

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

Interim consolidated financial statements

For the six-month period ended 30 June 2020

# Investment and Trading of Real Estate Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Report on review of interim consolidated financial statements	3 - 4
Interim consolidated balance sheet	5 - 7
Interim consolidated income statement	8
Interim consolidated cash flow statement	9 - 10
Notes to the interim consolidated financial statements	11 - 45

# 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. Nguyen Manh	Chairman	appointed on 11 June 2020
Mr. Truong Minh Thuan	Chairman	resigned on 11 June 2020
	Vice Chairman	appointed on 11 June 2020
Mr. Vo Huu Hai	Member	
Ms. Dang Thi Ngoc Tuyen	Member	
Mr. Nguyen Manh	Member	
Mr. Tran Huu Khanh	Member	
Ms. Nguyen Kim Hau	Member	appointed on 30 June 2020

### 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 subsidiaries (collectively referred to as "the Group") for six-month period ended 30 June 2020.

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

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the 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 2020 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



The stamp is circular with a red border. The text inside the stamp, from top to bottom, reads: "0302199864" (at the top), "CÔNG TY" (Company), "CỔ PHẦN" (Joint Stock), "ĐẦU TƯ - KINH DOANH" (Investment - Business), "NHÀ" (House), and "QUẬN 1 - T.P. HỒ CHÍ MINH" (District 1 - Ho Chi Minh City). There are two small stars on either side of the word "NHÀ". A blue ink signature is written over the stamp.

Truong Minh Thuan  
General Director

28 August 2020



Ernst & Young Vietnam Limited  
20th Floor, Bitexco Financial Tower  
2 Hai Trieu Street, District 1  
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 28 3824 5252  
Fax: +84 28 3824 5250  
ey.com

Reference: 60792124/21894663/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 subsidiaries (collectively referred to as "the Group"), as prepared on 28 August 2020 and set out on pages 5 to 45 which comprise the interim consolidated balance sheet as at 30 June 2020, 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.



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### **Conclusion**

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

**Ernst & Young Vietnam Limited**



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

Ho Chi Minh City, Vietnam

28 August 2020

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

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,566,552,123,924</b>	<b>2,439,193,175,674</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>8,171,643,490</b>	<b>50,642,950,946</b>
111	1. Cash		8,171,643,490	50,642,950,946
<b>130</b>	<b>II. Current accounts receivables</b>		<b>418,494,276,458</b>	<b>417,019,881,631</b>
131	1. Short-term trade receivables	5	98,693,420,388	96,576,568,515
132	2. Short-term advances to suppliers	6	174,212,993,777	179,543,015,612
135	3. Short-term loan receivables	7	46,400,000,000	48,900,000,000
136	4. Other short-term receivables	8	102,295,588,338	96,508,023,549
137	5. Provision for doubtful short-term receivables	5, 8	(3,107,726,045)	(4,507,726,045)
<b>140</b>	<b>III. Inventories</b>	<b>9</b>	<b>2,112,910,534,626</b>	<b>1,947,018,110,413</b>
141	1. Inventories		2,129,455,801,327	1,964,128,977,114
149	2. Provision for obsolete inventories		(16,545,266,701)	(17,110,866,701)
<b>150</b>	<b>IV. Other current assets</b>		<b>26,975,669,350</b>	<b>24,512,232,684</b>
151	1. Short-term prepaid expenses	10	20,237,461,971	20,152,768,430
152	2. Value-added tax deductible		6,738,207,379	4,359,464,254

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

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

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,607,744,349,716</b>	<b>1,687,166,698,806</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>14,407,446,202</b>	<b>19,294,446,202</b>
216	1. Other long-term receivables	8	17,068,506,202	21,955,506,202
219	2. Provision for doubtful long-term receivables	8	(2,661,060,000)	(2,661,060,000)
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>61,957,472,743</b>	<b>58,987,261,822</b>
221	1. Tangible fixed assets	11	23,928,109,448	20,930,332,952
222	Cost		58,258,292,550	53,339,064,829
223	Accumulated depreciation		(34,330,183,102)	(32,408,731,877)
227	2. Intangible fixed assets	12	38,029,363,295	38,056,928,870
228	Cost		38,137,395,258	38,137,395,258
229	Accumulated amortisation		(108,031,963)	(80,466,388)
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>13</b>	<b>413,274,861,808</b>	<b>41,805,396,359</b>
231	1. Cost		443,417,450,231	67,077,080,348
232	2. Accumulated depreciation		(30,142,588,423)	(25,271,683,989)
<b>240</b>	<b><i>IV. Long-term asset in progress</i></b>		<b>1,025,454,548,371</b>	<b>1,477,125,317,019</b>
242	1. Construction in progress	14	1,025,454,548,371	1,477,125,317,019
<b>250</b>	<b><i>V. Long-term investments</i></b>	<b>15</b>	<b>68,895,774,957</b>	<b>69,505,019,298</b>
252	1. Investments in associates		18,404,274,957	18,824,699,298
253	2. Investments in other entities		58,916,500,000	59,105,320,000
254	3. Provision for diminution in value of long-term investments		(8,925,000,000)	(8,925,000,000)
255	4. Long-term held-to-maturity investments		500,000,000	500,000,000
<b>260</b>	<b><i>VI. Other long-term assets</i></b>		<b>23,754,245,635</b>	<b>20,449,258,106</b>
261	1. Long-term prepaid expenses		2,904,636,817	1,904,558,743
262	2. Deferred tax assets	31.3	20,849,608,818	18,544,699,363
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,174,296,473,640</b>	<b>4,126,359,874,480</b>



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

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

VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,339,589,389,366</b>	<b>2,315,684,334,484</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,081,937,973,235</b>	<b>1,960,043,274,353</b>
311	1. Short-term trade payables	17	112,198,260,651	77,637,192,689
312	2. Short-term advances from customers	18	1,071,716,091,441	966,647,452,757
313	3. Statutory obligations	19	47,187,833,642	33,298,742,003
314	4. Payables to employees		3,697,210,363	2,050,214,999
315	5. Short-term accrued expenses	20	154,298,889,297	137,726,102,714
318	6. Short-term unearned revenues		647,320,030	669,168,304
319	7. Other short-term payables	21	45,181,023,015	55,036,396,400
320	8. Short-term loans	22	636,410,549,030	666,365,042,509
321	9. Short-term provisions		1,457,262,968	12,874,102,690
322	10. Bonus and welfare fund	23	9,143,532,798	7,738,859,288
<b>330</b>	<b>II. Non-current liabilities</b>		<b>257,651,416,131</b>	<b>355,641,060,131</b>
332	1. Long-term advances from customers	18	162,217,008,569	160,266,641,569
336	2. Long-term unearned revenues		5,462,272,538	5,462,272,538
337	3. Other long-term liabilities	21	27,538,473,660	27,500,857,660
338	4. Long-term loans	22	60,000,000,000	160,000,000,000
342	5. Long-term provisions		2,433,661,364	2,411,288,364
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,834,707,084,274</b>	<b>1,810,675,539,996</b>
<b>410</b>	<b>I. Capital</b>		<b>1,834,707,084,274</b>	<b>1,810,675,539,996</b>
411	1. Share capital	24.1	725,188,030,000	690,866,880,000
411a	- Shares with voting rights		725,188,030,000	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	2,987,605,855
415	4. Treasury shares	24.1	(9,825,117,611)	(9,825,117,611)
418	5. Investment and development fund	24.1	75,506,408,855	70,014,060,401
421	6. Undistributed earnings	24.1	138,851,964,644	152,669,939,205
421a	- Undistributed earnings by the end of prior period		109,354,767,986	35,947,513,722
421b	- Undistributed earnings of current period		29,497,196,658	116,722,425,483
429	7. Non-controlling interests	24.5	153,315,065,707	155,279,045,322
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,174,296,473,640</b>	<b>4,126,359,874,480</b>

Pham Van Khanh  
Preparer

Doan Huu Chi  
Chief Accountant

Trương Minh Thuận  
General Director

28 August 2020

Investment and Trading of Real Estate Joint Stock Company B02a-DN/HN

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	25.1	221,805,186,140	110,551,971,952
02	2. Deductions	25.1	(4,381,651,420)	-
10	3. Net revenue from sale of goods and rendering of services	25.1	217,423,534,720	110,551,971,952
11	4. Cost of goods sold and services rendered	26	(163,591,875,547)	(83,667,061,518)
20	5. Gross profit from sale of goods and rendering of services		53,831,659,173	26,884,910,434
21	6. Finance income	25.2	1,101,894,165	5,386,852,136
22	7. Finance expenses	27	(3,635,281,856)	(7,509,920,209)
23	- In which: Interest expense		(3,634,888,716)	(7,509,860,371)
24	8. Shares of loss of associates		(20,424,341)	(148,432,653)
25	9. Selling expenses	28	(2,457,566,011)	(2,075,584,036)
26	10. General and administrative expenses	28	(20,838,170,308)	(13,188,080,815)
30	11. Operating profit		27,982,110,822	9,349,744,857
31	12. Other income	29	7,099,769,120	10,825,984,745
32	13. Other expenses	29	(1,759,347,404)	(9,951,216,109)
40	14. Other profit	29	5,340,421,716	874,768,636
50	15. Accounting profit before tax		33,322,532,538	10,224,513,493
51	16. Current corporate income tax expense	31.1	(8,094,224,950)	(3,269,769,394)
52	17. Deferred tax income	31.1	2,304,909,455	2,581,988,402
60	18. Net profit after tax		27,533,217,043	9,536,732,501
61	19. Net profit after tax attributable to shareholders of the parent		29,497,196,658	15,328,272,170
62	20. Net loss after tax attributable to non-controlling interests	24.5	(1,963,979,615)	(5,791,539,669)
70	21. Basic earnings per share	24.4		206
71	22. Diluted earnings per share	24.4		206

Pham Van Khanh  
Preparer

Doan Huu Chi  
Chief Accountant

Thương Minh Thuận  
General Director

28 August 2020

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

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>33,322,532,538</b>	<b>10,224,513,493</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	11, 12, 13	6,819,921,234	2,872,471,947
03	Provisions		(13,360,066,722)	(8,842,164,451)
05	Profits from investing activities		(1,411,751,363)	(5,227,340,465)
06	Interest expense	27	3,634,888,716	7,509,860,371
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>29,005,524,403</b>	<b>6,537,340,895</b>
09	Decrease (increase) in receivables		342,774,136	(25,253,235,966)
10	Increase in inventories		(58,805,814,562)	(63,739,378,004)
11	Increase in payables		185,114,715,586	179,173,272,273
12	Increase in prepaid expenses		(1,084,771,615)	(4,251,578,067)
14	Interest paid		(37,164,217,455)	(51,636,003,615)
15	Corporate income tax paid	19	(5,000,000,000)	(6,171,949,355)
17	Other cash outflows from operating activities		(929,775,000)	(1,038,450,000)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>111,478,435,493</b>	<b>33,620,018,161</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(468,750,395)	(84,503,051,914)
23	Loans to other entities		-	(68,900,000,000)
24	Collections from loans to other entities		2,500,000,000	-
25	Proceeds from investments in other entities		-	43,019,274,377
26	Proceeds from sale of investments in other entities		188,820,000	-
27	Interest and dividends received		1,432,175,704	1,270,187,584
<b>30</b>	<b>Net cash flows from (used in) investing activities</b>		<b>3,652,245,309</b>	<b>(109,113,589,953)</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	5,000,000,000	322,115,042,509
34	Repayment of borrowings	22	(134,954,493,479)	(253,451,985,100)
36	Dividends paid	24.2	(27,647,494,779)	(70,384,610,947)
<b>40</b>	<b>Net cash flows (used in) from financing activities</b>		<b>(157,601,988,258)</b>	<b>48,278,446,462</b>

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
50	Net decrease in cash		(42,471,307,456)	(27,215,125,330)
60	Cash at the beginning of the period		50,642,950,946	77,923,444,553
70	Cash at the end of the period	4	8,171,643,490	50,708,319,223



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 August 2020

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

## 1. CORPORATE INFORMATION

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

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

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

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

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

### ▶ Royal Tourism Hotel and Restaurant Joint Stock Company

Royal Tourism Hotel and Restaurant Joint Stock Company ("Royal") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 0315419806 issued by Department of Planning and Investment of Ho Chi Minh City on 3 December 2018, as amended. Royal's registered office is located at 83 Ly Chinh Thang, Ward 8, District 3, Ho Chi Minh City, Vietnam. Royal's current principal activity is to provide hotel and restaurant management services and to organize tours. As at 30 June 2020, the Company holds 75% ownership and voting rights in Royal (31 December 2019: 75%).

### ▶ Saigon Binh Duong Joint Stock Company

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established under Enterprise Law of Vietnam in accordance with the Enterprise Registration Certificate No. 3701647922 issued by Department of Planning and Investment of Binh Duong Province on 24 November 2009, as amended. SGBD's registered office is located at No. 179 Nguyen Chi Thanh, Tuong Binh Hiep Ward, Thu Dau Mot City, Binh Duong Province, Vietnam. SGBD's current principal activity is to produce and trade construction materials, trade real estate properties, and other related services. As at 30 June 2020, the Company holds 64.32% ownership and voting rights in SGBD (31 December 2019: 64.32%).

The number of the Group's employees as at 30 June 2020 was 275 (31 December 2019: 155).

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

## **2. BASIS OF PREPARATION**

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

The interim consolidated financial statements of the Group, expressed in 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 subsidiaries for six-month period ended 30 June 2020.

Subsidiaries are 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 subsidiaries 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 2020 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash*

Cash and cash equivalents comprise cash on hand and cash in banks.

#### 3.2 *Inventories - inventory properties*

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

Cost includes:

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

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

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

##### *Provision for obsolete inventories*

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

#### 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.



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

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

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

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

#### 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.



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

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

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

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 *Investments***

*Investments in associates*

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

The 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.

*Held-to-maturity investments*

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

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

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

**3.10 Investments (continued)**

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

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

**3.11 Payables and accruals**

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

**3.12 Accrual for severance pay**

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

**3.13 Treasury shares**

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

**3.14 Appropriation of net profit**

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

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

*Investment and development fund*

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

*Bonus and welfare fund*

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

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

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

**3.15 Revenue recognition**

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

*Sale of completed property*

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

*Construction contract*

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.

**3.16 Taxation**

*Current income tax*

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

*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.

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

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

**3.16 Taxation (continued)**

*Deferred tax (continued)*

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.

**3.17 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.

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

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

#### 3.17 Earnings per share (continued)

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.

#### 3.18 Segment information

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

#### 3.19 Related parties

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

### 4. CASH

	VND	
	30 June 2020	31 December 2019
Cash on hand	2,549,296,526	1,268,284,737
Cash in banks	5,403,363,287	49,374,666,209
Cash in transit	218,983,677	-
<b>TOTAL</b>	<b>8,171,643,490</b>	<b>50,642,950,946</b>

### 5. SHORT-TERM TRADE RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Trade receivables from customers	94,592,189,345	92,475,337,472
<i>Customers of Long Thoi Project (*)</i>	60,009,499,527	60,746,594,527
<i>Customers of Terra Royal Project</i>	14,569,478,345	16,360,880,813
<i>Nam Hai Construction Co., Ltd</i>	7,319,414,000	-
<i>Trade receivables from other parties</i>	12,693,797,473	15,367,862,132
Trade receivables from a related party (Note 32)	4,101,231,043	4,101,231,043
<b>TOTAL</b>	<b>98,693,420,388</b>	<b>96,576,568,515</b>
Provision for doubtful short-term receivables	(733,384,000)	(733,384,000)
<b>NET</b>	<b>97,960,036,388</b>	<b>95,843,184,515</b>

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

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

## 5. SHORT-TERM TRADE RECEIVABLES (continued)

Details of trade receivables are as below:

	VND	
	30 June 2020	31 December 2019
Receivables from sale of land lots and apartments (*)	88,812,850,504	95,667,236,615
Receivables from rendering construction services	7,419,371,900	114,957,900
Receivables from rental activities	1,239,119,782	-
Others	1,222,078,202	794,374,000
<b>TOTAL</b>	<b><u>98,693,420,388</u></b>	<b><u>96,576,568,515</u></b>

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

	VND	
	30 June 2020	31 December 2019
The Stars Village, Long Thoi – Nha Be Project (i)	60,009,499,527	60,746,594,527
Terra Royal Project (i)	14,569,478,345	20,462,111,856
6B Project (ii)	8,944,645,015	8,944,645,015
Thinh Vuong Building (i)	1,742,753,000	1,742,753,000
Phong Phu Project (i)	1,740,900,000	1,778,700,000
An Khang Building (i)	1,543,274,617	1,674,032,217
6B Project (i)	262,300,000	318,400,000
<b>TOTAL</b>	<b><u>88,812,850,504</u></b>	<b><u>95,667,236,615</u></b>

## 6. SHORT-TERM ADVANCES TO SUPPLIERS

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

	VND	
	30 June 2020	31 December 2019
Advance to third parties	123,491,584,043	133,202,617,878
Thai Duong Construction & Trading JSC	20,000,000,000	20,000,000,000
Khang Phat Construction JSC	19,378,630,000	-
Saigon Vien Dong Limited Company - Lot No.7, 6B Project	12,927,603,431	12,927,603,431
Joint Venture of Hoang Trang - Huyndai Thanh Cong	10,334,500,000	10,334,500,000
Other suppliers	60,850,850,612	89,940,514,447
Advance to related parties (Note 32)	50,721,409,734	46,340,397,734
<b>TOTAL</b>	<b><u>174,212,993,777</u></b>	<b><u>179,543,015,612</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended**7. SHORT-TERM LOAN RECEIVABLE**

Short-term loan receivable represents interest-bearing loan due from a related party, details as below:

<i>Borrowers</i>	<i>As at 30 June 2020</i>	<i>Principal repayment date</i>	<i>Interest % p.a.</i>	<i>Description of collaterals</i>
	<i>VND</i>			
Ms. Truong Thi Minh Nguyet ( <i>Note 32</i> )	<u>46,400,000,000</u>	21 May 2021	5.5	Unsecured

**8. OTHER RECEIVABLES**

	<i>VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>	<b>102,295,588,338</b>	<b>96,508,023,549</b>
Related parties ( <i>Note 32</i> )	58,940,334,249	58,024,301,372
Thai Duong Construction & Trading JSC	12,205,585,534	12,205,585,534
Provisional corporate income tax paid upon receiving deposits from customers	10,488,910,913	10,479,998,825
Advance to employees	10,417,329,000	3,641,569,000
Saigon Cho Lon Investment & Real Estate Joint Stock Company	3,300,000,000	4,300,000,000
May Thang Long Joint Stock Company	100,000,000	1,400,000,000
Others	6,843,428,642	6,456,568,818
<b>Long-term</b>	<b>17,068,506,202</b>	<b>21,955,506,202</b>
Ngoc Phuc Trading and Construction Co., Ltd	14,027,346,202	19,027,346,202
Hoang Hai Joint Stock Company – Hoc Mon, Ba Diem Project	2,661,060,000	2,661,060,000
Others	380,100,000	267,100,000
<b>TOTAL</b>	<b><u>119,364,094,540</u></b>	<b><u>118,463,529,751</u></b>
Provision for short-term doubtful debts	(2,374,342,045)	(3,774,342,045)
Provision for long-term doubtful debts	(2,661,060,000)	(2,661,060,000)

# Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

## 9. INVENTORIES

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

	30 June 2020		31 December 2019		VND
	Cost	Provision	Cost	Provision	
Terra Royal Project (i)	877,676,350,578	-	706,305,781,184	-	
The Stars Village, Long Thoi – Nha Be Project (ii)	557,096,433,814	-	564,388,100,447	-	
Thu Dau Mot Project	166,123,163,266	-	166,016,125,870	-	
Terra Flora Project	149,659,854,509	-	133,640,659,253	-	
6A Project	132,318,634,925	-	132,318,634,925	-	
Long Phuoc, District 9 Project (iii)	116,084,729,964	-	115,977,524,233	-	
Cua Lap Project - Ba Ria	39,256,327,380	-	48,473,112,221	-	
Lot 6, 7 & 8 – 6B Project	38,107,391,990	-	37,561,184,157	-	
Binh Trung Dong – District 2 Project	28,848,790,056	-	28,848,790,056	-	
Other projects	24,284,124,845	(16,545,266,701)	30,599,064,768	(17,110,866,701)	
<b>TOTAL</b>	<b>2,129,455,801,327</b>	<b>(16,545,266,701)</b>	<b>1,964,128,977,114</b>	<b>(17,110,866,701)</b>	

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

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

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

## 10. SHORT-TERM PREPAID EXPENSES

	30 June 2020		31 December 2019		VND
Commission expenses	17,800,945,720		19,708,925,494		
Others	2,436,516,251		443,842,936		
<b>TOTAL</b>	<b>20,237,461,971</b>		<b>20,152,768,430</b>		



# Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

## 11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total	VND
<b>Cost:</b>						
As at 31 December 2019	28,821,493,234	17,085,564,636	5,657,467,366	1,774,539,593	53,339,064,829	
Newly purchase	-	3,270,132,575	-	-	3,270,132,575	
Transfer from construction in progress	-	1,649,095,146	-	-	1,649,095,146	
As at 30 June 2020	28,821,493,234	22,004,792,357	5,657,467,366	1,774,539,593	58,258,292,550	
<i>In which:</i>						
Fully depreciated	4,280,813,180	5,647,970,448	3,840,210,043	1,400,394,544	15,169,388,215	
<b>Accumulated depreciation:</b>						
As at 31 December 2019	16,086,777,995	9,363,331,909	5,551,009,879	1,407,612,094	32,408,731,877	
Depreciation for the period	599,305,419	1,190,371,262	95,258,184	36,516,360	1,921,451,225	
As at 30 June 2020	16,686,083,414	10,553,703,171	5,646,268,063	1,444,128,454	34,330,183,102	
<b>Net carrying amount:</b>						
As at 31 December 2019	12,734,715,239	7,722,232,727	106,457,487	366,927,499	20,930,332,952	
As at 30 June 2020	12,135,409,820	11,451,089,186	11,199,303	330,411,139	23,928,109,448	

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

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

## 12. INTANGIBLE FIXED ASSETS

	VND		
	<i>Indefinite land use right (*)</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
As at 31 December 2019 and 30 June 2020	<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 2019	-	80,466,388	80,466,388
Amortisation for the period	-	<u>27,565,575</u>	<u>27,565,575</u>
As at 30 June 2020	-	<u>108,031,963</u>	<u>108,031,963</u>
<b>Net carrying amount:</b>			
As at 31 December 2019	<u>37,923,695,258</u>	<u>133,233,612</u>	<u>38,056,928,870</u>
As at 30 June 2020	<u>37,923,695,258</u>	<u>105,668,037</u>	<u>38,029,363,295</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).

## 13. INVESTMENT PROPERTIES

	VND
	<i>Land and buildings (*)</i>
<b>Cost:</b>	
As at 31 December 2019	67,077,080,348
Transfer from construction in progress	<u>376,340,369,883</u>
As at 30 June 2020	<u>443,417,450,231</u>
<b>Accumulated depreciation:</b>	
As at 31 December 2019	25,271,683,989
Depreciation for the period	<u>4,870,904,434</u>
As at 30 June 2020	<u>30,142,588,423</u>
<b>Net carrying amount:</b>	
As at 31 December 2019	<u>41,805,396,359</u>
As at 30 June 2020	<u>413,274,861,808</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2020. 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

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

## 13. 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	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Net rental income generating from leasing of investment properties	18,388,714,174	4,678,894,320
Direct operating expenses of investment properties that generated rental income during the period	(5,212,068,790)	(1,596,649,345)
<b>NET</b>	<b>13,176,645,384</b>	<b>3,082,244,975</b>

## 14. CONSTRUCTION IN PROGRESS

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

	VND	
	30 June 2020	31 December 2019
Construction expenses	460,640,517,035	786,572,895,346
Land use rights	386,975,643,552	522,268,186,277
Interest expenses	175,823,470,186	164,891,788,966
Others	2,014,917,598	3,392,446,430
<b>TOTAL</b>	<b>1,025,454,548,371</b>	<b>1,477,125,317,019</b>

## 15. LONG-TERM INVESTMENTS

	VND	
	30 June 2020	31 December 2019
Investment in an associate (Note 15.1)	18,404,274,957	18,824,699,298
Investments in other entities (Note 15.2)	58,916,500,000	59,105,320,000
Bonds (*)	500,000,000	500,000,000
Provision for diminution in long-term investments (Note 15.2)	(8,925,000,000)	(8,925,000,000)
<b>TOTAL</b>	<b>68,895,774,957</b>	<b>69,505,019,298</b>

(\*) This is the investment in 500 bonds issued by Vietnam Bank for Agriculture and Rural Development, which is matured on 24 September 2026 and earns interest at the rate of 8.1% per annum.

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

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

**15.1 Investment in an associate**

	<u>30 June 2020</u>		<u>31 December 2019</u>	
	<i>% ownership</i>	<i>% voting rights</i>	<i>% ownership</i>	<i>% voting rights</i>
Long Binh Construction - Trading - Producing Joint Stock Company ("LB")	36.36	36.36	36.36	36.36

Details of the investment in an associate are presented as follow:

VND  
LB

**Cost of investment:**

As at 31 December 2019 and as at 30 June 2020 21,000,000,000

**Accumulated share in post-acquisition loss of the associate:**

As at 31 December 2019 (2,175,300,702)  
Dividend declared (400,000,000)  
Share in post-acquisition loss of the associate (20,424,341)  
As at 30 June 2020 (2,595,725,043)

**Net carrying amount:**

As at 31 December 2019 18,824,699,298  
As at 30 June 2020 18,404,274,957

## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

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

#### 15.2 Investments in other entities

	30 June 2020				31 December 2019					
	Original amount VND	Provision VND	Carrying amount VND	Number of shares ownership	% ownership	Original amount VND	Provision VND	Carrying amount VND	Number of shares ownership	% ownership
Gia Dinh Development Investment Corporation	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.61	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.61
Dai Phu Loc Project Investment Company Limited	16,350,000,000	-	16,350,000,000	-	5.00	16,350,000,000	-	16,350,000,000	-	5.00
Bac Trung Nam Housing Development Joint Stock Company	5,466,500,000	-	5,466,500,000	54,665	10.93	5,466,500,000	-	5,466,500,000	54,665	10.93
Saigon Mangden Joint Stock Company	3,100,000,000	-	3,100,000,000	310,000	1.61	3,100,000,000	-	3,100,000,000	310,000	1.61
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	-	-	-	-	-	188,820,000	-	188,820,000	18,882	0.06
<b>TOTAL</b>	<b>58,916,500,000</b>	<b>(8,925,000,000)</b>	<b>49,991,500,000</b>			<b>59,105,320,000</b>	<b>(8,925,000,000)</b>	<b>50,180,320,000</b>		

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

**16. BORROWING COSTS**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Capitalized in real estate projects	35,641,088,212	41,118,465,174
Interest expense (Note 27)	3,634,888,716	7,509,860,371
<b>TOTAL</b>	<b><u>39,275,976,928</u></b>	<b><u>48,628,325,545</u></b>

**17. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Trade payables to other parties	110,637,606,106	76,076,538,144
- Phu Phu Suong Co., Ltd	16,196,092,850	5,605,483,010
- Nguyen Khang Electrical Technology Trading Company Limited	16,009,617,565	17,227,767,917
- Phu Phu Bao Co., Ltd	12,193,351,221	4,829,244,754
- Hai Hung Steel One-member Co., Ltd.	7,508,609,633	4,902,436,605
- Others	58,729,934,837	43,511,605,858
Trade payables to a related party (Note 32)	1,560,654,545	1,560,654,545
<b>TOTAL</b>	<b><u>112,198,260,651</u></b>	<b><u>77,637,192,689</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 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>	<b>1,071,716,091,441</b>	<b>966,647,452,757</b>
Terra Royal Project	1,011,485,763,337	897,374,220,085
The Stars Village, Long Thoi - Nha Be Project	24,227,489,923	28,846,246,059
Lot 6, 7 & 8 - 6B Project	8,344,655,800	8,622,136,300
Cua Lap Project	-	18,500,000,000
Other projects	27,658,182,381	13,304,850,313
<b>Long-term</b>	<b>162,217,008,569</b>	<b>160,266,641,569</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
Terra Flora Project	13,201,543,000	11,251,176,000
Binh Trung Dong - District 2 Project	8,601,378,000	8,601,378,000
Other projects	6,395,239,869	6,395,239,869
<b>TOTAL</b>	<b><u>1,233,933,100,010</u></b>	<b><u>1,126,914,094,326</u></b>
<i>In which:</i>		
Other parties	1,217,419,990,284	1,113,400,984,600
Related parties (Note 32)	16,513,109,726	13,513,109,726

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

**19. STATUTORY OBLIGATIONS**

				VND
	31 December 2019	Payable for the period	Payment made during the period	30 June 2020
Value-added tax	17,019,637,895	11,055,103,182	(524,917,740)	27,549,823,337
Corporate income tax	14,112,448,107	8,103,137,038	(5,000,000,000)	17,215,585,145
Personal income tax	484,446,300	810,056,312	(1,015,248,625)	279,253,987
Other taxes	1,682,209,701	512,549,258	(51,587,786)	2,143,171,173
<b>TOTAL</b>	<b><u>33,298,742,003</u></b>	<b><u>20,480,845,790</u></b>	<b><u>(6,591,754,151)</u></b>	<b><u>47,187,833,642</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

		VND
	30 June 2020	31 December 2019
Construction costs	111,118,164,143	95,257,069,125
Penalty for late payment	37,029,639,910	37,029,639,910
Interest expense	4,463,285,651	2,351,526,178
Others	1,687,799,593	3,087,867,501
<b>TOTAL</b>	<b><u>154,298,889,297</u></b>	<b><u>137,726,102,714</u></b>

**21. OTHER PAYABLES**

		VND
	30 June 2020	31 December 2019
<b>Short term</b>	<b>45,181,023,015</b>	<b>55,036,396,400</b>
Maintenance fees of Terra Royal Project	22,544,503,000	5,971,809,000
Dividends payable	10,162,994,979	37,810,489,758
Deposits received	5,362,656,000	3,602,656,000
Others	7,110,869,036	7,651,441,642
<b>Long-term</b>	<b>27,538,473,660</b>	<b>27,500,857,660</b>
Deposits received	27,538,473,660	27,500,857,660
<b>TOTAL</b>	<b><u>72,719,496,675</u></b>	<b><u>82,537,254,060</u></b>

Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

22. LOANS	31 December 2019	Drawdown	Repayment	Reclassification	VND 30 June 2020
<b>Short-term</b>	<b>666,365,042,509</b>	<b>5,000,000,000</b>	<b>(134,954,493,479)</b>	<b>100,000,000,000</b>	<b>636,410,549,030</b>
Bank loans (Note 22.1)	376,015,042,509	-	(58,336,573,200)	-	317,678,469,309
Current portion of long-term loans (Note 22.2)	235,000,000,000	-	(73,817,920,279)	100,000,000,000	261,182,079,721
Loans from individuals (Note 22.3)	55,350,000,000	5,000,000,000	(2,800,000,000)	-	57,550,000,000
<b>Long-term</b>	<b>160,000,000,000</b>	<b>-</b>	<b>-</b>	<b>(100,000,000,000)</b>	<b>60,000,000,000</b>
Bank loans (Note 22.2)	160,000,000,000	-	-	(100,000,000,000)	60,000,000,000
<b>TOTAL</b>	<b>826,365,042,509</b>	<b>5,000,000,000</b>	<b>(134,954,493,479)</b>	<b>-</b>	<b>696,410,549,030</b>



## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

### 22. LOANS (continued)

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

Lenders	30 June 2020	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>					
Loan Contract No.23752/19MIN/HĐTD dated 31 Jul 2019	200,000,000,000 VND	8 August 2020	To finance Terra Royal project	11.4	<ul style="list-style-type: none"> <li>Receivables arising from land lots sale contract at Long Thoi - Nha Be project (Note 5)</li> <li>Land use rights, associated assets and benefits arising from Terra Royal project (Note 9)</li> </ul>
<b>Bank for Investment and Development of Vietnam</b>					
Loan contract no. 01/2019/93512/HĐTD	51,978,469,309 VND	11 September 2020	Finance for the development of its real estate projects and working capital requirements	10	<ul style="list-style-type: none"> <li>Land use rights of 10,473 square meters at Long Phuoc, District 9, Ho Chi Minh City (Note 9)</li> <li>Land use rights at An Phu Ward and Block C, An Khang Building, Street 19, An Phu Ward, District 2, Ho Chi Minh City (Note 13)</li> <li>Land use rights of 24,673 square meters at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 9)</li> </ul>

## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

### 22. LOANS (continued)

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

Lenders	30 June 2020	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND				
<b>Lien Viet Post Joint Stock Commercial Bank</b>					
Loan Contract No. HDTD5002019292 dated 29 July 2019	40,700,000,000	28 July 2020	Finance for the development of its real estate projects and working capital requirements	9.4	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12)</li> <li>Land use rights and associated assets of Block A and B, An Khang Building, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City (Notes 13)</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	29 October 2020	Finance for Terra Royal Project	9	<ul style="list-style-type: none"> <li>Land use rights and associate assets at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 12)</li> <li>Land use rights and associated assets of 482.4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 13)</li> <li>Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 9)</li> <li>Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 9)</li> </ul>
<b>TOTAL</b>	<b>317,678,469,309</b>				

## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

### 22. LOANS (continued)

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

Lender	30 June 2020	Principal repayment term	Interest rate % p.a.	Description of collateral
<b>Ho Chi Minh City Development Joint Stock Commercial Bank</b>				
Loan Contract No. 1555/19MN/HĐTD	156,300,000,000 VND	29 January 2021	11	• Receivables arising from sale contract at Long Thoi - Nha Be project (Note 5)
Loan Contract No. 04660/18MN/HĐTD	69,882,079,721 VND	13 September 2020		• Land use rights, associated assets and benefits arising from Terra Royal project (Note 9)
<b>Vietnam Bank for Agricultural and Rural Development</b>				
Loan Contract No. 6220-LAV-201800866 dated 26 October 2018	95,000,000,000 VND	From 26 October 2020 to 26 October 2023	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 12)</li> <li>• Land use rights and associated assets of 482,4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Note 13)</li> <li>• Land use rights of 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 9)</li> <li>• Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 9)</li> </ul>
<b>TOTAL</b>	<b>321,182,079,721</b>			
<i>In which:</i>				
Current portion	261,182,079,721			
Long-term loan	60,000,000,000			

## Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

### 22. LOANS (continued)

#### 22.3 Details of short-term loans from individuals are as follows:

Lenders	Ending balance	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
<b>Ms. Le Thi Tram Anh (Note 32)</b>					
Loan contract No.1080/ĐTKDN/HĐVV dated 10 October 2019	25,000,000,000 VND	30 June 2021	To finance Terra Royal project	5.4	Unsecured
Loan contract dated 20 August 2018	16,200,000,000	30 June 2021	To finance Terra Royal project	5.4	Unsecured
<b>Mr. Mai Hai Son</b>					
Loan contract No. 03/HĐVV dated 27 June 2019	16,350,000,000	30 June 2021	To contribute charter capital of Dai Phu Loc Project Investment Company Limited	0	Unsecured
<b>TOTAL</b>	<b>57,550,000,000</b>				

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

**23. BONUS AND WELFARE FUND**

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
As at 1 January	7,738,859,288	332,694,435
Appropriation from undistributed earnings	2,334,448,510	8,052,949,443
Appropriation from profit attributable to non-controlling interests	-	1,132,665,410
Utilization of fund	<u>(929,775,000)</u>	<u>(1,038,450,000)</u>
<b>As at 30 June</b>	<b><u>9,143,532,798</u></b>	<b><u>8,479,859,288</u></b>

# Investment and Trading of Real Estate Joint Stock Company

B09a-DN/HN

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

## 24. OWNERS' EQUITY

### 24.1 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 2019</b>								
As at 31 December 2019	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)	
Profit 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	
<b>For the six-month period ended 30 June 2020</b>								
As at 31 December 2019	690,866,880,000	748,683,126,824	(9,825,117,611)	70,014,060,401	2,987,605,855	152,669,939,205	1,655,396,494,674	
New issuance (*)	34,321,150,000	-	-	-	-	(34,321,150,000)	-	
Net profit for the period	-	-	-	-	-	29,497,196,658	29,497,196,658	
Profit appropriation	-	-	-	5,492,348,454	-	(5,492,348,454)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(2,334,448,510)	(2,334,448,510)	
Other decrease	-	-	-	-	-	(1,167,224,255)	(1,167,224,255)	
As at 30 June 2020	725,188,030,000	748,683,126,824	(9,825,117,611)	75,506,408,855	2,987,605,855	138,851,964,644	1,681,392,018,567	

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

## 24. OWNERS' EQUITY (continued)

### 24.1 Increase and decrease in owners' equity (continued)

(\*) In accordance with the Annual General Meeting Resolution No. 01/NQ-ĐHĐCĐ dated 25 April 2019 and the Board of Directors Resolution No. 06/QĐ-HĐQT dated 9 March 2020, the Company issued 3,432,115 shares to pay the second dividend of 2018 to its existing shareholders.

Accordingly, the Company's registered share capital was increased from VND 690,866,880,000 to VND 725,188,030,000, as approved in the 12<sup>th</sup> amended ERC issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 2020.

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

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
		VND
Contributed share capital	<u>725,188,030,000</u>	<u>690,866,880,000</u>
Dividends declared	-	34,323,164,000
Dividends paid	27,647,494,779	70,384,610,947

### 24.3 Shares - ordinary shares

	<i>As at 30 June 2020</i>		<i>As at 31 December 2019</i>	
	<i>Quantity</i>	<i>Amount VND</i>	<i>Quantity</i>	<i>Amount VND</i>
<b>Authorized shares</b>	<b>72,518,803</b>	<b>725,188,030,000</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>	72,518,803	725,188,030,000	69,086,688	690,866,880,000
<b>Treasury shares</b>				
<i>Ordinary shares</i>	440,360	9,825,117,611	440,360	9,825,117,611
<b>Shares in circulation</b>				
<i>Ordinary shares</i>	72,078,443	715,362,912,389	68,646,328	681,041,762,389

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

## 24. OWNERS' EQUITY (continued)

### 24.4 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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Net profit after tax (VND)	29,497,196,658	15,328,272,170
Appropriation to bonus and welfare fund (*)	-	(1,167,224,255)
Net profit attributable to ordinary equity holders of the Company (VND)	29,497,196,658	14,161,047,915
Weighted average number of ordinary shares in circulation (shares)	<u>72,078,443</u>	<u>72,078,443</u>
Basic earnings per share (VND/share)	409	206
Diluted earnings per share (VND/share)	409	206

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 2019 was restated following the actual distribution to bonus and welfare funds from 2019 retained earnings as approved in accordance with the Annual General Meeting's Resolution No. 01/NQ-ĐHĐCĐ on 30 June 2020.

Net profit used to compute earnings per share for the six-month period ended 30 June 2020 was not adjusted for distribution to Bonus and welfare funds from 2020 profit as the Annual General Meeting's Resolution is not yet available.

Weighted average number of ordinary shares for the six-month period ended 30 June 2019 was restated to reflect the issuance of shares appropriated from undistribution earnings at the ratio of 5% per shares in 2020.

### 24.5 Non-controlling interest

	<i>Non-controlling interests in subsidiaries</i>			<i>VND</i>
	<i>IC</i>	<i>SGBD</i>	<i>Royal</i>	<i>Total</i>
<b>As at 30 June 2020</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	<u>(6,112,543,835)</u>	<u>(3,104,281,873)</u>	<u>(1,404,390,341)</u>	<u>(10,621,216,049)</u>
<b>TOTAL</b>	<u><b>783,737,921</b></u>	<u><b>103,935,718,127</b></u>	<u><b>48,595,609,659</b></u>	<u><b>153,315,065,707</b></u>
<b>For the six-month period ended 30 June 2020</b>				
Profit (loss) for the period	<u>(853,263,863)</u>	<u>386,282,507</u>	<u>(1,496,998,259)</u>	<u>(1,963,979,615)</u>



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

## 25. REVENUE

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Gross revenue</b>	<b><u>221,805,186,140</u></b>	<b><u>110,551,971,952</u></b>
<i>In which:</i>		
<i>Sale of real estate properties</i>	110,527,064,806	64,392,588,853
<i>Revenue from construction contracts</i>	82,882,096,335	39,177,742,597
<i>Revenue from rental services</i>	22,770,365,594	4,678,894,320
<i>Revenue from other services</i>	5,625,659,405	2,302,746,182
<b>Less</b>		
Sales deduction	(4,381,651,420)	-
<b>Net revenue</b>	<b><u>217,423,534,720</u></b>	<b><u>110,551,971,952</u></b>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	110,527,064,806	64,392,588,853
<i>Revenue from construction contracts</i>	82,882,096,335	39,177,742,597
<i>Revenue from rental services (Note 13)</i>	18,388,714,174	4,678,894,320
<i>Revenue from other services</i>	5,625,659,405	2,302,746,182

### 25.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest income	1,032,175,704	5,375,773,118
Profit on stock trading	68,850,000	-
Others	868,461	11,079,018
<b>TOTAL</b>	<b><u>1,101,894,165</u></b>	<b><u>5,386,852,136</u></b>

## 26. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of real estate properties	66,047,987,477	53,088,630,297
Cost of construction services	79,229,210,256	27,823,384,136
Cost of rental services (Note 13)	5,212,068,790	1,596,649,345
Cost of other services	13,102,609,024	1,158,397,740
<b>TOTAL</b>	<b><u>163,591,875,547</u></b>	<b><u>83,667,061,518</u></b>

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

**27. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest expense	3,634,888,716	7,509,860,371
Others	393,140	59,838
<b>TOTAL</b>	<b><u>3,635,281,856</u></b>	<b><u>7,509,920,209</u></b>

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Selling expenses</b>	<b>2,457,566,011</b>	<b>2,075,584,036</b>
Sale commission	1,958,761,774	2,046,984,036
Others	498,804,237	28,600,000
<b>General and administrative expenses</b>	<b>20,838,170,308</b>	<b>13,188,080,815</b>
Labour costs	11,482,606,338	6,985,854,657
External service fee	6,044,603,509	3,297,749,618
Depreciation	673,507,563	613,154,088
Reversal of provision for bad debt	(1,400,000,000)	(210,308,646)
Others	4,037,452,898	2,501,631,098
<b>TOTAL</b>	<b><u>23,295,736,319</u></b>	<b><u>15,263,664,851</u></b>

**29. OTHER INCOME AND EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Other income</b>	<b>7,099,769,120</b>	<b>10,825,984,745</b>
Reversal of project warranty provision	4,934,982,921	4,897,519,427
Penalty for contract violation	622,062,037	2,328,036,000
Payables written-off	-	1,294,835,621
Others	1,542,724,162	2,305,593,697
<b>Other expenses</b>	<b>(1,759,347,404)</b>	<b>(9,951,216,109)</b>
Interest on late tax payment	(247,104,472)	(7,000,028,820)
Others	(1,512,242,932)	(2,951,187,289)
<b>NET OTHER PROFIT</b>	<b><u>5,340,421,716</u></b>	<b><u>874,768,636</u></b>

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

### 30. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Project development cost	66,047,987,477	53,088,630,297
External service fee	90,485,882,555	31,121,133,754
Labour cost	11,482,606,338	6,985,854,657
Depreciation and amortisation (Notes 11, 12 and 13)	6,819,921,234	2,872,471,947
Sales commission	1,958,761,774	2,046,984,036
Reversal of provision for bad debt	(1,400,000,000)	(210,308,646)
Others	11,492,452,488	3,025,960,324
<b>TOTAL</b>	<b><u>186,887,611,866</u></b>	<b><u>98,930,726,369</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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Current tax expense	8,076,688,525	3,269,769,394
Adjustment for under accrual of tax from prior years	17,536,425	-
Deferred tax income	(2,304,909,455)	(2,581,988,402)
<b>TOTAL</b>	<b><u>5,789,315,495</u></b>	<b><u>687,780,992</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Accounting profit before tax</b>	<b>33,322,532,538</b>	<b>10,224,513,493</b>
At CIT rate applied for the Company	4,491,333,773	2,044,902,698
<i>Adjustments to increase:</i>		
Unrecognized deferred tax assets for tax losses carried forward	1,197,541,607	345,369,129
Non-deductible expenses	78,818,822	1,919,203,919
Adjustment for under accrual of tax from prior year	17,536,425	-
Share of profits from associates	4,084,868	29,686,531
<i>Adjustments to decrease:</i>		
Utilization of tax losses carried forward	-	(3,459,562,446)
Others	-	(191,818,839)
<b>CIT expense</b>	<b>5,789,315,495</b>	<b>687,780,992</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 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Internal unrealised profit	20,654,533,818	18,354,098,963	2,300,434,855	2,578,322,002
Accrual for severance pay	195,075,000	190,600,400	4,474,600	3,666,400
<b>Deferred tax assets</b>	<b>20,849,608,818</b>	<b>18,544,699,363</b>		
<b>Net deferred tax income</b>			<b>2,304,909,455</b>	<b>2,581,988,402</b>

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

### 32. TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Transaction	VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Ms. Le Thi Tram Anh	Related party	Loan	5,000,000,000	-
		Loan repayment	2,800,000,000	-
		Loan interest	1,077,248,218	376,964,384
Ms. Truong Thi Minh Nguyen	Related party	Lending collection	2,500,000,000	1,000,000,000
		Interest income	916,032,877	1,174,301,372
Long Binh Construction – Trading – Producing Joint Stock Company	Associate	Dividend	400,000,000	-
Member of Board of Directors	General Director	Advance	-	13,000,000,000
Future Architectures Design Joint Stock Company	Significant shareholder	Design expenses	-	11,689,405,379

#### 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 2020, 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:

Related parties	Relationship	Nature of transaction	VND	
			30 June 2020	31 December 2019
<b>Short-term trade receivable</b>				
Ms. Le Thi Tram Anh	Related party	Purchase land lots	<u>4,101,231,043</u>	<u>4,101,231,043</u>
<b>Advance to suppliers</b>				
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	37,422,212,134	31,041,200,134
Long Binh Joint Stock Company	Associate	Compensation for land	<u>13,299,197,600</u>	<u>15,299,197,600</u>
			<b><u>50,721,409,734</u></b>	<b><u>46,340,397,734</u></b>

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

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

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

Related parties	Relationship	Nature of transaction	VND	
			30 June 2020	31 December 2019
<b>Short-term loan receivable</b>				
Ms. Truong Thi Minh Nguyet	Related party	Lending	<u>46,400,000,000</u>	<u>48,900,000,000</u>
<b>Other short-term receivables</b>				
Member of Board of Directors	General Director	Advance	56,850,000,000	56,850,000,000
Ms. Truong Thi Minh Nguyet	Related party	Interest income	<u>2,090,334,249</u>	<u>1,174,301,372</u>
			<b><u>58,940,334,249</u></b>	<b><u>58,024,301,372</u></b>
<b>Short-term trade payable</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>Short-term advance from customers</b>				
Ms. Le Thi Tram Anh	Related party	Purchase apartments	16,000,000,000	13,000,000,000
Ms. Truong Thi Minh Nguyet	Related party	Purchase land lots	<u>513,109,726</u>	<u>513,109,726</u>
			<b><u>16,513,109,726</u></b>	<b><u>13,513,109,726</u></b>
<b>Short-term loan</b>				
Ms. Le Thi Tram Anh	Related party	Loan	<u>41,200,000,000</u>	<u>39,000,000,000</u>

#### Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Salaries and bonus	<u>3,214,480,196</u>	<u>2,593,070,455</u>

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

**33. CAPITAL COMMITMENT RELATED TO SIGNIFICANT INVESTMENT COSTS**

At 30 June 2020, the Group had outstanding commitments VND 466,476,062,044 (31 December 2019: VND 567,331,495,293) relating to the development cost of ongoing residential projects.

**34. OFF BALANCE SHEET ITEMS**

As at 30 June 2020, the Group had bad debts written-off relating to An Suong Project, Concrete Project, Ba Ria Vung Tau Radio, Television Broadcasting Project and others with the amount of VND 2,324,377,287, VND 1,724,448,946, VND 1,130,613,959 and VND 62,251,130 respectively.

**35. 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 Tuấn  
General Director

28 August 2020

