

**HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT
JOINT STOCK COMPANY**

**REVIEWED INTERIM FINANCIAL STATEMENTS
For the period from 01/01/2017 to 30/06/2017**

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STATEMENTS OF THE BOARD OF DIRECTORS

The Board of Directors of HUDLAND Real Estate Investment and Development Joint Stock Company presents this report together with the Company's reviewed interim financial statements for the period from 01/01/2017 to 30/06/2017.

THE COMPANY

HUDLAND Real Estate Investment and Development Joint Stock Company ("the Company") is established under the Business Registration Certificate ("BRC") of Joint Stock Company No. 0103018988 issued by Hanoi Department of Planning and Investment on 10 August 2007 and the fourth amendment of BRC No. 0102340326 was on 15 April 2014.

Business name: HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Abbreviated name: HUDLAND., JSC

Registered office at: 5th Floor HUD Building, 364 Ngo Gia Tu str., Duc Giang ward, Long Bien district, Hanoi

The company is listed on the Hanoi Stock Exchange. Stock : HLD

THE BOARDS OF MANAGEMENT AND DIRECTORS

Board of Management	Mr Bui Duc Thinh	Chairman
	Ms Dinh Thi Minh Hang	Vice Chairman
	Mr Pham Cao Son	Member
	Mr Le Anh Vu	Member
	Ms Nguyen Thanh Huong	Member

Members of Board of Directors who held the Company during the period and at the date of this report are as follows:

Board of Directors	Mr Pham Cao Son	Director
	Mr. Nguyen Thanh Tu	Deputy Director
	Mr. Vu Tuan Linh	Deputy Director
	Mr. Nguyen Nam Cuong	Deputy Director

SUBSEQUENT EVENTS

According to the Board of Directors, in the material respects, there have been no significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments or disclosures to be made in the interim financial statements for the period from 01/01/2017 to 30/6/2017.

AUDITOR

CPA VIETNAM Auditing Company Limited- An independent member firm of Moore Stephens International Limited, has reviewed the interim financial statements for the period from 01/01/2017 to 30/6/2017.

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' RESPONSIBILITY

The Company's Board of Directors is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period. In preparing these financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Design, execute and maintain effective internal control system with regard to the preparation of financial statements to assure that the interim financial statements are free of material misstatement caused by even frauds and errors;
- Prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the financial statements comply with prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant legal regulations relating to preparation and presentation of the interim financial statements. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect frauds together with other irregularities.



Pham Cao Son
Director

Hanoi, 11 August 2017

No. 634/2017/BCSX-BCTC/CPA VIETNAM

REPORT ON REVIEW OF INFORMATION IN THE INTERIM FINANCIAL STATEMENTS

Of the interim financial statements for the period from 01 January 2017 to 30 June 2017
Of HUDLAND Real Estate Investment and Development Joint Stock Company

To: **The Boards of Management and Directors**
HUDLAND Real Estate Investment and Development Joint Stock Company

We have audited the accompanying financial statements of HUDLAND Real Estate Investment and Development Joint Stock Company as set out on pages 04 to pages 31, which prepared on 11 August 2017 comprise the Interim Balance sheet as at 30/06/2017, and the Interim Statement of income, and Interim Statement of Cash flows for 6 months, and Notes to the interim financial statements.

The Board of Directors' responsibility

The Board of Directors' are responsible for the preparation and presentation of these interim financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparing and financial statements and for such internal control as the Board of Director determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial statements based on the results of our review. We conducted our review in accordance with Vietnam Standards of service contract No. 2410 review - Review of interim financial information by the Company's independent auditors.

The review of interim financial information includes the interviews of persons who are responsible for the financial and accounting matters, and perform analytical procedures and other review procedures. Basically, a review has a narrower scope in comparison with an audit in accordance with the Vietnam Auditing Standards. Consequently, we are unable to achieve comprehensive assurance to all key issues that can be detected in an audit. Accordingly, we do not express an audit opinion.

Auditor's conclusions

According to our review, the accompanying financial statements gives a true and fair view of, all material respects, the financial position of the Company as at 30 June 2017 and the results of its operations and its cash flows for the period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam on interim financial statements



Bui Thi Thuy

Deputy General Director

Certificate of registration of Auditing practice

No. 0580-2015-137-1

For and on behalf of,

CPA VIETNAM AUDITING COMPANY LIMITED

An Independent member firm of Moore Stephens International Limited

Hanoi, 11 August 2017

INTERIM BALANCE SHEET

As at 30 June 2017

ASSETS	CO DE	NO TE	30/06/2017 VND	01/01/2017 VND
A. CURRENT ASSETS (100 = 110+120+130+140+150)	100		516,298,752,337	549,263,880,960
I. Cash and cash equivalents	110	5.1	104,196,009,165	83,789,625,762
1. Cash	111		10,181,009,165	1,450,519,936
2. Cash equivalents	112		94,015,000,000	82,339,105,826
II. Short-term financial investments	120		22,073,930,000	28,627,796,567
3. Investments held to maturity	123	5.2	22,073,930,000	28,627,796,567
III. Short-term receivables	130		185,009,187,887	239,943,772,131
1. Short-term trade accounts receivable	131	5.3	122,352,991,712	181,791,606,693
2. Short-term advances to suppliers	132	5.4	37,794,976,364	35,056,214,856
5. Short-term loan receivables	135	5.5	20,000,000,000	20,000,000,000
6. Other short-term receivables	136	5.6	4,861,219,811	3,095,950,582
IV. Inventories	140		198,382,396,746	193,433,039,706
1. Inventories	141	5.7	198,382,396,746	193,433,039,706
V. Other short-term assets	150		6,637,228,539	3,469,646,794
1. Short-term prepaid expenses	151	5.8	1,591,624,869	-
2. Deductible VAT	152	5.9	5,045,603,670	3,449,322,809
3. Taxes and other revenues to the state	153	5.9	-	20,323,985
B. NON-CURRENT ASSETS (200 = 210+220+240+250+260)	200		164,414,533,299	137,023,072,603
I. Long - terms receivables	210		-	-
II. Fixed assets	220		38,934,452,497	5,112,013,607
1. Tangible fixed assets	221	5.10	38,934,452,497	5,101,180,274
- Cost	222		44,710,207,365	9,087,947,543
- Value of accumulated depreciation	223		(5,775,754,868)	(3,986,767,269)
3. Intangible fixed assets	227	5.11	-	10,833,333
- Cost	228		65,000,000	65,000,000
- Value of accumulated depreciation	229		(65,000,000)	(54,166,667)
III. Investment real property	230	5.12	122,213,376,835	-
1. Cost	231		126,055,464,928	-
2. Accumulated Depreciation	232		(3,842,088,093)	-
IV. Long-term unfinished assets	240		-	128,919,868,622
2. Cost of construction in progress	242	5.13	-	128,919,868,622
V. Long-term financial investments	250		2,500,000,000	2,500,000,000
2. Investments in joint ventures and associates	252	5.14	2,500,000,000	2,500,000,000
VI. Other long-term assets	260		766,703,967	491,190,374
1. Long-term prepaid expenses	261	5.8	766,703,967	491,190,374
TOTAL ASSETS (270 = 100+200)	270		680,713,285,636	686,286,953,563

INTERIM BALANCE SHEET (Continued)
As at 30 June 2017

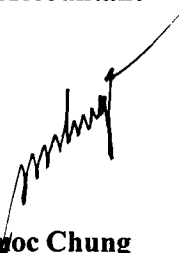
RESOURCES	CO DE	NO TE	30/06/2017 VND	01/01/2017 VND
C. LIABILITIES (300 = 310+330)	300		242,364,086,975	220,854,130,510
I. Current liabilities	310		158,926,548,216	121,549,673,221
1. Short-term supplier payables	311	5.15	7,315,105,732	14,585,136,316
2. Short-term deferred revenues	312	5.16	1,187,166,062	1,081,714,263
3. Taxes and other payables to State	313	5.17	710,928,518	3,533,427,794
4. Short-term payables to employees	314		-	2,466,700,001
5. Short-term expenses payable	315	5.18	11,486,849,699	19,558,406,389
9. Other short-term payables	319	5.19	34,226,553,472	4,065,176,822
10. Short-term loans and finance lease liabilities	320	5.20	93,630,590,924	67,441,214,227
12. Bonus and bonus and welfare fund	322		10,369,353,809	8,817,897,409
II. Long-term liabilities	330		83,437,538,759	99,304,457,289
3. Long-term expenses payable	333	5.18	4,211,306,470	-
8. Long-term loans and finance lease liabilities	338	5.20	79,226,232,289	99,304,457,289
D. OWNERS' EQUITY (400 = 410+430)	400		438,349,198,661	465,432,823,053
I. Owner's equity	410	5.21	438,349,198,661	465,432,823,053
1. Contributions from owners	411		200,000,000,000	200,000,000,000
<i>Ordinary shares with voting rights</i>	411a		200,000,000,000	200,000,000,000
8. Development investment funds	418		210,832,092,113	210,832,092,113
11. Undistributed post-tax profits	421		27,517,106,548	54,600,730,940
<i>Undistributed post-tax profits accumulated by the end of the previous period</i>	421a		21,214,210,940	10,028,865,230
<i>Undistributed post-tax profits of current period</i>	421b		6,302,895,608	44,571,865,710
II. Funding and other funds	430		-	-
TOTAL CAPITAL (440 = 300+400)	440		680,713,285,636	686,286,953,563

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Qoc Chung

Hanoi, 11 August 2017

Director



Pham Cao Son

INTERIM INCOME STATEMENT
For the period from 01/01/2017 to 30/6/2017

ITEMS	CO DE	NO TE	Period from	Period from
			01/01/2017 to 30/06/2017 VND	01/01/2016 to 30/06/2016 VND
1. Revenues from sales and service provisions	01	5.22	19,161,331,411	72,870,970,785
2. Revenue deductions	02		-	-
3. Net revenues from sales and service provisions (10 = 01-02)	10	5.22	19,161,331,411	72,870,970,785
4. Cost of goods sold	11	5.23	(10,347,874,768)	43,940,122,756
5. Gross revenues from sales and service provisions (20 = 10-11)	20		29,509,206,179	28,930,848,029
6. Financial income	21	5.24	2,202,146,448	4,843,397,196
7. Financial expenses	22	5.24	8,026,084,232	1,801,071,294
<i>In which: Interest expenses</i>	23		8,026,084,232	1,801,071,294
8. Selling expenses	25	5.25	6,564,886,641	858,533,424
9. General and administration expenses	26	5.25	9,106,562,152	5,763,266,179
10. Net profit from operations {30 = 20+(21-22)-(24+25)}	30		8,013,819,602	25,351,374,328
11. Other income	31	5.26	569,308,217	481,327
12. Other expenses	32	5.26	261,477,717	21,111,917
13. Other profit (40=31-32)	40		307,830,500	(20,630,590)
14. Total pre-tax profit (50=30+40)	50		8,321,650,102	25,330,743,738
15. Current enterprise income tax expense	51	5.27	2,018,754,494	5,066,148,748
16. Deferred enterprise income tax expense	52		-	-
17. Profits after enterprise income tax (60=50-51-52)	60		6,302,895,608	20,264,594,990
18. Earnings per share	70	5.28	315	1,013
19. Diluted earnings per share	71		-	-

Hanoi, 11 August 2017
Director

Preparer

Chief Accountant



Tran Thanh Thanh Huyen



Le Quoc Chung



Phạm Cao Sơn

INTERIM CASH FLOW STATEMENT
(Direct method)
For the period from 01/01/2017 to 30/06/2017

ITEMS 1	CO DE 2	NO TE 3	Period from	Period from
			01/01/2017 to 30/06/2017 VND 4	01/01/2016 to 30/06/2016 VND 5
I. Cash flow from trading activities				
1. Revenues from sales and service provisions and other revenues	01		72,828,868,075	70,745,425,466
2. Cash paid to suppliers of goods and services	02		(9,155,586,256)	(110,069,816,849)
3. Amounts paid to employees	03		(6,457,432,518)	(6,723,865,389)
4. Interest paid	04		(8,133,215,736)	(8,344,055,459)
5. Enterprise income tax paid	05		(4,857,758,061)	(5,114,290,483)
6. Other receipts from trading	06		4,413,272,744	2,033,890,056
7. Other expenditures on trading	07		(25,311,370,059)	(5,075,450,885)
<i>Net cash flow from trading</i>	20		<i>23,326,778,189</i>	<i>(62,548,163,543)</i>
II. Cash flows from investment activities				
1. Expenditures for purchase, construction of fixed assets and other long-term assets	21		(17,751,649,498)	(1,528,894,611)
3. Expenditures on borrowing and purchase of debt instruments of other units	23		-	(32,200,000,000)
4. Amounts recovered on borrowing and repurchase of debt instruments of other units	24		6,553,866,567	47,200,000,000
7. Sums received from loan interest, dividends and profits shared	27		2,202,146,448	3,844,484,702
<i>Net cash flow from investment</i>	30		<i>(8,995,636,483)</i>	<i>17,315,590,091</i>
III. Cash flows from financial activities:				
3. Sums received from borrowings	33		43,898,317,487	55,400,988,283
4. Payment of loan principal	34		(37,787,165,790)	(20,170,085,500)
6. Dividends and interest paid to owners	36		(35,910,000)	(60,078,000)
<i>Net cash flow from financial activities</i>	40		<i>6,075,241,697</i>	<i>35,170,824,783</i>
Net cash flows in the period (50 = 20+30+40)	50		20,406,383,403	(10,061,748,669)
Cash and cash equivalents at beginning of period	60		83,789,625,762	216,017,498,993
Cash and cash equivalents at end of period (70 = 50+60+61)	70	5.1	104,196,009,165	205,955,750,324

Hanoi, 11 August 2017

Preparer

Chief Accountant

Director

Tran Thanh Thanh Huyen

Le Quoc Chung



Pham Cao Son

1. GENERAL INFORMATION

1.1 Structure of ownership

HUDLAND Real Estate Investment and Development Joint Stock Company (“the Company”) is official established under the Business Registration Certificate (“BRC”) of Joint Stock Company No. 0103018988 issued by Hanoi Department of Planning and Investment on 10 August 2007 and the fourth amendment of BRC No. 0102340326 was on 15 April 2014

Business Name:: HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY.

Abbreviated Name: HUDLAND., JSC.

Registered office at: 5th Floor HUD Building, 430 Ngo Gia Tu str., Duc Giang ward, Long Bien district, Hanoi.

Total charter capital recorded in the BRC is of VND 200,000,000,000, which is divided into 20,000,000 shares with par value of VND10,000/ share. The Company’s legal capital is of VND 6,000,000,000.

1.2 Operating industry and principal activities

- Construction of other civil: Construction and renovation house; construction of commercial centers, supermarkets, service, office, sports center, warehouses, factories, markets; construction of economic zones and industrial parks; construction and installation of civil, industrial, transport, irrigation, telecommunications, urban infrastructure works, industrial, transmission lines and power station under 35KV;
- Architectural engineering and consult: Investment consultancy in construction house and urban infrastructure;
- Business construction materials, interior and exterior decoration, construction machinery and equipment;
- Wholesale trade machinery, equipment and spare parts: Business specialized machinery construction;
- Agents, brokers, auction: Purchase agent, dealer, consignment;
- Business real estate, land use rights of the owner, the owner or lessee uses: Investment residential development, new urban areas;
- Export and import construction materials, interior and exterior decoration, construction machinery and equipment.

The principal activity of the Company is investment in residential development and new urban areas.

1.3 Business structure

As at 30/06/2017, the Company has subsidiaries, associates and affiliated units as follows:

	Main activities	Share of capital contribution	Voting right
Associates			
Hudland trade and service JSC	Supplying services	30.5%	30.5%

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting period

The Company's financial year begins on 1 January and ends on 31 December. The interim financial statements are prepared for the period from 01 January 2017 to 30 June 2017.

Monetary unit in accounting

The accompanying financial statements are expressed in Vietnam Dong (VND).

3. APPLIED ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

Applied Accounting Standards and Accounting System

The Company applied Vietnamese Enterprise Accounting System promulgated under Circulars No.200/2012/TT-BTC dated 22 December 2014 issued by the Ministry of Finance. Circular No. 53/2016 / TT-BTC on amending and supplementing some articles of Circular No. 200/2014 / TT-BTC dated 22/12/2014.

Statements for the compliance with Accounting Standards and System

The Company's Board of Directors confirmed to completely comply with Vietnamese Accounting Standards and System promulgated and taken effect relating to preparation and presentation of the interim financial statements for the period from 01/01/2017 to 30/06/2017.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation interim financial statements

The interim financial statements attached are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnam accounting standards, corporate accounting regime applicable Vietnam and regulations legal concerning the preparation and presentation of consolidated interim financial statements.

Cash and cash equivalents Recognition

Cash: Including cash, cash in bank (call deposits) and cash in transit.

Cash, bank deposits are recognized on the basics of actual transaction.

Cash equivalents

Including short-term investments, time deposits whose recovery period or maturity not exceeding 3 months from the date of investment, deposits could be liquidated into particular amount and have no liquidation risk as at reporting time.

Financial instruments

Held to maturity investments

Held to maturity investments includes: term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and held to maturity loans to earn profits periodically and other held to maturity investments.

Held to maturity investments shall be stated at the historical cost and determined according to fair value upon recovery abilities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

All of held to maturity investments classified accounts derived from foreign currencies shall be revaluated according to actual transaction exchange rate at the date of the financial.

Investments in subsidiaries, joint ventures, associates and other investments

- Investments in joint ventures, associates: Investments in joint ventures, associates that the company obtains control right are stated at historical cost in the financial statements.

Distributions from profits that the Company received from the accumulated profits of the subsidiaries after the date the Company obtains control are recognized in income statement of the company. Other distributions are considered a recovery of investment and are deducted from the investment value.

Receivables

The receivables shall be kept records in details according to period receivables, entities receivables, kind of currency receivable and other factors according to requirements for management

The amounts receivable includes trade receivables and other receivables following rules below:

- Trade receivables include commercial receivables generating from purchase-sale related transactions between enterprises and buyers (independent unit against buyers, including receivables between parent companies and subsidiary companies or joint-venture companies). The trade receivables are recognized in accordance with the standards of the time revenue recognition based on invoices.
- Other receivables includes of non-commercial receivables.

Accounts receivable are classified as short and long term on the balance sheet, the consolidated accounting basis for the remaining period of the accounts receivable at the date of the consolidated financial statements.

Provision for doubtful debts: is made for doubtful debts based on the time of overdue payment of principal under the original debt commitments (excluding debt extending between the parties), or expected losses that may occur under the guidance in Circular 228/2009/TT-BTC dated 07/12/2009.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Cost of inventories within the Company is calculated using the weighted average method and inventory recording method is specific identification method.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories which have a book value higher than net realisable value as at the balance sheet date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation

Company manage, use and allocate depreciation of fixed assets in accordance with the guidance in Circular 45/2013/TT-BTC dated 25 April 2013 and Circular 147/2016 / TT-BTC dated 13/10/2016 amending and supplementing some articles of Circular 45/2013 / TT-BTC issued by Ministry of Finance, Circular 28/2017 / TT-BTC dated 12/04/2017 Amending and supplementing some articles of Circular 45/2013 / TT-BTC and Circular No. 147/2016 / TT-BTC of the Ministry of Finance.

a. Rules for accounting

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The historical cost of the tangible fixed assets comprises its purchase price and all direct attributable costs of bringing the assets to its working condition and location for its intended use.

When fixed assets are sold or disposed, their cost and accumulated depreciation are eliminated and any gain or loss (if any) arising from the disposal are allocated in other income or other expenses in the period.

Intangible fixed assets: Computer software is are initially recognized at buying cost and stated at cost less accumulated depreciation.

b. Method of depreciation

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	07
Machinery and equipment	05 – 07
Office equipment	07
Motor vehicles	05

Accounting principles in prepaid expenses

Prepaid expenses reflect the actual costs incurred, but the results are relevant to business and production activities of many accounting periods and the associated transfer costs into the cost of production and business subsequent accounting periods.

Prepaid expenses are stated at cost and are classified under short-term and long-term on the balance sheet, the consolidated accounting period based on the prepayment of each contract.

Long-term prepaid expenses relating to tools and equipment are stated at the historical cost and allocated gradually for within 03 years in line method.

Payables

The payables are monitored in detail by maturity terms, subjects, kind of currency and other factors according to management demand of the Company.

The payables include payable to suppliers and other payables which are determined almost certainly about the recorded value and duration which are not less than the obligation payable, they are classified as follows:

- Trade payables: includes commercial payables arising from the purchase of goods, services and assets between the Company and the seller (the independent unit of the Company, including amounts between the Holding company and its subsidiaries, joint ventures, affiliate). These payables include amounts payable arising due to importing through trustees (in trust import transactions);
- Other payables includes of non-commercial payables, non-related transactions of purchasing and selling of goods and services.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Loans and finance lease liabilities**

Including loans, finance lease liabilities, except loans under the forms of issuance of bonds or preference shares with provisions requiring the issuer to repurchase at a certain time in the future.

The loans and finance lease liabilities are kept records in details according to entities, and classified into short-term receivables or long-term receivables according to their payment periods.

Borrowing expenses directly related to the loans shall be accounted for in financial expenses. Where these expenses arise from loans for purposes of investment, construction or production of assets in progress, they shall be capitalized according to "Borrowing cost" accounting standard.

Recognition and capitalization of borrowing cost

All borrowing costs should be recognized into Income Statement in the period in which they are incurred, unless they are capitalized according to provisions of "Borrowing cost" accounting standard

During the year interest expense was capitalized to assets in progress of the Company is VND 38,498,752.

Accrued expenses

Expenses that have not actually been incurred but are pre-recorded to operating expenses during the year to ensure that when these expenses actually occurs, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

The Company records accrued expenses as following: Employee, materials expenses would be accrued according to quantity of finished work.

Owner's equity

Share capital is recognized as the actual capital contributed to the Company.

Share premium is recognised by the difference between the actual price and face value of the shares when firstly issued, additionally issued or when the Company reissue treasury share.

Treasury shares are shares issued by companies and bought-back by the companies which issued shares. Actual value of Treasury shares shall be recorded a decrease in owner's capital in Balance Sheet.

Undistributed profit shall be determined on the basis of income after tax and the distribution of profits or settlement of losses of the Company.

Profit after tax shall be distributed dividends to shareholders after being approved by the Board of Shareholders at the Annual General Meeting and after being allocated to the reserve fund in accordance with the Company's charter.

Dividends that would be paid depend on estimated profit. In the following year, dividends would be declared and paid officially from undistributed profit under agreement of Members' Council in Annual Meeting.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

For manufacturing and trading company

Revenue from sale of goods shall be recognized if it simultaneously meets the following five (5) conditions:

- a/ The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- b/ The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c/ The amount of revenue can be measured reliably;
- d/ It is probable that the economic benefits associated with the transaction will flow to the Company; and ;
- e/ The cost incurred or to be incurred in respect of transaction can be measured reliably.

For services company

Sales of services are recognized by reference to the stage of completion of the service at the balance sheet date. The outcome of a service provision transaction shall be determined only when it satisfies all the four (4) conditions below:

- a/ the amount of revenue can be measured reliably;
- b/ It is probable that the economic benefits associated with the transaction will flow to the Company;
- c/ The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- d/ The costs incurred for the transaction and the costs to complete transaction can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable.

Turnovers from properties

Revenue will be recognized if material risks and ownership had been transferred to the buyer, usually upon the unconditional transfer of contracts. For conditional transfer, revenue shall be recognized if all of material conditions are met.

Construction contract

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by customers, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the billed invoices.

When the outcome of a construction contract cannot be estimated reliably and the Corporation can recover the expenses of the contract, the revenue is recognized to the level of withdrawable expenses. Therefore, there is no profit that is recognized, even when the total expenses of contract may exceed the total revenue of the contract.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost of goods sold

Cost of goods sold including of cost of products, goods and services, real estate sold in the period (including depreciation, repair expenses, other expense for real estate leasing under the form of operating lease, real estate investment liquidation expense...) are recognized in accordance with revenue in the period.

Current corporate income tax and deferred tax expenses

Income tax expense (tax income): is the aggregate amount of current income tax expense (income) and deferred income tax expense (income) included in the determination of profit or loss for the period.

- Current income tax expenses are income tax payables computed on taxable income during year and current income tax rate.

Taxable income is different from accounting profit caused by the adjustment of the difference between accounting profit and taxable income under current tax policies.

- Deferred income tax expenses are income taxes payables in the future, arising from: Recognising deferred income tax payables during the year; Reversing deferred tax assets which were recorded in previous years; Not recognising deferred tax assets or deferred tax liabilities arising from the transaction recorded directly in owner's equity.

Company is obliged to pay corporate income tax with rate of tax at 20% of taxable income.

Estimates

The preparation of interim financial statements in conformity with Vietnamese Standards on Accounting, Vietnamese Enterprise Accounting System and other prevailing accounting regulations in Vietnam requires The Board of Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates and assumptions.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, the financial assets are recognized under historical cost plus transaction cost directly relating to procuring those financial assets.

The Company's financial assets include cash on hand, short-term deposit, short-term receivables and other receivables, deposits.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized under historical cost plus transaction cost directly relating to issuing those financial liabilities.

The Company's financial liabilities include trade accounts payable, other payables, debts.

Revaluation after initial recognition

At present, there are no regulations on revaluation of the financial instruments after initial recognition.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings per share

Basic earnings per share for the common stock is calculated by dividing profit or loss attributable to common equity holders for the weighted average number of outstanding ordinary shares during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to shareholders holding ordinary shares and the weighted average number of outstanding common shares due to the influence of potential impairment of common stocks (including convertible bonds and stock options).

Related parties

Parties considered as related parties are enterprises that include Subsidiaries of Holding Company - Housing and Urban Development Corporation, individuals owning, directly or indirectly through one or more intermediaries, control over the Company or under control with the Company. Associations, individuals possess directly or indirectly voting right of the Company that considerably influence the Company. Key management that include Directors, Officers of the Company and closed members of families of these individuals or associations or companies in association with these individuals are considered as related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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5. SUPPLEMENTAL INFORMATION ABOUT ITEMS ON THE BALANCE SHEET AND INCOME STATEMENT

5.1 Cash and cash equivalents

	30/06/2017 VND	01/01/2017 VND
Cash on hand	1,951,429,113	342,630,748
Cash in bank	8,229,580,052	1,107,889,188
Cash equivalents (*)	94,015,000,000	82,339,105,826
Total	104,196,009,165	83,789,625,762

(*) The deposits with maturity less than 3 months deposited at VP Finance Company and BIDV, SHB, PVCOMBANK.

5.2 Held to maturity investments

	30/06/2017 VND		01/01/2017 VND	
	Historical cost	Book value	Historical cost	Book value
Short-term	22,073,930,000	22,073,930,000	28,627,796,567	28,627,796,567
PVcomBank - Hanoi Branch	22,073,930,000	22,073,930,000	28,627,796,567	28,627,796,567
Long-term	-	-	-	-
Total	22,073,930,000	22,073,930,000	28,627,796,567	28,627,796,567

Held to maturity investments are deposited with terms from 6 months to 9 months deposit in banks.

5.3 Trade receivables

	30/06/2017 VND	01/01/2017 VND
Short-term	122,352,991,712	181,791,606,693
CT17 Building Project in Viet Hung urban area	87,506,212,684	123,028,414,741
Nhac Son Company Limited	899,695,940	13,052,813,628
HH05 Project in Viet Hung urban area	20,697,474,155	38,380,424,149
Dinh An Company Limited	9,836,969,665	-
Le Thai To Townhouse Project, Bac Ninh	156,273,359	189,625,599
Le Thai To Project, Bac Ninh	397,209,432	2,094,938,143
Van Canh Project	851,379,573	3,142,858,079
The gym green, sport TP CV02	1,863,529,000	1,863,529,000
Others	144,247,904	39,003,354
Long-term	-	-
Total	122,352,991,712	181,791,606,693

5.4 Advances to suppliers

	30/06/2017	01/01/2017
	VND	VND
Short-term	37,794,976,364	35,056,214,856
Housing and urban Development Corporation	20,338,935,057	20,338,935,457
HUDLANDTS., JSC	1,997,979,000	2,772,514,930
Thanh Nam Consultant and Construction JSC	2,728,411,500	654,168,001
COTANA GREEN., JSC	1,292,727,600	1,480,849,100
Thanh Nam Construction and Investment JSC	580,784,850	2,386,418,350
Others	10,856,138,357	7,423,329,018
Long-term	-	-
Total	37,794,976,364	35,056,214,856

5.5 Short-term loan receivables

The loan of Housing and urban development Corporation amounted VND 20 billion, with interest charged at 8%/year.

5.6 Other receivables

	30/06/2017		01/01/2017	
	VND		VND	
	Book value	Provision	Book value	Provision
Short-term	4,861,219,811	-	3,095,950,582	-
Receivables to buy shares	2,000,000,000	-	-	-
Customer service fees	825,240,001	-	1,181,637,000	-
Red document payable	182,825,500	-	182,901,064	-
Maintenance costs	-	-	39,497,408	-
Other Receivables	1,681,915,110	-	1,681,915,110	-
Advances	171,239,200	-	10,000,000	-
Long-term	-	-	-	-
Total	4,861,219,811	-	3,095,950,582	-

5.7 Inventories

	30/06/2017		01/01/2017	
	VND		VND	
	Historical Cost	Provision	Historical Cost	Provision
Work in progress	197,935,514,329	-	193,182,109,302	-
- Project Bac Ninh Area B	165,786,626,911	-	164,789,723,770	-
- Low-income Project housing in Bac Ninh	14,197,486,163	-	11,602,718,819	-
- Other projects	17,951,401,255	-	16,789,666,713	-
Purchase costs	446,882,417	-	250,930,404	-
Total	198,382,396,746	-	193,433,039,706	-

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5.8 Prepaid expenses

	30/06/2017 VND	01/01/2017 VND
Short-term	1,591,624,869	-
- The cost of the building awaiting allocation	1,591,624,869	-
Long-term	766,703,967	491,190,374
- Tools and equipment awaiting allocation	766,703,967	491,190,374
Total	2,358,328,836	491,190,374

5.9 Deductible VAT and receivables from the State

	01/01/2017 VND	Amount deductible/ Amount to be paid VND	Amount deducted/ Amount paid VND	30/06/2017 VND
Value added tax	3,449,322,809	3,535,247,773	1,938,966,912	5,045,603,670
Personal income tax	20,323,985	-	20,323,985	-
Total	3,469,646,794	3,535,247,773	1,959,290,897	5,045,603,670

5.10 Tangible fixed assets

Unit: VND

Period from 01/01/2017 to 30/06/2017	Buildings and Structures	Machinery and Equipment	Motor Vehicles	Office equipment	Total
<i>Cost</i>					
As at 01/01	727,255,454	277,156,365	7,479,053,988	604,481,736	9,087,947,543
Increase	35,776,844,240	-	-	139,527,273	35,916,371,513
Construction completed	35,776,844,240	-	-	-	35,776,844,240
Purchase	-	-	-	139,527,273	139,527,273
Decrease	-	-	116,743,676	177,368,015	294,111,691
Liquidation sale	-	-	116,743,676	177,368,015	294,111,691
As at 30/06	36,504,099,694	277,156,365	7,362,310,312	566,640,994	44,710,207,365
<i>Accumulated depreciation</i>					
As at 01/01	695,019,557	260,094,263	2,727,234,632	304,418,817	3,986,767,269
Increase	1,508,531,839	-	453,087,906	41,663,940	2,003,283,685
Depreciation	1,508,531,839	-	453,087,906	41,663,940	2,003,283,685
Decrease	-	-	116,743,676	97,552,410	214,296,086
Liquidation sale	-	-	116,743,676	97,552,410	214,296,086
As at 30/06	2,203,551,396	260,094,263	3,063,578,862	248,530,347	5,775,754,868
<i>Net book value</i>					
As at 01/01	32,235,897	17,062,102	4,751,819,356	300,062,919	5,101,180,274
As at 30/06	34,300,548,298	17,062,102	4,298,731,450	318,110,647	38,934,452,497

Cost of fixed assets fully depreciated which are still in use as at 30/06/2017 is VND 1,815,096.590.

5.11 Intangible assets

Unit: VND

	Land use rights	Computer software	Total
Cost			
As at 01/01		65,000,000	65,000,000
Increase	-	-	-
Decrease	-	-	-
As at 30/06	-	65,000,000	65,000,000
Accumulated depreciation			
As at 01/01	-	54,166,667	54,166,667
Increase	-	10,833,333	10,833,333
Depreciation	-	10,833,333	10,833,333
Decrease	-	-	-
As at 30/06	-	65,000,000	65,000,000
Net book value			
As at 01/01	-	10,833,333	10,833,333
As at 30/06	-	-	-

5.12 Investment real property

Unit: VND

Items	As at 01/01	Increase	Decrease	As at 30/06
I. Cost	-	126,055,464,928	-	126,055,464,928
CC7 Linh Dam Office Building	-	126,055,464,928	-	126,055,464,928
II. Accumulated Depreciation	-	3,842,088,093	-	3,842,088,093
CC7 Linh Dam Office Building	-	3,842,088,093	-	3,842,088,093
III. Net book value	-	122,213,376,835	-	122,213,376,835
CC7 Linh Dam Office Building	-	122,213,376,835	-	122,213,376,835

5.13 Construction in progress

	30/06/2017 VND	01/01/2017 VND
Construction in progress	-	128,919,868,622
- Construction: Office Building Lot A - CC7 (*)	-	128,919,868,622
Total	-	128,919,868,622

(*) As at 30 June 2017, the Company has transferred the cost of construction the Block A-CC7 office building with the value determined at the total investment of 161,701,018,665 VND, of which The value of the investment property allocated is VND 126,055,464,928.

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5.14 Investments in associates

Unit: VND

	Rate		30/06/2017			01/01/2017		
	Capital owned	Voting right	Historical Cost	Fair value	Provision	Historical Cost	Fair value	Provision
Investments in joint ventures or associates			2,500,000,000	2,640,731,436	-	2,500,000,000	2,500,000,000	-
Hudland trade and service JSC	30.50%	30.50%	2,500,000,000	2,640,731,436	-	2,500,000,000	2,500,000,000	-
Total			2,500,000,000		-	2,500,000,000		-



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5.15 Trade payables

	30/06/2017		01/01/2017	
	Book value	Amount can be paid	Book value	Amount can be paid
Short-term	7,315,105,732	7,315,105,732	14,585,136,316	14,585,136,316
Thanh Nam Interior and Architecture JSC	953,844,149	953,844,149	400	400
Tan Hoang Minh trading investment and services company Ltd.	713,335,388	713,335,388	3,200,703,278	3,200,703,278
Thanh Nam Construction and Investment JSC	681,287,198	681,287,198	834,500	834,500
Branch Construction Joint Stock Company No. 1	132,699,000	132,699,000	5,393,396,850	5,393,396,850
Other suppliers	4,833,939,997	4,833,939,997	5,990,201,288	5,990,201,288
Long-term	-	-	-	-
Total	7,315,105,732	7,315,105,732	14,585,136,316	14,585,136,316

In which: Payables to related parties

Thanh Nam Construction and Investment JSC	681,287,198	681,287,198	834,500	834,500
HUD1 Construction and Investment JSC	-	-	175,045,491	175,045,491
HUD10 Construction and Investment JSC	7,190,000	7,190,000	-	-

5.16 Advances from customers

	30/06/2017		01/01/2017	
	VND		VND	
Short-term	1,187,166,062		1,081,714,263	
DACT17 - CT17 Viet Hung Project	67,793,157		106,315,720	
DALKBN - Le Thai To Townhouse Project, Bac Ninh	627,470,779		751,406,601	
Dong Phuong International Investment Jsc.	297,162,000			
APOLLO English center	-		189,675,486	
Other customers	194,740,126		34,316,456	
Long-term	-		-	
Total	1,187,166,062		1,081,714,263	

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5.17 Taxes and payables to the State

	01/01/2017 VND	Amount to be paid VND	Amount paid VND	30/06/2017 VND
Value added tax	-	2,102,974,185	2,102,974,185	-
Corporate income tax	3,533,427,794	2,018,754,494	4,857,758,061	694,424,227
Personal income tax	-	1,044,970,165	1,028,465,874	16,504,291
Housing tax, land rental charges	-	261,724,766	261,724,766	-
Other taxes	-	3,000,000	3,000,000	-
Fee & charge & other payables	-	1,000,000,001	1,000,000,001	-
Total	3,533,427,794	6,431,423,611	9,253,922,887	710,928,518

5.18 Accrued expenses payables

	30/06/2017 VND	01/01/2017 VND
Short-term	11,486,849,699	19,558,406,389
Rental Services Building CC7 CT17, Viet Hung urban area	11,180,949,929	-
Accrued expenses for DA HH05	305,899,770	495,862,443
Long-term	4,211,306,470	-
Cost of the office building project	4,211,306,470	-
Tổng	15,698,156,169	19,558,406,389

5.19 Other payables

	30/06/2017 VND	01/01/2017 VND
Short-term	34,226,553,472	4,065,176,822
Trade Union fee	16,251,483	-
Dividends payable	30,059,707,500	95,617,500
Maintenance costs paid under the contract	477,069,415	537,514,567
Deposit to make the Red document, service fees, and deposits under Contract	3,673,525,074	3,432,044,755
Long-term	-	-
Total	34,226,553,472	4,065,176,822

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5.20 Loans and finance lease liabilities

Unit: VND

	30/06/2017		In year		01/01/2017	
	Value	Amount can be paid	Increase	Decrease	Value	Amount can be paid
Shor-term	93,630,590,924	93,630,590,924	43,898,317,487	17,708,940,790	67,441,214,227	67,441,214,227
BIDV - Hanoi Branch (1)	53,227,249,395	53,227,249,395	18,100,918,408	11,243,923,022	46,370,254,009	46,370,254,009
Pvcombank - Hanoi Branch (2)	40,403,341,529	40,403,341,529	25,797,399,079	6,465,017,768	21,070,960,218	21,070,960,218
Long-term	79,226,232,289	79,226,232,289	-	20,078,225,000	99,304,457,289	99,304,457,289
Pvcombank - Hanoi Branch (3)	58,554,200,000	58,554,200,000	-	12,176,400,000	70,730,600,000	70,730,600,000
Personal loans (4)	20,672,032,289	20,672,032,289	-	7,901,825,000	28,573,857,289	28,573,857,289
Total	172,856,823,213	172,856,823,213	43,898,317,487	37,787,165,790	166,745,671,516	166,745,671,516

(1) Credit limit contract No. 01/2016/1906164/HĐTD on 08/06/2016. Credit limit granted: VND 175,000,000,000; purpose of borrowing: temporarily support supplement working capital to projects: investment in construction of new urban area on Le Thai To Street, Bac Ninh (Villas and townhouses), investment in construction of condominiums CT17 - new Viet Hung urban area, Hanoi. Loan term: 12 months from the date contract signed. Interest rate and term are specified in each particular credit contract. Measures to ensure: Mortgage accounts receivable has been established and will shape in future that arises from home sales contracts and entire rights arising under home sales contracts of CT17 Project, new Viet Hung urban area, Hanoi; mortgage Toyota Camry car - License Plate of 31F-6178 under property mortgage contract No. 01/2014/HĐTCTS, notaries number: 271/2014/HĐTC on 24/2/2014 and amended documents attached.

(2) Contract of granting credit limit No. 387/2016/HĐTD/HUDLAND/PVB-HAN on 16/12/2016. Credit limit VND 100,000,000,000; the purpose: supplement capital to business activities of HUDLAND. Credit term: 12 months, provide loans according to loans, maximum term is not exceeding 09 months, specified in Lending bonds. Interest rate is under the provision of bank and adjusted once each month. Measures to ensure: Mortgage deposit contract guaranting minimum of 30% short-term credit balance, profit from TNT housing project of Bac Ninh project, Linh Dam building project, remaining debt claims from HH05 project; other measures to ensure under agreement between the Bank and client or third party (if any).

5.20 Loans and finance lease liabilities (Cont.)

(3) The credit contract No. 2906/2015/HDCVDA-DN.HN dated 26/06/2015: the maximum credit amount is of VND 83,000,000,000; the purpose: performing asset purchase agreement attached to the leased land use rights certificate number of 543/2015 / SC, Vol 1 / TP / CC / HDGD signed on 19/05/2015 at Ba Dinh District Notary Office between HUD2 Investment Development Joint Stock Company and HUDLAND Real Estate Investment and Development Joint Stock Company. The loan term is 8 years. The interest rate is investment credit interest rate of Viet Nam Public Bank - Ha Noi Branch provisions in each period. Measures to ensure : Mortgage entire project office building in Lot A - CC7 of general resort and housing Linh Dam Lake was formed in the future.

(4) Personal loans with a duration of 36 months and interest rate at 10% / year

5.21 Owner's equity

a. Reconciliation of movements in owners' equity

Unit: VND

	Owner's capital	Investment and Development fund	Retained earnings	Total
As at 01/01/2016	200,000,000,000	197,232,092,113	56,320,090,230	453,552,182,343
Increase	-	13,600,000,000	44,571,865,710	58,171,865,710
Profit after tax	-	-	44,571,865,710	44,571,865,710
Allocation to funds	-	13,600,000,000	-	13,600,000,000
Decrease	-	-	46,291,225,000	46,291,225,000
Remuneration to BOM, BOS	-	-	232,225,000	232,225,000
Allocation to funds	-	-	16,059,000,000	16,059,000,000
Dividend paid in 2015	-	-	30,000,000,000	30,000,000,000
As at 31/12/2016	200,000,000,000	210,832,092,113	54,600,730,940	465,432,823,053
As at 01/01/2017	200,000,000,000	210,832,092,113	54,600,730,940	465,432,823,053
Increase	-	-	6,302,895,608	6,302,895,608
Profit after tax	-	-	6,302,895,608	6,302,895,608
Decrease	-	-	33,386,520,000	33,386,520,000
Remuneration to BOM, BOS	-	-	95,520,000	95,520,000
Allocation to funds	-	-	3,291,000,000	3,291,000,000
Dividend paid in 2016	-	-	30,000,000,000	30,000,000,000
As at 30/06/2017	200,000,000,000	210,832,092,113	27,517,106,548	438,349,198,661

b. Details of owner's equity

Shareholders	Shares Quantity	Amount VND	Ratio %	Capital recorded
				30/06/2017 VND
Housing and urban development Corporation	10,200,000	102,000,000,000	51.00%	102,000,000,000
Ha Nam textile company Ltd.	1,900,000	19,000,000,000	9.50%	19,000,000,000
Thanh Nam Construction And Investment JSC	1,012,000	10,120,000,000	5.06%	10,120,000,000
Other shareholders	6,888,000	68,880,000,000	34.44%	68,880,000,000
Total	20,000,000	200,000,000,000	-	200,000,000,000

5.21 Owner's equity (Cont.)

c. Capital transactions with owners and dividends distribution

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
- Owner's equity		
As at 01/01	200,000,000,000	200,000,000,000
Increase	-	-
Decrease	-	-
As at 31/12	200,000,000,000	200,000,000,000
- Dividends, profit paid	30,000,000,000	30,000,000,000

d. Shares

	30/06/2017 Shares	01/01/2017 Shares
- Number of shares registered to sell	20,000,000	20,000,000
- Number of shares sold in public	20,000,000	20,000,000
+ Ordinary share	20,000,000	20,000,000
+ Preferred share	-	-
- Number of outstanding shares	20,000,000	20,000,000
Ordinary share	20,000,000	20,000,000

Par value of shares outstanding: VND 10.000 /Share

e. Funds

	30/06/2017 VND	01/01/2017 VND
Development investment fund	210,832,092,113	210,832,092,113
Total	210,832,092,113	210,832,092,113

5.22 Sales of merchandise and services

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Sales of real estate projects	8,663,856,979	72,789,088,735
Other revenue	10,497,474,432	81,882,050
Total	19,161,331,411	72,870,970,785

5.23 Cost of goods sold

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Cost of real estate projects sold	(14,491,621,353)	43,858,240,706
Other	4,143,746,585	81,882,050
Total	(10,347,874,768)	43,940,122,756

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5.24 Financial income and Financial expenses

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
<i>Financial income</i>		
Bank interest	2,202,146,448	4,843,397,196
Total	2,202,146,448	4,843,397,196
<i>Financial expenses</i>		
Interest expenses	8,026,084,232	1,801,071,294
Total	8,026,084,232	1,801,071,294
Profit (Loss) from financial activities	(5,823,937,784)	3,042,325,902

5.25 Selling expenses and General and administration expenses

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
<i>Selling expenses</i>		
Outsourcing expenses	6,564,886,641	836,583,424
Other expenses in cash	-	21,950,000
Total	6,564,886,641	858,533,424
<i>General and administration expenses</i>		
Administrative staffs	4,813,268,654	3,908,793,641
Fixed asset depreciation	674,716,029	447,721,675
Taxes, fees and charges	332,969,425	200,536,813
Outsourcing expenses	3,278,882,044	1,206,214,050
Other expenses in cash	6,726,000	-
Total	15,671,448,793	6,621,799,603

5.26 Other income/ Other expenses

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
<i>Other income</i>		
Contract violations	568,189,584	-
Others	1,118,633	481,327
Total	569,308,217	481,327
<i>Other expenses</i>		
Loss on sale of fixed assets	79,815,605	-
Other	181,662,112	21,111,917
Total	261,477,717	21,111,917
Profit (Loss) From other activities	307,830,500	(20,630,590)

5.27 Current corporate income tax expenses

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Total accounting profit before tax	8,321,650,102	25,330,743,738
<i>Profit from usual business activities</i>	8,321,650,102	25,330,743,738
Adjustments	-	-
Taxable profit from usual business activities	8,321,650,102	25,330,743,738
Current tax rate	20%	20%
Current corporate income tax expense	1,664,330,021	5,066,148,748
CIT arrears under the tax inspection concluded in 2016	354,424,473	-
CIT payable from usual business activities	2,018,754,494	5,066,148,748

5.28 Basic earning per share

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Accounting profit after tax	6,302,895,608	20,264,594,990
Net profit/ or loss attributable to ordinary equity holders for basic earning (VND)	6,302,895,608	20,264,594,990
Weighted average number of ordinary shares for basic earnings per share	20,000,000	20,000,000
Earnings per share (VND/share)	315	1,013

5.29 Business and production cost by factors

	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Employee expenses	4,813,268,654	4,268,512,303
Depreciation expenses	4,648,094,625	447,721,675
Cost of services purchased	19,652,529,651	52,513,008,930
Other expenses in cash	6,726,000	21,950,000
Total	29,120,618,930	57,251,192,908

6. OTHER INFORMATION

6.1 Related party transactions and balances

Related parties	Relationship	Nature of transactions	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Purchasing transaction				
Housing and urban services Company Ltd. (HUDS)	In same Corporation	Services	19,614,041	-
Thanh Nam Construction and Investment JSC	Capital contributors	Construct projects	16,240,469,958	34,988,701,304
HUDLANDTS., JSC	Associate	Services	5,862,556,655	-

Balances with related parties as at 30/06/2017:

Related parties	Relationship	Nature of transactions	30/06/2017 VND	01/01/2017 VND
Receivables				
			26,877,781,708	27,908,979,737
Housing and urban development Corporation	Parents Corporation	Trade receivables	1,863,529,000	1,863,529,000
		Advances to suppliers	20,338,935,057	20,338,935,457
Thanh Nam Construction and Investment JSC	Capital contributors	Advances to suppliers	-	2,386,418,350
HUDLANDTS., JSC	Associate	Advances to suppliers	4,665,747,310	2,772,514,930
HUD10 Construction and Investment JSC	In same Corporation	Advances to suppliers	7,190,000	-
Housing and urban services Company Ltd. - HUDS	In same Corporation	Trade receivables	2,380,341	547,582,000
Payables				
HUD1 Construction and Investment JSC	In same Corporation	Trade payables	-	175,045,491
Thanh Nam Construction and Investment JSC	Associate	Trade payables	100,502,348	-

Transactions with key personnel and shareholders in 2017:

Related parties	Nature of transactions	Period from 01/01/2017 to 30/06/2017 VND	Period from 01/01/2016 to 30/06/2016 VND
Board of Managements and Board of Directors	Remuneration	1,123,358,837	1,296,593,023

6.2 Financial instruments – Risk management

Capital risk management

The Company managed capital resource to ensure that the Company can operate continuously and maximize benefits of shareholders under optimizing balances of capital resources and liabilities.

Capital structure of the Company includes liabilities (cash and cash equivalents) and owners' equity of shareholders of the Company including contribution capital, reserved funds and retained earnings.

Significant accounting policies

Details of significant accounting policies and methods are applied by the Company (including the criteria for recognition, the basis of valuation and the basis of recognition of income and expenses) for each type of financial assets, financial liabilities and equity instruments are detailed in Note 5.

Financial instruments

	30/06/2017	01/01/2017
	VND	VND
Financial assets		
Cash and cash equivalents	104,196,009,165	83,789,625,762
Trade receivables and other receivables	127,214,211,523	184,887,557,275
Short-term investments	22,073,930,000	28,627,796,567
Long-term investments	2,500,000,000	2,500,000,000
Total	255,984,150,688	299,804,979,604
Financial liabilities		
Borrowings	172,856,823,213	166,745,671,516
Trade payables and other payables	41,541,659,204	18,650,313,138
Accured expenses	11,486,849,699	19,558,406,389
Total	225,885,332,116	204,954,391,043

The Company has not yet evaluated fair-value of financial assets and financial liabilities as at the date ended accounting period because Circular 210 as well as prevailing regulations do not have detailed guidance on determination of fair-value of financial assets and financial liabilities. Circular 210 requires to apply International Financial Report Standards on presentation of the financial statements and Notes of information to financial instruments, but not provide equivalent guidance for information evaluation and recognition of financial instruments including fair-value application in accordance with International Financial Report Standards.

Objective of financial risk management

Financial risks include market risks (including exchange rate risks, interest rate risk and price risk) credit risk, liquidity risk and interest rate risk of cash flow. business activities

Market risks

The Company's business activities mainly suffer from risks when having changes in foreign exchange rate and interest rate. The Company does not implement prevention methods of these risks due to the shortage of markets purchasing financial instruments.

Management of interest rate risk

The Company suffers from material interest rate arising from signed borrowings with interest rate. These risks will be managed by maintaining borrowings at the reasonable level, under floating interest rate and fixed interest rate.

6.2 Financial instruments – Risk management (Cont.)

Credit risk

Credit risks accrued when a client or partner cannot meet obligations in contract leading to financial loss for the Company. The Company has suitable credit policy and regularly observe situation to evaluate whether the Company suffers from credit risks. The Company does not have any material credit risks with the clients or partners because receivables come from large number of clients who operate in different fields and allocates in different geography areas.

Management of liquidity risk

Purpose of liquidity risk management is to ensure adequate capital source to meet financial obligations at present and in the future. Liquidity is also managed by the Company to ensure addition level between liabilities due to date and assets due to date in the period at controllable level to capital believed to create in that period by the Company. The Company's policy is to observe regularly requirements on liquidity at present and in the future to ensure that the Company maintain adequate prevision for cash on hand, borrowings and capital source that shareholders commit to contribute to meet regulations on more short-term and long-term liquidity.

	Under 1 year VND	From 1- 5 years VND	Total VND
30/06/2017			
Borrowings	93,630,590,924	79,226,232,289	172,856,823,213
Trade payables and other payables	41,541,659,204	-	41,541,659,204
Accured expenses	11,486,849,699	-	11,486,849,699
01/01/2017			
Borrowings	67,441,214,227	99,304,457,289	166,745,671,516
Trade payables and other payables	18,650,313,138	-	18,650,313,138
Accured expenses	19,558,406,389	-	19,558,406,389

The Board of Directors believe to create money source to meet financial obligations due to date.

The following table presents in detail of maturity level of non-arising financial assets. The table is made on the basics of maturity level under contract that has not yet been discounted of financial assets including interest from these assets, if any. The presentation of non-arising financial assets information is necessary to understand liquidity risk management of the Company when liquidity is managed on the basics of liabilities and net assets.

	Under 1 year VND	From 1- 5 years VND	Total VND
30/06/2017			
Cash and cash equivalents	104,196,009,165	-	104,196,009,165
Trade receivables and other receivables	127,214,211,523	-	127,214,211,523
Long-term investments	-	2,500,000,000	2,500,000,000
01/01/2017			
Cash and cash equivalents	83,789,625,762	-	83,789,625,762
Trade receivables and other receivables	184,887,557,275	-	184,887,557,275
Long-term investments	-	2,500,000,000	2,500,000,000

6.3 Comparative figures

The figures are which in financial statements of the Company for the financial year ended 31/12/2016 have been audited and results of business activities for the period from 01/01/2016 to 30/06/2016 have been audited by CPA VIETNAM Auditing Company Limited - An Independent Member Firm of Moore Stephens International Limited.

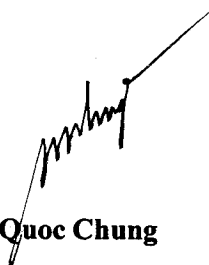
Ha Noi, 11 August 2017

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Director



Pham Cao Son