

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

Consolidated financial statements

For the year ended 31 December 2021



# Investment and Trading of Real Estate Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Report on review of consolidated financial statements	3 - 4
Consolidated balance sheet	5 - 7
Consolidated income statement	8
Consolidated cash flow statement	9 - 10
Notes to the consolidated financial statements	11 - 47

# 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 symbol as 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 No.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. Nguyen Manh	Chairman	
Mr. Truong Minh Thuan	Vice Chairman	
Mr. Vo Huu Hai	Member	
Mr. Tran Huu Khanh	Outside Director	
Ms. Nguyen Kim Hau	Member	
Ms. Dang Thi Ngoc Tuyen	Member	resigned on 28 April 2021

### 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 consolidated financial statements of the Company and its subsidiary ("the Group") for year ended 31 December 2021.

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

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

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial 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 consolidated financial position of the Group and to ensure that the accounting records comply with the registered 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 has confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of the consolidated results of its operations and its consolidated cash flows for the year ended then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:



29 March 2022



Reference: 60792124/ 22629973-HN

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying consolidated financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") and its subsidiary ("the Group") as prepared on 29 March 2022 and set out on pages 5 to 47, which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement and the consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

**Ernst & Young Vietnam Limited**



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



Ton Thien Bao Ngoc  
Auditor  
Audit Practicing Registration Certificate  
No. 4177-2022-004-1

Ho Chi Minh City, Vietnam

29 March 2022

CONSOLIDATED BALANCE SHEET  
as at 31 December 2021

VND

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,266,842,737,280</b>	<b>2,383,434,661,020</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>65,109,455,915</b>	<b>42,738,999,726</b>
111	1. Cash		65,109,455,915	42,738,999,726
<b>130</b>	<b>II. Current accounts receivables</b>		<b>454,475,440,817</b>	<b>488,838,269,137</b>
131	1. Short-term trade receivables	5	132,944,678,821	119,374,257,165
132	2. Short-term advances to suppliers	6	184,866,062,478	223,098,384,626
135	3. Short-term loan receivable	7	33,400,000,000	46,400,000,000
136	4. Other short-term receivables	8	106,351,280,976	100,763,353,391
137	5. Provision for doubtful short-term receivables	5, 8	(3,086,581,458)	(797,726,045)
<b>140</b>	<b>III. Inventories</b>	<b>9</b>	<b>1,738,095,492,365</b>	<b>1,837,833,975,936</b>
141	1. Inventories		1,751,989,950,338	1,853,185,322,637
149	2. Provision for obsolete inventories		(13,894,457,973)	(15,351,346,701)
<b>150</b>	<b>IV. Other current assets</b>		<b>9,162,348,183</b>	<b>14,023,416,221</b>
151	1. Short-term prepaid expenses	10	2,052,005,084	8,615,253,640
152	2. Value-added tax deductible		7,110,343,099	5,408,162,581



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

VND


Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,992,930,773,985</b>	<b>2,028,756,986,792</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>12,073,000,000</b>	<b>14,027,346,202</b>
216	1. Other long-term receivables	8	14,734,060,000	16,688,406,202
219	2. Provision for doubtful long-term receivables	8	(2,661,060,000)	(2,661,060,000)
<b>220</b>	<b>II. Fixed assets</b>		<b>1,156,957,866,008</b>	<b>1,127,859,479,111</b>
221	1. Tangible fixed assets	11	687,250,111,286	653,848,516,142
222	Cost		750,659,980,441	694,992,370,296
223	Accumulated depreciation		(63,409,869,155)	(41,143,854,154)
227	2. Intangible fixed assets	12	469,707,754,722	474,010,962,969
228	Cost		476,839,972,410	475,916,753,410
229	Accumulated amortisation		(7,132,217,688)	(1,905,790,441)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>680,306,857,975</b>	<b>772,431,944,056</b>
231	1. Cost		739,239,147,271	815,742,177,126
232	2. Accumulated depreciation		(58,932,289,296)	(43,310,233,070)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>41,517,834,162</b>	<b>3,243,590,594</b>
242	1. Construction in progress	14	41,517,834,162	3,243,590,594
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>61,673,140,794</b>	<b>68,773,924,625</b>
252	1. Investment in an associate		18,106,640,794	18,282,424,625
253	2. Investment in other entities		42,566,500,000	58,916,500,000
254	3. Provision for diminution in value of long-term investments		-	(8,925,000,000)
255	4. Held-to-maturity investment		1,000,000,000	500,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>40,402,075,046</b>	<b>42,420,702,204</b>
261	1. Long-term prepaid expenses	10	22,738,743,959	21,306,328,644
262	2. Deferred tax assets	31.3	17,663,331,087	21,114,373,560
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,259,773,511,265</b>	<b>4,412,191,647,812</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,188,292,013,024</b>	<b>2,468,812,767,449</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,837,983,765,513</b>	<b>1,999,010,945,318</b>
311	1. Short-term trade payables	17	135,213,868,606	118,596,835,583
312	2. Short-term advances from customers	18	403,262,715,983	603,605,182,687
313	3. Statutory obligations	19	48,803,995,667	67,899,988,019
314	4. Payables to employees		6,550,392,186	5,750,585,234
315	5. Short-term accrued expenses	20	351,282,696,410	364,327,675,478
318	6. Short-term unearned revenues		246,105,172	130,550,303
319	7. Other short-term payables	21	333,034,076,482	286,029,889,246
320	8. Short-term loans	22	545,037,442,521	542,910,949,602
321	9. Short-term provisions		1,037,802,686	1,457,262,968
322	10. Bonus and welfare fund	23	13,514,669,800	8,302,026,198
<b>330</b>	<b>II. Non-current liabilities</b>		<b>350,308,247,511</b>	<b>469,801,822,131</b>
332	1. Long-term advances from customers	18	149,015,465,569	149,015,465,569
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
337	3. Other long-term liabilities	21	25,928,859,540	27,467,375,660
338	4. Long-term loans	22	167,511,523,500	285,423,047,000
342	5. Long-term provisions		2,390,126,364	2,433,661,364
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>2,071,481,498,241</b>	<b>1,943,378,880,363</b>
<b>410</b>	<b>I. Capital</b>		<b>2,071,481,498,241</b>	<b>1,943,378,880,363</b>
411	1. Share capital	24.1	876,544,270,000	797,262,940,000
411a	- Shares with voting rights		876,544,270,000	797,262,940,000
412	2. Share premium	24.1	748,683,126,824	748,683,126,824
414	3. Other owners' capital	24.1	4,502,976,820	2,987,605,855
415	4. Treasury shares	24.1	(9,825,117,611)	(9,825,117,611)
418	5. Investment and development fund	24.1	84,094,655,341	75,506,408,855
421	6. Undistributed earnings	24.1	215,036,358,689	178,776,930,662
421a	- Undistributed earnings by the end of prior year		78,968,800,541	37,319,420,245
421b	- Undistributed earnings of current year		136,067,558,148	141,457,510,417
429	7. Non-controlling interests	24.5	152,445,228,178	149,986,985,778
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,259,773,511,265</b>	<b>4,412,191,647,812</b>

  
 Pham Van Khanh  
Preparer

  
 Doan Huu Chi  
Chief Accountant


  
 Trương Minh Thuận  
General Director



29 March 2022

CONSOLIDATED INCOME STATEMENT  
for year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	723,956,465,138	925,847,655,485
02	2. Deductions		(5,916,972,600)	(4,314,570,952)
10	3. Net revenue from sale of goods and rendering of services	25.1	718,039,492,538	921,533,084,533
11	4. Cost of goods sold and services rendered	26, 30	(450,591,146,928)	(622,193,721,740)
20	5. Gross profit from sale of goods and rendering of services		267,448,345,610	299,339,362,793
21	6. Finance income	25.2	1,850,426,530	2,702,019,238
22	7. Finance expenses	27	(48,737,062,974)	(30,733,928,138)
23	- In which: Interest expense		(57,654,903,394)	(30,731,038,758)
24	8. Shares of loss of associates	15.1	(175,783,831)	(142,274,673)
25	9. Selling expenses	28, 30	(9,386,899,219)	(16,840,573,165)
26	10. General and administrative expenses	28, 30	(68,858,090,408)	(39,279,769,857)
30	11. Operating profit		142,140,935,708	215,044,836,198
31	12. Other income	29	37,485,069,346	16,838,719,831
32	13. Other expenses	29	(3,439,103,986)	(52,136,942,195)
40	14. Other profit (loss)	29	34,045,965,360	(35,298,222,364)
50	15. Accounting profit before tax		176,186,901,068	179,746,613,834
51	16. Current corporate income tax expense	31.1	(34,210,058,047)	(46,150,837,158)
52	17. Deferred tax (expense) income	31.3	(3,451,042,473)	2,569,674,197
60	18. Net profit after tax		138,525,800,548	136,165,450,873
61	19. Net profit after tax attributable to shareholders of the parent		136,067,558,148	141,457,510,417
62	20. Net profit (loss) after tax attributable to non-controlling interests	24.5	2,458,242,400	(5,292,059,544)
70	21. Basic earnings per share	24.4	1,476	1,537
71	22. Diluted earnings per share	24.4	1,476	1,537

  
Pham Van Khanh  
Preparer

  
Doan Huu Chi  
Chief Accountant

  
Trương Minh Thuận  
General Director



29 March 2022



CONSOLIDATED CASH FLOW STATEMENT  
for year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>176,186,901,068</b>	<b>179,746,613,834</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets and investment properties	11, 12, 13	43,114,498,474	28,598,995,411
03	Reversal of provisions		(8,556,028,597)	(16,863,986,722)
05	Profits from investing activities		175,783,831	(2,446,120,238)
05	Interest income		(1,824,608,297)	-
06	Interest expenses	27	57,654,903,394	30,731,038,758
08	<b>Operating profit before changes in working capital</b>		<b>266,751,449,873</b>	<b>219,766,541,043</b>
09	Increase in receivables		22,761,810,099	(66,389,985,833)
10	Increase (decrease) in inventories		163,756,183,646	225,961,714,392
11	Increase in payables		(135,149,513,616)	(211,564,805,844)
12	Increase in prepaid expenses		5,130,833,241	(7,864,255,111)
14	Interest paid		(104,853,401,276)	(53,799,243,342)
15	Corporate income tax paid		(41,270,114,340)	(14,806,321,840)
17	Other cash outflows for operating activities	23	(2,162,619,500)	(1,771,281,600)
20	<b>Net cash flows from operating activities</b>		<b>174,964,628,127</b>	<b>89,532,361,865</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(67,404,085,309)	(70,879,921,439)
23	Payment for buying bonds		(500,000,000)	-
24	Collection from borrowers		13,000,000,000	2,500,000,000
26	Proceeds from sale of investments in other entities		-	188,820,000
27	Interest and dividends received		1,824,608,297	2,988,394,911
30	<b>Net cash flows used in investing activities</b>		<b>(53,079,477,012)</b>	<b>(65,202,706,528)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	22	321,938,068,863	386,201,916,881
34	Repayment of borrowings	22	(421,373,099,444)	(384,232,962,788)
36	Dividends paid	24.2	(79,664,345)	(34,202,560,650)
40	<b>Net cash flows used in financing activities</b>		<b>(99,514,694,926)</b>	<b>(32,233,606,557)</b>



CONSOLIDATED CASH FLOW STATEMENT (continued)  
for year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net decrease in cash		22,370,456,189	(7,903,951,220)
60	Cash at the beginning of the year		42,738,999,726	50,642,950,946
70	Cash at the end of the year	4	65,109,455,915	42,738,999,726



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

29 March 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2021 and for the year ended 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 No. 18, Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The following three subsidiaries are consolidated into the Company's consolidated financial statements:

▶ 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 2020, the Company holds 85% ownership and voting rights in the IC (31 December 2019: 85%).

▶ Royal Service Restaurant Hotel Travel Joint Stock Company

Royal Service Restaurant Hotel Travel 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 2020, the Company holds 75% ownership and voting rights in Royal (31 December 2019: 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 2020, the Company holds 64.32% ownership and voting rights in SGBD (31 December 2019: 64.32%).

The number of the Company and its subsidiary ("the Group") employees as at 31 December 2021 was 487 (31 December 2020: 358).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - 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 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 consolidated financial position and results of consolidated operations and 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 Journal Voucher 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 consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for year ended 31 December 2021.

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Cash

Cash comprises cash on hand and cash in banks.

#### 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 balance sheet date.

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

#### 3.3 Receivables

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

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

#### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

##### *Land use rights*

Land use rights are recorded as an intangible asset on the consolidated balance sheet as the Company obtained the land use right certificate 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, except land use right at No. 81A-B, 83 and 103 Ly Chinh Thang Street, No. 278A and 280 Nam Ky Khoi Nghia Street, Ward 8, District 3 which is amortised for 50 years from 8 October 2016 to 8 October 2066.

#### 3.6 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible 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
Computer software	3 years
Land use rights	50 years

The useful life of the fixed assets and depreciation rate 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 Group.

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 consolidated income statement in the period of retirement or disposal.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 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 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.

#### 3.10 *Investments*

##### *Investments in associates*

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that are neither subsidiary nor joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

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

##### *Investments in other entities*

Investments in other investments are stated at their acquisition costs.

##### *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 finance expenses in the consolidated income statements and deducted against the value of such investments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.10 *Investments* (continued)

##### *Provision for diminution in value of investments in other entities*

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 expenses in the consolidated income statement.

#### 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 Group.

#### 3.12 *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 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 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 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.

#### 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 Group'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 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 encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 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 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 revenue*

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 balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

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.

##### *Rendering of services*

Revenue from rendering of services is recognised upon the completion of services rendered.

##### *Interest*

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

##### *Dividends*

Income is recognised when the Group'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 balance sheet date.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.16 Taxation (continued)

##### *Deferred tax*

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

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

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

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

- ▶ Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ In respect of deductible temporarily differences associated with investments in subsidiaries and associates, 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.17 Earnings per share

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

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

#### 3.18 Segment information

The Group'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 Group's risks and returns are not impacted by the Group's business that the Group is operating or the locations where the Group is trading. As a result, the Group'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.

#### 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 their families.

### 4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,144,218,447	707,693,331
Cash in banks	63,965,237,468	42,031,306,395
<b>TOTAL</b>	<b><u>65,109,455,915</u></b>	<b><u>42,738,999,726</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 5. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Trade receivables from customers	128,843,447,778	115,273,026,122
<i>Customers of Long Thoi Project (*)</i>	59,541,543,808	59,730,631,277
<i>Customers of Terra Royal Project</i>	47,937,913,160	34,248,020,462
<i>Nam Hai Construction Co., Ltd</i>	7,319,414,000	7,319,414,000
<i>Customers of 6B Project</i>	3,687,556,972	9,112,538,015
<i>Trade receivables from other parties</i>	10,357,019,838	4,862,422,368
Trade receivables from a related party (Note 32)	4,101,231,043	4,101,231,043
<b>TOTAL</b>	<b>132,944,678,821</b>	<b>119,374,257,165</b>
Provision for doubtful short-term receivables	(733,384,000)	(733,384,000)
<b>NET</b>	<b>132,211,294,821</b>	<b>118,640,873,165</b>

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

Details of trade receivables are as below:

	VND	
	Ending balance	Beginning balance
Receivables from sale of land lots and apartments (*)	116,912,342,960	108,064,877,371
Receivables from rental services	7,550,182,189	3,119,155,294
Receivables from rendering construction services	7,748,769,672	7,456,840,500
Others	733,384,000	733,384,000
<b>TOTAL</b>	<b>132,944,678,821</b>	<b>119,374,257,165</b>

(\*) Receivables from sale 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)	59,541,543,808	59,730,631,277
Terra Royal Project (i)	44,842,480,520	34,248,020,462
6B Project (ii)	7,526,488,015	8,850,238,015
6B Project (i)	262,300,000	262,300,000
Thinh Vuong Building (i)	1,742,753,000	1,742,753,000
Phong Phu Project (i)	1,687,660,000	1,687,660,000
An Khang Building (i)	1,309,117,617	1,543,274,617
<b>TOTAL</b>	<b>116,912,342,960</b>	<b>108,064,877,371</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

#### 6. 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	138,171,166,728	176,191,531,540
<i>RGB (Macau) Limited</i>	35,890,645,363	34,204,282,958
<i>Interblock Asia Pacific Pty., Limited</i>	31,229,303,920	30,331,861,863
<i>Khang Phat Construction JSC</i>	19,378,630,000	19,378,630,000
<i>Saigon Vien Dong Limited Company</i>	12,927,603,431	12,927,603,431
<i>Hoang Trang Electric Co., Ltd.</i>	-	10,334,500,000
<i>Other suppliers</i>	38,744,984,014	69,014,653,288
Advance to related parties (Note 32)	46,694,895,750	46,906,853,086
<b>TOTAL</b>	<b>184,866,062,478</b>	<b>223,098,384,626</b>

#### 7. SHORT-TERM LOAN RECEIVABLE

Borrower	Ending balance	Principal repayment date	Interest % p.a.	VND
				Description of collaterals
Ms. Truong Thi Minh Nguyet (Note 32)	33,400,000,000	21 May 2022	4	Secured by General Director

#### 8. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>106,351,280,976</b>	<b>100,763,353,391</b>
Related parties (Note 32)	61,384,433,843	62,107,030,140
Advance to employees	14,467,965,805	11,449,038,000
Thai Duong Construction & Trading JSC	12,205,585,534	12,205,585,534
Provisional corporate income tax paid upon receiving deposits from customers	10,262,623,375	6,043,458,394
Others	8,030,672,419	8,958,241,323
<b>Long-term</b>	<b>14,734,060,000</b>	<b>16,688,406,202</b>
Ngoc Phuc Trading and Construction Co., Ltd	12,073,000,000	14,027,346,202
Hoang Hai Joint Stock Company – Hoc Mon, Ba Diem Project	2,661,060,000	2,661,060,000
<b>TOTAL</b>	<b>121,085,340,976</b>	<b>117,451,759,593</b>
Provision for short-term doubtful debts	(2,353,197,458)	(64,342,045)
Provision for long-term doubtful debts	(2,661,060,000)	(2,661,060,000)



## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 9. INVENTORIES

Inventories represent costs incurred for the following on-going real estate and construction projects in process:

	Ending balance		Beginning balance		VND
	Cost	Provision	Cost	Provision	
The Stars Village, Long Thoi - Nha Be Project (i)	516,353,301,151	-	530,799,613,894	-	-
Sabinco Residential Commercial and Service Project ("Sabinco Project") (ii)	487,478,211,704	-	408,977,488,809	-	-
Terra Flora Project	210,149,632,894	-	182,605,157,055	-	-
Terra Royal Project (iii)	176,373,647,543	-	332,211,055,022	-	-
6A Project	132,220,634,925	-	132,318,634,924	-	-
Long Phuoc, Thu Duc District Project (iv)	77,610,985,569	-	116,114,797,661	-	-
Lot 5, 6, 7 & 8 - 6B Project	68,556,824,108	-	54,350,043,979	-	-
Cua Lap Project - Ba Ria	40,443,325,331	-	34,989,201,673	-	-
Binh Trung Dong - Thu Duc District Project	12,735,621,599	-	28,848,790,056	-	-
Other projects	30,067,765,514	(13,894,457,973)	31,970,539,564	(15,351,346,701)	-
<b>TOTAL</b>	<b>1,751,989,950,338</b>	<b>(13,894,457,973)</b>	<b>1,853,185,322,637</b>	<b>(15,351,346,701)</b>	

(i) Land use rights of 40,637 square meters at The Stars Village, Long Thoi - Nha Be project was pledged to obtain the loans from commercial banks (Note 22).

(ii) Land use rights and the associated assets from the Sabinco Project, Tuong Binh Hiep Ward, Thu Dau Mot City, Binh Duong Province was pledged to obtain the loans from a commercial bank (Note 22).

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

(iv) Land use rights of 10,473 square meters at Long Phuoc Project, Thu Duc District project was pledged to obtain the loans from a commercial bank (Note 22).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

**10. PREPAID EXPENSES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
<b>Short-term</b>	<b>2,052,005,084</b>	<b>8,615,253,640</b>
Commission expenses	1,342,732,720	7,365,495,600
Others	709,272,364	1,249,758,040
<b>Long-term</b>	<b>22,738,743,959</b>	<b>21,306,328,644</b>
Tools and supplies	18,413,773,292	15,923,891,963
Decoration expenses	4,126,419,770	5,276,988,242
Others	198,550,897	105,448,439
<b>TOTAL</b>	<b><u>24,790,749,043</u></b>	<b><u>29,921,582,284</u></b>

## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
<b>Cost:</b>					
Beginning balance	638,223,402,501	42,572,727,723	5,657,467,366	8,538,772,706	694,992,370,296
New purchase	3,758,909,386	1,221,813,413	5,533,749,091	816,522,186	11,330,994,076
Adjustment follows final investment costs	44,336,616,069	-	-	-	44,336,616,069
Ending balance	<u>686,318,927,956</u>	<u>43,794,541,136</u>	<u>11,191,216,457</u>	<u>9,355,294,892</u>	<u>750,659,980,441</u>
<i>In which:</i>					
<i>Fully depreciated</i>	4,280,813,180	5,647,970,448	5,745,373,679	1,400,394,544	17,074,551,851
<b>Accumulated depreciation:</b>					
Beginning balance	21,907,931,194	11,731,212,660	5,657,467,366	1,847,242,934	41,143,854,154
Depreciation for the year	16,288,044,945	4,442,264,528	778,969,429	756,736,099	22,266,015,001
Ending balance	<u>38,195,976,139</u>	<u>16,173,477,188</u>	<u>6,436,436,795</u>	<u>2,603,979,033</u>	<u>63,409,869,155</u>
<b>Net carrying amount:</b>					
Beginning balance	616,315,471,307	30,841,515,063	-	6,691,529,772	653,848,516,142
Ending balance	<u>648,122,951,817</u>	<u>27,621,063,948</u>	<u>4,754,779,662</u>	<u>6,751,315,859</u>	<u>687,250,111,286</u>

Assets and the operation benefits arising from the La Vela Saigon Hotel of the Terra Royal Project, Ho Chi Minh City, were pledged to obtain the loans from a commercial bank (Note 22).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 12. INTANGIBLE FIXED ASSETS

	VND		
	<i>Land use rights (*)</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	475,211,073,410	705,680,000	475,916,753,410
Increase	-	923,219,000	923,219,000
Ending balance	<u>475,211,073,410</u>	<u>1,628,899,000</u>	<u>476,839,972,410</u>
<b>Accumulated amortisation:</b>			
Beginning balance	1,764,726,459	141,063,982	1,905,790,441
Amortisation for the year	4,995,598,280	230,828,967	5,226,427,247
Ending balance	<u>6,760,324,739</u>	<u>371,892,949</u>	<u>7,132,217,688</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>473,446,346,951</u>	<u>564,616,018</u>	<u>474,010,962,969</u>
Ending balance	<u>468,450,748,671</u>	<u>1,257,006,051</u>	<u>469,707,754,722</u>

(\*) The land use rights at No. 106, Ly Chinh Thang Street, District 3, Ho Chi Minh City; No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City and No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City with carrying amount of VND 205,435,476,570; VND 26,471,477,820 and VND 11,101,600,430, respectively, were pledged to obtain the loans from commercial banks (Note 22).

Land use rights of the La Vela Saigon Hotel of the Terra Royal Project, Ho Chi Minh City, were pledged to obtain the loans from a commercial bank (Note 22).

## 13. INVESTMENT PROPERTIES

	VND
	<i>Land and buildings (*)</i>
<b>Cost:</b>	
Beginning balance	815,742,177,126
Adjustment follows final investment costs	<u>(76,503,029,855)</u>
Ending balance	<u>739,239,147,271</u>
<b>Accumulated depreciation:</b>	
Beginning balance	43,310,233,070
Depreciation for the year	<u>15,622,056,226</u>
Ending balance	<u>58,932,289,296</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>772,431,944,056</u>
Ending balance	<u>680,306,857,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 13. INVESTMENT PROPERTIES (continued)

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2021. However, based on the market value of these properties and the current occupancy rate, it is management's assessment that these properties' market values are still higher than their carrying value at the consolidated 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, Thu Duc District, Ho Chi Minh City were pledged to obtain the loan from a commercial bank (Note 22).

Land use rights and associated assets of 482.4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, Thu Duc District, Ho Chi Minh City were pledged to obtain the loans from a commercial bank (Note 22).

Land use rights, future assets and the operation benefits arising from the commercial areas of the Terra Royal Project, Ho Chi Minh City, were pledged to obtain the loans from a commercial bank (Note 22).

#### Revenue and expense relating to investment properties

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Net rental income generating from leasing of investment properties (Note 25.1)	29,567,532,014	27,801,701,185
Direct operating expenses of investment properties that generated rental income during the year (Note 26)	<u>(15,622,056,226)</u>	<u>(18,038,549,081)</u>
<b>NET</b>	<b><u>13,945,475,788</u></b>	<b><u>9,763,152,104</u></b>

### 14. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Casino Interior	20,367,179,692	1,571,985,668
Casino equipment	15,289,026,660	-
Building at 20 Nguyen Binh Khiem, Da Kao, District 1, Ho Chi Minh City	5,861,627,810	-
Others	<u>-</u>	<u>1,671,604,926</u>
<b>TOTAL</b>	<b><u>41,517,834,162</u></b>	<b><u>3,243,590,594</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

**15. LONG-TERM INVESTMENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in an associate ( <i>Note 15.1</i> )	18,106,640,794	18,282,424,625
Investment in other entities ( <i>Note 15.2</i> )	42,566,500,000	58,916,500,000
Held-to-maturity investment (*)	1,000,000,000	500,000,000
Provision for diminution in long-term investments ( <i>Note 15.2</i> )	-	(8,925,000,000)
<b>TOTAL</b>	<b><u>61,673,140,794</u></b>	<b><u>68,773,924,625</u></b>

(\*) This is the investment in 1,000 bonds issued by Vietnam Bank for Agriculture and Rural Development, which is matured on 24 September 2026 and earns interest at the rate of 8.1% per annum.

**15.1 Investment in an associate**

	<u>Ending and beginning balances</u>	
	<i>% ownership</i>	<i>% voting rights</i>
Long Binh Construction - Trading - Producing Joint Stock Company ("LB")	<u>36.36</u>	<u>36.36</u>

Details of investment in an associate are presented as follows:

	VND
	LB
<b>Cost of investment:</b>	
Beginning and ending balances	<u>21,000,000,000</u>
<b>Accumulated share in post-acquisition loss of the associate:</b>	
Beginning balance	(2,717,575,375)
Share in post-acquisition loss of the associates for the year	<u>(175,783,831)</u>
Ending balance	<u>(2,893,359,206)</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>18,282,424,625</u>
Ending balance	<u>18,106,640,794</u>



## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 15. LONG-TERM INVESTMENTS (continued)

#### 15.2 Investment in other entities

	Ending balance			Beginning balance					
	Original amount VND	Provision VND	Carrying amount VND	Original amount VND	Provision VND	Carrying amount VND	% ownership	Number of shares	% ownership
Gia Dinh Development Investment Corporation	34,000,000,000	-	34,000,000,000	34,000,000,000	(8,925,000,000)	25,075,000,000	5.31	2,125,000	5.31
Bac Trung Nam Housing Development Joint Stock Company	5,466,500,000	-	5,466,500,000	5,466,500,000	-	5,466,500,000	10.93	54,665	10.93
Saigon Mangden Joint Stock Company	3,100,000,000	-	3,100,000,000	3,100,000,000	-	3,100,000,000	1.61	310,000	1.61
Dai Phu Loc Project Investment Company Limited	-	-	-	16,350,000,000	-	16,350,000,000	-	-	5.00
<b>TOTAL</b>	<b>42,566,500,000</b>	<b>-</b>	<b>42,566,500,000</b>	<b>58,916,500,000</b>	<b>(8,925,000,000)</b>	<b>49,991,500,000</b>			

Fair value of these investments are not officially determined as at 31 December 2021 due to unavailability of market information. However, based on the current financial position of these companies, the management believed that their fair value were higher than their book values as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

**16. BORROWING COSTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Capitalized in real estate projects	62,560,811,347	44,228,059,709
Interest expense (Note 27)	57,654,903,394	30,731,038,758
<b>TOTAL</b>	<b><u>120,215,714,741</u></b>	<b><u>74,959,098,467</u></b>

**17. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to other parties	135,213,868,606	117,036,181,038
<i>Phu Phu Suong Trading and Services Company Limited</i>	15,673,597,840	15,673,597,840
<i>An Long Building Materials Services and Trading Co.,Ltd</i>	17,480,893,300	-
<i>Nguyen Khang Electrical Technology Trading Company Limited</i>	13,748,118,410	15,078,506,665
<i>Phu Phu Bao Trading and Services Company Limited</i>	12,935,380,328	10,926,455,574
<i>Others</i>	75,375,878,728	75,357,620,959
Trade payables to a related party (Note 32)	-	1,560,654,545
<b>TOTAL</b>	<b><u>135,213,868,606</u></b>	<b><u>118,596,835,583</u></b>

**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 projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>403,262,715,983</b>	<b>603,605,182,687</b>
Terra Royal Project	229,687,807,137	536,334,791,293
Long Phuoc Project	88,250,000,000	-
The Stars Village, Long Thoi - Nha Be Project	35,872,371,924	21,605,674,657
Terra Flora Project	18,247,832,946	13,967,782,728
Lot 6 & 8 - 6B Project	10,257,378,600	17,696,668,400
Other projects	20,947,325,376	14,000,265,609
<b>Long-term</b>	<b>149,015,465,569</b>	<b>149,015,465,569</b>
6A Project	109,530,829,000	109,530,829,000
Lot 6 & 8 - 6B Project	24,488,018,700	24,488,018,700
Binh Trung Dong - District 2 Project	8,601,378,000	8,601,378,000
Other projects	6,395,239,869	6,395,239,869
<b>TOTAL</b>	<b><u>552,278,181,552</u></b>	<b><u>752,620,648,256</u></b>
<i>In which:</i>		
<i>Other parties</i>	457,815,181,552	658,157,648,256
<i>Related parties (Note 32)</i>	94,463,000,000	94,463,000,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

**19. STATUTORY OBLIGATIONS**

	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>VND Ending balance</i>
Corporate income tax	40,980,860,735	34,210,058,047	(41,270,114,340)	33,920,804,442
Value-added tax	23,878,362,926	16,088,791,686	(28,080,309,850)	11,886,844,762
Personal income tax	1,205,899,145	4,857,288,036	(4,282,594,918)	1,780,592,263
Other taxes	1,834,865,213	291,696,043	(910,807,056)	1,215,754,200
<b>TOTAL</b>	<b><u>67,899,988,019</u></b>	<b><u>55,447,833,812</u></b>	<b><u>(74,543,826,164)</u></b>	<b><u>48,803,995,667</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Construction-related expenses	273,093,665,263	301,980,115,542
Penalty for late payment	37,393,371,151	37,029,639,910
Interest expense	21,439,968,385	18,626,354,850
interest payables on deposit for Sabinco project	17,343,805,150	4,795,105,220
Others	2,011,886,461	1,896,459,956
<b>TOTAL</b>	<b><u>351,282,696,410</u></b>	<b><u>364,327,675,478</u></b>
<i>In which:</i>		
<i>Other parties</i>	350,535,056,585	363,263,852,808
<i>Related parties (Note 32)</i>	747,639,825	1,063,822,670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 21. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short term</b>	<b>333,034,076,482</b>	<b>286,029,889,246</b>
Operating Contributions and Deposit for business cooperation contracts (*)	174,051,657,744	127,220,500,000
Deposits for land sale of Sabinco Project (**)	114,286,061,000	117,595,661,000
Maintenance fees of Terra Royal Project	30,416,134,438	26,145,415,000
Deposits received	4,153,788,000	5,113,788,000
Dividends payable	5,028,264,763	3,607,929,108
Others	5,098,170,537	6,346,596,138
<b>Long-term</b>	<b>25,928,859,540</b>	<b>27,467,375,660</b>
Deposits received	25,928,859,540	27,467,375,660
<b>TOTAL</b>	<b><u>358,962,936,022</u></b>	<b><u>313,497,264,906</u></b>

(\*) This amount represents deposit received for Business Cooperation Contract dated 30 November 2019 with Charlieone Vietnam Company Limited ("Charlieone") of VND 174,051,657,744 to co-develop and operate the electronic gaming area for foreigners in La Vela Saigon Hotel. Profit after tax from the operation this area will be distributed to the Company and Charlieone at the ratio of 25% and 75%, respectively, with the distribution to the Company not lower than USD 40,000 per month.

(\*\*) Including in deposits for land sales of Sabinco Project, there is a deposit received from Cho Lon Real Estate Joint Stock Company ("Cho Lon") of VND 98,270,861,000 in accordance with the Deposit contract No. 04/HDDC/SGBD dated 27 July 2020 for the purchase of 46 land lots of Sabinco Project. As Cho Lon has option not to execute the purchase and receive back the deposit with interest at the rate of 13% p.a., the Group has prudently accrued interest expenses on this deposit (Note 20).



## Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 22. LOANS

	Beginning balance	Drawdown	Repayment	Reclassification	Ending balance
<b>Short-term</b>	<b>542,910,949,602</b>	<b>292,388,068,863</b>	<b>(421,373,099,444)</b>	<b>131,111,523,500</b>	<b>545,037,442,521</b>
Bank loans (Note 22.1)	246,378,869,881	274,388,068,863	(154,891,019,723)	-	365,875,919,021
Current portion of long-term loans (Note 22.2)	232,982,079,721	-	(252,982,079,721)	147,461,523,500	127,461,523,500
Loans from individual (Note 22.3)	16,350,000,000	8,000,000,000	-	(16,350,000,000)	8,000,000,000
Loans from related party (Note 22.4 and 32)	47,200,000,000	10,000,000,000	(13,500,000,000)	-	43,700,000,000
<b>Long-term</b>	<b>285,423,047,000</b>	<b>29,550,000,000</b>	<b>-</b>	<b>(147,461,523,500)</b>	<b>167,511,523,500</b>
Bank loans (Note 22.2)	285,423,047,000	29,550,000,000	-	(147,461,523,500)	167,511,523,500
<b>TOTAL</b>	<b>828,333,996,602</b>	<b>321,938,068,863</b>	<b>(421,373,099,444)</b>	<b>(16,350,000,000)</b>	<b>712,548,966,021</b>



## Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended 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
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No. 12928/21MN/HDTD dated 08 April 2021	148,228,957,383	8 April 2022	To finance Terra Royal project	11.4	<ul style="list-style-type: none"> <li>Receivables arising from land lots sale contract at Long Thoi - Nha Be project (Note 5)</li> <li>Land use rights and associate assets at No. 106 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 12)</li> </ul>
<b>Joint Stock Commercial Bank for Investment and Development of Vietnam</b>					
Loan Contract No. 01/2019/93512/HDTD dated 28 January 2019	114,384,414,232	From 25 January to 25 December 2022	To finance real estate projects and working capital	10	<ul style="list-style-type: none"> <li>Land use rights of 10,473 square meters at Long Phuoc, Thu Duc District, Ho Chi Minh City (Note 9)</li> <li>Land and buildings, land use rights and associated assets at An Khang ground, An Phu An Khanh Town, Thu Duc City, Ho Chi Minh (Note 13)</li> <li>Land use rights of 24,673 square meters at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 9)</li> </ul>
Loan contract no. 01/2021/93512/HDTD dated 25 November 2021	3,604,170,732	From 20 November to 14 December 2022	To finance working capital	10	

## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended 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				
<b>Joint Stock Commercial Bank for Investment and Development of Vietnam (continued)</b>					
Loan Contract No. 02/2021/11884944/H DTD dated 21 September 2021	1,616,696,057	22 September 2022	To finance working capital	8.5	<ul style="list-style-type: none"> <li>Real estate at No. 213 and No. 215, 9A Street, Trung Son Residential area, Hamlet 4B, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City</li> <li>Real estate at No. 76 Le Van Sy, Ward 11, Phu Nhuan District, Ho Chi Minh City</li> </ul>
<b>Lien Viet Post Joint Stock Commercial Bank</b>					
Loan Contract No. HDTD5002019292 dated 29 July 2019	50,726,011,095	From 24 August 2022 to 22 September 2022	To finance real estate projects and working capital	9.4	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12)</li> </ul> <p>Land use rights and associated assets of Block A and B, An Khang department, An Phu An Khanh Town, An Phu Ward, Thu Duc District, Ho Chi Minh City (Notes 13)</p>

## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 21. 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				
<b>Vietnam Bank for Agriculture and Rural Development</b>					
Contract No 6220-LAV-202100021/HDTD dated 19 January 2021	24,770,738,067	19 January 2022	Financing working capital	7.65 – 8.5	<ul style="list-style-type: none"> <li>• Land use rights and associate assets at No. 20, Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12)</li> <li>• Land use rights and associated assets of 482,4 square meters at No. 531, Nguyen Duy Trinh Street, Binh Trung Dong Ward, Thu Duc District, Ho Chi Minh City (Note 13)</li> </ul>
Loan No. 6360-LAV-202100556 dated 22 December 2021	22,544,931,455	22 December 2022	To finance for the development of its real estate projects and working capital requirements	8.5	<ul style="list-style-type: none"> <li>• Land use rights No. 86 at Nhon Duc Village, Nha Be District, Ho Chi Minh City.</li> <li>• Commercial and service floor (Floor 1) at Lot 0.03 and Lot 0.04 Thinh Vuong department, No. 531 Nguyen Duy Trinh, Binh Trung Dong Ward, District 2, Ho Chi Minh City.</li> <li>• Land use rights No. 347, 355, 442, 444 at Hamlet 4, Nhon Duc Village, Nha Be District, Ho Chi Minh City.</li> </ul>
<b>TOTAL</b>	<b><u>365,875,919,021</u></b>				



## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended 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				
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No. 15893/20MN/HDTD dated 20 July 2020	254,973,047,000	From 24 January to 24 July 2023	To finance Sabinco project	12	<ul style="list-style-type: none"> <li>19,296,000 shares of Saigon Binh Duong Joint Stock Company owned by Investment and Trading of Real Estate Joint Stock Company</li> <li>Land use rights, associated assets and benefits arising from Sabinco Project</li> </ul>
<b>Joint Stock Commercial Bank for Investment and Development of Vietnam</b>					
Loan Contract No. 01/2020/11884944/HD TD dated 22 September 2020	40,000,000,000	22 September 2022		10	<ul style="list-style-type: none"> <li>Real estate at No. 213 and No. 215, 9A Street, Trung Son Residential area, Hamlet 4B, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City (Assets owned by the General Director to guarantee the Company's loans)</li> <li>Real estate at No. 76 Le Van Sy, Ward 11, Phu Nhuan District, Ho Chi Minh City (Assets owned by the General Director to guarantee the Company's loans)</li> </ul>
<b>TOTAL</b>	<b>294,973,047,000</b>				
<i>In which:</i>					
Current portion	127,461,523,500				
Long-term loan	167,511,523,500				

## Investment and Trading of Real Estate Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 22. LOANS (continued)

## 22.3 Details of loans from individuals are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Ms. Nguyen Thi Thanh</b> Loan contract No. 24/2021/HBVV dated 5 January 2021	8,000,000,000	30 June 2022	To finance for the working capital requirements	10	Unsecured

## 22.4 Details of loan from a related party are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Ms. Le Thi Tram Anh (Note 32)</b> Loan contract No. 1080/ĐTKDN dated 10 October 2019	43,700,000,000	30 September 2022	To finance Terra Royal project	5.4	Unsecured

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

**23. BONUS AND WELFARE FUND**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	8,302,026,198	7,738,859,288
Transfer from undistributed earnings of current year	7,375,263,102	2,334,448,510
Utilization for the year	<u>(2,162,619,500)</u>	<u>(1,771,281,600)</u>
Ending balance	<u>13,514,669,800</u>	<u>8,302,026,198</u>



## Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

### 24. OWNERS' EQUITY

#### 24.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Other owners' capital	Undistributed earnings	Total
<b>For the year ended 31 December 2020</b>							
Beginning balance	690,866,880,000	748,683,126,824	(9,825,117,611)	70,014,060,401	2,987,605,855	152,669,939,205	1,655,396,494,674
Dividend paid by shares	106,396,060,000	-	-	-	-	(106,396,060,000)	-
Net profit for the year	-	-	-	-	-	141,457,510,417	141,457,510,417
Fund appropriation	-	-	-	5,492,348,454	-	(7,826,796,964)	(2,334,448,510)
Other decrease	-	-	-	-	-	(1,127,661,996)	(1,127,661,996)
Ending balance	797,262,940,000	748,683,126,824	(9,825,117,611)	75,506,408,855	2,987,605,855	178,776,930,662	1,793,391,894,585
<b>For the year ended 31 December 2021</b>							
Beginning balance	797,262,940,000	748,683,126,824	(9,825,117,611)	75,506,408,855	2,987,605,855	178,776,930,662	1,793,391,894,585
Dividend paid by shares (*)	79,281,330,000	-	-	-	-	(80,781,330,000)	(1,500,000,000)
Net profit for the year	-	-	-	-	-	136,067,558,148	136,067,558,148
Fund appropriation	-	-	-	8,588,246,486	1,515,370,965	(17,478,880,553)	(7,375,263,102)
Other decrease	-	-	-	-	-	(1,547,919,568)	(1,547,919,568)
Ending balance	876,544,270,000	748,683,126,824	(9,825,117,611)	84,094,655,341	4,502,976,820	215,036,358,689	1,919,036,270,063

(\*) In accordance with the Annual General Meeting Resolution No. 01/NQ-ĐHĐCĐ dated 28 April 2021 and the Board of Director's Resolution No. 14/QĐ-HĐQT dated 30 November 2021, the Company issued 7,928,133 shares to pay dividend to its existing shareholders.

Accordingly, the Company's registered share capital was increased from VND 797,262,940,000 to VND 876,544,270,000, as approved in the 14<sup>th</sup> amended ERC issued by the Department of Planning and Investment of Ho Chi Minh City on 22 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

24. OWNERS' EQUITY (continued)

24.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	Current year	Previous year
Beginning balance	797,262,940,000	690,866,880,000
Share issuance	<u>79,281,330,000</u>	<u>106,396,060,000</u>
Ending balance	<u>876,544,270,000</u>	<u>797,262,940,000</u>
Dividends declared	80,781,330,000	106,396,060,000
Dividends paid by cash	79,664,345	34,202,560,650
Dividends paid by shares	79,281,330,000	106,396,060,000

24.3 Shares - ordinary shares

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Quantity	Amount VND	Quantity	Amount VND
<b>Authorized shares</b>	87,654,427	876,544,270,000	79,726,294	797,262,940,000
<b>Issued shares</b>				
<i>Issued and paid-up shares</i>				
<i>Ordinary shares</i>	87,654,427	876,544,270,000	79,726,294	797,262,940,000
<b>Treasury shares</b>				
<i>Ordinary shares</i>	440,360	9,825,117,611	440,360	9,825,117,611
<b>Shares in circulation</b>				
<i>Ordinary shares</i>	87,214,067	866,719,152,389	79,285,934	787,437,822,389

The par value of each outstanding share is VND 10,000. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. Each ordinary share carries one vote per share without restriction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year ended then ended

## 24. OWNERS' EQUITY (continued)

### 24.4 Basic and diluted earnings per share

The following table shows the income and share data used in the basic and diluted earnings per share calculations:

	<i>Current year</i>	<i>Previous year (Restated)</i>
Net profit after tax (VND)	136,067,558,148	141,457,510,417
Transfer to bonus and welfare fund (*)	<u>(7,375,263,102)</u>	<u>(7,375,263,102)</u>
Net profit attributable to ordinary equity holders of the Company (VND)	128,692,295,046	134,082,247,315
Weighted average number of ordinary shares in circulation (shares) (**)	<u>87,214,067</u>	<u>87,214,067</u>
Basic earnings per share (VND/share)	1,476	1,537
Diluted earnings per share (VND/share)	1,476	1,537

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

(\*) Net profit used to compute earnings per share for the year ended 31 December 2020 was restated following the actual allocation to bonus and welfare funds from 2020 retained earnings as approved in the Shareholders Meeting's Resolution dated 28 April 2021.

Net profit used to compute earnings per share for the year ended 31 December 2021 was not adjusted for distribution to bonus and welfare funds from 2021 profit as the Shareholders Meeting's Resolution is not yet available.

(\*\*) Weighted average number of ordinary shares for basic earnings for the year 2020 was restated to reflect the issuance of shares appropriated from stock dividends of the year 2021.

### 24.5 Non-controlling interests

	<i>Non-controlling interests in subsidiaries</i>			<i>VND</i>
	<i>IC</i>	<i>SGBD</i>	<i>Royal</i>	<i>Total</i>
<b>As at 31 December 2021</b>				
Share capital	6,000,000,000	107,040,000,000	50,000,000,000	163,040,000,000
Investment and development fund	675,446,523	-	-	675,446,523
Other owners' capital	675,446,523	-	-	675,446,523
Accumulated losses	<u>(3,793,988,332)</u>	<u>(5,740,383,235)</u>	<u>(2,411,293,301)</u>	<u>(11,945,664,868)</u>
<b>TOTAL</b>	<u><b>3,556,904,714</b></u>	<u><b>101,299,616,765</b></u>	<u><b>47,588,706,699</b></u>	<u><b>152,445,228,178</b></u>
<b>For the year ended 31 December 2021</b>				
Profit (loss) for the year	<u>1,666,670,013</u>	<u>(128,916,061)</u>	<u>920,488,448</u>	<u>2,458,242,400</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 25. REVENUE

### 25.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b><u>723,956,465,138</u></b>	<b><u>925,847,655,485</u></b>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	562,609,690,687	729,344,642,677
<i>Revenue from hospitality services</i>	63,824,407,729	32,179,307,161
<i>Revenue from construction contracts</i>	49,407,171,766	124,980,822,848
<i>Revenue from rental services</i>	35,484,504,614	32,116,272,137
<i>Revenue from other services</i>	12,630,690,342	7,226,610,662
<b>Less</b>	<b>(5,916,972,600)</b>	<b>(4,314,570,952)</b>
Sales allowance	<u>(5,916,972,600)</u>	<u>(4,314,570,952)</u>
<b>Net revenue</b>	<b><u>718,039,492,538</u></b>	<b><u>921,533,084,533</u></b>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	562,609,690,687	729,344,642,677
<i>Revenue from hospitality services</i>	63,824,407,729	32,179,307,161
<i>Revenue from construction contracts</i>	49,407,171,766	124,980,822,848
<i>Revenue from rental services (Note 13)</i>	29,567,532,014	27,801,701,185
<i>Revenue from other services</i>	12,630,690,342	7,226,610,662

### 25.2 Finance income

	VND	
	Current year	Previous year
Interest income	1,824,608,297	2,588,394,911
Others	<u>25,818,233</u>	<u>113,624,327</u>
<b>TOTAL</b>	<b><u>1,850,426,530</u></b>	<b><u>2,702,019,238</u></b>

## 26. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of real estate properties	299,573,361,360	452,034,993,295
Cost of hospitality services	58,525,972,728	40,310,470,452
Cost of construction services	47,236,236,234	94,483,111,534
Cost of rental services	40,878,171,987	29,464,600,462
Cost of other services	<u>4,377,404,619</u>	<u>5,900,545,997</u>
<b>TOTAL</b>	<b><u>450,591,146,928</u></b>	<b><u>622,193,721,740</u></b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021**27. FINANCE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	57,654,903,394	30,731,038,758
Reversal of diminution in value of investments	(8,925,000,000)	-
Others	7,159,580	2,889,380
<b>TOTAL</b>	<b><u>48,737,062,974</u></b>	<b><u>30,733,928,138</u></b>

**28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>9,386,899,219</b>	<b>16,840,573,165</b>
Sale commission	7,372,544,293	15,374,898,753
Others	2,014,354,926	1,465,674,412
<b>General and administrative expenses</b>	<b>68,858,090,408</b>	<b>39,279,769,857</b>
Labour costs	33,109,598,797	23,662,275,618
External service fee	19,525,618,709	12,461,632,195
Others	10,450,988,755	5,372,027,056
Depreciation expense	3,483,028,734	1,493,834,988
Provision (reversal of) doubtful debt	2,288,855,413	(3,710,000,000)
<b>TOTAL</b>	<b><u>78,244,989,627</u></b>	<b><u>56,120,343,022</u></b>

**29. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>37,485,069,346</b>	<b>16,838,719,831</b>
Binh Trung Dong Compensation	25,690,859,782	-
Penalty for contract violation	5,244,163,843	2,161,232,850
Sales of utilities at projects	3,430,500,262	13,032,919,681
Reversal of project warranty provision	917,736,099	1,611,886,026
Others	2,201,809,360	32,681,274
<b>Other expenses</b>	<b>(3,439,103,986)</b>	<b>(52,136,942,195)</b>
Expenses of utilities at projects	(1,543,489,140)	(12,524,015,092)
Tax penalties	(18,466,290)	(37,464,837,366)
Others	(1,877,148,556)	(2,148,089,737)
<b>NET OTHER PROFIT (LOSS)</b>	<b><u>34,045,965,360</u></b>	<b><u>(35,298,222,364)</u></b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021**30. PRODUCTION AND OPERATING COSTS**

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Project development costs	299,573,361,360	452,034,993,295
External service fee	83,662,977,838	125,927,400,162
Labour costs	42,316,220,982	30,692,872,325
Depreciation and amortisation (Notes 11, 12 and 13)	43,114,498,474	28,598,995,411
Sales commission	7,372,544,293	15,374,898,753
Others	52,796,533,608	25,684,904,816
<b>TOTAL</b>	<b><u>528,836,136,555</u></b>	<b><u>678,314,064,762</u></b>

**31. CORPORATE INCOME TAX**

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

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

**31.1 CIT expense**

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	34,210,058,047	44,643,658,349
Adjustment for under accrual of tax from prior years	-	1,507,178,809
Deferred tax income	3,451,042,473	(2,569,674,197)
<b>TOTAL</b>	<b><u>37,661,100,520</u></b>	<b><u>43,581,162,961</u></b>

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

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b><u>176,186,901,068</u></b>	<b><u>179,746,613,834</u></b>
At CIT rate applied for the Company	35,237,380,214	34,044,693,743
<i>Adjustments:</i>		
Non-deductible expenses	3,672,091,019	4,823,497,357
Share of losses from associates	35,156,766	28,454,935
Adjustment for under accrual of tax from prior years	-	1,507,178,809
Unrecognised deferred tax asset on tax losses carried forward	360,144,154	2,987,769,666
Others	(1,643,671,633)	189,568,451
<b>CIT expense</b>	<b><u>37,661,100,520</u></b>	<b><u>43,581,162,961</u></b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

**31. CORPORATE INCOME TAX (continued)**

**31.2 Current tax**

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

**31.3 Deferred tax**

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

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Unrealised profit	17,476,963,087	20,919,298,560	(3,442,335,473)	2,565,199,597	
Accrual for severance pay	186,368,000	195,075,000	(8,707,000)	4,474,600	
<b>Deferred income tax assets</b>	<b><u>17,663,331,087</u></b>	<b><u>21,114,373,560</u></b>			
<b>Net deferred tax (expense) income</b>			<b><u>(3,451,042,473)</u></b>	<b><u>2,569,674,197</u></b>	

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

**32. TRANSACTIONS WITH RELATED PARTIES**

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Ms. Le Thi Tram Anh	Related party	Loan repayment	18,250,000,000	2,800,000,000
		Loan drawdown	10,000,000,000	7,500,000,000
		Loan interest	2,560,684,932	2,266,476,162
		Advance for purchase of apartments	-	48,978,000,000
Future Architectural Design Joint Stock Company Limited	Significant shareholder	Purchasing tools and suppliers	8,994,128,000	-
Ms. Truong Thi Minh Nguyet	Related party	Loan interest	865,632,876	-
Khang Nam Investment Real Estate Joint Stock Company	Related party	Payment on behalf	534,922,550	2,313,996,661
Bac Trung Nam Housing Development Joint Stock Company	Related party	Rental revenue	202,870,908	-
Mr. Truong Minh Dat	Related party	Advance for purchase of apartments	-	18,185,000,000
Individual	Member of Board of Directors	Advance	-	2,200,000,000

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
<b>Short-term trade receivable</b>				
Ms. Le Thi Tram Anh	Related party	Purchase land lots	4,101,231,043	4,101,231,043
<b>Short-term loan receivable</b>				
Ms. Truong Minh Nguyet	Related party	Loan	33,400,000,000	46,400,000,000
<b>Short-term advance to suppliers</b>				
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	35,694,895,750	35,906,853,086
Long Binh Joint Stock Company	Associate	Compensation for land	11,000,000,000	11,000,000,000
			<b>46,694,895,750</b>	<b>46,906,853,086</b>
<b>Other short-term receivables</b>				
Member of Board of Directors	General Director	Advance	56,850,000,000	59,050,000,000
Ms. Truong Minh Nguyet	Related party	Interest income	4,280,202,744	3,057,030,140
Khang Nam Investment Real Estate Joint Stock Company	Related party	Payment on behalf	254,231,099	1,853,306,904
			<b>61,384,433,843</b>	<b>63,960,337,044</b>
<b>Short-term trade payable</b>				
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	-	1,560,654,545
Khang Nam Investment Real Estate Joint Stock Company	Related party	Rental and utilities fee	-	326,863,900
			-	<b>1,887,518,445</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

**32. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Advance from customers</b>				
Ms. Le Thi Tram Anh	Related party	Purchase apartments	61,978,000,000	61,978,000,000
Mr. Truong Minh Dat	Related party	Purchase apartments	18,185,000,000	18,185,000,000
An Khang Investment Real Estate Joint Stock Company	Related party	Advance for service	14,300,000,000	14,300,000,000
			<b>94,463,000,000</b>	<b>94,463,000,000</b>
<b>Short-term loan</b>				
Ms. Le Thi Tram Anh	Related party	Loan	43,700,000,000	43,700,000,000
Future Architectures Design Joint Stock Company	Significant shareholder	Loan	-	3,500,000,000
			<b>43,700,000,000</b>	<b>47,200,000,000</b>
<b>Short-term accrued expenses</b>				
Ms. Le Thi Tram Anh	Related party	Interest expense	747,639,825	1,063,822,670

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

**32. TRANSACTIONS WITH RELATED PARTIES (continued)**

Remuneration to members of the Board of Directors and the General Director are as follows:

	VND	
	Current year	Previous year
Mr. Truong Minh Thuan	1,487,375,000	1,154,342,000
Ms. Pham Thi Phuong Thao	302,160,000	-
Mr. Vu Van Chau	273,939,409	-
Mr. Nguyen Manh	240,000,000	192,000,000
Ms. Nguyen Thi Thu	294,416,000	-
Mr. Tran Huu Khanh	144,000,000	144,000,000
Ms. Nguyen Kim Hau	144,000,000	72,000,000
Saigon Real estate Corporation	161,716,822	290,078,291
Ms. Dang Thi Ngoc Tuyen	48,000,000	144,000,000
Mr. Au Chi Nhan	36,000,000	-
Mr. Nguyen Hien Triet	36,000,000	-
Mr. Phan Van Chien	36,000,000	-
<b>TOTAL</b>	<b>3,203,607,231</b>	<b>1,996,420,291</b>

**33. CAPITAL COMMITMENT AND CONTINGENT LIABILITY**

At 31 December 2021, the Company had outstanding commitments of VND 327,857,688,407 (31 December 2020: VND 487,683,119,447) relating to the development of ongoing residential projects.

**34. IMPORTANT EVENT IN THE YEAR**

**Covid-19 Pandemic**

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this consolidated financial statements.

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

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



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Truong Minh Thuan  
General Director

29 March 2022