

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

**REVIEWED INTERIM FINANCIAL STATEMENTS
For the period 6 months ended 30 June 2018**

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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 6 months ended 30 June 2018.

THE COMPANY

HUDLAND Real Estate Investment and Development Joint Stock Company ("the Company") is established under the Business Registration Certificate of Joint Stock Company No. 0102340326 issued by Hanoi Department of Planning and Investment on 10 August 2007, seventh amendment on 16 April 2018.

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

Abbreviated name: HUDLAND., JSC

Registered office at: 12th Floor, HUDLAND TOWER Building, ACC7 Lot, Linh Dam General Service, Hoang Liet Ward, Hoang Mai District, Ha Noi, Vietnam.

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

THE BOARDS OF MANAGEMENT AND DIRECTORS

Board of Management	Mr Pham Cao Son	Chairman (Appointed by Resolution No. 251/NQ-HDQT dated 04/04/2018)
	Mr Bui Duc Think	Chairman (Resigned by Resolution No. 251/NQ-HDQT dated 04/04/2018)
	Mr. Nguyen Thanh Tu	Member (Appointed by Resolution No. 251/NQ-HDQT dated 04/04/2018)
	Ms Dinh Thi Minh Hang	Member
	Mr Le Anh Vu	Member (Resigned by Resolution of Annual General Meeting dated 28/03/2018)
	Mr Pham Van An	Member (Appointed by Resolution No. 251/NQ-HDQT dated 04/04/2018)
	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. Nguyen Thanh Tu	Director (Appointed by Decision No. 252/QD-HDQT dated 04/04/2018)
	Mr Pham Cao Son	Director (Resigned by Resolution No. 251/NQ-HDQT dated 04/04/2018)
	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 6 months ended 30 June 2018.

AUDITOR

CPA VIETNAM Auditing Company Limited - An independent member firm of Moore Stephens International Limited, has reviewed the interim financial statements for the period 6 months ended 30 June 2018.

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.

For and on behalf of, ✓



Nguyen Thanh Tu
Director
Hanoi, 10 August 2018

No.629/2018/BCSX-BCTC/CPA VIETNAM

REPORT ON REVIEW OF INFORMATION IN THE INTERIM FINANCIAL STATEMENTSFor interim financial statements for the period 6 months ended 30 June 2018
of HUDLAND Real Estate Investment and Development Joint Stock Company

To: **Shareholders**
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 30, which prepared on 10 August 2018 comprise the Interim Balance sheet as at 30/06/2018, 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.

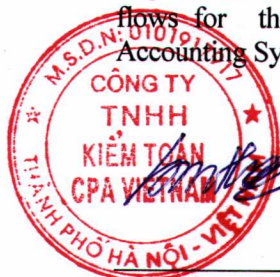
Auditor's Responsibility

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 2018 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

**Dinh Van Thang****Deputy General Director***Certificate of registration of Auditing practice*

No. 1147-2018-137-1

Authorised: 03/2018/UQ-CPA VIETNAM dated 02 January 2018 of Chairman

For and on behalf of,

CPA VIETNAM AUDITING COMPANY LIMITED**An Independent member firm of Moore Stephens International Limited**

Hanoi, 10 August 2018

INTERIM BALANCE SHEET
As at 30 June 2018

ASSETS	CO DE	NO TE	30/06/2018 VND	01/01/2018 VND
A. CURRENT ASSETS (100 = 110+120+130+140+150)	100		624,379,092,474	673,759,617,606
I. Cash and cash equivalents	110	5.1	74,301,686,187	91,083,031,362
1. Cash	111		9,601,686,187	15,483,031,362
2. Cash equivalents	112		64,700,000,000	75,600,000,000
II. Short-term financial investments	120		35,073,930,000	40,073,930,000
3. Investments held to maturity	123	5.2	35,073,930,000	40,073,930,000
III. Short-term receivables	130		411,907,779,188	480,472,995,607
1. Short-term trade accounts receivable	131	5.3	196,067,227,150	333,419,669,721
2. Short-term advances to suppliers	132	5.4	90,956,771,137	122,217,113,256
5. Short-term loan receivables	135	5.5	120,000,000,000	20,000,000,000
6. Other short-term receivables	136	5.6	4,883,780,901	4,836,212,630
IV. Inventories	140		100,712,592,136	60,768,537,251
1. Inventories	141	5.7	100,712,592,136	60,768,537,251
V. Other current assets	150		2,383,104,963	1,361,123,386
1. Short-term prepaid expenses	151	5.8	-	1,361,123,386
2. Deductible VAT	152	5.9	-	-
3. Taxes and other revenues to the state	153	5.9	2,383,104,963	-
B. NON-CURRENT ASSETS (200 = 210+220+240+250+260)	200		153,721,198,053	159,516,670,930
I. Long - terms receivables	210		-	-
II. Fixed assets	220		35,665,399,744	37,548,217,578
1. Tangible fixed assets	221	5.10	35,546,757,272	37,473,741,772
- Cost	222		45,246,811,783	45,246,811,783
- Accumulated Depreciation	223		(9,700,054,511)	(7,773,070,011)
3. Intangible fixed assets	227	5.11	118,642,472	74,475,806
- Cost	228		200,000,000	140,000,000
- Accumulated Depreciation	229		(81,357,528)	(65,524,194)
III. Investment property	230	5.12	114,529,200,643	118,371,288,739
1. Cost	231		126,055,464,928	126,055,464,928
2. Accumulated Depreciation	232		(11,526,264,285)	(7,684,176,189)
IV. Long-term assets in progress	240		197,309,265	204,945,629
2. Construction in progress	242	5.13	197,309,265	204,945,629
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		829,288,401	892,218,984
1. Long-term prepaid expenses	261	5.8	829,288,401	892,218,984
TOTAL ASSETS (270 = 100+200)	270		778,100,290,527	833,276,288,536

INTERIM BALANCE SHEET (Continued)

As at 30 June 2018

RESOURCES	CO DE	NO TE	30/06/2018 VND	01/01/2018 VND
C. LIABILITIES (300 = 310+330)	300		423,032,912,511	335,999,584,398
I. Current liabilities	310		362,960,752,116	261,906,355,325
1. Short-term trade accounts payable	311	5.15	12,547,137,311	8,578,421,167
2. Short-term advances from customers	312	5.16	895,891,200	3,147,028,280
3. Taxes and other payables to State	313	5.17	3,474,689,920	10,750,171,414
4. Short-term payables to employees	314		700,289,564	5,447,981,341
5. Short-term accrued expenses	315	5.18	38,360,928,346	51,111,758,903
8. Short-term unearned revenue	318	5.19	16,904,200,902	1,874,315,712
9. Other current payables	319	5.20	33,668,842,707	4,470,810,519
10. Short-term loans and financial leases	320	5.21	243,883,771,105	166,408,080,180
12. Bonus and welfare funds	322		12,525,001,061	10,117,787,809
II. Long - term liabilities	330		60,072,160,395	74,093,229,073
8. Long-term loans and financial leases	338	5.21	60,072,160,395	74,093,229,073
D. EQUITY (400 = 410+430)	400		355,067,378,016	497,276,704,138
I. Owner's equity	410	5.22	355,067,378,016	497,276,704,138
1. Paid-in capital	411		200,000,000,000	200,000,000,000
- Voting ordinary shares	411a		200,000,000,000	200,000,000,000
8. Investment and development fund	418		80,832,092,113	210,832,092,113
11. Undistributed post-tax profits	421		74,235,285,903	86,444,612,025
- Undistributed post-tax profits accumulated by the end of the previous period	421a		51,487,372,024	28,647,164,999
- Undistributed post-tax profits of current period	421b		22,747,913,879	57,797,447,026
II. Other resources and funds	430		-	-
TOTAL RESOURCES (440 = 300+400)	440		778,100,290,527	833,276,288,536

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 10 August 2018

Director



Nguyen Thanh Tu

INTERIM INCOME STATEMENT
For the period 6 months ended 30 June 2018

ITEMS	CO DE	NO TE	Period 6 months	Period 6 months
			ended 30/06/2018	ended 30/06/2017
			VND	VND
1. Gross sales of merchandise and services	01	5.23	145,500,660,589	19,161,331,411
2. Deductions	02		-	-
3. Net sales of merchandise and services (10 = 01-02)	10	5.23	145,500,660,589	19,161,331,411
4. Cost of goods sold	11	5.24	101,051,394,612	(10,347,874,768)
5. Gross profit from sales of merchandise and services (20 = 10-11)	20		44,449,265,977	29,509,206,179
6. Financial income	21	5.25	3,570,959,702	2,202,146,448
7. Financial expenses	22	5.25	4,199,351,255	8,026,084,232
<i>In which: Interest expenses</i>	23		<i>4,199,351,255</i>	<i>8,026,084,232</i>
8. Selling expenses	24	5.26	6,273,668,644	6,564,886,641
9. General and administration expenses	25	5.26	9,111,613,432	9,106,562,152
10. Operating profit {30 = 20+(21-22)-(24+25)}	30		28,435,592,348	8,013,819,602
11. Other income	31	5.27	-	569,308,217
12. Other expenses	32	5.27	700,000	261,477,717
13. Profit (Loss) from other activities (40=31-32)	40		(700,000)	307,830,500
14. Accounting profit (loss) before tax (50=30+40)	50		28,434,892,348	8,321,650,102
15. Current corporate income tax expense	51	5.28	5,686,978,469	2,018,754,494
16. Deferred corporate income tax expense	52		-	-
17. Profits after corporate income tax (60=50-51-52)	60		22,747,913,879	6,302,895,608
18. Basic earnings per share	70	5.29	1,137	315
19. Diluted earnings per share	71		-	-

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 10 August 2018

Director



Nguyen Thanh Tu

HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Interim financial statements for the period 6 months ended 30 June 2018

Form B 03a-DN

INTERIM CASH FLOW STATEMENT

(Direct method)

For the period 6 months ended 30 June 2018

ITEMS	CO DE	Period 6 months	Period 6 months
		ended 30/06/2018	ended 30/06/2017
1	2	VND	VND
		4	5
I. Cash flow from operating activities			
1. Sales and other revenue	01	300,994,576,954	72,828,868,075
2. Payments for suppliers	02	(120,999,942,189)	(9,155,586,256)
3. Payment for employees	03	(9,096,349,521)	(6,457,432,518)
4. Interest paid	04	(14,338,784,116)	(8,133,215,736)
5. Corporate income tax paid	05	(6,473,046,572)	(4,857,758,061)
6. Other receipts from operating activities	06	512,154,251	4,413,272,744
7. Payments for other activities	07	(19,133,119,609)	(25,311,370,059)
<i>Net cash flows from operating activities</i>	20	<i>131,465,489,198</i>	<i>23,326,778,189</i>
II. Cash flows from investing activities			
1. Payments for acquisition, construction of fixed assets and other long-term assets	21	-	(17,751,649,498)
3. Cash outflow for lending, buying debt instruments of other entities	23	(58,500,000,000)	-
4. Cash recovered from lending, selling debt instruments of other entities	24	35,000,000,000	6,553,866,567
7. Interest earned, dividends and profit received	27	3,570,959,702	2,202,146,448
<i>Net cash flows from (used in) investing activities</i>	30	<i>(19,929,040,298)</i>	<i>(8,995,636,483)</i>
III. Cash flows from financing activities:			
3. Proceeds from borrowings	33	102,209,904,459	43,898,317,487
4. Repayments of borrowings	34	(102,410,613,534)	(37,787,165,790)
6. Dividends and profits paid	36	(128,117,085,000)	(35,910,000)
<i>Net cash flows from financial activities</i>	40	<i>(128,317,794,075)</i>	<i>6,075,241,697</i>
Net cash flows in the year (50 = 20+30+40)	50	(16,781,345,175)	20,406,383,403
Cash and cash equivalents at beginning of year	60	91,083,031,362	83,789,625,762
Cash and cash equivalents at end of year (70 = 50+60+61)	70	74,301,686,187	104,196,009,165

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 10 August 2018

Director



Nguyen Thanh Tu

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09a - DN

1. GENERAL INFORMATION

1.1 Structure of ownership

HUDLAND Real Estate Investment and Development Joint Stock Company (“the Company”) is established under the Business Registration Certificate (“BRC”) of Joint Stock Company No. 0102340326 issued by Hanoi Department of Planning and Investment on 10 August 2007, seventh amendment on 16 April 2018.

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

Abbreviated name: HUDLAND., JSC

Registered office at: 12th Floor, HUDLAND TOWER Building, ACC7 Lot, Linh Dam General Service, Hoang Liet Ward, Hoang Mai District, Ha Noi, Vietnam.

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

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 VND 10,000/ share.

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 30/06/2018, 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 6 months ended 30 June 2018.

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 6 months ended 30 June 2018.

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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 28/2018 / TT-BTC dated 12/04/2018 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 - 25
Machinery and equipment	05 - 07
Office equipment	07
Motor vehicles	05

Intangible asset is computer software that is amortised using the straight-line method over 3 years.

Principles of accounting investment real estate

Investment property includes land use rights and buildings held by the Company for the purpose of gaining from the lease or awaiting increase are stated at cost less accumulated amortization. The cost of purchased investment properties comprises its purchase price and any directly attributable costs, such as appropriate legal advice, tax and other transaction costs. The cost of a real estate investment is the value of the final settlement of the project or the direct costs of the investment property.

Real estate investments are measured at depreciation and amortization as tangible fixed assets of the Company.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction in progress

Properties in progress are for production, leasing, administrative purposes, or for any other purposes recognized at the historical cost. This cost includes service fees, relevant interest fees in accordance with the Company's accounting policy. Depreciation of these assets is the same as the other assets commencing when these assets are ready for their intended use.

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.

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 devoid.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Segment report

Component parts that can distinguish the company engaged in providing related products or services (by business segment), or in providing products or services within a particular economic environment (geographical area) that this part of the economic risks and benefits different from other business segments. The Board of Directors confirms that the Company operates in the business area are the first and development any production of business, cost, and products, wait only single only for this activity ... operating in a segment according to the only geographic area that is Vietnam. Therefore, Segment reporting is not prepared.

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

5.1 Cash and cash equivalents

	30/06/2018	01/01/2018
	VND	VND
Cash on hand	613,167,531	419,648,043
Cash in bank	8,988,518,656	15,063,383,319
Cash equivalents (*)	64,700,000,000	75,600,000,000
Total	74,301,686,187	91,083,031,362

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

5.2 Held to maturity investments

	30/06/2018		01/01/2018	
	VND		VND	
	Historical cost	Book value	Historical cost	Book value
Short-term	35,073,930,000	35,073,930,000	40,073,930,000	40,073,930,000
PVcomBank - Hanoi Branch	35,073,930,000	35,073,930,000	40,073,930,000	40,073,930,000
Long-term	-	-	-	-
Total	35,073,930,000	35,073,930,000	40,073,930,000	40,073,930,000

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

5.3 Trade receivables

	30/06/2018	01/01/2018
	VND	VND
Short-term	196,067,227,150	333,419,669,721
CT17 Building Project in Viet Hung urban area	32,351,909,797	47,120,846,266
Office building block A CC7 Linh Dam	702,155,989	1,432,834,700
HH05 Project in Viet Hung urban area	16,397,600,000	17,550,934,149
Project Area B Bac Ninh	143,243,580,908	263,868,813,171
Le Thai To Townhouse Project, Bac Ninh	41,393,802	41,393,802
Le Thai To Project, Bac Ninh 27ha	103,916,810	103,916,810
Van Canh Project	851,103,834	851,379,573
The gym green, sport TP CV02	1,863,529,000	1,863,529,000
Others	512,037,010	586,022,250
Long-term	-	-
Total	196,067,227,150	333,419,669,721

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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5.4 Advances to suppliers

	30/06/2018	01/01/2018
	VND	VND
Short-term	90,956,771,137	122,217,113,256
Housing and urban Development Corporation	20,338,935,057	20,338,935,057
HUD10 Investment and Construction JSC	15,062,614,991	18,554,185,713
Licogi 18.5 Joint Stock Company No. 18.5	8,651,981,543	15,789,744,506
Housing and urban services Company Ltd. (HUDS)	6,391,228,075	-
Hung Thinh Investment & Construction Consultant JSC	6,425,214,879	11,298,231,887
Thanh Binh Trading Development Investment Corporation	1,573,798,413	13,433,281,899
Construction Joint Stock Company No. 2	-	11,724,414,992
Thanh An Investment and Construction Joint Stock Company 386	5,634,613,875	8,967,555,192
HUDSE Housing and Urban Development JSC	-	5,434,292,286
HUDLANDTS., JSC	404,635,731	2,692,995,876
Nam Thanh Do Construction Consultant JSC	3,025,150,673	3,049,896,390
COTANA GREEN., JSC	1,281,846,632	1,476,394,800
Thanh Nam Construction and Investment JSC	-	-
Others	22,166,751,268	9,457,184,658
Long-term	-	-
Total	90,956,771,137	122,217,113,256

5.5 Short-term loan receivables

The loan of Housing and urban development Corporation amounted VND 120 billion, with interest charged at from 8% to 10%/year.

5.6 Other receivables

	30/06/2018		01/01/2018	
	VND		VND	
	Book value	Provision	Book value	Provision
Short-term	4,883,780,901	-	4,836,212,630	-
Receivables to buy shares	2,000,000,000	-	2,000,000,000	-
Customer service fees	630,600,001	-	697,290,001	-
Red document payable	138,165,148	-	250,931,127	-
Maintenance costs	258,331,191	-	258,331,191	-
Other Receivables	1,682,684,561	-	1,616,660,311	-
Advances	174,000,000	-	13,000,000	-
Long-term	-	-	-	-
Total	4,883,780,901	-	4,836,212,630	-

5.7 Inventories

	30/06/2018		01/01/2018	
	Historical Cost	VND Provision	Historical Cost	VND Provision
Instrument & tools	-	-	33,376,000	-
Work in progress	100,203,292,258	-	60,676,837,996	-
- <i>Low-income Project housing in Bac Ninh</i>	69,033,694,135	-	26,657,447,836	-
- <i>CT17 Viet Hung projects</i>	27,552,641,306	-	30,466,576,569	-
- <i>Other projects</i>	3,616,956,817	-	3,552,813,591	-
Purchase costs	509,299,878	-	58,323,255	-
Total	100,712,592,136	-	60,768,537,251	-

5.8 Prepaid expenses

	30/06/2018	01/01/2018
	VND	VND
Short-term	-	1,361,123,386
- The cost of the building awaiting allocation	-	1,361,123,386
Long-term	829,288,401	892,218,984
- Tools and equipment awaiting allocation	829,288,401	892,218,984
Total	829,288,401	2,253,342,370

5.9 Deductible VAT and receivables from the State

	01/01/2018	Amount deductible/ Amount to be paid	Amount deducted/ Amount paid	30/06/2018
	VND	VND	VND	VND
Value added tax	-	14,223,523,913	11,840,418,950	2,383,104,963
Total	-	14,223,523,913	11,840,418,950	2,383,104,963

5.10 Tangible fixed assets

Unit: VND

	Buildings and Structures	Machinery and Equipment	Motor Vehicles	Office equipment	Total
Cost					
As at 01/01	36,504,099,694	277,156,365	7,479,053,988	986,501,736	45,246,811,783
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
As at 30/06	<u>36,504,099,694</u>	<u>277,156,365</u>	<u>7,479,053,988</u>	<u>986,501,736</u>	<u>45,246,811,783</u>
Accumulated depreciation					
As at 01/01	3,449,502,226	260,094,263	3,633,410,437	430,063,085	7,773,070,011
Increase	1,361,123,382	17,062,101	453,087,923	95,711,094	1,926,984,500
Depreciation	1,361,123,382	17,062,101	453,087,923	95,711,094	1,926,984,500
Decrease	-	-	-	-	-
As at 30/06	<u>4,810,625,608</u>	<u>277,156,364</u>	<u>4,086,498,360</u>	<u>525,774,179</u>	<u>9,700,054,511</u>
Net book value					
As at 01/01	<u>33,054,597,468</u>	<u>17,062,102</u>	<u>3,845,643,551</u>	<u>556,438,651</u>	<u>37,473,741,772</u>
As at 30/06	<u>31,693,474,086</u>	<u>1</u>	<u>3,392,555,628</u>	<u>460,727,557</u>	<u>35,546,757,272</u>

Cost of fixed assets fully depreciated which are still in use as at 30/06/2018 is VND 2,127,822.084.

Cost and Net book value of the pledged property, mortgage guarantee loans as at 30/06/2018 are VND 37,582,676,053 and VND 31,760,885,127.

5.11 Intangible assets

Unit: VND

	Computer software	Total
Cost		
As at 01/01	140,000,000	140,000,000
Increase	60,000,000	60,000,000
Purchases	60,000,000	60,000,000
Decrease	-	-
As at 30/06	<u>200,000,000</u>	<u>200,000,000</u>
Accumulated depreciation		
As at 01/01	65,524,194	65,524,194
Increase	15,833,334	15,833,334
Depreciation	15,833,334	15,833,334
Decrease	-	-
As at 30/06	<u>81,357,528</u>	<u>81,357,528</u>
Net book value		
As at 01/01	<u>74,475,806</u>	<u>74,475,806</u>
As at 30/06	<u>118,642,472</u>	<u>118,642,472</u>

5.12 Investment real property

Unit: VND

Items	Beginning balance	In the period		Ending balance
		Increase	Decrease	
<i>I. Cost</i>	126,055,464,928	-	-	126,055,464,928
Office building block A CC7 Linh Dam	126,055,464,928	-	-	126,055,464,928
<i>II. Accumulated depreciation</i>	7,684,176,189	3,842,088,096	-	11,526,264,285
Office building block A CC7 Linh Dam	7,684,176,189	3,842,088,096	-	11,526,264,285
<i>III. Net book value</i>	118,371,288,739	(3,842,088,096)	-	114,529,200,643
Office building block A CC7 Linh Dam	118,371,288,739	(3,842,088,096)	-	114,529,200,643

The total value of the investment property used to pledge or mortgage the loan.

5.13 Construction in progress

	30/06/2018 VND	01/01/2018 VND
Construction in progress	197,309,265	204,945,629
- Construction: Office Building Lot A - CC7	197,309,265	204,945,629
Total	197,309,265	204,945,629

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5.14 Investments in associates

Unit: VND

	Rate		30/06/2018			01/01/2018		
	Capital owned	Voting right	Historical Cost	Fair value	Provision	Historical Cost	Fair value	Provision
Investments in joint ventures or associates			2,500,000,000	2,500,000,000	-	2,500,000,000	2,500,000,000	-
Hudland trade and service JSC	30.50%	30.50%	2,500,000,000	2,500,000,000	-	2,500,000,000	2,500,000,000	-
Total			2,500,000,000	2,500,000,000	-	2,500,000,000	2,500,000,000	-

5.15 Trade payables

	30/06/2018		01/01/2018	
	Book value	Amount can be paid	Book value	Amount can be paid
Short-term	12,547,137,311	12,547,137,311	8,578,421,167	8,578,421,167
Housing and urban services Company Ltd. - HUDS	-	-	3,133,971,746	3,133,971,746
Construction Consultancy and Testing Center	-	-	1,305,779,341	1,305,779,341
Nam Thanh Do Construction Consultant Joint Stock Company	-	-	1,097,769,904	1,097,769,904
Thanh Binh Trade Development Construction Investment Joint Stock Company	-	-	1,047,414,251	1,047,414,251
Hung Thinh Investment and Construction Consultant Joint Stock Company	6,425,214,879	6,425,214,879	-	-
HUDSE Construction and Investment JSC	1,239,363,791	1,239,363,791	-	-
Branch Construction Joint Stock Company No. 1	-	-	132,699,000	132,699,000
Other suppliers	4,882,558,641	4,882,558,641	1,860,786,925	1,860,786,925
Long-term	-	-	-	-
Total	12,547,137,311	12,547,137,311	8,578,421,167	8,578,421,167
In which: Payables to related parties				
HUDSE Construction and Investment JSC	1,239,363,791	1,239,363,791	-	-

5.16 Advances from customers

	30/06/2018		01/01/2018	
	VND		VND	
Short-term	895,891,200		3,147,028,280	
DACT17 - CT17 Viet Hung Project	125,762,250		801,796,552	
DALKBN - Le Thai To Townhouse Project, Bac Ninh	603,543,601		603,279,001	
Le Thai To Project, Bac Ninh 27ha	148,172,871		148,437,471	
Office building block A CC7 Linh Dam	6,701,144		179,400,100	
Project Area B Bac Ninh	196		1,400,785,701	
Other customers	11,711,138		13,329,455	
Long-term	-		-	
Total	895,891,200		3,147,028,280	

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5.17 Taxes and payables to the State

	01/01/2018 VND	Amount to be paid VND	Amount paid VND	30/06/2018 VND
Value added tax	7,865,920,333	13,007,394,362	20,873,314,695	-
Profit tax	2,852,311,919	5,686,978,470	6,473,046,572	2,066,243,817
Personal income tax	31,939,162	2,782,062,679	1,405,555,738	1,408,446,103
Housing tax, land rental charges	-	3,412,243,342	3,412,243,342	-
Fee & charge & other payables	-	3,000,000	3,000,000	-
Total	10,750,171,414	24,891,678,853	32,167,160,347	3,474,689,920

5.18 Accrued expenses payables

	30/06/2018 VND	01/01/2018 VND
Short-term	38,360,928,346	51,111,758,903
Service for rent of CC7	854,269,621	-
Adjacent Bac Ninh Project	2,156,210,749	2,156,210,749
Bac Ninh Villa Project	327,023,543	374,623,945
Accrued expenses for DACT17	-	226,447,200
Van Canh project	204,226,355	204,226,355
Multi project 05, Viet Hung urban area	2,118,200,366	2,118,200,366
Bac Ninh Area B Project	32,700,997,712	43,000,000,000
Cost of the office building project	-	3,032,050,288
Long-term	-	-
Total	38,360,928,346	51,111,758,903

5.19 Unearned revenue

	30/06/2018 VND	01/01/2018 VND
Short-term	16,904,200,902	1,874,315,712
Raw building advances from customers	16,904,200,902	1,874,315,712
Long-term	-	-
Total	16,904,200,902	1,874,315,712

5.20 Other payables

	30/06/2018 VND	01/01/2018 VND
Short-term	33,668,842,707	4,470,810,519
Trade Union fee	-	18,886,772
Social insurance, health insurance	75,623,072	68,337,901
Unemployment insurance	4,972,570	4,555,860
Dividends payable	29,831,632,500	136,942,500
Other current payables	698,446,542	-
Deposit to make the Red document, service fees, and deposits under Contract	3,058,168,023	4,242,087,486
Long-term	-	-
Total	33,668,842,707	4,470,810,519

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5.21 Loans and finance lease liabilities

Unit: VND

	30/06/2018		the period		01/01/2018	
	Value	Amount can be paid	Increase	Decrease	Value	Amount can be paid
Shor-term	243,883,771,105	243,883,771,105	173,709,904,459	96,234,213,534	166,408,080,180	166,408,080,180
BIDV - Hanoi Branch (1)	188,830,917,894	188,830,917,894	143,512,213,082	63,712,780,851	109,031,485,663	109,031,485,663
Pvcombank - Hanoi Branch (2)	55,052,853,211	55,052,853,211	30,197,691,377	32,521,432,683	57,376,594,517	57,376,594,517
Long-term	60,072,160,395	60,072,160,395	-	14,021,068,678	74,093,229,073	74,093,229,073
Pvcombank - Hanoi Branch (3)	52,201,400,000	52,201,400,000	-	6,176,400,000	58,377,800,000	58,377,800,000
Personal loans (4)	7,870,760,395	7,870,760,395	-	7,844,668,678	15,715,429,073	15,715,429,073
Total	303,955,931,500	303,955,931,500	173,709,904,459	110,255,282,212	240,501,309,253	240,501,309,253

(1) Credit limit contract No. 01/2017/1906164/HDTD on 25/07/2017. 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/HĐTTC on 24/2/2014 and amended documents attached.

Contracts for financing 01/2018/1906164/HDTTC dated 15/06/2018. The credit limit is VND 71,500,000,000; Purpose: make up for deficits (short-term capital) for the borrower due to the inadequate balance of cash flow or due to seasonal characteristics and business requirements. Duration of penetration Payment: From the date of signing to July 19,2018, Lending rate: according to the Bank's regulations at the time of disbursement under each specific contract.Solution Assurance: To use the revenue from their production and business activities and pledge the deposit contracts to ensure the debt payment obligation at the Bank.

(2) Contract of granting credit limit No. 379/2017/HDTD/HUDLAND/PVB-HAN on 18/12/2017. 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).

5.21 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

5.22 Owner's equity

a. Reconciliation of movements in owners' equity

Unit: VND

	Owner's capital	Investment and Development fund	Retained earnings	Total
As at 01/01/2017	200,000,000,000	210,832,092,113	62,166,544,999	472,998,637,112
Increase	-	-	57,797,447,026	57,797,447,026
Profit after tax	-	-	57,797,447,026	57,797,447,026
Allocation to funds	-	-	-	-
Decrease	-	-	33,519,380,000	33,519,380,000
Remuneration to BOM, BOS	-	-	228,380,000	228,380,000
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 31/12/2017	200,000,000,000	210,832,092,113	86,444,612,025	497,276,704,138
As at 01/01/2018	200,000,000,000	210,832,092,113	86,444,612,025	497,276,704,138
Increase	-	-	152,747,913,879	152,747,913,879
Profit after tax	-	-	22,747,913,879	22,747,913,879
Fund transfer	-	-	130,000,000,000	130,000,000,000
Decrease	-	130,000,000,000	164,957,240,001	294,957,240,001
Remuneration to BOM, BOS	-	-	57,240,001	57,240,001
Allocation to funds	-	-	4,900,000,000	4,900,000,000
Dividend paid in 2017	-	-	160,000,000,000	160,000,000,000
Fund transfer	-	130,000,000,000	-	130,000,000,000
As at 30/06/2018	200,000,000,000	80,832,092,113	74,235,285,903	355,067,378,016

b. Details of owner's equity

Shareholders	Shares Quantity	Amount VND	Ratio %	Capital recorded	
				30/06/2018 VND	01/01/2018 VND
Housing and urban development Corporation	10,200,000	102,000,000,000	51.00%	102,000,000,000	102,000,000,000
COTANA Corporation JSC	629,400	6,294,000,000	3.15%	6,294,000,000	6,294,000,000
Mrs. Nguyen Thanh Huong	248,000	2,480,000,000	1.24%	2,480,000,000	2,480,000,000
Mr. Kenneth Ruby Kamon	1,250,300	12,503,000,000	6.25%	12,503,000,000	12,503,000,000
Other shareholders	7,672,300	76,723,000,000	38.36%	76,723,000,000	76,723,000,000
Total	20,000,000	200,000,000,000	100.00%	200,000,000,000	200,000,000,000

5.22 Owner's equity (Cont.)

c. Capital transactions with owners and dividends distribution

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
- Owner's equity		
As at 01/01	200,000,000,000	200,000,000,000
Increase	-	-
Decrease	-	-
As at 30/06	200,000,000,000	200,000,000,000
- Dividends, profit paid	164,900,000,000	33,291,000,000

d. Shares

	30/06/2018	01/01/2018
	Shares	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

	30/06/2018	01/01/2018
	VND	VND
Development investment fund	80,832,092,113	210,832,092,113
Total	80,832,092,113	210,832,092,113

5.23 Sales of merchandise and services

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
Sales of real estate projects	131,179,777,624	8,663,856,979
Other revenue	14,320,882,965	10,497,474,432
Total	145,500,660,589	19,161,331,411

5.24 Cost of goods sold

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
Cost of real estate projects sold	98,125,221,433	(14,491,621,353)
Other	2,926,173,179	4,143,746,585
Total	101,051,394,612	(10,347,874,768)

5.25 Financial income and Financial expenses

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
<i>Financial income</i>		
Bank interest	3,570,959,702	2,202,146,448
Total	3,570,959,702	2,202,146,448
<i>Financial expenses</i>		
Interest expenses	4,199,351,255	8,026,084,232
Total	4,199,351,255	8,026,084,232
Profit (Loss) from financial activities	(628,391,553)	(5,823,937,784)

5.26 Selling expenses and General and administration expenses

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
<i>Selling expenses</i>		
Other expenses in cash	6,273,668,644	6,564,886,641
Total	6,273,668,644	6,564,886,641
<i>General and administration expenses</i>		
Administrative staffs	4,639,097,895	4,813,268,654
Fixed asset depreciation	2,012,784,518	674,716,029
Taxes, fees and charges	172,474,838	332,969,425
Outsourcing expenses	2,287,256,181	3,278,882,044
Other expenses in cash	-	6,726,000
Total	15,385,282,076	15,671,448,793

5.27 Other income/ Other expenses

	Period 6 months ended 30/06/2018	Period 6 months ended 30/06/2017
	VND	VND
<i>Other income</i>		
Collect fines for breach of contract	-	568,189,584
Others	-	1,118,633
Total	-	569,308,217
<i>Other expenses</i>		
Loss from liquidation of assets	-	79,815,605
Others	700,000	181,662,112
Total	700,000	261,477,717
Profit (Loss) From other activities	(700,000)	307,830,500

5.28 Current corporate income tax expenses

	Period 6 months ended 30/06/2018 VND	Period 6 months ended 30/06/2017 VND
Total accounting profit before tax	28,434,892,348	8,321,650,102
<i>Profit from usual business activities</i>	28,434,892,348	8,321,650,102
Adjustments	-	-
Taxable profit from usual business activities	28,434,892,348	8,321,650,102
Current tax rate	20%	20%
Current corporate income tax expense	5,686,978,469	1,664,330,020
CIT is accounted for by the type of business invoice elapsed in 2016	-	354,424,473
CIT payable from usual business activities	5,686,978,469	2,018,754,494

5.29 Basic earning per share

	Period 6 months ended 30/06/2018 VND	Period 6 months ended 30/06/2017 VND
Accounting profit after tax	22,747,913,879	6,302,895,608
Net profit/ or loss attributable to ordinary equity holders for basic earning (VND)	22,747,913,879	6,302,895,608
Weighted average number of ordinary shares for basic earnings per share	20,000,000	20,000,000
Earnings per share (VND/share)	1,137	315

5.30 Business and production cost by factors

	Period 6 months ended 30/06/2018 VND	Period 6 months ended 30/06/2017 VND
Employee expenses	5,355,921,218	4,813,268,654
Depreciation expenses	7,215,996,000	4,648,094,625
Accrued expenses	33,555,267,333	-
Cost of services purchased	139,321,596,503	19,652,529,651
Other expenses in cash	6,445,737,288	6,726,000
Total	191,894,518,342	29,120,618,930

HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Interim financial statements for the period 6 months ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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6. OTHER INFORMATION

6.1 Related party transactions and balances

Related parties	Relationship	Nature of transactions	Period 6 months ended 30/06/2018 VND	Period 6 months ended 30/06/2017 VND
Purchasing transaction				
HUD10 Construction and Investment JSC	In same Corporation	Transfer infrastructure	12,575,482,404	-
Housing and urban services Company Ltd. (HUDS)	In same Corporation	Services	42,772,197	19,614,041
COTANA Corporation JSC	Capital contributors	Construct projects	-	16,240,469,958
HUDLANDTS., JSC	Associate	Services	4,885,593,080	5,862,556,655
HUDSE Construction and Investment JSC	Capital contributors	Construct projects	10,425,480,321	-

Balances with related parties as at 30/06/2018:

Related parties	Relationship	Nature of transactions	30/06/2018 VND	01/01/2018 VND
Receivables				
			48,513,106,135	51,222,233,662
Housing and urban development Corporation	Parents Corporation	Trade receivables	1,863,529,000	1,863,529,000
COTANA Corporation JSC	Capital contributors	Advances to suppliers	20,338,935,057	20,338,935,057
HUDLANDTS., JSC	Associate	Advances to suppliers	2,500,001,495	500,001,495
HUD10 Construction and Investment JSC	In same Corporation	Trade receivables	404,635,731	2,428,235,232
Housing and urban services Company Ltd. - HUDS	In same Corporation	Trade receivables	-	80,864,765
HUD1 Construction and Investment JSC	In same Corporation	Advances to suppliers	-	52,204,419
HUDSE Construction and Investment JSC	In same Corporation	Advances to suppliers	15,062,614,991	18,554,185,713
		Trade receivables	-	7,406,010
		Advances to suppliers	6,391,228,075	-
		Trade receivables	-	7,269,676
		Advances to suppliers	1,952,161,786	1,952,161,786
		Trade receivables	-	3,148,223
		Advances to suppliers	-	5,434,292,286
			4,368,742,096	3,129,378,305
HUDSE Construction and Investment JSC	In same Corporation	Trade payables	1,239,363,791	-
Housing and urban services Company Ltd. - HUDS	In same Corporation	Trade payables	3,129,378,305	3,129,378,305

6.1 Related party transactions and balances (cont.)

Transactions with key personnel and shareholders:

Related parties	Nature of transactions	Period 6 months ended 30/06/2018 VND	Period 6 months ended 30/06/2017 VND
Board of Managements and Board of Directors	Remuneration	2,119,555,065	1,123,358,837

6.2 Comparative figures

The figures are which in financial statements of the Company for the financial year ended 31/12/2017 have been audited and results of interim business activities for the period 6 months ended 30 June 2017 have been reviewed by CPA VIETNAM Auditing Company Limited - An Independent Member Firm of Moore Stephens International Limited.

Ha Noi, 10 August 2018

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Director



Nguyen Thanh Tu

