

# **Khang Dien House Trading and Investment Joint Stock Company**

Interim consolidated financial statements

For the six-month period ended 30 June 2020



# Khang Dien House Trading and Investment Joint Stock Company

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# Khang Dien House Trading and Investment Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Khang Dien House Trading and Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 2 May 2007, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the HOSE on 21 January 2010.

The current principal activities of the Company and its subsidiaries ("the Group") are to trade and lease houses, receive land use rights to construct houses for sale and lease, invest in construction of infrastructure in compliance with residential construction scheme to transfer land use rights, undertake engineering and industrial construction works, to provide real-estate consulting services.

The Company's registered head office is located at Rooms 1 and 2, 11<sup>th</sup> Floor, Saigon Centre, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Ms Mai Tran Thanh Trang	Chairwoman	
Mr Ly Dien Son	Deputy Chairman	
Ms Nguyen Thi Dieu Phuong	Member	
Ms Nguyen Thi Cam Van	Member	
Mr Le Quang Minh	Member	appointed on 19 June 2020
Ms Ngo Thi Mai Chi	Member	resigned on 19 June 2020

### BOARD OF SUPERVISION

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

Mr Nguyen Phuong Nam	Head	appointed on 22 June 2020
Ms Pham Kim Thoa	Head	resigned on 22 June 2020
Ms Vuong Hoang Thao Linh	Member	
Ms Luu Thi Xuan Lai	Member	

### MANAGEMENT

Members of the Management during the period and at the date of this report are:

Mr Le Quang Minh	General Director	appointed on 22 June 2020
	Deputy General Director	resigned on 22 June 2020
Ms Ngo Thi Mai Chi	General Director	appointed on 15 April 2020
Mr Truong Minh Duy	Deputy General Director	resigned on 22 June 2020
Mr Bui Quang Huy	Deputy General Director	
Ms Nguyen Thuy Trang	Deputy General Director	appointed on 25 March 2020

### LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2020 to 21 June 2020 was Ms Ngo Thi Mai Chi and from 22 June 2020 to the date of this report is Mr Le Quang Minh.

### AUDITORS

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

# Khang Dien House Trading and Investment Joint Stock Company

## REPORT OF MANAGEMENT

Management of Khang Dien House Trading and Investment Joint Stock Company ("the Company") is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2020 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:



Le Quang Minh  
General Director

Ho Chi Minh City, Vietnam

20 August 2020

Reference: 60766189/22006883/LR-HN

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**To: The Shareholders of Khang Dien House Trading and Investment Joint Stock Company**

We have reviewed the accompanying interim consolidated financial statements of Khang Dien House Trading and Investment Joint Stock Company ("the Company") and its subsidiaries ("the Group") as prepared on 20 August 2020 and set out on pages 5 to 39, which comprise the interim consolidated balance sheet as at 30 June 2020, and the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

### ***Management's responsibility***

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

### ***Auditors' responsibility***

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements No. 2410 - Review of interim financial information performed by the independent auditor of the entity.

A review of the interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

### **Ernst & Young Vietnam Limited**



Duong Le Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

20 August 2020

Khang Dien House Trading and Investment  
Joint Stock Company

B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2020

VND'000

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>13,611,948,172</b>	<b>12,326,995,869</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,824,415,822</b>	<b>1,174,994,416</b>
111	1. Cash		958,082,305	430,646,149
112	2. Cash equivalents		866,333,517	744,348,267
<b>120</b>	<b>II. Short-term investment</b>		<b>-</b>	<b>32,490,641</b>
123	1. Held-to-maturity investments		-	32,490,641
<b>130</b>	<b>III. Current accounts receivable</b>		<b>3,876,295,158</b>	<b>3,777,835,110</b>
131	1. Short-term trade receivables	6	1,227,124,104	1,614,477,111
132	2. Short-term advances to suppliers	7	2,074,685,785	1,700,470,697
136	3. Other short-term receivables	8	575,461,268	463,768,688
137	4. Provision for doubtful short-term receivables	6	(975,999)	(881,386)
<b>140</b>	<b>IV. Inventory</b>		<b>7,549,130,519</b>	<b>7,037,108,743</b>
141	1. Inventories	9	7,549,130,519	7,037,108,743
<b>150</b>	<b>V. Other current assets</b>		<b>362,106,673</b>	<b>304,566,959</b>
151	1. Short-term prepaid expenses	10	328,585,766	250,231,916
152	2. Value-added tax deductible		32,689,505	54,259,655
153	3. Tax and other receivables from the State		831,402	75,388
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>896,149,605</b>	<b>910,329,204</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>83,389,151</b>	<b>95,819,247</b>
211	1. Long-term trade receivables	6	72,344,911	77,954,214
212	2. Long-term advances to suppliers	7	1,758,585	1,728,585
216	3. Other long-term receivables	8	11,285,655	18,136,448
219	4. Provision for doubtful long-term receivables	6	(2,000,000)	(2,000,000)
<b>220</b>	<b>II. Fixed assets</b>		<b>51,604,800</b>	<b>47,761,628</b>
221	1. Tangible fixed assets	11	51,604,800	47,761,628
222	Cost		116,113,848	109,142,032
223	Accumulated depreciation		(64,509,048)	(61,380,404)
227	2. Intangible fixed assets		-	-
228	Cost		339,700	339,700
229	Accumulated amortisation		(339,700)	(339,700)
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>94,290,835</b>	<b>99,666,817</b>
231	1. Cost		99,837,127	104,566,383
232	2. Accumulated depreciation		(5,546,292)	(4,899,566)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>630,192,628</b>	<b>629,487,717</b>
242	1. Construction in progress	13	630,192,628	629,487,717
<b>250</b>	<b>V. Long-term investments</b>	<b>14</b>	<b>14,300,000</b>	<b>14,300,000</b>
253	1. Investment in other entity		14,000,000	14,000,000
255	2. Held-to-maturity investments		300,000	300,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>22,372,191</b>	<b>23,293,795</b>
261	1. Long-term prepaid expenses	10	12,026,271	10,957,661
262	2. Deferred tax assets	31.3	8,054,056	9,563,044
269	3. Goodwill	15	2,291,864	2,773,090
<b>270</b>	<b>TOTAL ASSETS</b>		<b>14,508,097,777</b>	<b>13,237,325,073</b>

Khang Dien House Trading and Investment  
Joint Stock Company

B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2020

VND'000

Code	RESOURCES	Notes	30 June 2020	31 December 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,936,680,613</b>	<b>5,572,964,711</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>5,454,256,659</b>	<b>4,571,654,220</b>
311	1. Short-term trade payables	16	359,542,739	695,698,468
312	2. Short-term advances from customers	17	3,807,968,502	2,772,929,571
313	3. Statutory obligations	18	471,767,559	294,417,957
315	4. Short-term accrued expenses	19	40,224,265	75,424,337
318	5. Short-term unearned revenues	20	5,937,491	1,330,504
319	6. Other short-term payables	21	292,152,635	319,815,817
320	7. Short-term loans	23	422,926,428	377,291,025
322	8. Bonus and welfare fund	22	53,737,040	34,746,541
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,482,423,954</b>	<b>1,001,310,491</b>
332	1. Long-term advances from customers	17	198,412	26,526,233
333	2. Long-term accrued expenses	19	78,980,397	69,227,791
336	3. Long-term unearned revenues	20	9,301,479	10,159,880
337	4. Other long-term liabilities	21	398,870,731	436,260,677
338	5. Long-term loans	23	945,841,486	405,200,418
341	6. Deferred tax liabilities	31.3	47,886,863	52,500,279
342	7. Long-term provisions		1,344,586	1,435,213
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>7,571,417,164</b>	<b>7,664,360,362</b>
<b>410</b>	<b>I. Capital</b>		<b>7,571,417,164</b>	<b>7,664,360,362</b>
411	1. Share capital	24.1	5,444,291,090	5,444,291,090
411a	- Shares with voting rights		5,444,291,090	5,444,291,090
412	2. Share premium	24.1	720,153,163	720,153,163
415	3. Treasury shares	24.1	(419,064,794)	-
418	4. Investment and development fund	24.1	179,339,505	133,577,863
421	5. Undistributed earnings	24.1	1,616,540,684	1,327,039,024
421a	- Undistributed earnings by the end of prior period		1,208,261,181	411,806,179
421b	- Undistributed earnings of current period		408,279,503	915,232,845
429	6. Non-controlling interests	25	30,157,516	39,299,222
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>14,508,097,777</b>	<b>13,237,325,073</b>

Luu Thi Minh Hieu  
Preparer

Nguyen Tran Cam Hien  
Chief Accountant

Quang Minh  
General Director



20 August 2020



INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	26.1	1,532,209,224	1,250,000,456
02	2. Deductions	26.1	(46,291,468)	(255,354)
10	3. Net revenue from sale of goods and rendering of services	26.1	1,485,917,756	1,249,745,102
11	4. Cost of goods sold and services rendered	27	(734,182,414)	(751,054,333)
20	5. Gross profit from sale of goods and rendering of services		751,735,342	498,690,769
21	6. Finance income	26.2	10,343,702	21,130,187
22	7. Finance expenses	28	(45,135,211)	(33,845,240)
23	- In which: Interest expense		-	(7,617,703)
25	8. Selling expenses	29	(84,094,255)	(70,118,778)
26	9. General and administrative expenses	29	(88,861,487)	(90,114,784)
30	10. Operating profit		543,988,091	325,742,154
31	11. Other income	30	11,237,837	15,703,435
32	12. Other expenses	30	(27,301,020)	(44,870,553)
40	13. Other loss	30	(16,063,183)	(29,167,118)
50	14. Accounting profit before tax		527,924,908	296,575,036
51	15. Current corporate income tax expense	31.1	(122,124,115)	(81,222,337)
52	16. Deferred tax income (expense)	31.3	3,104,430	(273,693)
60	17. Net profit after tax		408,905,223	215,079,006
61	18. Net profit after tax attributable to shareholders of the parent		408,279,503	214,717,803
62	19. Net profit after tax attributable to non-controlling interests		625,720	361,203
70	20. Basic earnings per share (VND'000/share)	33	0.76	0.37
71	21. Diluted earnings per share (VND'000/share)	33	0.76	0.37

Luu Thi Minh Hieu  
Preparer

Nguyen Tran Cam Hien  
Chief Accountant

Le Quang Minh  
General Director

20 August 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>527,924,908</b>	<b>296,575,036</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (including amortisation of goodwill)	11, 12, 15	5,232,589	4,084,266
03	Provisions (reversal of provision)		94,613	(2,609,982)
05	Profits from investing activities		(10,436,429)	(21,130,187)
06	Interest expenses		50,000	7,653,878
08	<b>Operating profit before changes in working capital</b>		<b>522,865,681</b>	<b>284,573,011</b>
09	Increase in receivables		(67,293,887)	(321,194,289)
10	(Increase) decrease in inventories		(512,021,776)	14,453,971
11	Increase in payables		724,958,726	422,921,166
12	Increase in prepaid expenses		(79,422,460)	(36,899,665)
14	Interest paid		(36,955,205)	(41,599,596)
15	Corporate income tax paid	18	(70,790,944)	(200,869,587)
17	Other cash outflows from operating activities	22	(26,771,143)	(24,473,768)
20	<b>Net cash flows from operating activities</b>		<b>454,568,992</b>	<b>96,911,243</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(8,529,064)	(129,482,545)
22	Proceeds from disposal of fixed assets		102,000	-
23	Payment of term deposits		-	(69,917,518)
24	Collection of term deposits		32,490,641	-
25	Payment for investments in other entities		(9,600,000)	-
27	Interest received		12,327,160	47,481,355
30	<b>Net cash flows from (used in) investing activities</b>		<b>26,790,737</b>	<b>(151,918,708)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of new shares		-	46,360,000
	Capital contribution from non-controlling interests		800,000	3,500,000
32	Repurchase of issued shares		(419,064,794)	-
33	Drawdown of borrowings		1,230,050,817	534,764,080
34	Repayment of borrowings		(643,724,346)	(627,365,129)
36	Dividend paid		-	(207,011,676)
40	<b>Net cash flows from (used in) financing activities</b>		<b>168,061,677</b>	<b>(249,752,725)</b>

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
50	Net increase (decrease) in cash and cash equivalents for the period		649,421,406	(304,760,190)
60	Cash and cash equivalents at beginning of the period		1,174,994,416	1,835,706,312
70	Cash and cash equivalents at end of the period	5	1,824,415,822	1,530,946,122

  
Luu Thi Minh Hieu  
Preparer

  
Nguyen Tran Cam Hien  
Chief Accountant



  
Le Quang Minh  
General Director

20 August 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2020 and for the six-month period then ended

**1. CORPORATE INFORMATION**

Khang Dien House Trading and Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 2 May 2007, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the HOSE on 21 January 2010.

The current principal activities of the Company and its subsidiaries ("the Group") are to trade and lease houses, receive land use rights to construct houses for sale and lease, invest in construction of infrastructure in compliance with residential construction scheme to transfer land use rights, undertake engineering and industrial construction works, to provide real-estate consulting services.

The Company's registered head office is located at Rooms 1 and 2, 11<sup>th</sup> Floor, Saigon Centre, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 30 June 2020 was 315 (31 December 2019: 327).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**1. CORPORATE INFORMATION** (continued)

**Corporate structure**

The Company invested in 23 subsidiaries, which are consolidated into the Group's interim consolidated financial statements:

Name of subsidiaries	Location	Business activities	Status	% of ownership and voting rights	
				30 June 2020	31 December 2019
(1) Thanh Phuc Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(2) Tri Minh Real Estate Trading and Investment Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(3) Gia Phuoc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	99.90	99.90
(4) Spring Sai Gon Real Estate Trading Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(5) International Consulting Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	99.90	99.90
(6) Long Phuoc Dien Housing and Infrastructure Development Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.95	99.95
(7) Hao Khang One Member Company Limited	Ho Chi Minh City	Construct and trade real estate properties	Operating	100	100
(8) Sapphire Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(9) Lien Minh Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.70	99.70
(10) Song Lap Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.70	99.70

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

1. **CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

The Company invested in 23 subsidiaries, which are consolidated into the Group's interim consolidated financial statements: (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Business activities</i>	<i>Status</i>	<i>% of ownership and voting rights</i>	
				<i>30 June 2020</i>	<i>31 December 2019</i>
(11) Tri Kiet Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(12) Mega City Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.85	99.85
(13) Vi La Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.00	99.00
(14) Thap Muoi Real Estate Trading and Construction Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(15) Viet Huu Phu Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.00	99.00
(16) Khong Gian Xanh Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	98.01	98.01
(17) Binh Trung Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(18) Khang Phuc House Trading Investment Company Limited	Ho Chi Minh City	Trade real estate properties, house construction, construction investment, trading infrastructure of industrial parks	Operating	100	100

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

1. **CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

The Company invested in 23 subsidiaries, which are consolidated into the Group's interim consolidated financial statements: (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Business activities</i>	<i>Status</i>	<i>% of ownership and voting rights</i>	
				<i>30 June 2020</i>	<i>31 December 2019</i>
(19) BCCI Development Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	100	100
(20) Minh Phat Real Estate Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	51.00	51.00
(21) Kim Phat Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(22) Nam Phu Real Estate Development Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.00	51.00
(23) Thuy Sinh Real Estate Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	98.90	98.90

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## **2. BASIS OF PREPARATION**

### **2.1 Accounting standards and system**

The interim consolidated financial statements of the Group expressed in thousands of Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

### **2.2 Applied accounting documentation system**

The Group's applied accounting documentation system is the Voucher Journal and the General Journal system.

### **2.3 Fiscal year**

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

### **2.4 Accounting currency**

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

### **2.5 Basis of consolidation**

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

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

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

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly-liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.2 *Inventories*

##### *Inventory property*

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV").

Cost includes:

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

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

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

##### *Other inventories*

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

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

The perpetual method is used to record inventories, which are valued as follows:

Raw materials - cost of purchase on a weighted average basis

##### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

#### 3.3 *Receivables*

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and amortisation.

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

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

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

**3.5 Leased assets**

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

*Where the Group is the lessee*

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

*Where the Group is the lessor*

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

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

**3.6 Depreciation and amortisation**

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

Building and structures	10 - 20 years
Machinery and equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 years
ISO certificate	3 - 10 years
Computer software	3 - 10 years

**3.7 Investment properties**

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

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

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

Infrastructure	25 – 46 years
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.7 *Investment properties* (continued)**

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

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

**3.8 *Borrowing costs***

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

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

**3.9 *Prepaid expenses***

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

The following types of expenses are recorded as prepaid expense and are amortised or recognised consistently with revenue to the interim consolidated income statement:

- ▶ Prepaid rental;
- ▶ Tools and supplies;
- ▶ Commission fees;
- ▶ Discounts; and
- ▶ Industrial park's renovation costs.

**3.10 *Business combinations and goodwill***

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Business combinations and goodwill (continued)**

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

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

**3.11 Investments**

*Investment in other entity*

Investment in other entity is stated at its acquisition cost.

*Held-to-maturity investments*

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

*Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

**3.12 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

**3.13 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to 31 December 2008 at the rate of one-half of the average monthly salary for each period of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Appropriation of net profits**

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

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

*Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

*Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the interim consolidated balance sheet.

**3.15 Revenue recognition**

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

*Sale of completed properties*

Revenue is recorded when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

*Sale of land lots and related infrastructure*

The Group applies the revenue recognition method as guided in the Official Letter No. 17239/BTC-CDKT dated 20 December 2017 of Ministry of Finance. Accordingly, sublease rentals are recognised on a straight-line basis over the lease terms when the Group progressively receives less than 90% of total rentals. The remaining rentals will be recognised in full upon cumulative receipt of 90% of total rentals.

*Rental income*

Rental income arising from operating leases is recorded to the interim consolidated income statement and accounted for on a straight-line basis over the terms of the lease.

*Rendering of services*

Revenue is recognised upon completion of the services provided.

*Interest income*

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

*Dividend income*

Dividend income is recognised when the Group's entitlement as an investor to receive the dividend is established.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Taxation**

*Current income tax*

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

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

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

*Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

**3.17 Earnings per share**

Basic earnings per share amount is computed by dividing net profit for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.18 Segment information**

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

As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of real estate. Geographical segment of the Group is in Vietnam only. Accordingly, segment information is not presented.

**3.19 Related parties**

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

**4. SIGNIFICANT EVENT**

***Acquisition of additional interest in existing subsidiary - Nam Phu Real Estate Development Company Limited ("Nam Phu")***

On 22 June 2020, the Group acquired an additional 48% interest in the voting shares of Nam Phu, increasing its ownership interest to 99% as at this date. Cash consideration of VND'000 9,600,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Nam Phu (excluding goodwill on the original acquisition) at the acquisition date was VND'000 20,421,720, and the carrying value of the additional interest acquired was VND'000 9,802,426. The difference of VND'000 202,426 between the consideration and the carrying value of the interest acquired has been recognised in undistributed earnings.

**5. CASH AND CASH EQUIVALENTS**

	VND'000	
	30 June 2020	31 December 2019
Cash on hand	29,613,956	12,751,358
Cash in banks	928,468,349	417,894,791
Cash equivalents (*)	866,333,517	744,348,267
<b>TOTAL</b>	<b>1,824,415,822</b>	<b>1,174,994,416</b>

(\*) Cash equivalents represent bank deposits with original maturity of not more than 3 months and earning interest at the rates ranging from 4.0% to 4.8% per annum.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**6. TRADE RECEIVABLES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>1,227,124,104</b>	<b>1,614,477,111</b>
Receivables from sale of residential land properties	1,227,124,104	1,614,477,111
<b>Long-term</b>	<b>72,344,911</b>	<b>77,954,214</b>
Receivables from sale of residential land properties	72,344,911	77,954,214
<b>TOTAL</b>	<b>1,299,469,015</b>	<b>1,692,431,325</b>
Provision for doubtful receivables	(2,975,999)	(2,881,386)
<i>In which:</i>		
<i>Short-term</i>	(975,999)	(881,386)
<i>Long-term</i>	(2,000,000)	(2,000,000)
<b>NET</b>	<b>1,296,493,016</b>	<b>1,689,549,939</b>

**7. ADVANCES TO SUPPLIERS**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>2,074,685,785</b>	<b>1,700,470,697</b>
Advances for transfer of land use right	1,704,005,885	1,244,320,795
Advances for construction services	356,577,199	448,064,465
Others	14,102,701	8,085,437
<b>Long-term</b>	<b>1,758,585</b>	<b>1,728,585</b>
Advances for construction services	1,758,585	1,728,585
<b>TOTAL</b>	<b>2,076,444,370</b>	<b>1,702,199,282</b>

**8. OTHER RECEIVABLES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>575,461,268</b>	<b>463,768,688</b>
Advances for projects compensation	491,668,322	390,657,926
Provisional corporate income tax (i)	66,104,856	55,713,905
Others	17,688,090	17,396,857
<b>Long-term</b>	<b>11,285,655</b>	<b>18,136,448</b>
Overpaid land use fee	6,399,496	6,399,496
Deposits	3,658,189	5,048,500
Others	1,227,970	6,688,452
<b>TOTAL</b>	<b>586,746,923</b>	<b>481,905,136</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**8. OTHER RECEIVABLES (continued)**

(i) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on Corporate Income Tax, the Group is entitled to provisionally pay tax at the rate of 20% on turnover received by cash from its customers less corresponding expenses or at the rate of 1% on cash collections from its customers.

**9. INVENTORIES**

	VND'000	
	30 June 2020	31 December 2019
Properties under development (*)	7,340,881,144	6,828,333,749
Real estate properties	208,019,911	208,321,111
Raw materials	229,464	453,883
<b>TOTAL</b>	<b><u>7,549,130,519</u></b>	<b><u>7,037,108,743</u></b>

(\*) Properties under development comprise on-going residential projects as follows:

	VND'000	
	30 June 2020	31 December 2019
Khang Phuc - Tan Tao Residential Zone	2,509,590,978	2,428,853,680
Safira Khang Dien	1,698,730,066	1,280,602,155
Khang Phuc - Resettlement Zone Phong Phu 4	634,930,829	217,594,222
Khang Phuc - Binh Hung 11A Residential Zone	482,066,951	470,472,151
Thuy Sinh - Phu Huu (**)	425,583,288	422,791,129
Binh Trung - Binh Trung Dong (**)	406,694,543	380,864,855
Verosa - Phu Huu (**)	185,660,738	439,576,487
Others (**)	997,623,751	1,187,579,070
<b>TOTAL</b>	<b><u>7,340,881,144</u></b>	<b><u>6,828,333,749</u></b>

(\*\*) Part of these projects were pledged to obtain loans from banks (Note 23).

The Group capitalised borrowing costs for the six-month period ended 30 June 2020 amounting to VND'000 33,785,448 (for the six-month period ended 30 June 2019: VND'000 30,265,048). These costs related to borrowings obtained to finance the development and construction of the Group's property projects.

**10. PREPAID EXPENSES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>328,585,766</b>	<b>250,231,916</b>
Commission fees	180,940,284	161,921,346
Discounts	108,947,004	63,660,875
Others	38,698,478	24,649,695
<b>Long-term</b>	<b>12,026,271</b>	<b>10,957,661</b>
Le Minh Xuan Expansion Industrial Park's renovation costs	5,043,461	5,932,455
Others	6,982,810	5,025,206
<b>TOTAL</b>	<b><u>340,612,037</u></b>	<b><u>261,189,577</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**11. TANGIBLE FIXED ASSETS**

	VND'000				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>					
As at 31 December 2019	30,258,993	51,702,807	24,469,469	2,710,763	109,142,032
New purchase	-	-	-	155,364	155,364
Transfer from construction in progress	7,490,912	399,378	-	48,545	7,938,835
Disposal	-	(768,664)	(310,849)	(42,870)	(1,122,383)
As at 30 June 2020	<u>37,749,905</u>	<u>51,333,521</u>	<u>24,158,620</u>	<u>2,871,802</u>	<u>116,113,848</u>
<i>In which:</i>					
Fully depreciated	660,728	27,670,859	4,237,313	2,048,647	34,617,547
<b>Accumulated depreciation</b>					
As at 31 December 2019	(9,911,283)	(35,506,773)	(13,459,473)	(2,502,875)	(61,380,404)
Depreciation for the period	(935,235)	(1,479,511)	(1,493,112)	(141,511)	(4,049,369)
Disposal	-	567,006	310,849	42,870	920,725
As at 30 June 2020	<u>(10,846,518)</u>	<u>(36,419,278)</u>	<u>(14,641,736)</u>	<u>(2,601,516)</u>	<u>(64,509,048)</u>
<b>Net carrying amount</b>					
As at 31 December 2019	<u>20,347,710</u>	<u>16,196,034</u>	<u>11,009,996</u>	<u>207,888</u>	<u>47,761,628</u>
As at 30 June 2020	<u>26,903,387</u>	<u>14,914,243</u>	<u>9,516,884</u>	<u>270,286</u>	<u>51,604,800</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**12. INVESTMENT PROPERTIES**

	<i>VND'000</i>	
	<i>Infrastructure</i>	
<b>Cost</b>		
As at 31 December 2019		104,566,383
Disposal		<u>(4,729,256)</u>
As at 30 June 2020		<u>99,837,127</u>
<b>Accumulated depreciation</b>		
As at 31 December 2019		(4,899,566)
Depreciation for the period		(701,994)
Disposal		<u>55,268</u>
As at 30 June 2020		<u>(5,546,292)</u>
<b>Net carrying amount</b>		
As at 31 December 2019		<u>99,666,817</u>
As at 30 June 2020		<u>94,290,835</u>

The fair values of investment properties at the balance sheet date had not yet been formally assessed and determined, but the management believed that it was much higher than properties' carrying values considering that investment properties have been almost fully rented out at the balance sheet date.

**13. CONSTRUCTION IN PROGRESS**

	<i>VND'000</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Le Minh Xuan Expansion Industrial Park	<u>630,192,628</u>	<u>629,487,717</u>

**14. LONG-TERM INVESTMENTS**

	<i>VND'000</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Investment in other entity (Note 14.1)	14,000,000	14,000,000
Held-to-maturity investments (Note 14.2)	<u>300,000</u>	<u>300,000</u>
<b>TOTAL</b>	<u><b>14,300,000</b></u>	<u><b>14,300,000</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**14. LONG-TERM INVESTMENTS (continued)**

**14.1 Investment in other entity**

	30 June 2020		31 December 2019	
	Amount VND'000	% of interest	Amount VND'000	% of interest
CVH Spring Company Limited	<u>14,000,000</u>	5	<u>14,000,000</u>	5

**14.2 Held-to-maturity investments**

These represent 30 bonds at par value of VND'000 10,000/bond with an original maturity of 10 years and earning interest at the reference saving account rate plus 0.8% per annum issued by Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch.

**15. GOODWILL**

The movements in goodwill during the period are as follows:

	VND'000
<b>Cost</b>	
As at 31 December 2019 and 30 June 2020	<u>34,008,874</u>
<b>Accumulated amortisation</b>	
As at 31 December 2019	(31,235,784)
Amortisation for the period	<u>(481,226)</u>
As at 30 June 2020	<u>(31,717,010)</u>
<b>Net carrying amount</b>	
As at 31 December 2019	<u>2,773,090</u>
As at 30 June 2020	<u>2,291,864</u>

**16. SHORT-TERM TRADE PAYABLES**

	VND'000	
	30 June 2020	31 December 2019
An Phong Construction Co., Ltd.	166,417,696	236,133,913
Ricons Construction Investment Joint Stock Company	106,423,250	258,715,812
Hoa Binh Construction Group Joint Stock Company	-	120,061,256
Others	<u>86,701,793</u>	<u>80,787,487</u>
<b>TOTAL</b>	<u><b>359,542,739</b></u>	<u><b>695,698,468</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**17. ADVANCES FROM CUSTOMERS**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>3,807,968,502</b>	<b>2,772,929,571</b>
Advances received for transfer of houses and apartments (*)	3,646,920,791	2,611,735,095
Advance received for transfer of project (**)	161,000,000	161,000,000
Others	47,711	194,476
<b>Long-term</b>	<b>198,412</b>	<b>26,526,233</b>
Advances received for transfer of houses and apartments (*)	198,412	26,526,233
<b>TOTAL</b>	<b><u>3,808,166,914</u></b>	<b><u>2,799,455,804</u></b>

(\*) These represent advances based on agreed progress billings from customers who buy houses and apartments of the Group's projects which are under construction. The Group will hand over houses and apartments to customers upon completion of construction and recognise revenue correspondingly.

(\*\*) This represents advance received from Minh An Trading Investment Joint Stock Company for transfer project in accordance with the Contract No. 99/2017/HDK/BCCI-MA dated 11 May 2017 and appendixes. As at the balance sheet date, the legal procedures are in progress.

**18. STATUTORY OBLIGATIONS**

	VND'000			
	<i>Beginning balance</i>	<i>Payable for the period</i>	<i>Payment made in the period</i>	<i>Ending balance</i>
Corporate income tax	280,441,636	128,136,346	(70,790,944)	337,787,038
Value-added tax	12,505,832	258,659,626	(138,620,063)	132,545,395
Personal income tax	1,449,043	6,255,832	(6,285,898)	1,418,977
Others	21,446	2,235,885	(2,241,182)	16,149
<b>TOTAL</b>	<b><u>294,417,957</u></b>	<b><u>395,287,689</u></b>	<b><u>(217,938,087)</u></b>	<b><u>471,767,559</u></b>

**19. ACCRUED EXPENSES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>40,224,265</b>	<b>75,424,337</b>
Project development costs	29,060,601	35,885,011
Commission fees	4,292,263	18,448,934
Interest expense	3,583,233	6,638,220
Others	3,288,168	14,452,172
<b>Long-term</b>	<b>78,980,397</b>	<b>69,227,791</b>
Project development costs	78,980,397	69,227,791
<b>TOTAL</b>	<b><u>119,204,662</u></b>	<b><u>144,652,128</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**20. UNEARNED REVENUES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>5,937,491</b>	<b>1,330,504</b>
Advances received for land leases of Le Minh Xuan Industrial Park	5,937,491	1,330,504
<b>Long-term</b>	<b>9,301,479</b>	<b>10,159,880</b>
Advances received for land leases of Le Minh Xuan Industrial Park	9,301,479	10,159,880
<b>TOTAL</b>	<b>15,238,970</b>	<b>11,490,384</b>

**21. OTHER PAYABLES**

	VND'000	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>292,152,635</b>	<b>319,815,817</b>
Maintenance fund	191,257,954	152,764,996
Deposits received	35,262,595	149,020,738
Financial support for customers	49,947,171	-
Others	15,684,915	18,030,083
<b>Long-term</b>	<b>398,870,731</b>	<b>436,260,677</b>
Capital received from Investment Cooperation Contracts ("ICCs") (i)	362,000,000	362,000,000
Deposits received	13,636,084	46,343,967
Land compensation payables (ii)	16,739,760	21,115,860
Others	6,494,887	6,800,850
<b>TOTAL</b>	<b>691,023,366</b>	<b>756,076,494</b>

- (i) There are capital received from Phuc Dat Real Estate Joint Stock Company and Nam Hung Real Estate Investment and Development Limited Company under ICCs amounting to VND'000 252,000,000 and VND'000 110,000,000, respectively, with the term of 18 months from 9 December 2019, to develop Residential project at Binh Hung Ward, Binh Chanh District, Ho Chi Minh City.
- (ii) This represents land compensation payables to owners of raw land regarding to Hamlet 2 Tan Tao Residential project. This payable will be subsequently paid out of the developed land lots from the said project.

**22. BONUS AND WELFARE FUND**

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
At beginning of the period	34,746,541	31,557,041
Increase	45,761,642	40,403,910
Decrease	(26,771,143)	(24,473,768)
At end of the period	<b>53,737,040</b>	<b>47,487,183</b>

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as at 30 June 2020 and for the six-month period then ended

**23. LOANS**

	31 December 2019	Increase	Decrease	Reclassify	VND'000 30 June 2020
<b>Short-term</b>	<b>377,291,025</b>	<b>5,776,170</b>	<b>(345,641,854)</b>	<b>385,501,087</b>	<b>422,926,428</b>
Bonds (Note 23.1)	224,952,671	-	(224,967,500)	344,952,671	344,937,842
Current portion of long-term loans (Note 23.2)	152,338,354	5,776,170	(120,674,354)	40,548,416	77,988,586
<b>Long-term</b>	<b>405,200,418</b>	<b>1,224,192,148</b>	<b>(298,049,993)</b>	<b>(385,501,087)</b>	<b>945,841,486</b>
Bonds (Note 23.1)	224,952,671	240,000,000	-	(344,952,671)	120,000,000
Loans from banks (Note 23.2)	180,247,747	984,192,148	(298,049,993)	(40,548,416)	825,841,486
<b>TOTAL</b>	<b>782,491,443</b>	<b>1,229,968,318</b>	<b>(643,691,847)</b>	<b>-</b>	<b>1,368,767,914</b>

**23.1 Bonds**

Details of bonds issued are as follows:

	30 June 2020 VND'000	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Bonds issued at par value	<u>464,937,842</u>	From 21 November 2020 to 26 June 2021	To finance working capital	12	Unsecured
<i>In which:</i>					
Short-term	344,937,842				
Long-term	120,000,000				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

### 23. LOANS (continued)

#### 23.2 Loans from banks

Details of loans from banks are as follows:

<i>Bank</i>	<i>30 June 2020</i> <i>VND'000</i>	<i>Principal repayment</i> <i>term</i>	<i>Purpose</i>	<i>Interest</i> <i>rate</i> <i>% p.a.</i>	<i>Description of collateral</i>
<b><i>Orient Commercial Joint Stock Bank – District 4 Branch</i></b>					
Loan 1	188,366,040	From 15 September 2020 to 14 December 2022	To finance Verosa – Phu Huu project	12.0	Certain villas with aggregated 2.238 m <sup>2</sup> belongs to Verosa - Phu Huu project
Loan 2	112,392,445	From 4 March 2023 to 10 March 2023	To finance Verosa – Phu Huu project	12.0	Certain villas with aggregated 1,401 m <sup>2</sup> belongs to Verosa - Phu Huu project
Loan 3	31,664,000	1 July 2020	To finance Binh Trung - Binh Trung Dong residential project	11.8	Real estate properties at Quarter 2, Phu Huu Ward, District 9, Ho Chi Minh City
Loan 4	270,000,000	From 25 December 2021 to 25 June 2023	To finance Le Minh Xuan expansion and Hamlet 2 Tan Tao projects	12.4	Land use rights of Le Minh Xuan expansion project
<b><i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 11</i></b>					
Loan 1	295,631,417	12 August 2020	To finance Lovera Vista	11.5	Land use rights of 43,452 m <sup>2</sup> and associated assets at Phu Huu Ward, District 9, Ho Chi Minh City
<b><i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ky Dong Branch</i></b>					
Loan 1	5,776,170	From 17 June 2021 to 25 June 2021	To finance Verosa – Phu Huu project	8.0	Unsecured
<b>TOTAL</b>	<b>903,830,072</b>				
<i>In which:</i>					
<i>Current portion</i>	77,988,586				
<i>Long-term</i>	825,841,486				



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 24. OWNERS' EQUITY

### 24.1 Movements in owners' equity

						VND'000
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>For the six-month period ended 30 June 2019</b>						
As at 31 December 2018	4,140,233,530	1,724,205,883	-	93,173,953	906,630,515	6,864,243,881
Shares issuance	1,035,052,720	(1,035,052,720)	-	-	-	-
Net profit for the period	-	-	-	-	214,717,803	214,717,803
Appropriation of net profit	-	-	-	40,403,910	(40,403,910)	-
Transfer to bonus and welfare fund	-	-	-	-	(40,403,910)	(40,403,910)
Dividends by shares	207,004,840	-	-	-	(207,004,840)	-
Dividends by cash	-	-	-	-	(207,011,676)	(207,011,676)
As at 30 June 2019	<u>5,382,291,090</u>	<u>689,153,163</u>	<u>-</u>	<u>133,577,863</u>	<u>626,523,982</u>	<u>6,831,546,098</u>
<b>For the six-month period ended 30 June 2020</b>						
As at 31 December 2019	5,444,291,090	720,153,163	-	133,577,863	1,327,039,024	7,625,061,140
Net profit for the period	-	-	-	-	408,279,503	408,279,503
Acquisition of non-controlling interests	-	-	-	-	202,426	202,426
Transfer to bonus and welfare fund	-	-	-	-	(45,761,642)	(45,761,642)
Remuneration of the Board of Directors and Supervision	-	-	-	-	(27,456,985)	(27,456,985)
Appropriation of net profit	-	-	-	45,761,642	(45,761,642)	-
Repurchase of issued shares	-	-	(419,064,794)	-	-	(419,064,794)
As at 30 June 2020	<u>5,444,291,090</u>	<u>720,153,163</u>	<u>(419,064,794)</u>	<u>179,339,505</u>	<u>1,616,540,684</u>	<u>7,541,259,648</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**24. OWNERS' EQUITY** (continued)

**24.2 Capital transactions with owners and distribution of dividends**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Contributed share capital</b>		
At beginning of the period	5,444,291,090	4,140,233,530
Increase	-	1,242,057,560
At end of the period	<u>5,444,291,090</u>	<u>5,382,291,090</u>
<b>Dividends declared and paid during the period</b>		
Dividends on ordinary shares	-	414,016,516
<i>Dividends by cash for 2018:</i>		
<i>VND 500 per share</i>	-	207,011,676
<i>Dividends by shares for 2018: 5 shares         per 100 existing shares</i>	-	207,004,840

**24.3 Shares**

	Quantity	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Authorised shares	544,429,109	544,429,109
Issued and paid-up shares		
<i>Ordinary shares</i>	544,429,109	544,429,109
Treasury shares		
<i>Ordinary shares</i>	19,850,640	-
Shares in circulation		
<i>Ordinary shares</i>	524,578,469	544,429,109

Pair value of outstanding share: VND 10,000/share (2019: VND 10,000/share).

**25. NON-CONTROLLING INTERESTS**

	VND'000	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Contributed charter capital	27,177,444	35,977,444
Undistributed earnings	2,714,086	3,055,792
Increase from asset acquisitions	265,568	265,568
Investment and development fund	418	418
<b>TOTAL</b>	<u><b>30,157,516</b></u>	<u><b>39,299,222</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**26. REVENUES**

**26.1 Revenue from sale of goods and rendering of services**

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
<b>Gross revenue</b>	<b>1,532,209,224</b>	<b>1,250,000,456</b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	1,499,451,576	1,205,857,050
<i>Rendering of services</i>	16,518,613	25,206,569
<i>Sale of land use right and related     infrastructure (*)</i>	15,430,187	16,853,995
<i>Operating lease</i>	808,848	2,082,842
<b>Deductions</b>	<b>(46,291,468)</b>	<b>(255,354)</b>
Sale returns	(41,009,553)	(255,354)
Trade discounts	(5,281,915)	-
<b>Net revenue</b>	<b><u>1,485,917,756</u></b>	<b><u>1,249,745,102</u></b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	1,453,160,108	1,205,601,696
<i>Rendering of services</i>	16,518,613	25,206,569
<i>Sale of land use right and related     infrastructure (*)</i>	15,430,187	16,853,995
<i>Operating lease</i>	808,848	2,082,842

(\*) During the period, the Group recognised revenue from industrial land and related infrastructure at Le Minh Xuan Industrial Park in accordance with accounting policy as described in Note 3.15. If this revenue is recognised on a straight-line basis over the lease terms, the impact of revenue, cost of sales and gross profit of the Group for the current period are presented below:

	VND'000	
	Outright revenue recognition	Revenue recognition on a straight-line basis
Revenue	15,430,187	443,961
Cost of sales	<u>(4,673,989)</u>	<u>(68,698)</u>
Gross profit	<u>10,756,198</u>	<u>375,263</u>

**26.2 Finance income**

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Interest income	<u>10,343,702</u>	<u>21,130,187</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**27. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of residential land properties sold	709,646,244	716,221,186
Cost of services rendered	19,737,020	30,089,228
Cost of land use right and related infrastructure	4,673,989	4,415,530
Cost of operating lease	125,161	328,389
<b>TOTAL</b>	<b><u>734,182,414</u></b>	<b><u>751,054,333</u></b>

**28. FINANCE EXPENSES**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Payment discounts	41,822,601	21,220,828
Finance support for customers	2,939,575	4,970,534
Interest expenses	-	7,617,703
Others	373,035	36,175
<b>TOTAL</b>	<b><u>45,135,211</u></b>	<b><u>33,845,240</u></b>

**29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Selling expenses</b>	<b>84,094,255</b>	<b>70,118,778</b>
Commission fees	62,852,020	36,371,540
Advertising expenses	17,311,735	16,847,280
Labour costs	3,780,296	3,865,518
Others	150,204	13,034,440
<b>General and administrative expenses</b>	<b>88,861,487</b>	<b>90,114,784</b>
Labour costs	51,031,486	46,750,372
Expenses for external services	24,443,453	26,978,133
Depreciation expenses	830,963	2,407,487
Others	12,555,585	13,978,792
<b>TOTAL</b>	<b><u>172,955,742</u></b>	<b><u>160,233,562</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**30. OTHER INCOME AND EXPENSES**

	<i>For the six-month period ended 30 June 2020</i>	<i>VND'000 For the six-month period ended 30 June 2019</i>
<b>Other income</b>	<b>11,237,837</b>	<b>15,703,435</b>
Management services	7,138,235	10,004,838
Others	4,099,602	5,698,597
<b>Other expenses</b>	<b>(27,301,020)</b>	<b>(44,870,553)</b>
Management services	(23,063,687)	(10,892,988)
Penalties on contracts violation	(950,833)	(28,943,367)
Others	(3,286,500)	(5,034,198)
<b>OTHER LOSS</b>	<b>(16,063,183)</b>	<b>(29,167,118)</b>

**31. CORPORATE INCOME TAX**

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

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

**31.1 CIT expense**

	<i>For the six-month period ended 30 June 2020</i>	<i>VND'000 For the six-month period ended 30 June 2019</i>
Current CIT expense	119,011,987	80,174,326
Adjustment for under accrual of tax from prior periods	3,112,128	1,048,011
Deferred tax (income) expense	(3,104,430)	273,693
<b>TOTAL</b>	<b>119,019,685</b>	<b>81,496,030</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**31. CORPORATE INCOME TAX** (continued)

**31.1 CIT expense** (continued)

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
		<i>VND'000</i>
<b>Accounting profit before tax</b>	<b>527,924,908</b>	<b>296,575,036</b>
At CIT rate of 20%	105,584,980	59,315,006
<i>Adjustments:</i>		
Non-deductible expenses	3,641,792	1,398,162
Losses in subsidiaries not yet recognised deferred tax asset	7,951,900	13,542,885
Consolidation adjustments	(469,375)	98,098
Tax losses carried forward	(801,740)	(389,653)
Adjustment for under accrual of tax from prior periods	3,112,128	1,048,011
Adjustment of tax loss under tax authorities' decision	-	6,483,521
<b>CIT expense</b>	<b>119,019,685</b>	<b>81,496,030</b>

**31.2 Current tax**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**31. CORPORATE INCOME TAX (continued)**

**31.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries and the movements thereon:

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
	VND'000			
<b>Deferred tax assets</b>				
Accrued expenses	7,384,250	8,805,871	(1,421,621)	1,496,558
Provisions	400,000	400,000	-	-
Accrual for severance pay	154,904	173,029	(18,125)	5,943
Accrued interest income	(204,417)	(155,668)	(48,749)	23,868
Adjustment due to consolidation of subsidiaries	319,319	339,812	(20,493)	(15,303)
<b>TOTAL</b>	<b>8,054,056</b>	<b>9,563,044</b>	<b>(1,508,988)</b>	<b>1,511,066</b>
<b>Deferred tax liabilities</b>				
Tax loss	31,844,721	25,966,594	5,878,127	(1,358,904)
Accrual for severance pay	111,200	111,200	-	-
Accrued expenses	221,384	358,502	(137,118)	-
Accrued interest income	(18,657,236)	(10,588,847)	(8,068,389)	(5,372,456)
Profit from sale of land properties but not yet taxable	(33,235,179)	(33,235,179)	-	-
Adjustment due to consolidation of subsidiaries	(28,171,753)	(35,112,549)	6,940,796	4,946,601
<b>TOTAL</b>	<b>(47,886,863)</b>	<b>(52,500,279)</b>	<b>4,613,416</b>	<b>(1,784,759)</b>
<b>Deferred tax income (expense)</b>			<b>3,104,428</b>	<b>(273,693)</b>

**32. TRANSACTIONS WITH RELATED PARTIES**

Remuneration to members of the Board of Directors, the Board of Supervision and Management:

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Salaries and bonus of Board of Directors, the Board of Supervision and Management	5,870,747	5,854,142

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**33. EARNINGS PER SHARE**

The Group used following data to calculate the basic and diluted earnings per share:

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019 (adjusted)</i>
Net profit after tax attributable to ordinary equity holders of the Company	408,279,503	214,717,803
Less: BOD's allowance and bonus (*)	-	(10,735,890)
Bonus and welfare fund (*)	-	(6,441,534)
Net profit attributable to ordinary equity holders of the Company (VND'000)	408,279,503	197,540,379
Weighted average number of ordinary shares (shares)	539,302,845	538,229,109
Earnings per share		
- Basic (VND'000/share)	0.76	0.37
- Diluted (VND'000/share)	0.76	0.37

(\*) Profit used to compute earnings per share for the six-month period ended 30 June 2019 have been restated to the amounts reported in the interim consolidated financial statements for the six-month period ended 30 June 2019 to reflect the actual appropriation of bonus and welfare fund and BOD's allowance and bonus from undistributed net income of 2019 in accordance with the Resolution of Shareholders at annual general meeting dated 19 June 2020.

Bonus and welfare fund and BOD's allowance and bonus for the six-month period ended 30 June 2020 is not approved by Shareholders as at the date of these interim consolidated financial statements.

There have been no dilutive potential ordinary shares during the period and up to the dates of these interim consolidated financial statements.

**34. OPERATING LEASE COMMITMENTS**

The Group leases office premises under operating lease arrangements with future minimum lease payables were as follows:

	<i>VND'000</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than 1 year	6,033,161	11,457,995



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

**35. EVENTS AFTER THE BALANCE SHEET DATE**

On 17 July 2020, the Board of Directors approved Decision No. 20/2020/NQ-HDQT regarding to the issuance of 26,228,923 ordinary shares from undistributed earnings up to 31 December 2019 to paid dividends to existing shareholders at par value of VND 10,000/share and the issuance of 8,000,000 ordinary shares to employees under ESOP with the price of VND 13,000/share in accordance with the Resolution of Shareholders at Annual General Meeting No. 01/2020/NQ-DHDCD dated 19 June 2020. As at the date of these interim consolidated financial statements, these shares issuances were not yet completed.

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.

  
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Preparer

  
Nguyen Tran Cam Hien  
Chief Accountant

  
Le Quang Minh  
General Director

  
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Luu Tran Cam Hien

20 August 2020