 5 years	571,989,015,492	513,493,418,320	58,495,597,172	-	-	-
TOTAL	674,596,394,640	550,810,110,075	123,786,284,565	-	-	-

Capital expenditure commitments relating to on-going real estate projects

The Company has entered into a number of contracts relating to the development of the Vinhomes Green Bay project and Vinhomes Metropolis project. The outstanding commitment on these contracts were approximately VND3,936 billion as at 31 December 2017.

Commitment under interest support agreements to buyers of apartments and villas

According to three-party (3) interest support agreements among its subsidiaries, buyers of apartments and villas at Vinhomes Green Bay project, Vinhomes Metropolis project and certain banks, these banks commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest in committed period. According to these agreements, these banks will provide loans to the buyers to finance for the purchase apartments and villas at Vinhomes Green Bay project and Vinhomes Metropolis project. Its subsidiaries will support to pay interest for buyers at the rate announced by banks during a period from 12 to 30 months after the first disbursement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

39. RECLASSIFICATION OF CORRESPONDING FIGURES

Reclassification to certain corresponding figures on the consolidated financial statements as at 1 January 2017 following reassessment of management are as follows:

Currency: VND

	31 December 2016 (Previously presented)	Reclassification	31 December 2016 (Reclassified)
Consolidated balance sheet			
Tangible fixed assets	3,223,675,926,138	380,920,387,350	3,604,596,313,488
Cost	3,847,360,526,674	389,143,207,498	4,236,503,734,172
Accumulated depreciation	(623,684,600,536)	(8,222,820,148)	(631,907,420,684)
Investment properties	1,918,970,179,376	(380,920,387,350)	1,538,049,792,026
Cost	1,997,136,660,458	(389,143,207,498)	1,607,993,452,960
Accumulated depreciation	(78,166,481,082)	8,222,820,148	(69,943,660,934)

40. EVENTS AFTER THE BALANCE SHEET DATE

On 2 January 2018, the Company entered into a business cooperation contract with Vingroup JSC for the purpose of investing, developing and trading a number of real estate projects in Ha Long City, Hai Phong City and Hanoi City. Thereby, the Company transferred cooperation capital to Vingroup JSC for aggregate amount of VND7,900 billion.

On 3 January 2018, VinDS LLC was merged into Vincommerce JSC and VinDS LLC was no longer existed. Subsequently, on 8 January 2018, the Company completed the transfer of its entire shares in Vincommerce JSC to Vingroup JSC for total consideration of VND693 billion.

On 5 January 2018, the Company entered into conditional share transfer agreements with Vingroup JSC and Sai Dong JSC to acquire shares of some other subsidiaries within the Group. Thereby, the Company made total deposit with aggregate amount of VND2,232.5 billion.

In January 2018, the Company deposited VND1,988 billion to Vingroup JSC in accordance with a Principal Agreement on the transfer of shares dated 16 January 2018 to acquire shares of another entity within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

40. EVENTS AFTER THE BALANCE SHEET DATE (continued)

On 18 January 2018, the Company entered into the share transfer agreements to acquire 59% shares of Tay Tang Long LLC from Vingroup JSC and Vinpearl JSC with total consideration of VND177 billion. Thereby, Tay Tang Long LLC became a subsidiary of the Company.

On 18 January 2018, the General Meeting of Shareholders of the Company approved the Resolution No. 01/2018/NQ/DHDCD-HANOI CITY JSC on (i) the private share offering to specific investors; (ii) the declaration of stock dividend to existing shareholders at the ratio of 1,000:2,000 (accordingly, each shareholder owning 1,000 shares will be entitled to 2,000 additional shares), and (iii) the merger between Tan Lien Phat JSC and Vinhomes Management JSC in order to increase its charter capital. Subsequently, on 1 February 2018, the Company received the 18th amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the charter capital increase to VND28,365 billion.

On 24 and 25 January 2018, the Company entered into a share transfer agreements to acquire 97.69% shares of Berjaya Vietnam International University Town LLC from counterparties with total consideration of VND11,748 billion. Thereby, Berjaya Vietnam International University Town LLC became a subsidiary of the Company.

On 2 February 2018, the Company received the 19th amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment which approved the change of its name to Vinhomes Joint Stock Company.

On 5 February 2018, the General Meeting of the Company approved the Resolution No. 02/2018/NQ/DHDCD-VINHOMES JSC on the demerger plan. Thereby, issued charter capital of the Company decreased by VND1,569 billion. Subsequently, on 12 February 2018, the Company received the 20th amended Enterprise Registration Certificate issued by the Hanoi Department of Planning and Investment approving the decrease of its charter capital to VND26,796 billion.

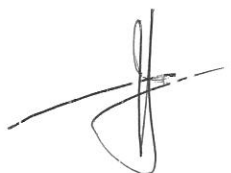
On 21 February 2018, the Company signed a conditional transfer agreement with a counterparty to purchase a real estate project in Ho Chi Minh City.

On 22 February 2018, the Company deposited to Vingroup JSC aggregate amount of VND1,675 billion to purchase some potential real estate projects pursuant to project transfer agreements and project development cooperation agreements signed on the same date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

40. EVENTS AFTER THE BALANCE SHEET DATE (continued)

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustments or disclosures to be made in the consolidated financial statements of the Company and its subsidiaries.



Nguyen Thi Hong Trang
Preparer



Bui Thi Ha
Chief Accountant



Nguyen Dieu Linh
General Director

Hanoi, Vietnam

25 February 2018

