

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

Interim consolidated financial statements

For the six-month period ended 30 June 2019



# Investment and Trading of Real Estate Joint Stock Company

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# Investment and Trading of Real Estate Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

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

The Company was listed on the Ho Chi Minh Stock Exchange with trading 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 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 period and at the date of this report are:

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

### BOARD OF SUPERVISION

Members of the Board of Supervision during the period 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 period 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 period 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 interim consolidated financial statements of the Company and its subsidiary ("the Group") for six-month period ended 30 June 2019.

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

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


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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the 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 interim consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2019 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management: 



Trương Minh Thuận  
General Director

28 August 2019

Reference: 60792124/21102473/LR-HN

## **REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

We have reviewed the accompanying interim consolidated financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), as prepared on 28 August 2019 and set out on pages 5 to 46 which comprise the interim consolidated balance sheet as at 30 June 2019, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

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

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

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

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2019, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

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



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

Ho Chi Minh City, Vietnam

28 August 2019

Investment and Trading of Real Estate Joint Stock Company B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2019

VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,466,457,011,268</b>	<b>3,201,586,381,972</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>50,708,319,223</b>	<b>77,923,444,553</b>
111	1. Cash		30,708,319,223	20,923,444,553
112	2. Cash equivalents		20,000,000,000	57,000,000,000
<b>130</b>	<b>II. Current accounts receivables</b>		<b>381,876,100,892</b>	<b>267,602,010,086</b>
131	1. Short-term trade receivables	6.1	78,067,362,421	107,936,949,893
132	2. Short-term advances to suppliers	6.2	145,963,826,209	95,854,258,807
135	3. Short-term loan receivables	6.3	68,900,000,000	-
136	4. Other short-term receivables	7	92,678,296,262	72,830,887,810
137	5. Provision for doubtful short-term receivables	6.1, 7	(3,733,384,000)	(9,020,086,424)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>2,009,756,590,847</b>	<b>2,834,535,322,243</b>
141	1. Inventories		2,026,867,457,548	2,853,847,987,459
149	2. Provision for obsolete inventories		(17,110,866,701)	(19,312,665,216)
<b>150</b>	<b>IV. Other current assets</b>		<b>24,116,000,306</b>	<b>21,525,605,090</b>
151	1. Short-term prepaid expenses	9	23,571,467,954	21,525,605,090
152	2. Value-added tax deductible		544,532,352	-

Investment and Trading of Real Estate Joint Stock Company B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2019

VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,372,244,287,754</b>	<b>302,232,898,700</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>18,535,005,815</b>	<b>22,355,773,133</b>
211	1. Long-term trade receivables	6.1	2,038,097,490	3,168,711,449
216	2. Other long-term receivables	7	21,215,657,194	25,036,424,512
219	3. Provision for doubtful long-term receivables	5, 7	(4,718,748,869)	(5,849,362,828)
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>59,772,937,248</b>	<b>60,881,046,087</b>
221	1. Tangible fixed assets	10	21,688,725,046	22,957,350,829
222	Cost		52,746,406,784	52,650,406,784
223	Accumulated depreciation		(31,057,681,738)	(29,693,055,955)
227	2. Intangible fixed assets	11	38,084,212,202	37,923,695,258
228	Cost		38,137,395,258	37,923,695,258
229	Accumulated amortisation		(53,183,056)	-
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>12</b>	<b>43,146,937,967</b>	<b>44,488,479,575</b>
231	1. Cost		67,077,080,348	67,077,080,348
232	2. Accumulated depreciation		(23,930,142,381)	(22,588,600,773)
<b>240</b>	<b><i>IV. Long-term asset in progress</i></b>		<b>1,175,620,576,034</b>	<b>-</b>
242	1. Construction in progress	13	1,175,620,576,034	-
<b>250</b>	<b><i>V. Long-term investments</i></b>	<b>14</b>	<b>52,655,019,298</b>	<b>161,193,230,635</b>
252	1. Investments in associates		18,824,699,298	127,362,910,635
253	2. Investments in other entities		42,755,320,000	42,755,320,000
254	3. Provision for diminution in value of long-term investments		(8,925,000,000)	(8,925,000,000)
<b>260</b>	<b><i>VI. Other long-term assets</i></b>		<b>22,513,811,392</b>	<b>13,314,369,270</b>
261	1. Long-term prepaid expenses		2,302,503,859	96,788,656
262	2. Deferred tax assets	31.3	15,799,569,016	13,217,580,614
269	3. Goodwill	15	4,411,738,517	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,838,701,299,022</b>	<b>3,503,819,280,672</b>



Investment and Trading of Real Estate Joint Stock Company B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2019

VND

Code	RESOURCES	Notes	30 June 2019	31 December 2018
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,131,513,381,952</b>	<b>1,912,158,920,078</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,666,496,355,521</b>	<b>998,529,402,135</b>
311	1. Short-term trade payables	17	51,391,187,596	97,058,270,145
312	2. Short-term advances from customers	18	860,110,524,823	62,100,945,272
313	3. Statutory obligations	19	18,654,101,831	24,280,473,610
314	4. Payables to employees		200,817,500	924,075,000
315	5. Short-term accrued expenses	20	64,284,164,231	61,799,336,104
318	6. Short-term unearned revenues		649,846,212	160,956,667
319	7. Other short-term payables	21	46,444,400,894	83,012,873,612
320	8. Short-term loans	22	603,903,243,553	656,240,186,144
321	9. Short-term provisions		12,378,209,593	12,619,591,146
322	10. Bonus and welfare fund	23	8,479,859,288	332,694,435
<b>330</b>	<b>II. Non-current liabilities</b>		<b>465,017,026,431</b>	<b>913,629,517,943</b>
332	1. Long-term advances from customers	18	152,062,865,569	727,809,362,201
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
337	3. Other long-term liabilities	21	10,002,289,960	3,886,616,840
338	4. Long-term loans	22	295,000,000,000	174,000,000,000
342	5. Long-term provisions		2,489,598,364	2,471,266,364
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,707,187,917,070</b>	<b>1,591,660,360,594</b>
<b>410</b>	<b>I. Capital</b>		<b>1,707,187,917,070</b>	<b>1,591,660,360,594</b>
411	1. Share capital	24.1	690,866,880,000	690,866,880,000
411a	- Shares with voting rights		690,866,880,000	690,866,880,000
412	2. Share premium	24.1	748,683,126,824	748,683,126,824
414	3. Other owners' capital	24.1	2,987,605,855	470,571,611
415	4. Treasury shares	24.1	(9,825,117,611)	(9,825,117,611)
418	5. Investment and development fund	24.1	70,014,060,401	63,411,110,933
421	6. Undistributed earnings	24.1	51,275,947,732	88,260,955,762
421a	- Undistributed earnings by the end of prior period		35,947,675,562	6,542,651,282
421b	- Undistributed earnings of current period		15,328,272,170	81,718,304,480
429	7. Non-controlling interests	24.5	153,185,413,869	9,792,833,075
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>3,838,701,299,022</b>	<b>3,503,819,280,672</b>

Pham Van Khanh  
Preparer

Doan Huu Chi  
Chief Accountant




Trương Minh Thuận  
General Director

28 August 2019

INTERIM CONSOLIDATED INCOME STATEMENT  
for six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
10	1. Net revenue from sale of goods and rendering of services	25.1	110,551,971,952	245,973,585,480
11	2. Cost of goods sold and services rendered	26	(83,667,061,518)	(210,648,509,019)
20	3. Gross profit from sale of goods and rendering of services		26,884,910,434	35,325,076,461
21	4. Finance income	25.2	5,386,852,136	9,342,162,976
22	5. Finance expenses	27	(7,509,920,209)	(1,824,469,895)
23	- In which: Interest expense		(7,509,860,371)	(1,674,942,626)
24	6. Shares of (loss) profit of associates	14.1	(148,432,653)	1,272,286
25	7. Selling expenses	28	(2,075,584,036)	(3,557,276,384)
26	8. General and administrative expenses	28	(13,188,080,815)	(13,767,538,814)
30	9. Operating profit		9,349,744,857	25,519,226,630
31	10. Other income	29	10,825,984,745	8,624,286,614
32	11. Other expenses	29	(9,951,216,109)	(6,240,625,403)
40	12. Other profit	29	874,768,636	2,383,661,211
50	13. Accounting profit before tax		10,224,513,493	27,902,887,841
51	14. Current corporate income tax expense	31.1	(3,269,769,394)	(2,283,174,435)
52	15. Deferred tax income	31.3	2,581,988,402	1,877,434,929
60	16. Net profit after tax		9,536,732,501	27,497,148,335
61	17. Net profit after tax attributable to shareholders of the parent		15,328,272,170	27,545,078,121
62	18. Net loss after tax attributable to non-controlling interests	24.5	(5,791,539,669)	(47,929,786)
70	19. Basic earnings per share	24.4	223	362
71	20. Diluted earnings per share	24.4	223	362

  
Pham Van Khanh  
Preparer

  
Doan Huu Chi  
Chief Accountant

  
Trương Minh Thuận  
General Director



28 August 2019

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>10,224,513,493</b>	<b>27,902,887,841</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets (including amortisation of goodwill)	10, 11 12,15	2,872,471,947	2,766,538,864
03	(Provisions) reversal of provision		(8,842,164,451)	2,170,211,753
05	Profits from investing activities		(5,227,340,465)	(9,326,779,536)
06	Interest expense	27	7,509,860,371	1,674,942,626
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>6,537,340,895</b>	<b>25,187,801,548</b>
09	(Increase) decrease in receivables		(25,253,235,966)	131,447,045,898
10	(Increase) decrease in inventories		(63,739,378,004)	31,915,547,843
11	Increase in payables		179,173,272,273	52,116,195,256
12	Increase in prepaid expenses		(4,251,578,067)	(3,034,913,740)
14	Interest paid		(51,636,003,615)	(62,140,668,394)
15	Corporate income tax paid		(6,171,949,355)	(2,874,571,924)
17	Other cash outflows from operating activities		(1,038,450,000)	-
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>33,620,018,161</b>	<b>172,616,436,487</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(84,503,051,914)	(177,000,000)
23	Loans to other entities		(68,900,000,000)	-
25	Proceeds from investments in other entities	4.1	43,019,274,377	-
26	Proceeds from sale of investments in other entities		-	138,524,328
27	Interest and dividends received		1,270,187,584	1,246,294,019
<b>30</b>	<b>Net cash flows (used in) from investing activities</b>		<b>(109,113,589,953)</b>	<b>1,207,818,347</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution from non- controlling interest		50,000,000,000	-
33	Drawdown of borrowings	22	322,115,042,509	232,121,670,130
34	Repayment of borrowings	22	(253,451,985,100)	(315,195,305,851)
36	Dividends paid	24.2	(70,384,610,947)	(23,665,863,911)
<b>40</b>	<b>Net cash flows from (used in) financing activities</b>		<b>48,278,446,462</b>	<b>(106,739,499,632)</b>

Investment and Trading of Real Estate Joint Stock Company B03a-DN/HN

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for six-month period ended 30 June 2019

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
50	Net (decrease) increase in cash and cash equivalents		(27,215,125,330)	67,084,755,202
60	Cash and cash equivalents at the beginning of the period		77,923,444,553	45,266,230,986
70	Cash and cash equivalents at the end of the period	5	50,708,319,223	112,350,986,188



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



TRƯƠNG MINH THUAN  
General Director

28 August 2019

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2019 and for the six-month period 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/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

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

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

The following three subsidiaries are consolidated into the Company's interim 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 30 June 2019, the Company holds 85% ownership and voting rights in the IC (31 December 2018: 85%).

▶ Royal Tourism Hotel and Restaurant Joint Stock Company

Royal Tourism Hotel and Restaurant Joint Stock Company ("Royal") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 0315419806 issued by Department of Planning and Investment of Ho Chi Minh City on 3 December 2018, as amended. Royal's registered office is located at 18 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. Royal's current principal activity is to provide hotel and restaurant management services and to organize tours. As at 30 June 2019, the Company holds 75% ownership and voting rights in Royal (31 December 2018: 0%).

▶ Saigon Binh Duong Joint Stock Company

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 3701647922 issued by Department of Planning and Investment of Binh Duong Province on 24 November 2009, as amended. SGBD's registered office is located at No. 175 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.

The number of the Company and its subsidiary ("the Group") employees as at 30 June 2019 was 155 (31 December 2018: 172).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

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

### 2.2 *Applied accounting documentation system*

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

### 2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiary for six-month period ended 30 June 2019.

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 interim 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 interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 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 interim balance sheet date.

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

#### 3.3 *Receivables*

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

The provision for doubtful debts represents amounts of outstanding receivables at the interim 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 interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**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 interim 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 interim consolidated income statement.

**3.5 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

*Land use rights*

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

**3.6 Depreciation and amortisation**

Depreciation of tangible fixed assets is 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

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.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**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 interim consolidated income statement in the period of retirement or disposal.

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

**3.8 Borrowing costs**

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

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are 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 interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

**3.10 Business combinations and goodwill**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

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

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

Business combinations involving entities under common control are accounted for as follows:

- ▶ The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

**3.11 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.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment.

The interim 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 interim 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 interim 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**3.11 Investments** (continued)

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

Provision is made for any diminution in value of the investments at the interim balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

**3.12 Payables and accruals**

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

**3.13 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to the interim 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 interim consolidated income statement.

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

**3.14 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.

**3.15 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 interim consolidated balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**3.16 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*

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 interim 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 period in which they are incurred.

*Rental income*

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

*Interest*

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

*Dividends*

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

**3.17 Taxation**

*Current income tax*

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

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**3.17 Taxation** (continued)

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the interim 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 interim 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**3.18 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the period 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 period.

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 period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.19 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.

**3.20 Related parties**

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

**4. BUSINESS COMBINATIONS**

**4.1 Acquisition of Saigon Binh Duong Joint Stock Company**

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

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

The fair value of the identifiable assets and liabilities of SGBD as at the date of acquisition was disclosed below.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

#### 4. BUSINESS COMBINATIONS (continued)

##### 4.1 Acquisition of SGBD (continued)

	VND
	<i>Provisional fair value recognised on acquisition (*)</i>
<b>Assets</b>	
Cash and cash equivalents	123,780,131,139
Inventories	159,588,851,031
Other current assets	4,276,852,485
<b>Liabilities</b>	
Current liability	<u>(603,273,353)</u>
<b>Total identifiable net assets at fair value</b>	<b>287,042,561,302</b>
Non-controlling interests	(102,416,785,873)
Goodwill arising on acquisition (Note 15)	<u>4,524,860,017</u>
<b>Purchase consideration transferred</b>	<b><u>189,150,635,446</u></b>
<b>Cash flow on acquisition</b>	
Net cash acquired with the subsidiary	123,780,131,139
Cash paid	<u>(80,760,856,762)</u>
<b>Net cash flow on acquisition</b>	<b><u>43,019,274,377</u></b>

(\*) The net assets recognised in the interim consolidated financial statements were based on a provisional assessment of fair value while the Group was working on an independent valuation for the inventories owned by SGBD. The valuation had not been completed by the date these interim consolidated financial statements were approved for issue by management.

#### 5. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2019	31 December 2018
Cash on hand	9,535,421,243	11,168,881,728
Cash in banks	21,172,897,980	9,754,562,825
Cash equivalents (*)	<u>20,000,000,000</u>	<u>57,000,000,000</u>
<b>TOTAL</b>	<b><u>50,708,319,223</u></b>	<b><u>77,923,444,553</u></b>

(\*) Cash equivalents represent short-term bank deposits at Ho Chi Minh City Development Joint Stock Commercial Bank with original maturities less than three months and earn interest at the rate of 5.5% per annum.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 6. TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND LOAN RECEIVABLES

### 6.1 Trade receivables

	VND	
	30 June 2019	31 December 2018
<b>Short-term</b>	<b>78,067,362,421</b>	<b>107,936,949,893</b>
Customers of Long Thoi Project	60,338,709,659	59,601,830,459
Nam Hai Construction Co., Ltd	-	21,643,402,000
Khang Nam Real Estate Investment	-	7,864,490,403
Joint Stock Company	-	-
Trade receivables from other parties	17,728,652,762	18,827,227,031
<b>Long-term</b>	<b>2,038,097,490</b>	<b>3,168,711,449</b>
Trade receivables from other parties	2,038,097,490	3,168,711,449
<b>TOTAL</b>	<b>80,105,459,911</b>	<b>111,105,661,342</b>
Provision for doubtful short-term receivables	(733,384,000)	(6,292,706,424)
Provision for doubtful long-term receivables	(2,000,348,620)	(3,130,962,579)
<b>NET</b>	<b>77,371,727,291</b>	<b>101,681,992,339</b>
<i>In which:</i>		
Other parties	76,004,228,868	107,004,430,299
A related party (Note 32)	4,101,231,043	4,101,231,043

Details of trade receivables are as below:

	VND	
	30 June 2019	31 December 2018
<b>Short-term</b>		
Receivables from sale of land lots and apartments (*)	76,860,302,891	74,603,787,441
Receivables from rendering construction services	99,957,900	32,427,549,822
Others	1,107,101,630	905,612,630
<b>TOTAL</b>	<b>78,067,362,421</b>	<b>107,936,949,893</b>
<b>Long-term</b>		
Receivables from rendering construction services	-	1,130,613,959
Others	2,038,097,490	2,038,097,490
<b>TOTAL</b>	<b>2,038,097,490</b>	<b>3,168,711,449</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**6. TRADE RECEIVABLES, ADVANCE TO SUPPLIERS AND LOAN RECEIVABLES**  
(continued)

**6.1 Trade receivables** (continued)

(\*) 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	
	30 June 2019	31 December 2018
The Stars Village, Long Thoi – Nha Be Project (i)	60,338,709,659	59,601,830,459
6B Project (i)	318,400,000	398,400,000
6B Project (ii)	8,944,645,015	9,038,488,765
Terra Royal Project (ii)	2,063,063,000	-
Phong Phu Project (i)	1,778,700,000	1,857,400,000
Thinh Vuong Building (i)	1,742,753,000	2,033,636,000
An Khang Building (i)	1,674,032,217	1,674,032,217
<b>TOTAL</b>	<b><u>76,860,302,891</u></b>	<b><u>74,603,787,441</u></b>

**6.2 Short-term advance to suppliers**

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

	VND	
	30 June 2019	31 December 2018
A related party (Note 32)	20,262,168,134	12,572,762,755
Long Binh Joint Stock Company - Long Binh, District 9 Project	19,600,000,000	19,899,197,600
Saigon Vien Dong Limited Company - Lot No.7, 6B Project	12,927,603,431	12,927,603,431
Joint Venture of Hoang Trang - Huyn dai Thanh Cong	10,490,500,000	-
Other suppliers	82,683,554,644	50,454,695,021
<b>TOTAL</b>	<b><u>145,963,826,209</u></b>	<b><u>95,854,258,807</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**6. TRADE RECEIVABLES, SHORT-TERM ADVANCE TO SUPPLIERS, AND SHORT-TERM LOAN RECEIVABLES (continued)**

**6.3 Short-term loan receivables**

<i>Borrowers</i>	<i>As at 30 June 2019</i> VND	<i>Principal repayment date</i>	<i>Interest</i> % p.a.	<i>Description of collaterals</i>
Ms. Truong Thi Minh Nguyet (Note 32)	49,900,000,000	31 May 2020	5,5	Unsecured
Khang Nam Real Estate Investment Joint Stock Company	19,000,000,000	20 July 2019	7	Unsecured
<b>TOTAL</b>	<b><u>68,900,000,000</u></b>			

**7. OTHER RECEIVABLES**

	VND	
	30 June 2019	31 December 2018
<b>Short-term</b>	<b>92,678,296,262</b>	<b>72,830,887,810</b>
Member of Board of Directors	56,850,000,000	43,850,000,000
Thai Duong Construction & Trading JSC	12,205,585,534	8,100,000,000
Provisional corporate income tax paid upon receiving deposits from customers	8,489,401,201	6,444,535,729
Saigon Cho Lon Investment & Real Estate Joint Stock Company	4,300,000,000	4,300,000,000
Advance to employees	3,828,641,347	2,379,741,347
May Thang Long Joint Stock Company	1,700,000,000	1,794,760,000
Others	5,304,668,180	5,961,850,734
<b>Long-term</b>	<b>21,215,657,194</b>	<b>25,036,424,512</b>
Ngoc Phuc Trading and Construction Co., Ltd	18,342,497,194	17,668,814,202
Hoang Hai Joint Stock Company – Hoc Mon, Ba Diem Project	2,661,060,000	2,661,060,000
Saigon Binh Duong Investment Joint Stock Company – Thu Dau Mot Project	-	1,592,901,607
Others	212,100,000	3,113,648,703
<b>TOTAL</b>	<b><u>113,893,953,456</u></b>	<b><u>97,867,312,322</u></b>
Provision for short-term doubtful debts	(3,000,000,000)	(2,727,380,000)
Provision for long-term doubtful debts	(2,718,400,249)	(2,718,400,249)
<i>In which:</i>		
Other parties	57,043,953,456	52,424,410,715
A related party (Note 32)	56,850,000,000	45,442,901,607

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 8. INVENTORIES

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

	30 June 2019		31 December 2018		VND
	Cost	Provision	Cost	Provision	
Terra Royal Project (i)	821,020,864,270	-	1,838,414,937,601	-	
The Stars Village, Long Thoi – Nha Be Project (ii)	569,043,363,056	-	539,890,517,699	-	
Thu Dau Mot Project	160,455,238,383	-	-	-	
6A Project	132,318,634,925	-	132,199,907,652	-	
Long Phuoc, District 9 Project (iii)	116,057,729,964	-	116,057,729,964	-	
Nhon Trach Project	113,887,644,696	-	80,492,563,672	-	
Binh Trung Dong – District 2 Project	28,848,790,056	-	28,848,790,056	-	
Riverside villas Ba Ria Project	26,432,872,311	-	-	-	
Lot 6, 7 & 8 – 6B Project	25,261,286,338	-	24,126,069,065	-	
Other projects	33,541,033,549	(17,110,866,701)	93,817,471,750	(19,312,665,216)	
<b>TOTAL</b>	<b>2,026,867,457,548</b>	<b>(17,110,866,701)</b>	<b>2,853,847,987,459</b>	<b>(19,312,665,216)</b>	

(i) 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).

(ii) Land use rights of 50.400 square meters The Stars Village, Long Thoi – Nha Be project was pledged to obtain the loans from commercial banks (Note 22).

(iii) Land use rights of 136.585 square meters at Long Phuoc, District 9 project was pledged to obtain the loans from a commercial bank (Note 22).

## 9. SHORT-TERM PREPAID EXPENSES

	VND	
	30 June 2019	31 December 2018
Commission expenses	23,184,897,745	21,139,034,881
Others	386,570,209	386,570,209
<b>TOTAL</b>	<b>23,571,467,954</b>	<b>21,525,605,090</b>

# Investment and Trading of Real Estate Joint Stock Company

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## 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
<b>Cost:</b>					
As at 31 December 2018	28,349,789,734	16,868,610,091	5,657,467,366	1,774,539,593	52,650,406,784
Addition	-	96,000,000	-	-	96,000,000
As at 30 June 2019	28,349,789,734	16,964,610,091	5,657,467,366	1,774,539,593	52,746,406,784
<i>In which:</i>					
Fully depreciated	-	5,219,513,636	1,491,258,170	104,112,302	6,814,884,108
<b>Accumulated depreciation:</b>					
As at 31 December 2018	15,104,364,594	7,893,618,476	5,360,493,511	1,334,579,374	29,693,055,955
Depreciation for the period	481,379,544	751,471,695	95,258,184	36,516,360	1,364,625,783
As at 30 June 2019	15,585,744,138	8,645,090,171	5,455,751,695	1,371,095,734	31,057,681,738
<b>Net carrying amount:</b>					
As at 31 December 2018	13,245,425,140	8,974,991,615	296,973,855	439,960,219	22,957,350,829
As at 30 June 2019	12,764,045,596	8,319,519,920	201,715,671	403,443,859	21,688,725,046

# Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 11. INTANGIBLE FIXED ASSETS

	VND		
	<i>Land use right (*)</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
As at 31 December 2018	37,923,695,258	-	37,923,695,258
New purchase	-	163,700,000	163,700,000
Business combination	-	50,000,000	50,000,000
As at 30 June 2019	<u>37,923,695,258</u>	<u>213,700,000</u>	<u>38,137,395,258</u>
<b>Accumulated amortisation:</b>			
As at 31 December 2018	-	-	-
Amortisation for the period	-	53,183,056	53,183,056
As at 30 June 2019	-	<u>53,183,056</u>	<u>53,183,056</u>
<b>Net carrying amount:</b>			
As at 31 December 2018	<u>37,923,695,258</u>	-	<u>37,923,695,258</u>
As at 30 June 2019	<u>37,923,695,258</u>	<u>160,516,944</u>	<u>38,084,212,202</u>

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

## 12. INVESTMENT PROPERTIES

	VND
	<i>Land and buildings (*)</i>
<b>Cost:</b>	
As at 31 December 2018 and 30 June 2019	<u>67,077,080,348</u>
<b>Accumulated depreciation:</b>	
As at 31 December 2018	22,588,600,773
Depreciation for the period	<u>1,341,541,608</u>
As at 30 June 2019	<u>23,930,142,381</u>
<b>Net carrying amount:</b>	
As at 31 December 2018	<u>44,488,479,575</u>
As at 30 June 2019	<u>43,146,937,967</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2019. However, given that these properties are currently leased out and income generating, it is management's assessment that these properties' market values are still higher than their carrying value at the interim separate balance sheet date.

# Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

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## 12. INVESTMENT PROPERTIES (continued)

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

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

### *Revenue and expense relating to investment properties*

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Rental income generating from leasing of investment properties	4,678,894,320	4,791,256,941
Direct operating expenses of investment properties that generated rental income during the period	<u>(1,596,649,345)</u>	<u>(1,575,985,744)</u>
<b>NET</b>	<b><u>3,082,244,975</u></b>	<b><u>3,215,271,197</u></b>

## 13. CONSTRUCTION IN PROGRESS

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

## 14. LONG-TERM INVESTMENTS

	VND	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Investments in associates (Note 14.1)	18,824,699,298	127,362,910,635
Investments in other entities (Note 14.2)	42,755,320,000	42,755,320,000
Provision for diminution in long-term investments	<u>(8,925,000,000)</u>	<u>(8,925,000,000)</u>
<b>TOTAL</b>	<b><u>52,655,019,298</u></b>	<b><u>161,193,230,635</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.1 Investments in associates

	30 June 2019		31 December 2018	
	% ownership	% voting rights	% ownership	% voting rights
Saigon - Binh Duong Investment Corporation ("SGBD")	-	-	64.32	37.40
Long Binh Construction - Trading - Producing Joint Stock Company ("LB")	36.36	36.36	36.36	36.36

Details of these investments in associates as the interim balance sheet date are presented as follows:

	SGBD	LB	VND Total
<b>Cost of investments:</b>			
As at 31 December 2018	112,199,143,238	21,000,000,000	133,199,143,238
Business combination	(112,199,143,238)	-	(112,199,143,238)
As at 30 June 2019	-	21,000,000,000	21,000,000,000
<b>Accumulated share in post-acquisition loss of the associates:</b>			
As at 31 December 2018	(3,612,938,636)	(2,223,293,967)	(5,836,232,603)
Business combination	3,809,364,554	-	3,809,364,554
Share in post-acquisition (loss) profit of the associates	(196,425,918)	47,993,265	(148,432,653)
As at 30 June 2019	-	(2,175,300,702)	(2,175,300,702)
<b>Net carrying amount:</b>			
As at 31 December 2018	108,586,204,602	18,776,706,033	127,362,910,635
As at 30 June 2019	-	18,824,699,298	18,824,699,298

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**14.2 Investments in other entities**

	As at 30 June 2019 and 31 December 2018				
	Original amount	Provision	Carrying amount	Number of shares	% ownership
	VND	VND	VND		%
Gia Dinh Development Investment Corporation	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.31
Housing Development Bac Trung Nam Corporation	5,466,500,000	-	5,466,500,000	54,665	10.93
Saigon Mangden Joint Stock Company	3,100,000,000	-	3,100,000,000	310,000	1.61
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	188,820,000	-	188,820,000	18,882	0.06
<b>TOTAL</b>	<b>42,755,320,000</b>	<b>(8,925,000,000)</b>	<b>33,830,320,000</b>		

**15. GOODWILL**

VND  
Goodwill for SGBD

**Cost:**

As at 31 December 2018	-
Arisen from acquisition	4,524,860,017
As at 30 June 2019	4,524,860,017

**Accumulated amortisation:**

As at 31 December 2018	-
Amortisation for the period	(113,121,500)
As at 30 June 2019	(113,121,500)

**Net carrying amount:**

As at 31 December 2018	-
As at 30 June 2019	4,411,738,517



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**16. BORROWING COSTS**

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Capitalized in real estate projects	41,118,465,174	50,528,107,814
Interest expense (Note 27)	7,509,860,371	1,674,942,626
<b>TOTAL</b>	<b><u>48,628,325,545</u></b>	<b><u>52,203,050,440</u></b>

**17. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Trade payables to other parties	49,830,533,051	95,497,615,600
- Hai Hung Steel One-member Co., Ltd.	7,281,170,235	22,377,719,241
- Others	42,549,362,816	73,119,896,359
Trade payables to a related party (Note 32)	1,560,654,545	1,560,654,545
<b>TOTAL</b>	<b><u>51,391,187,596</u></b>	<b><u>97,058,270,145</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>30 June 2019</i>	<i>31 December 2018</i>
<b>Short-term</b>	<b>860,110,524,823</b>	<b>62,100,945,272</b>
Terra Royal Project	800,753,945,631	-
The Stars Village, Long Thoi - Nha Be Project	22,730,700,133	33,156,855,179
Lot 6, 7 & 8 - 6B Project	11,597,781,400	14,416,436,573
Cua Lap Project	10,500,000,000	-
Other projects	14,528,097,659	14,527,653,520
<b>Long-term</b>	<b>152,062,865,569</b>	<b>727,809,362,201</b>
6A Project	109,530,829,000	109,530,829,000
Lot 6, 7 & 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
Terra Royal Project	-	575,779,496,632
Other projects	9,442,639,869	9,409,639,869
<b>TOTAL</b>	<b><u>1,012,173,390,392</u></b>	<b><u>789,910,307,473</u></b>
<i>In which:</i>		
Other parties	1,004,173,390,392	781,910,307,473
A related party (Note 32)	8,000,000,000	8,000,000,000

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**19. STATUTORY OBLIGATIONS**

				VND
	31 December 2018	Payable for the period	Payment made during the period	30 June 2019
Value-added tax	13,267,792,158	7,543,778,027	(10,558,756,032)	10,252,814,153
Corporate income tax	9,051,598,203	3,269,769,394	(6,171,949,355)	6,149,418,242
Personal income tax	470,377,840	2,088,717,669	(2,011,483,359)	547,612,150
Other taxes	1,490,705,409	639,601,723	(426,049,846)	1,704,257,286
<b>TOTAL</b>	<b><u>24,280,473,610</u></b>	<b><u>13,541,866,813</u></b>	<b><u>(19,168,238,592)</u></b>	<b><u>18,654,101,831</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

		VND
		30 June 2019    31 December 2018
Penalty for late payment	37,029,639,910	37,029,639,910
Interest expense	12,167,430,496	15,175,108,566
Construction costs	13,677,093,825	1,811,160,418
Others	1,410,000,000	7,783,427,210
<b>TOTAL</b>	<b><u>64,284,164,231</u></b>	<b><u>61,799,336,104</u></b>

**21. OTHER PAYABLES**

		VND
		30 June 2019    31 December 2018
<b>Short term</b>	<b>46,444,400,894</b>	<b>83,012,873,612</b>
Dividends payable	37,919,155,758	71,880,602,705
Deposits received	3,837,000,000	4,597,000,000
Others	4,688,245,136	6,535,270,907
<b>Long-term</b>		
Deposits received	10,002,289,960	3,886,616,840
<b>TOTAL</b>	<b><u>56,446,690,854</u></b>	<b><u>86,899,490,452</u></b>

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### 22. LOANS

	31 December 2018	Drawdown	Repayment	Reclassification	30 June 2019
<b>Short-term</b>	<b>656,240,186,144</b>	<b>101,115,042,509</b>	<b>(253,451,985,100)</b>	<b>100,000,000,000</b>	<b>603,903,243,553</b>
Current portion of long-term loans (Note 22.2)	459,745,632,474	-	(180,006,000,000)	100,000,000,000	379,739,632,474
Bank loans (Note 22.1)	182,494,553,670	101,115,042,509	(73,445,985,100)	-	210,163,611,079
Loans from a related party (Note 22.3)	14,000,000,000	-	-	-	14,000,000,000
<b>Long-term</b>					
Bank loans (Note 22.2)	174,000,000,000	221,000,000,000	-	(100,000,000,000)	295,000,000,000
<b>TOTAL</b>	<b>830,240,186,144</b>	<b>322,115,042,509</b>	<b>(253,451,985,100)</b>	<b>-</b>	<b>898,903,243,553</b>

VND

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

Lenders	30 June 2019	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Bank for Investment and Development of Vietnam</b>					
Loan contract no. 01/2019/93512/HDTD	101,115,042,509	From 31 January 2020 to 30 January 2020	Finance for the development of its real estate projects and working capital requirements	10	Land use rights of 10,473 square meters at Long Phuoc, District 9, Ho Chi Minh City (Note 8)
Loan contract no. 01/2017/93512/HDTD	47,348,568,570	From 5 July 2019 to 11 September 2019	Finance for the development of its real estate projects and working capital requirements	10.5	Land use rights at An Phu Ward and An Khang apartment, street 19, An Phu Ward, District 2, Ho Chi Minh City (Note 12) Land use rights of 24,673 square meters at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 8)

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### 22. LOANS (continued)

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

Lenders	30 June 2019	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
<b>Lien Viet Post Joint Stock Commercial Bank</b>					
Loan Contract No. HDTD5002018430 dated 8 August 2018	36,700,000,000	From 15 August 2019 to 11 October 2019	Finance for the development of its real estate projects and working capital requirements	9 - 10.3	<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 11)</li> <li>Land use rights and associated assets of An Khang department, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City (Notes 12)</li> </ul>
<b>Vietnam Bank for Agriculture and Rural Development</b>					
Loan Contract No. 6220-LAV-201800866 dated 26 October 2018	25,000,000,000	From 26 October 2019 to 26 October 2023	Finance for Terra Royal Project	10.5	<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 11)</li> <li>Land use rights and associated assets of 482.4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 12)</li> <li>Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8)</li> <li>Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)</li> </ul>
<b>TOTAL</b>	<b>210,163,611,079</b>				

# Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 22. LOANS (continued)

### 22.2 Details of long-term bank loan are as follows:

Lender	30 June 2019	Principal repayment term	Interest rate	Description of collateral
	VND		% p.a.	
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>				
Loan Contract No.1555/19MN/HĐTD	200,000,000,000	29 January 2021	11	• Receivables arising from sale contract at Long Thoi - Nha Be project; (Note 5)
Loan Contract No.04660/18MN/HĐTD	200,000,000,000	12 April 2020		• Land use rights, associated assets and benefits arising from Terra Royal project; (Note 8)
Loan Contract No.2235TT/15/HĐTDĐH-DN/068	179,739,632,474	12 April 2020		
<b>Vietnam Bank for Agricultural and Rural Development</b>				
Loan Contract No. 6220-LAV-201800866 dated 26 October 2018	95,000,000,000	From 26 October 2020 to 26 October 2023	11	• Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)
				• Land use rights and associated assets of 482,4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 12)
				• Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)
				• Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8)
<b>TOTAL</b>	<b>674,739,632,474</b>			
<i>In which:</i>				
Current portion	379,739,632,474			
Long-term loan	295,000,000,000			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**22. LOANS (continued)**

**22.3 Loan from a related party**

This represents unsecured short-term loan due to Ms. Le Thi Tram Anh amounting to VND 14,000,000,000 for the purpose of financing the Terra Royal Project at the interest rates of 5.4% per annum.

**23. BONUS AND WELFARE FUND**

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Opening balance	332,694,435	927,369,435
Transfer from undistributed earnings of current period	8,052,949,443	-
Transfer from profit attributable to non-controlling interests	1,132,665,410	-
Decrease for the period	<u>(1,038,450,000)</u>	<u>(454,075,000)</u>
Ending balance	<u>8,479,859,288</u>	<u>473,294,435</u>

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## 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	VND
<b>For the six-month period ended 30 June 2018</b>								
As at 31 December 2017	690,866,880,000	748,683,126,824	(9,825,117,611)	59,452,912,036	470,571,611	79,061,231,305	1,568,709,604,165	
Net profit for the period	-	-	-	-	-	27,545,078,121	27,545,078,121	
Dividend declared	-	-	-	-	-	(68,646,328,000)	(68,646,328,000)	
Fund appropriation	-	-	-	3,958,198,897	-	(3,080,612,223)	877,586,674	
Other decrease	-	-	-	-	-	(791,639,800)	(791,639,800)	
As at 30 June 2018	690,866,880,000	748,683,126,824	(9,825,117,611)	63,411,110,933	470,571,611	34,087,729,403	1,527,694,301,160	
<b>For the six-month period ended 30 June 2019</b>								
As at 31 December 2018	690,866,880,000	748,683,126,824	(9,825,117,611)	63,411,110,933	470,571,611	88,260,955,762	1,581,867,527,519	
Net profit for the period	-	-	-	-	-	15,328,272,170	15,328,272,170	
Dividend declared	-	-	-	-	-	(34,323,164,000)	(34,323,164,000)	
Fund appropriation	-	-	-	6,602,949,468	2,517,034,244	(9,119,983,712)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(8,052,949,443)	(8,052,949,443)	
Other decrease	-	-	-	-	-	(817,183,045)	(817,183,045)	
As at 30 June 2019	690,866,880,000	748,683,126,824	(9,825,117,611)	70,014,060,401	2,987,605,855	51,275,947,732	1,554,002,503,201	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 24. OWNERS' EQUITY (continued)

### 24.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Dividends declared (*)	34,323,164,000	68,646,328,000
Dividends paid	70,384,610,947	23,665,863,911

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

### 24.3 Shares - ordinary shares

	<i>As at 30 June 2019 and 31 December 2018</i>	
	<i>Quantity</i>	<i>Amount</i>
		VND
<b>Authorized shares</b>	<b>69,086,688</b>	<b>690,866,880,000</b>
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>		
<i>Ordinary shares</i>	69,086,688	690,866,880,000
<b>Treasury shares</b>		
<i>Ordinary shares</i>	440,360	9,825,117,611
<b>Shares in circulation</b>		
<i>Ordinary shares</i>	68,646,328	681,041,762,389

### 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>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Net profit after tax (VND)	15,328,272,170	27,545,078,121
Transfer to bonus and welfare fund (*)	-	(2,714,436,171)
Net profit attributable to ordinary equity holders of the Company (VND)	15,328,272,170	24,830,641,950
Weighted average number of ordinary shares in circulation ( <i>shares</i> )	<u>68,646,328</u>	<u>68,646,328</u>
Basic earnings per share (VND/share)	223	362
Diluted earnings per share (VND/share)	223	362



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 24. OWNERS' EQUITY (continued)

### 24.4 Basic and diluted earnings per share (continued)

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

(\*) Net profit used to compute earnings per share for the six-month period ended 30 June 2018 was restated following the actual allocation to bonus and welfare funds from 2018 retained earnings as approved in the Shareholders Meeting's Resolution dated 25 April 2019.

Net profit used to compute earnings per share for the six-month period ended 30 June 2019 was not adjusted for distribution to bonus and welfare funds from 2019 profit as the Shareholders Meeting's Resolution is not yet available.

### 24.5 Non-controlling interest

		IC	SGBD	Royal	VND Total
<b>As at 30 June 2019</b>					
Share capital	6,000,000,000	107,040,000,000	50,000,000,000		163,040,000,000
Investment and development fund	448,140,878		-	-	448,140,878
Other owners' capital	448,140,878		-	-	448,140,878
Accumulated losses	(5,730,725,392)	(4,588,405,569)	(431,736,926)		(10,750,867,887)
<b>TOTAL</b>	<b>1,165,556,364</b>	<b>102,451,594,431</b>	<b>49,568,263,074</b>		<b>153,185,413,869</b>
<b>For the six-month period ended 30 June 2019</b>					
Profit (loss) for the period	(5,394,611,301)	34,808,558	(431,736,926)		(5,791,539,669)
Transfer to bonus and welfare fund	(1,132,665,410)		-	-	(1,132,665,410)
Dividend declared	(2,100,000,000)		-	-	(2,100,000,000)
<b>TOTAL</b>	<b>(8,627,276,711)</b>	<b>34,808,558</b>	<b>(431,736,926)</b>		<b>(9,024,205,079)</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 25. REVENUES

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

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Net revenue</b>	<b><u>110,551,971,952</u></b>	<b><u>245,973,585,480</u></b>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	64,392,588,853	200,627,012,668
<i>Revenue from construction contracts</i>	39,177,742,597	37,944,765,251
<i>Revenue from other services</i>	6,981,640,502	7,401,807,561

### 25.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest income	5,375,773,118	962,110,147
Profit from disposal of investment in associate	-	8,079,213,232
Dividend income	-	284,183,872
Others	11,079,018	16,655,725
<b>TOTAL</b>	<b><u>5,386,852,136</u></b>	<b><u>9,342,162,976</u></b>

## 26. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Cost of real estate properties	53,088,630,297	171,099,205,485
Cost of construction services	27,823,384,136	36,700,685,329
Cost of other services rendered	2,755,047,085	2,848,618,205
<b>TOTAL</b>	<b><u>83,667,061,518</u></b>	<b><u>210,648,509,019</u></b>

## 27. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest expense	7,509,860,371	1,674,942,626
Others	59,838	149,527,269
<b>TOTAL</b>	<b><u>7,509,920,209</u></b>	<b><u>1,824,469,895</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Selling expenses</b>	<b>2,075,584,036</b>	<b>3,557,276,384</b>
Sale commission	2,046,984,036	3,542,276,384
Others	28,600,000	15,000,000
<b>General and administrative expenses</b>	<b>13,188,080,815</b>	<b>13,767,538,814</b>
Labour costs	6,985,854,657	5,959,583,171
External service fee	3,297,749,618	4,217,459,430
Depreciation	613,154,088	1,233,256,020
Goodwill	113,121,500	-
Reversal of provision for bad debt	(210,308,646)	(422,171,000)
Others	2,388,509,598	2,779,411,193
<b>TOTAL</b>	<b><u>15,263,664,851</u></b>	<b><u>17,324,815,198</u></b>

**29. OTHER INCOME AND EXPENSES**

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Other income</b>	<b>10,825,984,745</b>	<b>8,624,286,614</b>
Reversal of project warranty provision	4,897,519,427	-
Penalty for contract violation	2,328,036,000	5,045,030,341
Payables written-off	1,294,835,621	-
Leasing income	-	2,240,081,674
Others	2,305,593,697	1,339,174,599
<b>Other expenses</b>	<b>(9,951,216,109)</b>	<b>(6,240,625,403)</b>
Interest on late tax payment (*)	(7,000,028,820)	-
Expenses of Dak Nong project written-off	-	(5,164,970,451)
Others	(2,951,187,289)	(1,075,654,952)
<b>NET OTHER PROFIT</b>	<b><u>874,768,636</u></b>	<b><u>2,383,661,211</u></b>

(\*) As at 30 June 2019, the Group was in process of reconciling and finalizing the interest charge on late corporate income tax payment for the year ended 31 December 2010 with Tax Department of Ho Chi Minh City. Accordingly, the provision for interest on late tax payment made by the Group in the interim separate financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 30. PRODUCTION AND OPERATING COSTS

		VND
	<i>Current year</i>	<i>Previous year</i>
Project development cost	53,088,630,297	171,099,205,485
External service fee	31,121,133,754	40,918,144,759
Labour cost	6,985,854,657	5,959,583,171
Depreciation and amortisation (Notes 10, 11, 12 and 15)	2,872,471,947	1,233,256,020
Sales commission	2,046,984,036	3,542,276,384
Reversal of provision for bad debt	(210,308,646)	(422,171,000)
Others	3,025,960,324	5,643,029,398
<b>TOTAL</b>	<b><u>98,930,726,369</u></b>	<b><u>227,973,324,217</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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

#### 31.1 CIT expense

		VND
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Current tax expense	3,269,769,394	2,283,174,435
Deferred tax income	(2,581,988,402)	(1,877,434,929)
<b>TOTAL</b>	<b><u>687,780,992</u></b>	<b><u>405,739,506</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 31. CORPORATE INCOME TAX (continued)

#### 31.1 CIT expense (continued)

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

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Accounting profit before tax</b>	<b>10,224,513,493</b>	<b>27,902,887,841</b>
At CIT rate applied for the Company	2,044,902,698	5,580,577,568
<i>Adjustments to increase:</i>		
Non-deductible expenses	1,919,203,919	1,531,400,776
Share of profits from associates	29,686,531	(254,457)
Others	345,369,129	349,417,525
<i>Adjustments to decrease:</i>		
Utilization of tax losses carried forward	(3,459,562,446)	(6,998,565,132)
Others	(191,818,839)	(56,836,774)
<b>CIT expense</b>	<b>687,780,992</b>	<b>405,739,506</b>

#### 31.2 Current tax

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

	VND			
	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Internal unrealised profit	15,593,306,616	13,014,984,614	2,578,322,002	1,890,445,929
Accrual for severance pay	206,262,400	202,596,000	3,666,400	(13,011,000)
<b>Deferred income tax assets</b>	<b>15,799,569,016</b>	<b>13,217,580,614</b>		
<b>Net deferred tax income</b>			<b>2,581,988,402</b>	<b>1,877,434,929</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 31. CORPORATE INCOME TAX (continued)

#### 31.4 Tax losses carried forward

The Company and its subsidiary are eligible to carry each individual tax losses forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At 30 June 2019, the Group had accumulated tax losses of VND 105,058,823,001 (31 December 2018: VND 115,192,171,045) available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount (*)</i>	<i>Utilized up to 30 June 2019 (**)</i>	<i>VND Unutilized at 30 June 2019</i>
2013	2018	2,295,630,729	-	2,295,630,729
2014	2019	285,251,334,609	(186,147,805,668)	99,103,528,941
2015	2020	489,411,695	-	489,411,695
2016	2021	209,375,928	-	209,375,928
2017	2022	437,754,532	-	437,754,532
2018	2023	588,444,596	-	588,444,596
2019	2024	1,934,676,580	-	1,934,676,580
		<b>291,206,628,669</b>	<b>(186,147,805,668)</b>	<b>105,058,823,001</b>

(\*) Estimated tax losses above as per the Group's CIT declaration have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

(\*\*) This amount includes tax loss utilized up to 31 December 2018 of VND 168,849,993,436 and tax loss utilized in current period of VND 17,297,812,232.

No deferred income tax assets were recognised in respect of the accumulated tax losses because utilization of tax loss against future taxable profit cannot be ascertained at this stage.

### 32. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND For the six-month period ended 30 June 2019</i>	<i>VND For the six-month period ended 30 June 2018</i>
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	11,689,405,379	-
Sai Gon Binh Duong Joint stock Company	Subsidiary	Loan repayment	-	847,000,000
Housing Development Bac Trung Nam Joint Stock Company	Related party	Rental income	-	327,272,728
Gia Dinh Development Investment Corporation	Related party	Rental fee	-	206,986,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### *Terms and conditions of transactions*

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

Outstanding balances are unsecured, interest free and will be settled in cash. For six-month period ended 30 June 2019, the Group has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial period through the examination of the financial position of the related party and the market in which the related party operates.

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>30 June 2019</i>	<i>31 December 2018</i>
<i>VND</i>				
<b><i>Short-term trade receivable</i></b>				
Ms. Le Thi Tram Anh	Related party	Purchase land lots	<u>4,101,231,043</u>	<u>4,101,231,043</u>
<b><i>Advance to supplier</i></b>				
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	<u>20,262,168,134</u>	<u>12,572,762,755</u>
<b><i>Short-term loan receivable</i></b>				
Ms. Truong Thi Minh Nguyet	Related party	Lending	<u>49,900,000,000</u>	<u>-</u>
<b><i>Other short-term receivables</i></b>				
Member of Board of Directors Sai Gon Binh Duong Joint stock Company	General Director Subsidiary	Advance	<u>56,850,000,000</u>	<u>43,850,000,000</u>
		Interest income	<u>-</u>	<u>1,592,901,607</u>
			<b><u>56,850,000,000</u></b>	<b><u>45,442,901,607</u></b>
<b><i>Short-term trade payable</i></b>				
Future Architectures Design Joint Stock Company	Significant shareholder	Design service rendered	<u>1,560,654,545</u>	<u>1,560,654,545</u>
<b><i>Short-term advance from customer</i></b>				
Ms. Le Thi Tram Anh	Related party	Purchase apartments	<u>8,000,000,000</u>	<u>8,000,000,000</u>
<b><i>Short-term loan</i></b>				
Ms. Le Thi Tram Anh	Related party	Loan	<u>14,000,000,000</u>	<u>14,000,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**Transactions with other related parties**

Remuneration to members of the Board of Directors and Management:

	VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Salaries and bonus	<u>2,593,070,455</u>	<u>1,926,041,000</u>

**33. CAPITAL COMMITMENT AND CONTINGENT LIABILITY**

**Capital commitment related to significant investment costs**

At 30 June 2019, the Group had outstanding commitments VND 573,913,047,121 (31 December 2018: VND 497,537,317,704) relating to the development cost of ongoing residential projects.

**34. OFF BALANCE SHEET ITEMS**

As at 30 June 2019, the Group had bad debts written-off relating to An Suong Project, Ba Ria Vung Tau Radio and Television Broadcasting Project, and other projects with the amount of VND 2,324,377,287, VND 1,130,613,959, and VND 1,179,239,767, respectively.

**35. SEGMENT INFORMATION**

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

The Group's principal activities are engaged in investing and trading real estate properties and related services. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's real estate products or the locations that the Group is trading. As a result, management is of the view that there is only one segment for business and geography and therefore presentation of separate segmental information is not required.

**36. EVENTS AFTER THE INTERIM BALANCE SHEET DATE**

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



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



  
Trương Minh Thuận  
General Director

28 August 2019