

**Investment and Trading of Real Estate
Joint Stock Company**

Separate financial statements

For the year ended 31 December 2019

Investment and Trading of Real Estate Joint Stock Company

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Investment and Trading of Real Estate Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code ITC in accordance with the Decision No. 115/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The current principal activities of the Company are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr. Truong Minh Thuan	Chairman
Mr. Vo Huu Hai	Member
Ms. Dang Thi Ngoc Tuyen	Member
Mr. Nguyen Manh	Member
Mr. Tran Huu Khanh	Member

BOARD OF SUPERVISION

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

Ms. Phan Thi Hong Lien	Head of the Board of Supervision
Mr. Le Quang Son	Member
Ms. Ho Thi Luu	Member

MANAGEMENT

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

Mr. Truong Minh Thuan	General Director
Mr. Doan Huu Chi	Deputy General Director cum Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Truong Minh Thuan.

AUDITORS

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

Investment and Trading of Real Estate Joint Stock Company

REPORT OF MANAGEMENT

Management of Investment and Trading of Real Estate Joint Stock Company ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make 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 separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2019 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 dated 30 March 2020.

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

For and on behalf of management 

Trương Minh Thuận
General Director

30 March 2020

Reference: 60792124/21102473

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Investment and Trading of Real Estate Joint Stock Company

We have audited the accompanying separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as prepared on 30 March 2020 and set out on pages 5 to 44, which comprise the separate balance sheet as at 31 December 2019, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2019, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of separate financial statements.

Ernst & Young Vietnam Limited




Dương Lê Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1



Ton Thien Bao Ngoc
Auditor
Audit Practicing Registration Certificate
No. 4177-2017-004-1

Ho Chi Minh City, Vietnam

30 March 2020

Investment and Trading of Real Estate Joint Stock Company

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SEPARATE BALANCE SHEET
as at 31 December 2019

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,208,383,492,895	3,223,725,017,932
110	I. Cash and cash equivalents	5	39,548,535,234	77,336,422,978
111	1. Cash		39,548,535,234	20,336,422,978
112	2. Cash equivalents		-	57,000,000,000
130	II. Current accounts receivables		425,589,902,031	289,265,817,693
131	1. Short-term trade receivables	6	96,525,142,015	99,525,710,758
132	2. Short-term advances to suppliers	7	229,507,071,710	120,583,887,559
136	3. Other short-term receivables	8	104,001,072,306	72,616,983,376
137	4. Provision for doubtful short-term receivables	6, 8	(4,443,384,000)	(3,460,764,000)
140	III. Inventories	9	1,723,536,130,136	2,835,983,742,380
141	1. Inventories		1,738,953,082,389	2,852,912,014,633
149	2. Provision for obsolete inventories		(15,416,952,253)	(16,928,272,253)
150	IV. Other current asset		19,708,925,494	21,139,034,881
151	1. Short-term prepaid expenses	10	19,708,925,494	21,139,034,881
200	B. NON-CURRENT ASSETS		2,029,010,921,401	306,978,666,981
210	I. Long-term receivables		20,620,247,809	19,242,124,430
211	1. Long-term trade receivables		-	3,168,711,449
216	2. Other long-term receivables	8	23,281,307,809	21,922,775,809
219	3. Provision for doubtful long-term receivables	6, 8	(2,661,060,000)	(5,849,362,828)
220	II. Fixed assets		48,689,436,969	49,818,516,417
221	1. Tangible fixed assets	11	11,116,358,719	12,245,438,167
222	Cost		32,213,089,751	32,213,089,751
223	Accumulated depreciation		(21,096,731,032)	(19,967,651,584)
227	2. Intangible fixed assets	12	37,573,078,250	37,573,078,250
228	Cost		37,573,078,250	37,573,078,250
229	Accumulated amortisation		-	-
230	III. Investment properties	13	41,805,396,359	44,488,479,575
231	1. Cost		67,077,080,348	67,077,080,348
232	2. Accumulated depreciation		(25,271,683,989)	(22,588,600,773)
240	IV. Long-term asset in progress		1,473,732,870,589	-
242	1. Construction in progress	14	1,473,732,870,589	-
250	V. Long-term investments	15	443,649,977,705	192,951,886,547
251	1. Investment in a subsidiary	15.1	376,960,000,000	34,000,000,000
252	2. Investments in associates	15.2	21,000,000,000	133,199,143,238
253	3. Investments in other entities	15.3	59,105,320,000	42,755,320,000
254	4. Provision for diminution in value of long-term investments	15.2, 15.3	(13,915,342,295)	(17,002,576,691)
255	5. Held-to-maturity investments	15.3	500,000,000	-
260	VI. Other long-term assets		512,991,970	477,660,012
261	1. Long-term prepaid expenses		144,116,214	96,788,656
262	2. Deferred tax assets	30.3	368,875,756	380,871,356
270	TOTAL ASSETS		4,237,394,414,296	3,530,703,684,913

SEPARATE BALANCE SHEET (continued)
as at 31 December 2019

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		2,576,257,176,137	1,946,569,718,593
310	I. Current liabilities		2,237,112,289,326	1,032,940,200,650
311	1. Short-term trade payables	17	132,355,044,313	160,246,447,026
312	2. Short-term advances from customers	18	966,647,452,757	62,100,945,272
313	3. Statutory obligations	19	26,107,090,715	14,177,215,340
315	4. Short-term accrued expenses	20	124,319,815,170	57,552,044,894
318	5. Short-term unearned revenues		669,168,304	160,956,667
319	6. Other short-term payables	21	55,014,163,437	82,462,405,307
320	7. Short-term loans	22	930,365,042,509	656,240,186,144
322	8. Bonus and welfare fund		1,634,512,121	-
330	II. Non-current liabilities		339,144,886,811	913,629,517,943
332	1. Long-term advances from customers	18	160,266,641,569	727,809,362,201
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
337	3. Other long-term liabilities	21	11,004,684,340	3,886,616,840
338	4. Long-term loans	22	160,000,000,000	174,000,000,000
342	5. Long-term provisions		2,411,288,364	2,471,266,364
400	D. OWNERS' EQUITY		1,661,137,238,159	1,584,133,966,320
410	I. Capital	23.1	1,661,137,238,159	1,584,133,966,320
411	1. Share capital		690,866,880,000	690,866,880,000
411a	- Shares with voting rights		690,866,880,000	690,866,880,000
412	2. Share premium		748,683,126,824	748,683,126,824
415	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
418	4. Investment and development fund		67,026,454,546	62,940,539,322
421	5. Undistributed earnings		164,385,894,400	91,468,537,785
421a	- Undistributed earnings up to prior year		50,607,763,395	18,173,139,102
421b	- Undistributed earnings of current year		113,778,131,005	73,295,398,683
440	TOTAL LIABILITIES AND OWNERS' EQUITY		4,237,394,414,296	3,530,703,684,913

Pham Van Khanh
Preparer

Doan Huu Chi
Chief Accountant

Truong Minh Thuan
General Director

30 March 2020

SEPARATE INCOME STATEMENT
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	24.1	451,185,465,546	621,730,153,307
11	2. Cost of goods sold and services rendered	25	(300,026,283,146)	(531,255,221,570)
20	3. Gross profit from sale of goods and rendering of services		151,159,182,400	90,474,931,737
21	4. Finance income	24.2	17,702,321,134	10,890,041,784
22	5. Finance expenses	26	(11,486,911,693)	(6,592,342,451)
23	<i>In which: Interest expense</i>		(14,574,146,089)	(6,072,683,531)
25	6. Selling expenses	27	(7,918,963,917)	(8,168,708,844)
26	7. General and administrative expenses	27	(21,657,064,312)	(15,974,358,272)
30	8. Operating profit		127,798,563,612	70,629,563,954
31	9. Other income	28	13,329,260,817	13,316,996,702
32	10. Other expenses	28	(25,719,272,793)	(10,606,211,973)
40	11. Other (loss) profit	28	(12,390,011,976)	2,710,784,729
50	12. Accounting profit before tax		115,408,551,636	73,340,348,683
51	13. Current corporate income tax expense	30.2	(1,618,425,031)	-
52	14. Deferred tax expense	30.3	(11,995,600)	(44,950,000)
60	15. Net profit after tax		113,778,131,005	73,295,398,683


Pham Van Khanh
Preparer

Doan Huu Chi
Chief AccountantTrương Minh Thuận
General Director

30 March 2020

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		115,408,551,636	73,340,348,683
	<i>Adjustments for:</i>			
02	Depreciation and amortization	11, 13	3,812,162,664	4,453,258,440
03	Reversal of provisions		(6,744,259,224)	(4,736,538,349)
05	Profits from investing activities		(17,702,321,134)	(12,477,163,001)
06	Interest expenses	26	14,574,146,089	6,072,683,531
08	Operating income before changes in working capital		109,348,280,031	66,652,589,304
09	(Increase) decrease in receivables		(126,032,132,965)	85,180,700,506
10	Increase in inventories		(272,540,405,879)	(53,602,318,208)
11	Increase in payables		407,677,573,673	158,901,638,877
12	Decrease (increase) in prepaid expenses		1,382,781,829	(4,683,083,161)
14	Interest paid		(104,862,849,984)	(111,390,316,928)
15	Corporate income tax paid	19	(2,675,060,839)	-
20	Net cash flows from operating activities		12,298,185,866	141,059,210,390
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		-	(135,000,000)
22	Proceeds from disposals of fixed assets and other long-term assets		-	10,454,545,454
23	Payments for purchase of bonds		(500,000,000)	-
25	Payments for investments in other entity		(247,110,856,762)	(1,920,786,768)
26	Proceeds from sale of investments in other entity		-	96,581,355,000
27	Interest and dividends received		5,802,321,134	2,810,828,552
30	Net cash flows (used in) from investing activities		(241,808,535,628)	107,790,942,238
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	22	910,365,042,509	470,494,553,670
34	Repayment of borrowings	22	(650,240,186,144)	(661,730,677,590)
36	Dividends paid		(68,402,394,347)	(23,936,487,019)
40	Net cash flows from (used in) financing activities		191,722,462,018	(215,172,610,939)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash and cash equivalents		(37,787,887,744)	33,677,541,689
60	Cash and cash equivalents at the beginning of the year		77,336,422,978	43,658,881,289
70	Cash and cash equivalents at end of year	5	39,548,535,234	77,336,422,978



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

30 March 2020

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code ITC in accordance with the Decision No. 115/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The current principal activities of the Company are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2019 was 122 (31 December 2018: 110).

Corporate structure

The Company invested in three subsidiaries, in which:

▶ Intresco Construction Joint Stock Company

Intresco Construction Joint Stock Company ("IC") is a shareholding company established under the Enterprise Law of Vietnam in accordance with the Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011, as amended. IC's registered office is located at 20 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. IC's current principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services. As at 31 December 2019, the Company holds 85% ownership and voting rights in the IC (31 December 2018: 85%).

▶ Royal Tourism Hotel and Restaurant Joint Stock Company

Royal Tourism Hotel and Restaurant Joint Stock Company ("Royal") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 0315419806 issued by Department of Planning and Investment of Ho Chi Minh City on 3 December 2018, as amended. Royal's registered office is located at 83 Ly Chinh Thang, Ward 8, District 3, Ho Chi Minh City, Vietnam. Royal's current principal activity is to provide hotel and restaurant management services and to organize tours. As at 31 December 2019, the Company holds 75% ownership and voting rights in Royal (31 December 2018: 0%).

▶ Saigon Binh Duong Joint Stock Company

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 3701647922 issued by Department of Planning and Investment of Binh Duong Province on 24 November 2009, as amended. SGBD's registered office is located at No. 179 Nguyen Chi Thanh, Tuong Binh Hiep Ward, Thu Dau Mot City, Binh Duong Province, Vietnam. SGBD's current principal activity is to produce and trade construction materials, trade real estate properties, and other related services. As at 31 December 2019, the Company holds 64.32% ownership and voting rights in SGBD (31 December 2018: 64.32% ownership and 37.4% voting rights).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the separate financial statements*

The Company has a subsidiary as disclosed in Note 13.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2019 dated 30 March 2020.

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

2.2 *Accounting standards and system*

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

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

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

2.3 *Applied accounting documentation system*

The Company's applied accounting documentation system is the Journal Voucher system.

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

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 less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories - inventory properties*

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.

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.

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

The cost of inventory property recognised in profit or loss 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.

Provision for obsolete inventories

An inventory provision is created for the estimated loss value of work-in-progress, and other inventories owned by the Company, based on appropriate evidence of impairment available at the separate balance sheet date.

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

3.3 *Receivables*

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

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

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as an intangible fixed asset on the separate balance sheet as the Company obtained the land use right certificate prior to 2003 according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for its intended use and is not amortised given indefinite useful life.

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:

Buildings and structures	13 – 25 years
Machinery and equipment	5 – 10 years
Means of transportation	7 – 10 years
Office equipment	3 – 5 years

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3.7 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation. Investment properties held for capital appreciation are not depreciated/amortised but subject to impairment review.

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

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

Land and buildings	25 – 50 years
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Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the separate income statement in the period of retirement or disposal in the year of retirement or disposal.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Investment properties* (continued)

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 an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized 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 capitalized 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 separate 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.

3.10 *Investment*

Investment in a subsidiary

Investment in a subsidiary over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting.

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

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 separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Payables and accruals*

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

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year 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 year following the average monthly salary of the 6-month period up to the reporting date. Increases and decreases to the accrued amount other than actual payment to employee will be taken to the separate 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.

3.13 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.14 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company'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 Company's expansion of its operation or of in-depth investments.

3.15 *Revenue recognition*

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

Sale of completed property

A property is regarded as sold 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 recognized only when all the significant conditions are satisfied.

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers at the separate balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

Construction contract (continued)

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the year in which they are incurred.

Rental income

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

Interest

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

Dividends

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

3.16 Taxation

Current income tax

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

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

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

Deferred tax

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.16 Taxation (continued)***Deferred tax (continued)*

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

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

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

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

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

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

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

3.17 Segment information

The Company's principal activities are to invest and trade real estate properties and provide related services; provide real estate brokerage, and real estate trading centre and management. In addition, these activities are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's business that the Company is operating or the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 EVENTS

Acquisition of Saigon Binh Duong Joint Stock Company ("SGBD")

Previously, the Company presented the investment in SGBD as an investment in an associate because in accordance with Board of Directors Meeting Minute dated 11 August 2017, all shareholders of SGBD committed to continue to contribute their investment as indicated on BRC. Accordingly, the Company's ownership in SGBD was 37.37% and SGBD would not become a subsidiary of the Company.

In current year, in accordance with SGBD's Resolution of the Board of Directors on 22 November 2018, SGBD's shareholders continued to contribute the remaining uncontributed charter capital. According to the Company's Resolution of the Board of Directors on 27 March 2019, the Company contributed VND 80,760,856,762 in SGBD, increasing the ownership and voting rights in SGBD to 64.32% of charter capital. Accordingly, SGBD has become a subsidiary of the Company.

5. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,099,500,978	10,859,483,253
Cash in banks	38,449,034,256	9,476,939,725
Cash equivalents	-	57,000,000,000
TOTAL	<u>39,548,535,234</u>	<u>77,336,422,978</u>

6. SHORT TERM TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Customers of Long Thoi Project (*)	60,746,594,527	59,601,830,459
Customers of Terra Royal Project	20,462,111,856	-
Customers of 6B Project	9,268,045,015	8,386,605,419
Nam Hai Construction Co., Ltd	-	21,643,402,000
Trade receivables from other parties	6,048,390,617	9,893,872,880
TOTAL	<u>96,525,142,015</u>	<u>99,525,710,758</u>
Provision for doubtful short-term receivables	(733,384,000)	(733,384,000)
NET	<u>95,791,758,015</u>	<u>98,792,326,758</u>
<i>In which:</i>		
<i>Other parties</i>	92,423,910,972	95,424,479,715
<i>A related party (Note 31)</i>	4,101,231,043	4,101,231,043

(*) Receivables arising from land lots sale contract at Long Thoi - Nha Be project were pledged to obtain the loans from commercial bank (Note 22).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

6. SHORT TERM TRADE RECEIVABLES (continued)

Details of trade receivables are as below:

	VND	
	Ending balance	Beginning balance
Receivables from sale of land lots and apartments (*)	95,667,236,615	74,603,787,441
Receivables from rendering construction services	63,531,400	24,016,310,687
Others	794,374,000	905,612,630
TOTAL	<u>96,525,142,015</u>	<u>99,525,710,758</u>

(*) Receivables from sales of land lots and apartments mainly include (i) the remaining 5% - 10% pending for the completion of the legal procedure to hand over lands and apartments to the customers or (ii) the remaining amount of the contract price. Details by project are as follows:

	VND	
	Ending balance	Beginning balance
The Stars Village, Long Thoi – Nha Be Project (i)	60,746,594,527	59,601,830,459
Terra Royal Project (ii)	20,462,111,856	-
6B Project (i)	318,400,000	398,400,000
6B Project (ii)	8,944,645,015	9,038,488,765
Phong Phu Project (i)	1,778,700,000	1,857,400,000
Thinh Vuong Building (i)	1,742,753,000	2,033,636,000
An Khang Building (i)	1,674,032,217	1,674,032,217
TOTAL	<u>95,667,236,615</u>	<u>74,603,787,441</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

Short-term advances to suppliers represent non-interest bearing advances to sub-contractors related to the following real estate projects:

	VND	
	Ending balance	Beginning balance
Advance to third parties	101,437,275,242	72,836,454,610
Thai Duong Construction & Trading JSC	20,000,000,000	-
Long Binh Construction - Trading - Producing Joint Stock Company	15,299,197,600	19,899,197,600
Saigon Vien Dong Limited Company	12,927,603,431	12,927,603,431
Hoang Trang Electric Co., Ltd.	10,334,500,000	-
Others	42,875,974,211	40,009,653,579
Related parties (Note 31)	128,069,796,468	47,747,432,949
TOTAL	<u>229,507,071,710</u>	<u>120,583,887,559</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

8. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	104,001,072,306	72,616,983,376
Related parties (Note 31)	68,948,004,977	43,850,000,000
Thai Duong Construction & Trading JSC	12,205,585,534	8,100,000,000
Provisional corporate income tax paid upon receiving deposits from customers for purchase of apartments	10,479,998,825	6,444,535,729
Saigon Cho Lon Investment & Real Estate Joint Stock Company	4,300,000,000	4,300,000,000
May Thang Long Joint Stock Company	1,400,000,000	1,794,760,000
Advance to employees	111,669,000	2,379,741,347
Others	6,555,813,970	7,542,706,300
Long-term	23,281,307,809	21,922,775,809
Ngoc Phuc Trading and Construction Co., Ltd	19,027,346,202	17,668,814,202
Hoang Hai Joint Stock Company – Hoc Mon, Ba Diem Project	2,661,060,000	2,661,060,000
A related party (Note 31)	1,592,901,607	1,592,901,607
TOTAL	127,282,380,115	94,539,759,185
Provision for short-term doubtful debts	(3,710,000,000)	(2,727,380,000)
Provision for long-term doubtful debts	(2,661,060,000)	(2,718,400,249)
NET	120,911,320,115	89,093,978,936

Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

9. INVENTORIES

Inventories represent costs incurred for the following on-going real estate projects:

	Ending balance		Beginning balance		VND
	Cost	Provision	Cost	Provision	
Terra Royal project (i)	727,280,225,009	-	1,881,908,722,370	-	
The Stars Village,	566,622,359,105	-	558,868,353,294	-	
Long Thoi – Nha Be project (ii)	132,318,634,925	-	132,199,907,652	-	
6A project	116,084,729,964	-	116,057,729,964	-	
Long Phuoc, District 9 project (iii)	97,250,738,718	-	80,492,563,672	-	
Nhon Trach project	28,848,790,056	-	28,848,790,056	-	
Binh Trung Dong – District 2 project	27,830,670,211	-	24,215,473,882	-	
Lot 6, 7 & 8 – 6B project	8,626,235,735	-	-	-	
Cua Lap project	34,090,698,666	(15,416,952,253)	30,320,473,743	(16,928,272,253)	
Other projects					
TOTAL	1,738,953,082,389	(15,416,952,253)	2,852,912,014,633	(16,928,272,253)	

(i) Land use right of Terra Royal project, Ly Chinh Thang Street, District 3 was pledged to obtain the loan from a commercial bank (Note 22).

(ii) Land use rights of 50,400 square meters at The Stars Village, Long Thoi – Nha Be project was pledged to obtain the loans from commercial banks (Note 22).

(iii) Land use rights of 136,585, square meters at Long Phuoc, District 9 project was pledged to obtain the loans from a commercial bank (Note 22).

10. SHORT-TERM PREPAID EXPENSES

This amount mainly represents the commission expenses of The Stars Village, Long Thoi – Nha Be project of VND 44,536,088 and Terra Royal project of VND 19,664,389,406.

Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost:					
Beginning and ending balances	25,919,071,552	378,456,812	4,254,115,509	1,661,445,878	32,213,089,751
<i>In which:</i>					
Fully depreciated	4,280,813,180	378,456,812	2,348,951,873	1,296,282,242	8,304,504,107
Accumulated depreciation:					
Beginning balance	14,334,870,338	378,456,812	3,888,959,154	1,365,365,280	19,967,651,584
Depreciation for the year	865,530,360	-	190,516,368	73,032,720	1,129,079,448
Ending balance	15,200,400,698	378,456,812	4,079,475,522	1,438,398,000	21,096,731,032
Net carrying amount:					
Beginning balance	11,584,201,214	-	365,156,355	296,080,598	12,245,438,167
Ending balance	10,718,670,854	-	174,639,987	223,047,878	11,116,358,719

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

12. INTANGIBLE FIXED ASSETS

This amount represents land use rights at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 and No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 with carrying amount of VND 26,471,477,820 and VND 11,101,600,430, respectively, were pledged to obtain the loans from commercial banks (Note 22).

13. INVESTMENT PROPERTIES

	VND
	<i>Land and buildings (*)</i>
Cost:	
Beginning balance and ending balance	<u>67,077,080,348</u>
Accumulated depreciation:	
Beginning balance	22,588,600,773
Depreciation for the year	<u>2,683,083,216</u>
Ending balance	<u>25,271,683,989</u>
Net carrying amount:	
Beginning balance	<u>44,488,479,575</u>
Ending balance	<u>41,805,396,359</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2019. However, given that these properties are currently leased out and income generating, it is management's assessment that these properties' market values are still higher than their carrying value at the separate balance sheet date.

(*) Including in the land and buildings, land use rights and associated assets of An Khang ground, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City were pledged to obtain the loan from a commercial bank (Note 22).

In addition, land use rights and associated assets of 482.4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2 were pledged to obtain the loans from a commercial bank (Note 22).

Revenue and expense relating to investment properties

	VND	
	<i>Current year</i>	<i>Previous year</i>
Rental income generating from leasing of investment properties	9,536,395,223	9,197,906,030
Direct operating expenses of investment properties that generated rental income during the period	<u>(3,465,075,090)</u>	<u>(3,070,539,001)</u>
NET	<u>6,071,320,133</u>	<u>6,127,367,029</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. CONSTRUCTION IN PROGRESS

This amount represents the land use right and construction cost for hotel, commercial floors and basement of Terra Royal Project, Ly Chinh Thang Street, District 3, Ho Chi Minh City.

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction expenses	786,572,895,346	-
Land use rights	522,268,186,277	-
Interest expenses	164,891,788,966	-
TOTAL	<u>1,473,732,870,589</u>	<u>-</u>

15. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in subsidiaries (<i>Note 15.1</i>)	376,960,000,000	34,000,000,000
Investments in associates (<i>Note 15.2</i>)	21,000,000,000	133,199,143,238
Investments in other entities (<i>Note 15.3</i>)	59,605,320,000	42,755,320,000
Provision for diminution in long-term investments	(13,915,342,295)	(17,002,576,691)
TOTAL	<u>443,649,977,705</u>	<u>192,951,886,547</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investment in a subsidiary

Name	31 December 2019		31 December 2018	
	Original amount		Original amount	Provision
Saigon Binh Duong Joint Stock Company (i)	192,960,000,000	(4,990,342,295)	-	-
Royal Service Restaurant Hotel Travel Joint Stock Company (ii)	150,000,000,000	-	-	-
Intresco Construction Joint Stock Company (iii)	34,000,000,000	-	34,000,000,000	-
TOTAL	376,960,000,000	(4,990,342,295)	34,000,000,000	-

(i) This is an investment in Saigon Binh Duong Joint Stock Company ("SGBD") which is a shareholding company established under Enterprise Law of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3701647922 issued by Department of Planning and Investment of Binh Duong Province on 24 November 2009. SGBD's registered office is located at No. 175 Nguyen Chi Thanh, Tuong Binh Hiep Ward, Thu Dau Mot City, Binh Duong Province, Vietnam. SGBD's principal activity is to produce and trade construction materials, trade real estate properties, and other related services.

Previously, the Company presented the investment in SGBD as an investment in an associate because in accordance with Board of Directors Meeting Minute dated 11 August 2017, all shareholders of SGBD committed to continue to contribute their investment as indicated on BRC. Accordingly, the Company's ownership in SGBD was 37.37% and SGBD would not become a subsidiary of the Company.

In current year, in accordance with SGBD's Resolution of the Board of Directors on 22 November 2018, SGBD's shareholders continued to contribute the remaining uncontributed charter capital. According to the Company's Resolution of the Board of Directors on 27 March 2019, the Company contributed VND 80,760,856,762 in SGBD, increasing the ownership and voting rights in SGBD to 64.32% of charter capital. Accordingly, SGBD has become a subsidiary of the Company.

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. LONG-TERM INVESTMENTS (continued)

15.1 Investment in subsidiaries (continued)

(ii) This is an investment in Royal Tourism Hotel and Restaurant Joint Stock Company ("Royal"), which is a shareholding company established under Enterprise Law of Vietnam in accordance with the Business Registration Certificate No. 0315419806 issued by Department of Planning and Investment of Ho Chi Minh City on 3 December 2018. Royal's registered office is located at 18 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. Royal's principal activity is to provide hotel and restaurant management services and to organize tours. As at 31 December 2019, the Company holds 75% ownership and voting rights in Royal (31 December 2018: 0%).

(iii) This is an investment in Intresco Construction Joint Stock Company ("IC"), which is a shareholding company established under the Enterprise Law of Vietnam in accordance with the Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services. As at 31 December 2019, the Company holds 85% ownership and voting rights in the IC (31 December 2018: 85%).

15.2 Investments in associates

Name	Business activities	Ending balance			Beginning balance						
		% ownership	% voting right	Original amount VND	Provision VND	Carrying amount VND	Original amount VND	Provision VND	Carrying amount VND		
Long Binh Construction – Trading – Producing Joint Stock Company	Real estate	36.36	36.36	21,000,000,000	-	21,000,000,000	36.36	36.36	21,000,000,000	-	21,000,000,000
Saigon Binh Duong Joint Stock Company	Real estate	-	-	-	-	-	37.40	64.32	112,199,143,238	(8,077,576,691)	104,121,566,547
TOTAL				21,000,000,000	-	21,000,000,000			133,199,143,238	(8,077,576,691)	125,121,566,547

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. LONG-TERM INVESTMENTS (continued)

15.3 Other long-term and held-to-maturity investments

	Ending balance				Beginning balance				VND	
	Original amount VND	Provision VND	Carrying amount VND	Number of shares ownership	% ownership	Original amount VND	Provision VND	Carrying amount VND		Number of shares ownership
Gia Dinh Development Investment Corporation	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.31	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.31
Dai Phu Loc Project Investment Company Limited	16,350,000,000	-	16,350,000,000	-	-	-	-	-	-	-
Bac Trung Nam Housing Development Joint Stock Company	5,466,500,000	-	5,466,500,000	54,665	10.93	5,466,500,000	-	5,466,500,000	54,665	10.93
Saigon Mangden Joint Stock Company	3,100,000,000	-	3,100,000,000	310,000	1.61	3,100,000,000	-	3,100,000,000	310,000	1.61
Bond	500,000,000	-	500,000,000	-	-	-	-	-	-	-
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	188,820,000	-	188,820,000	18,882	0.06	188,820,000	-	188,820,000	18,882	0.06
TOTAL	59,605,320,000	(8,925,000,000)	50,680,320,000			42,755,320,000	(8,925,000,000)	33,830,320,000		

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

16. BORROWING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Capitalized in real estate projects	87,233,532,466	91,573,777,652
Interest expense (Note 26)	14,574,146,089	6,072,683,531
TOTAL	<u>101,807,678,555</u>	<u>97,646,461,183</u>

17. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to related parties (Note 31)	110,082,858,813	140,093,226,973
Trade payables to other parties	22,272,185,500	20,153,220,053
TOTAL	<u>132,355,044,313</u>	<u>160,246,447,026</u>

18. ADVANCES FROM CUSTOMERS

Advances from customers are the amounts received in advance in respect of the sale of apartment units and land lots of the following Company's projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	966,647,452,757	62,100,945,272
Terra Royal Project	897,374,220,085	-
The Stars Village, Long Thoi – Nha Be Project	28,846,246,059	33,156,855,179
Cua Lap Project	18,500,000,000	-
Lot 6, 7 & 8 - 6B Project	8,622,136,300	14,416,436,573
Other projects	13,304,850,313	14,527,653,520
Long-term	160,266,641,569	727,809,362,201
6A Project	109,530,829,000	109,530,829,000
Lot 6, 7 & 8 - 6B Project	24,488,018,700	24,488,018,700
Terra Flora project	11,251,176,000	-
Binh Trung Dong – District 2 Project	8,601,378,000	8,601,378,000
Terra Royal Project	-	575,779,496,632
Other projects	6,395,239,869	9,409,639,869
TOTAL	<u>1,126,914,094,326</u>	<u>789,910,307,473</u>
<i>In which:</i>		
Other parties	1,113,914,094,326	781,910,307,473
A related party (Note 31)	13,000,000,000	8,000,000,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. STATUTORY RECEIVABLES AND OBLIGATIONS

				VND
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
Value-added tax	8,198,808,945	13,326,854,302	(4,506,025,352)	17,019,637,895
Corporate income tax	4,026,449,555	5,653,888,127	(2,675,060,839)	7,005,276,843
Personal income tax	461,251,431	2,388,131,370	(2,449,416,525)	399,966,276
Other taxes	1,490,705,409	632,367,584	(440,863,292)	1,682,209,701
TOTAL	<u>14,177,215,340</u>	<u>22,001,241,383</u>	<u>(10,071,366,008)</u>	<u>26,107,090,715</u>

20. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction costs	72,082,370,623	1,811,160,418
Penalty for late payment	37,029,639,910	37,029,639,910
Interest expense	12,119,937,137	15,175,108,566
Others	3,087,867,500	3,536,136,000
TOTAL	<u>124,319,815,170</u>	<u>57,552,044,894</u>

21. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	55,014,163,437	82,462,405,307
Dividends payable	37,810,489,758	71,880,602,705
Maintenance fees of Terra Royal Project	5,971,809,000	-
Deposit received	3,602,656,000	4,597,000,000
Borrowing	1,922,416,683	-
Others	5,706,791,996	5,984,802,602
Long-term	11,004,684,340	3,886,616,840
Deposit received	11,004,684,340	3,886,616,840
TOTAL	<u>66,018,847,777</u>	<u>86,349,022,147</u>
<i>In which:</i>		
<i>Other parties</i>	57,096,431,094	86,349,022,147
<i>Related parties (Note 31)</i>	8,922,416,683	-

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS

	Beginning balance	Drawdown	Repayment	Reclassification	Ending balance
Short-term					VND
Bank loans (Note 22.1)	656,240,186,144	689,365,042,509	(650,240,186,144)	235,000,000,000	930,365,042,509
Loans from subsidiaries (Note 22.4)	182,494,553,670	376,015,042,509	(182,494,553,670)	-	376,015,042,509
Current portion of long-term loan (Note 22.2)	-	267,000,000,000	(3,000,000,000)	-	264,000,000,000
Loan from an individual (Note 22.3)	459,745,632,474	-	(459,745,632,474)	235,000,000,000	235,000,000,000
	14,000,000,000	46,350,000,000	(5,000,000,000)	-	55,350,000,000
Long-term					
Bank loans (Note 22.2)	174,000,000,000	221,000,000,000	-	(235,000,000,000)	160,000,000,000
	174,000,000,000	221,000,000,000	-	(235,000,000,000)	160,000,000,000
TOTAL	830,240,186,144	910,365,042,509	(650,240,186,144)	-	1,090,365,042,509

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS (continued)

22.1 Details of short-term bank loans are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Ho Chi Minh City Development Joint Stock Commercial Bank					
Loan Contract No.23752/19MN/HDTD dated 31 Jul 2019	200,000,000,000 VND	8 August 2020	To finance Terra Royal project	11.4	<ul style="list-style-type: none"> Receivables arising from land lots sale contract at Long Thoi - Nha Be project (Note 6) Land use rights, associated assets and benefits arising from Terra Royal project (Note 9)
Joint Stock Commercial Bank for Investment and Development of Vietnam					
Loan contract No. 01/2019/93512/HDTD	110,315,042,509 VND	11 September 2020	Finance for the development of its real estate projects and working capital requirements	10	<ul style="list-style-type: none"> Land use rights of 10,473 square meters at Long Phuoc, District 9, Ho Chi Minh City (Note 9) Land use rights at An Phu Ward and Block C, An Khang apartment, street 19, An Phu Ward, District 2, Ho Chi Minh City (Note 13) Land use rights of 24,673 square meters at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 9)

Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS (continued)

22.1 Details of short-term bank loans are as follows: (continued)

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
Lien Viet Post Joint Stock Commercial Bank					
Loan Contract No. HDTD5002019292 dated 29 July 2019	40,700,000,000	28 July 2020	Finance for the development of its real estate projects and working capital requirements	9.4	<ul style="list-style-type: none"> Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12) Land use rights and associated assets of Block A and B, An Khang department, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City (Notes 13)
Vietnam Bank for Agriculture and Rural Development					
Loan Contract No. 6220-LAV-201900754 dated 11 October 2019	25,000,000,000	29 October 2020	To finance Terra Royal project	9	<ul style="list-style-type: none"> Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12) Land use rights and associated assets of 482,4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 13) Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 9) Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 9)
TOTAL	376,015,042,509				

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS (continued)

22.2 Details of long-term bank loans are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
VND					
Ho Chi Minh City Development Joint Stock Commercial Bank					
Loan Contract No.04660/18MN/HDTD	200,000,000,000	12 April 2020	To finance Terra Royal project	11	<ul style="list-style-type: none"> Receivables arising from sale contract at Long Thoi – Nhon Duc - Nha Be project (Note 6) Land use rights, associated assets and benefits arising from Terra Royal project (Note 9)
Loan Contract No.2235TT/15/HDTDT DH-DN/068	100,000,000,000	29 January 2021			
Vietnam Bank for Agricultural and Rural Development					
Loan Contract No. 6220-LAV-201800866 dated 26 October 2018	95,000,000,000	From 26 October 2020 to 26 October 2023	To finance Terra Royal project	10.5	<ul style="list-style-type: none"> Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12) Land use rights and associated assets of 482,4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 13) Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 9) Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 9)
TOTAL	395,000,000,000				
<i>In which:</i>					
Current portion	235,000,000,000				
Long-term loan	160,000,000,000				

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS (continued)

22.3 Details of loan from individuals are as follows:

Lenders	Ending balance VND	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Ms. Le Thi Tram Anh (Note 31)					
Loan contract No. 1080/ETKDN/HĐVV dated 10 October 2019	30,000,000,000	Payable on demand	To finance Terra Royal project	5.4	Unsecured
Loan contract dated 20 August 2018	9,000,000,000	Payable on demand	To finance Terra Royal project	5.4	Unsecured
Mr. Mai Hai Son					
Loan contract No. 03/HĐVV dated 27 June 2019	16,350,000,000	27 June 2020	To contribute charter capital of Dai Phu Loc Project Investment Company Limited	0	Unsecured
TOTAL	55,350,000,000				

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

22. LOANS (continued)

22.4 Details of loans from subsidiaries are as follows:

Lenders	Ending balance VND	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Royal Service Restaurant Hotel Travel Joint Stock Company (Note 31)					
Loan Contract No. 01/HDVV-02/05/2019	147,000,000,000	16 May 2020	To finance Terra Royal project	4	Unsecured
Saigon Binh Duong Joint Stock Company (Note 31)					
Loan Contract No. 01/HDVV-2019	80,000,000,000	25 March 2020	To finance Terra Royal project	7	Unsecured
Loan Contract No. 05/HDW-2019	20,000,000,000	5 March 2020	To finance Terra Royal project	5.3	Unsecured
Loan Contract No. 04/HDW-2019	17,000,000,000	17 September 2020	To finance Terra Royal project	5.5	Unsecured
TOTAL	264,000,000,000				

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. OWNERS' EQUITY

23.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Previous year						VND
Beginning balance	690,866,880,000	748,683,126,824	(9,825,117,611)	58,982,340,425	91,569,305,798	1,580,276,535,436
Net profit for the year	-	-	-	-	73,295,398,683	73,295,398,683
Dividends declared	-	-	-	-	(68,646,328,000)	(68,646,328,000)
Profit appropriation	-	-	-	3,958,198,897	(3,958,198,897)	-
Other decrease	-	-	-	-	(791,639,799)	(791,639,799)
Ending balance	690,866,880,000	748,683,126,824	(9,825,117,611)	62,940,539,322	91,468,537,785	1,584,133,966,320
Current year						
Beginning balance	690,866,880,000	748,683,126,824	(9,825,117,611)	62,940,539,322	91,468,537,785	1,584,133,966,320
Net profit for the year	-	-	-	-	113,778,131,005	113,778,131,005
Dividends declared	-	-	-	-	(34,323,164,000)	(34,323,164,000)
Profit appropriation	-	-	-	4,085,915,224	(4,085,915,224)	-
Transfer to bonus and welfare fund	-	-	-	-	(1,634,512,121)	(1,634,512,121)
Other decrease	-	-	-	-	(817,183,045)	(817,183,045)
Ending balance	690,866,880,000	748,683,126,824	(9,825,117,611)	67,026,454,546	164,385,894,400	1,661,137,238,159

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. OWNERS' EQUITY (continued)

23.2 Capital transactions with owners and distribution of dividends

	Current year	VND Previous year
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Dividends declared (*)	34,323,164,000	68,646,328,000
Dividend paid	68,402,394,347	23,665,863,911

(*) The Company has declared dividend distribution from 2018 profit in cash at 5% of the par value of ordinary shares as approved by Shareholder Meeting's Resolution dated 25 April 2019.

23.3 Shares

	<u>Beginning and ending balances</u>	
	Quantity	Amount VND
Authorized shares	69,086,688	690,866,880,000
Issued shares		
<i>Issued and paid-up shares</i>		
<i>Ordinary shares</i>	69,086,688	690,866,880,000
Treasury shares		
<i>Ordinary shares</i>	440,360	9,825,117,611
Shares in circulation		
<i>Ordinary shares</i>	68,646,328	681,041,762,389

24. REVENUES

24.1 Revenue from sale of goods and rendering of services

	Current year	VND Previous year
Net revenue	<u>451,185,465,546</u>	<u>621,730,153,307</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	361,387,719,269	503,066,363,424
<i>Revenue from construction contracts</i>	75,590,365,291	104,683,943,979
<i>Revenue from other services</i>	14,207,380,986	13,979,845,904

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. REVENUES (continued)

24.2 Finance income

	VND	
	Current year	Previous year
Dividends received	11,900,000,000	466,274,200
Interest income	5,802,321,134	2,344,554,352
Gain from disposal of an associate	-	8,079,213,232
TOTAL	<u>17,702,321,134</u>	<u>10,890,041,784</u>

25. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of real estate properties	222,538,961,266	424,982,418,691
Cost of construction services	71,465,193,501	101,143,982,332
Cost of other services rendered	6,022,128,379	5,128,820,547
TOTAL	<u>300,026,283,146</u>	<u>531,255,221,570</u>

26. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expense	14,574,146,089	6,072,683,531
(Reversal of provision) provision for diminution in value of investments	(3,087,234,396)	370,131,651
Others	-	149,527,269
TOTAL	<u>11,486,911,693</u>	<u>6,592,342,451</u>

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Selling expenses	7,918,963,917	8,168,708,844
Sale commission	7,875,363,917	8,153,708,844
Others	43,600,000	15,000,000
General and administrative expenses	21,657,064,312	15,974,358,272
Labour costs	9,202,788,000	8,229,004,000
External service fee	4,779,317,274	6,766,898,617
Depreciation (Note 11)	1,129,079,448	1,770,175,218
Provision (reversal of provision) for doubtful debt	982,620,000	(5,406,620,000)
Others	5,563,259,590	4,614,900,437
TOTAL	<u>29,576,028,229</u>	<u>24,143,067,116</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

28. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	13,329,260,817	13,316,996,702
Proceeds from other projects written-off	4,571,555,501	-
Penalty for late payment and cancellation of sale contracts	3,422,840,727	8,855,140,341
Proceeds from disposal of fixed assets	-	1,587,121,217
Others	5,334,864,589	2,874,735,144
Other expenses	(25,719,272,793)	(10,606,211,973)
Tax penalty	(17,002,594,044)	(1,052,218,473)
Expenses of other projects written-off	(3,412,956,790)	-
Expenses of Dak Nong project written-off	-	(5,164,970,451)
Compensation cost for customers of Binh Hoa project	-	(1,155,520,000)
Others	(5,303,721,959)	(3,233,503,049)
OTHER (LOSS) PROFIT	(12,390,011,976)	2,710,784,729

29. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Project development cost	202,356,200,078	424,982,418,691
External service fee	76,244,510,775	107,910,880,949
Labour cost	9,202,788,000	8,229,004,000
Sales commission	7,875,363,917	8,153,708,844
Depreciation (Notes 11 and 13)	3,812,162,664	4,453,258,440
Provision for doubtful debt	982,620,000	(5,406,620,000)
Others	8,945,904,753	7,075,637,762
TOTAL	309,419,550,187	555,398,288,686

30. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

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

30.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	1,618,425,031	-
Deferred tax expense	11,995,600	44,950,000
TOTAL	1,630,420,631	44,950,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. CORPORATE INCOME TAX (continued)

30.1 CIT expense

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

	VND	
	Current year	Previous year
Accounting profit before tax	115,408,551,636	73,340,348,683
At CIT rate applied for the Company	23,081,710,327	14,668,069,737
<i>Adjustments to increase:</i>		
Non-deductible expenses	3,967,144,513	1,004,541,084
<i>Adjustments to decrease:</i>		
Utilization of tax losses carried forward	(23,038,434,209)	(15,534,405,981)
Dividends received	(2,380,000,000)	(93,254,840)
CIT expense	1,630,420,631	44,950,000

30.2 Current tax

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

30.3 Deferred CIT

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

	VND			
	Separate balance sheet		Separate income statement	
	Ending balance	Beginning balance	Current year	Previous year
Accrual for severance pay	190,600,400	202,596,000	(11,995,600)	(44,950,000)
Internal unrealised profit	178,275,356	178,275,356	-	-
Deferred income tax assets	368,875,756	380,871,356		
Net deferred tax expense			(11,995,600)	(44,950,000)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company with related parties during the current and previous years were as follows:

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Intresco Construction Joint Stock Company	Subsidiary	Construction services rendered	390,386,026,685	383,679,119,250
		Dividend	11,900,000,000	-
		Payment on behalf	1,134,309,532	932,296,073
		Rental income	109,090,908	109,090,908
		Income from fixed asset disposal	-	10,454,545,455
Member of Board of Directors	General Director	Advance	56,850,000,000	43,850,000,000
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Loans	117,000,000,000	-
		Capital contributed	103,683,273,445	-
		Borrowings	22,922,416,683	-
		Loan repayment	21,000,000,000	847,000,000
		Interest expenses	4,851,109,589	-
		Advance for operation	600,000,000	-
Royal Service Restaurant hotel travel Joint Stock Company	Subsidiary	Loan	150,000,000,000	-
		Deposit receipt	7,000,000,000	-
		Interest expenses	3,576,219,178	-
		Loan repayment	3,000,000,000	-
Ms. Le Thi Tram Anh	Related party	Loans	30,000,000,000	14,000,000,000
		Loan repayment	5,000,000,000	-
		Interest expenses	1,106,358,904	211,265,753
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fees	7,689,405,379	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions

The purchase of goods from related parties during the year was made on the basis of signed contracts.

Outstanding balances at are unsecured, interest free and will be settled in cash. For the year ended 31 December 2019, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

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

				VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	
Short-term trade receivable					
Ms. Le Thi Tram Anh	Related party	Purchase land lots	4,101,231,043	4,101,231,043	
Short-term advances to suppliers					
Intresco Construction Joint Stock Company	Subsidiary	Advance for construction services	107,807,628,334	35,174,670,194	
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Design service fee	20,262,168,134	12,572,762,755	
			128,069,796,468	47,747,432,949	
Other short-term receivables					
Member of Board of Directors	General Director	Advance	56,850,000,000	43,850,000,000	
Intresco Construction Joint Stock Company	Subsidiary	Dividend Payment on behalf	11,900,000,000	-	
			198,004,977	-	
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Interest income	1,592,901,607	1,592,901,607	
			70,540,906,584	45,442,901,607	
Short-term trade payables					
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	108,522,204,268	138,532,572,428	
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	1,560,654,545	1,560,654,545	
			110,082,858,813	140,093,226,973	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Nature of transaction	VND	
			Ending balance	Beginning balance
Short-term advance from customer				
Ms. Le Thi Tram Anh	Related party	Purchase apartments	13,000,000,000	8,000,000,000
Other short-term and long-term payables				
Royal Service Restaurant hotel travel Joint Stock Company	Subsidiary	Deposit	7,000,000,000	-
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Borrowing	1,922,416,683	-
			8,922,416,683	-
Loans				
Royal Service Restaurant hotel travel Joint Stock Company	Subsidiary	Loan	147,000,000,000	-
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Loan	117,000,000,000	-
Ms. Le Thi Tram Anh	Related party	Loan	39,000,000,000	14,000,000,000
			303,000,000,000	14,000,000,000

Remuneration to members of the Board of Directors and management:

	VND	
	Current year	Previous year
Salaries and bonus	2,883,699,000	2,547,641,000

32. CAPITAL COMMITMENT

At 31 December 2019, the Company had outstanding commitments of VND 567,331,495,293 (31 December 2018: VND 497,537,317,704) relating to the development of ongoing residential projects.

33. OFF BALANCE SHEET ITEMS

As at 31 December 2019, the Company had bad debts written-off relating to An Suong Project, Concrete Project, Ba Ria Vung Tau Radio and Television Broadcasting Project and others with the amount of VND 2,324,377,287, VND 1,724,448,946, VND 1,130,613,959, and VND 62,251,130 respectively.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. EVENTS AFTER THE BALANCE SHEET DATE

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



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Truong Minh Thuan
General Director

30 March 2020