

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

Interim separate financial statements

For the six-month period ended 30 June 2020

# Investment and Trading of Real Estate Joint Stock Company

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# Investment and Trading of Real Estate Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

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

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

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

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

### BOARD OF DIRECTORS

Members of the Board of Directors during the 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. 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 separate financial statements of the Company for the six-month period ended 30 June 2020.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2020 and of the interim separate results of its operations and its interim separate 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 separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. Concurrently, the Company has also prepared of the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020 ("interim consolidated financial statement") dated 28 August 2020.

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

For and on behalf of management:



Truong Minh Thuan  
General Director

28 August 2020

Reference: 60792124/21894663/LR

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

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

We have reviewed the accompanying interim separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as prepared on 28 August 2020 and set out on pages 5 to 42, which comprise the interim separate balance sheet as at 30 June 2020, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

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

The Company's management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim separate 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 separate 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2020, and of the interim separate results of its operations and its interim separate 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 separate 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 2020

INTERIM SEPARATE 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>2,294,694,318,365</b>	<b>2,208,383,492,895</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>6,867,763,887</b>	<b>39,548,535,234</b>
111	1. Cash		6,867,763,887	39,548,535,234
<b>130</b>	<b>II. Current accounts receivables</b>		<b>404,568,043,136</b>	<b>425,589,902,031</b>
131	1. Short-term trade receivables	5	102,181,620,470	96,525,142,015
132	2. Short-term advances to suppliers	6	212,948,747,241	229,507,071,710
136	3. Other short-term receivables	7	92,481,059,425	104,001,072,306
137	4. Provision for doubtful short-term receivables	5, 7	(3,043,384,000)	(4,443,384,000)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>1,865,457,565,622</b>	<b>1,723,536,130,136</b>
141	1. Inventories		1,880,308,917,875	1,738,953,082,389
149	2. Provision for obsolete inventories		(14,851,352,253)	(15,416,952,253)
<b>150</b>	<b>IV. Other current asset</b>		<b>17,800,945,720</b>	<b>19,708,925,494</b>
151	1. Short-term prepaid expenses	9	17,800,945,720	19,708,925,494
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,944,858,227,392</b>	<b>2,029,010,921,401</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>15,620,247,809</b>	<b>20,620,247,809</b>
216	1. Other long-term receivables	7	18,281,307,809	23,281,307,809
219	2. Provision for doubtful long-term receivables	5, 7	(2,661,060,000)	(2,661,060,000)
<b>220</b>	<b>II. Fixed assets</b>		<b>48,124,897,245</b>	<b>48,689,436,969</b>
221	1. Tangible fixed assets	10	10,551,818,995	11,116,358,719
222	Cost		32,213,089,751	32,213,089,751
223	Accumulated depreciation		(21,661,270,756)	(21,096,731,032)
227	2. Intangible fixed assets	11	37,573,078,250	37,573,078,250
228	Cost		37,573,078,250	37,573,078,250
<b>230</b>	<b>III. Investment properties</b>	<b>12</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>IV. Long-term asset in progress</b>		<b>1,027,690,950,973</b>	<b>1,473,732,870,589</b>
242	1. Construction in progress	13	1,027,690,950,973	1,473,732,870,589
<b>250</b>	<b>V. Long-term investments</b>	<b>14</b>	<b>439,666,702,213</b>	<b>443,649,977,705</b>
251	1. Investments in subsidiaries		376,960,000,000	376,960,000,000
252	2. Investment in associate		21,000,000,000	21,000,000,000
253	3. Investments in other entities		58,916,500,000	59,105,320,000
254	4. Provision for diminution in value of long-term investments		(17,709,797,787)	(13,915,342,295)
255	5. Held-to-maturity investments		500,000,000	500,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>480,567,344</b>	<b>512,991,970</b>
261	1. Long-term prepaid expenses		107,216,988	144,116,214
262	2. Deferred tax assets	29.3	373,350,356	368,875,756
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,239,552,545,757</b>	<b>4,237,394,414,296</b>

INTERIM SEPARATE 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>2,556,034,131,872</b>	<b>2,576,257,176,137</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,310,878,889,061</b>	<b>2,237,112,289,326</b>
311	1. Short-term trade payables	16	124,865,935,730	132,355,044,313
312	2. Short-term advances from customers	17	1,156,095,100,618	966,647,452,757
313	3. Statutory obligations	18	43,227,985,504	26,107,090,715
315	4. Short-term accrued expenses	19	137,895,859,181	124,319,815,170
318	5. Short-term unearned revenues		647,320,030	669,168,304
319	6. Other short-term payables	20	63,267,178,337	55,014,163,437
320	7. Short-term loans	21	780,910,549,030	930,365,042,509
322	8. Bonus and welfare fund		3,968,960,631	1,634,512,121
<b>330</b>	<b>II. Non-current liabilities</b>		<b>245,155,242,811</b>	<b>339,144,886,811</b>
332	1. Long-term advances from customers	17	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 payables	20	15,042,300,340	11,004,684,340
338	4. Long-term loans	21	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>1,683,518,413,885</b>	<b>1,661,137,238,159</b>
<b>410</b>	<b>I. Capital</b>	<b>22.1</b>	<b>1,683,518,413,885</b>	<b>1,661,137,238,159</b>
411	1. Share capital		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		748,683,126,824	748,683,126,824
415	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
418	4. Investment and development fund		72,518,803,000	67,026,454,546
421	5. Undistributed earnings		146,953,571,672	164,385,894,400
421a	- Undistributed earnings by the end of prior period		121,070,723,181	50,607,763,395
421b	- Undistributed earnings of current period		25,882,848,491	113,778,131,005
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,239,552,545,757</b>	<b>4,237,394,414,296</b>

Pham Van Khanh  
Preparer

Doan Huu Chi  
Chief Accountant

Truong Minh Thuan  
General Director

28 August 2020




INTERIM SEPARATE INCOME STATEMENT  
for the 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
10	1. Net revenue from sale of goods and rendering of services	23.1	190,062,690,463	110,574,844,231
11	2. Cost of goods sold and services rendered	24	(138,970,381,468)	(85,367,538,775)
20	3. Gross profit from sale of goods and rendering of services		51,092,308,995	25,207,305,456
21	4. Finance income	23.2	548,607,078	16,978,431,632
22	5. Finance expenses	25	(7,884,946,567)	(8,991,330,615)
23	In which: Interest expense		(4,090,491,075)	(7,502,265,851)
25	6. Selling expenses	26	(1,958,761,774)	(2,075,584,036)
26	7. General and administrative expenses	27	(9,557,192,045)	(9,846,561,490)
30	8. Operating profit		32,240,015,687	21,272,260,947
31	9. Other income		5,858,345,157	6,467,399,228
32	10. Other expenses		(4,842,180,834)	(9,813,553,327)
40	11. Other profit (loss)		1,016,164,323	(3,346,154,099)
50	12. Accounting profit before tax		33,256,180,010	17,926,106,848
51	13. Current corporate income tax expense	29.1	(7,377,806,119)	-
52	14. Deferred tax income	29.3	4,474,600	3,666,400
60	15. Net profit after tax		25,882,848,491	17,929,773,248


  
Pham Van Khanh  
Preparer


  
Doan Huu Chi  
Chief Accountant


  
Trương Minh Thuận  
General Director


28 August 2020

INTERIM SEPARATE CASH FLOW STATEMENT  
for the 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>			
01	<b>Accounting profit before tax</b>		<b>33,256,180,010</b>	<b>17,926,106,848</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	10, 12	5,435,444,158	1,906,081,332
03	Provisions (reversal of provisions)		1,806,482,492	(898,581,195)
05	Profits from investing activities		(479,757,078)	(16,978,431,632)
06	Interest expenses	25	4,090,491,075	7,502,265,851
08	<b>Operating income before changes in working capital</b>		<b>44,108,840,657</b>	<b>9,457,441,204</b>
09	Increase in receivables		(79,311,471,479)	(66,039,555,780)
10	Increase in inventories		(31,761,877,341)	(26,067,476,810)
11	Increase in payables		238,674,665,908	166,751,426,742
12	Decrease (increase) in prepaid expenses		1,944,879,000	(2,130,089,648)
14	Interest paid		(44,706,855,724)	(51,628,409,095)
15	Corporate income tax paid	18	(1,000,000,000)	(2,675,060,839)
20	<b>Net cash flows from operating activities</b>		<b>127,948,181,021</b>	<b>27,668,275,774</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		-	(84,193,351,914)
25	Proceeds from investments in other entities		-	(230,760,856,762)
26	Proceeds from sale of investments in other entities		188,820,000	-
27	Interest and dividends received		479,757,078	5,078,431,632
30	<b>Net cash flows from (used in) investing activities</b>		<b>668,577,078</b>	<b>(309,875,777,044)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	21	5,000,000,000	552,115,042,509
34	Repayment of borrowings	21	(138,232,076,796)	(253,451,985,100)
36	Dividends paid	22.2	(28,065,452,650)	(68,284,610,947)
40	<b>Net cash flows (used in) from financing activities</b>		<b>(161,297,529,446)</b>	<b>230,378,446,462</b>

INTERIM SEPARATE CASH FLOW STATEMENT (continued)  
for the 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 and cash equivalents		(32,680,771,347)	(51,829,054,808)
60	Cash at beginning of the period		39,548,535,234	77,336,422,978
70	Cash at end of period	4	6,867,763,887	25,507,368,170



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Truong Minh Thuan  
General Director

28 August 2020

## NOTES TO THE INTERIM SEPARATE 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/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 number of the Company's employees as at 30 June 2020 was 108 (31 December 2019: 122).

**2. BASIS OF PREPARATION****2.1 Purpose of preparing the interim separate financial statements**

The Company has three subsidiaries as disclosed in Note 13.1. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020 dated 28 August 2020.

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

**2.2 Accounting standards and system**

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

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

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

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

**2. BASIS OF PREPARATION** (continued)

**2.3 Applied accounting documentation system**

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

**2.4 Fiscal year**

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

**2.5 Accounting currency**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash**

Cash 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 of inventory properties 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 separate balance sheet date.

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

**3.3 Receivables**

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

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

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

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

#### 3.4 *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 separate income statement as incurred.

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

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

##### *Land use rights*

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

#### 3.6 *Depreciation and amortisation*

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

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

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

#### 3.7 *Investment properties*

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

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

NOTES TO THE INTERIM SEPARATE 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)

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
--------------------	---------------

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 separate income statement in the period of retirement or disposal 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 separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

#### 3.10 *Investment*

##### *Investment in subsidiaries*

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

##### *Investments in associates*

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting. Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognized as income in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

NOTES TO THE INTERIM SEPARATE 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 *Investment* (continued)

##### *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 expense in the interim separate income statement and deducted against the value of such investments.

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

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

Increases and decreases to the provision balance are recorded as finance expense in the interim separate 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 Company.

#### 3.12 *Accrual for severance pay*

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

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

#### 3.13 *Treasury shares*

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

#### 3.14 *Appropriation of net profit*

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

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

##### *Investment and development fund*

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

##### *Bonus and welfare fund*

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



NOTES TO THE INTERIM SEPARATE 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 Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of completed property*

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

##### *Construction contract*

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

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

##### *Rental income*

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

##### *Interest*

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

##### *Dividends*

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

#### 3.16 Taxation

##### *Current income tax*

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

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

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

NOTES TO THE INTERIM SEPARATE 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*

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

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 separate balance sheet date.

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

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

- ▶ Either the same taxable entity; or
- ▶ When the Company intends either to 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 SEPARATE 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 Segment information

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

#### 3.18 Related parties

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

### 4. CASH

	VND	
	30 June 2020	31 December 2019
Cash on hand	2,431,608,726	1,099,500,978
Cash in banks	4,436,155,161	38,449,034,256
<b>TOTAL</b>	<b>6,867,763,887</b>	<b>39,548,535,234</b>

### 5. SHORT TERM TRADE RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Customers of Long Thoi Project (*)	60,009,499,527	60,746,594,527
Customers of Terra Royal Project	14,569,478,345	20,462,111,856
Customers of 6B Project	8,555,061,669	9,268,045,015
Nam Hai Construction Co., Ltd	7,319,414,000	-
Trade receivables from other parties	11,728,166,929	6,048,390,617
<b>TOTAL</b>	<b>102,181,620,470</b>	<b>96,525,142,015</b>
Provision for doubtful short-term receivables	(733,384,000)	(733,384,000)
<b>NET</b>	<b>101,448,236,470</b>	<b>95,791,758,015</b>
<i>In which:</i>		
<i>Other parties</i>	93,301,643,063	92,423,910,972
<i>Related parties (Note 30)</i>	8,879,977,407	4,101,231,043

(\*) Receivables arising from land lots sale contract at Long Thoi – Nha Be project were pledged to obtain the loans from commercial bank (Note 21).

NOTES TO THE INTERIM SEPARATE 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	7,367,945,400	63,531,400
Receivables from rental activities	4,778,746,364	-
Others	1,222,078,202	794,374,000
<b>TOTAL</b>	<b><u>102,181,620,470</u></b>	<b><u>96,525,142,015</u></b>

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

	VND	
	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 (i)	262,300,000	318,400,000
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
<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	74,779,753,173	86,138,077,642
Thai Duong Construction & Trading JSC	20,000,000,000	20,000,000,000
Saigon Vien Dong Limited Company	12,927,603,431	12,927,603,431
Hoang Trang Electric Co., Ltd.	10,334,500,000	10,334,500,000
Others	31,517,649,742	42,875,974,211
Related parties (Note 30)	138,168,994,068	143,368,994,068
<b>TOTAL</b>	<b><u>212,948,747,241</u></b>	<b><u>229,507,071,710</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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## 7. OTHER RECEIVABLES

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>92,481,059,425</b>	<b>104,001,072,306</b>
Related parties (Note 30)	60,855,160,741	68,948,004,977
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
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
Advance to employees	131,669,000	111,669,000
Others	5,399,733,237	6,555,813,970
<b>Long-term</b>	<b>18,281,307,809</b>	<b>23,281,307,809</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
A related party (Note 30)	1,592,901,607	1,592,901,607
<b>TOTAL</b>	<b>110,762,367,234</b>	<b>127,282,380,115</b>
Provision for short-term doubtful debts	(2,310,000,000)	(3,710,000,000)
Provision for long-term doubtful debts	(2,661,060,000)	(2,661,060,000)
<b>NET</b>	<b>105,791,307,234</b>	<b>120,911,320,115</b>

# Investment and Trading of Real Estate Joint Stock Company

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

## 8. INVENTORIES

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

	30 June 2020		31 December 2019		VND
	Cost	Provision	Cost	Provision	
Terra Royal Project (i)	880,524,415,099	-	727,280,225,009	-	-
The Stars Village, Long Thoi - Nha Be Project (ii)	559,649,609,688	-	566,622,359,105	-	-
6A Project	132,318,634,925	-	132,318,634,925	-	-
Long Phuoc, District 9 Project (iii)	116,084,729,964	-	116,084,729,964	-	-
Terra Flora Project	110,722,249,537	-	97,250,738,718	-	-
Binh Trung Dong – District 2 Project	28,848,790,056	-	28,848,790,056	-	-
6B Project - Lot 6, 7 & 8	26,194,502,800	-	27,830,670,211	-	-
Cua Lap Project	-	-	8,626,235,735	-	-
Other projects	25,965,985,806	(14,851,352,253)	34,090,698,666	(15,416,952,253)	-
<b>TOTAL</b>	<b>1,880,308,917,875</b>	<b>(14,851,352,253)</b>	<b>1,738,953,082,389</b>	<b>(15,416,952,253)</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 21).

(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 21).

(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 21).

## 9. SHORT-TERM PREPAID EXPENSES

This amount mainly represents the commission expenses of Terra Royal project of VND 17,800,945,720.

# Investment and Trading of Real Estate Joint Stock Company

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

## 10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
<b>Cost:</b>					
As at 31 December 2019 and 30 June 2020	25,919,071,552	378,456,812	4,254,115,509	1,661,445,878	32,213,089,751
<i>In which:</i>					
Fully depreciated	4,280,813,180	378,456,812	2,348,951,873	1,296,282,242	8,304,504,107
<b>Accumulated depreciation:</b>					
As at 31 December 2019	15,200,400,698	378,456,812	4,079,475,522	1,438,398,000	21,096,731,032
Depreciation for the period	432,765,180	-	95,258,184	36,516,360	564,539,724
As at 30 June 2020	15,633,165,878	378,456,812	4,174,733,706	1,474,914,360	21,661,270,756
<b>Net carrying amount:</b>					
As at 31 December 2019	10,718,670,854	-	174,639,987	223,047,878	11,116,358,719
As at 30 June 2020	10,285,905,674	-	79,381,803	186,531,518	10,551,818,995

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

## 11. INTANGIBLE FIXED ASSETS

This amount represents land use rights at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 and No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 with carrying amount of VND 26,471,477,820 and VND 11,101,600,430, respectively, were pledged to obtain the short-term and long-term loans from commercial banks (Note 21).

## 12. INVESTMENT PROPERTIES

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

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 separate balance sheet date.

(\*) Including in the land and buildings, land use rights and associated assets of An Khang ground, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City were pledged to obtain the loan from a commercial bank (Note 21).

In addition, land use rights and associated assets of 482.4 square meters at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2 were pledged to obtain the loans from a commercial bank (Note 21).

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Rental income generating from leasing of investment properties	9,620,587,753	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>4,408,518,963</b>	<b>3,082,244,975</b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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### 13. 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	180,074,790,386	164,891,788,966
<b>TOTAL</b>	<b><u>1,027,690,950,973</u></b>	<b><u>1,473,732,870,589</u></b>

### 14. LONG-TERM INVESTMENTS

	VND	
	30 June 2020	31 December 2019
Investments in subsidiaries (Note 14.1)	376,960,000,000	376,960,000,000
Investment in associate (Note 14.2)	21,000,000,000	21,000,000,000
Investments in other entities (Note 14.3)	58,916,500,000	59,105,320,000
Bonds (*)	500,000,000	500,000,000
Provision for diminution in long-term investments	<u>(17,709,797,787)</u>	<u>(13,915,342,295)</u>
<b>TOTAL</b>	<b><u>439,666,702,213</u></b>	<b><u>443,649,977,705</u></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.

#### 14.1. Investment in subsidiaries

Name	VND			
	30 June 2020		31 December 2019	
	Original amount	Provision	Original amount	Provision
Saigon Binh Duong Joint Stock Company (i)	192,960,000,000	(4,571,505,387)	192,960,000,000	(4,990,342,295)
Royal Service Restaurant Hotel Travel Joint Stock Company (ii)	150,000,000,000	(4,213,292,400)	150,000,000,000	-
Intresco Construction Joint Stock Company (iii)	34,000,000,000	-	34,000,000,000	-
<b>TOTAL</b>	<b><u>376,960,000,000</u></b>	<b><u>(8,784,797,787)</u></b>	<b><u>376,960,000,000</u></b>	<b><u>(4,990,342,295)</u></b>

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

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

##### 14.1. Investment in subsidiaries (continued)

- (i) This is an investment in Saigon Binh Duong Joint Stock Company ("SGBD") which is a shareholding company established under Enterprise Law of Vietnam in accordance with the Business Registration Certificate ("BRC") No. 3701647922 issued by Department of Planning and Investment of Binh Duong Province on 24 November 2009. SGBD's registered office is located at No. 175 Nguyen Chi Thanh, Tuong Binh Hiep Ward, Thu Dau Mot City, Binh Duong Province, Vietnam. SGBD's principal activity is to produce and trade construction materials, trade real estate properties, and other related services. As at 30 June 2020, the Company holds 64.32% ownership and voting rights in Royal (31 December 2019: 64.32%).
- (ii) This is an investment in Royal Tourism Hotel and Restaurant Joint Stock Company ("Royal"), which is a shareholding company established under Enterprise Law of Vietnam in accordance with the Business Registration Certificate No. 0315419806 issued by Department of Planning and Investment of Ho Chi Minh City on 3 December 2018. Royal's registered office is located at 18 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. Royal's principal activity is to provide hotel and restaurant management services and to organize tours. As at 30 June 2020, the Company holds 75% ownership and voting rights in Royal (31 December 2019: 75%).
- (iii) This is an investment in Intresco Construction Joint Stock Company ("IC"), which is a shareholding company established under the Enterprise Law of Vietnam in accordance with the Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services. As at 30 June 2020, the Company holds 85% ownership and voting rights in the IC (31 December 2019: 85%).

##### 14.2. Investments in associates

Name	Business activities	30 June 2020 and 31 December 2020		
		% ownership	% voting right	Original and carrying amount
				VND
Long Binh Construction – Trading – Producing Joint Stock Company	Real estate	36.36	36.36	21,000,000,000
				VND

## Investment and Trading of Real Estate Joint Stock Company

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

#### 14.3 Other long-term investments

	30 June 2020				31 December 2019				VND	
	Original amount VND	Provision VND	Carrying amount VND	Number of shares ownership %	Original amount VND	Provision VND	Carrying amount VND	Number of shares ownership %		
Gia Dinh Development Investment Corporation	34,000,000,000	(8,925,000,000)	25,075,000,000	2,125,000	5.61	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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

#### 15. 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	39,892,408,412	41,118,465,174
Interest expense (Note 25)	4,090,491,075	7,502,265,851
<b>TOTAL</b>	<b><u>43,982,899,487</u></b>	<b><u>48,620,731,025</u></b>

#### 16. SHORT-TERM TRADE PAYABLES

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Trade payables to related parties (Note 30)	99,421,599,799	110,082,858,813
Trade payables to other parties	25,444,335,931	22,272,185,500
<b>TOTAL</b>	<b><u>124,865,935,730</u></b>	<b><u>132,355,044,313</u></b>

#### 17. ADVANCES FROM CUSTOMERS

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

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>	<b>1,156,095,100,618</b>	<b>966,647,452,757</b>
Terra Royal Project	1,011,485,763,337	897,374,220,085
Terra Flora Project	98,188,300,000	-
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	13,848,891,558	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>1,318,312,109,187</u></b>	<b><u>1,126,914,094,326</u></b>
<i>In which:</i>		
Other parties	1,203,610,699,461	1,113,400,984,600
Related parties (Note 30)	114,701,409,726	13,513,109,726

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

**18. 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	7,005,276,843	7,386,718,207	(1,000,000,000)	13,391,995,050
Personal income tax	399,966,276	396,700,000	(652,237,734)	144,428,542
Other taxes	1,682,209,701	478,277,311	(18,748,437)	2,141,738,575
<b>TOTAL</b>	<b><u>26,107,090,715</u></b>	<b><u>19,316,798,700</u></b>	<b><u>(2,195,903,911)</u></b>	<b><u>43,227,985,504</u></b>

**19. SHORT-TERM ACCRUED EXPENSES**

	VND	
	30 June 2020	31 December 2019
Construction costs	88,003,465,641	72,082,370,623
Penalty for late payment	37,029,639,910	37,029,639,910
Interest expenses	11,395,980,900	12,119,937,137
Others	1,466,772,730	3,087,867,500
<b>TOTAL</b>	<b><u>137,895,859,181</u></b>	<b><u>124,319,815,170</u></b>

**20. OTHER PAYABLES**

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>63,267,178,337</b>	<b>55,014,163,437</b>
Maintenance fees of Terra Royal Project	22,544,503,000	5,971,809,000
Borrowing (*)	20,700,000,000	1,922,416,683
Dividends payable	9,745,037,108	37,810,489,758
Deposit receipt	5,362,656,000	3,602,656,000
Others	4,914,982,229	5,706,791,996
<b>Long-term</b>	<b>15,042,300,340</b>	<b>11,004,684,340</b>
Deposit received	15,042,300,340	11,004,684,340
<b>TOTAL</b>	<b><u>78,309,478,677</u></b>	<b><u>66,018,847,777</u></b>
<i>In which:</i>		
<i>Other parties</i>	46,609,478,677	57,096,431,094
<i>Related parties (Note 30)</i>	31,700,000,000	8,922,416,683

(\*) This balance represented the overdue loan due to related party with the late payment interest rate of 6.5% p.a.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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21. LOANS	31 December 2019	Drawdown	Repayment	Net-off	Reclassification	VND 30 June 2020
<b>Short-term</b>						
Bank loans (Note 21.1)	930,365,042,509	5,000,000,000	(138,232,076,796)	(116,222,416,683)	100,000,000,000	780,910,549,030
Current portion of long-term loans (Note 21.2)	376,015,042,509	-	(58,336,573,200)	-	-	317,678,469,309
Loan from a subsidiary (Note 21.3)	235,000,000,000	-	(73,817,920,279)	-	100,000,000,000	261,182,079,721
Loan from individuals (Note 21.4)	264,000,000,000	-	(3,277,583,317)	(116,222,416,683)	-	144,500,000,000
	55,350,000,000	5,000,000,000	(2,800,000,000)	-	-	57,550,000,000
<b>Long-term</b>						
Bank loans (Note 21.2)	160,000,000,000	-	-	-	(100,000,000,000)	60,000,000,000
	160,000,000,000	-	-	-	(100,000,000,000)	60,000,000,000
<b>TOTAL</b>	<b>1,090,365,042,509</b>	<b>5,000,000,000</b>	<b>(138,232,076,796)</b>	<b>(116,222,416,683)</b>	<b>-</b>	<b>840,910,549,030</b>

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### 21. LOANS (continued)

#### 21.1 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.23752/19MN/HSTD 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 8)</li> </ul>
<b>Bank for Investment and Development of Vietnam</b>					
Loan contract no. 01/2019/93512/HSTD	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 8)</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 12)</li> <li>Land use rights of 24,673 square meters at Long Thoi - Nhon Duc - Nha Be, Ho Chi Minh City (Note 8)</li> </ul>

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

## 21. LOANS (continued)

### 21.1 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 11)</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 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	29 October 2020	To finance 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 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>

**TOTAL**

**317,678,469,309**



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

### 21. LOANS (continued)

#### 21.2 Details of long-term bank loans are as follows:

This represented the long-term bank loans to finance Terra Royal Project:

Lenders	30 June 2020 VND	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/HETD	156,300,000,000	29 January 2021	11	• Receivables arising from sale contract at Long Thoi - Nha Be project; (Note 5)
Loan Contract No.04660/18MN/HETD	69,882,079,721	13 September 2020		• Land use rights, associated assets and benefits arising from Terra Royal project; (Note 8)
<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	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 126,112 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)</li> <li>• Land use rights of 25,727 square meters at Long Thoi Ward, Nha Be District, Ho Chi Minh City (Notes 8)</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			

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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### 21. LOANS (continued)

#### 21.3 Details of loan from a subsidiary is as follows:

Lender	30 June 2020	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
VND					
<b>Royal Service Restaurant Hotel Travel Joint Stock Company (Note 30)</b>					
Loan contract No. 01/HDVV dated 2 May 2019	144,500,000,000	30 June 2021	To finance Terra Royal project	4	Unsecured

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

Lenders	30 June 2020	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
VND					
<b>Ms. Le Thi Tram Anh (Note 30)</b>					
Loan contract No. 1080/TKDN/HDVV dated 10 October 2019	25,000,000,000	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/HDVV 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>				

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

### 22. OWNERS' EQUITY

#### 22.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total	VND
<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)	62,940,539,322	91,468,537,785	1,584,133,966,320	
Net profit for the period	-	-	-	-	17,929,773,248	17,929,773,248	
Dividends declared	-	-	-	-	(34,323,164,000)	(34,323,164,000)	
Appropriation to investment and development fund	-	-	-	4,085,915,224	(4,085,915,224)	-	
Transfer to bonus and welfare fund	-	-	-	-	(1,634,512,121)	(1,634,512,121)	
Other decrease	-	-	-	-	(817,183,045)	(817,183,045)	
As at 30 June 2019	690,866,880,000	748,683,126,824	(9,825,117,611)	67,026,454,546	68,537,536,643	1,565,288,880,402	
<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)	67,026,454,546	164,385,894,400	1,661,137,238,159	
New issuance (*)	34,321,150,000	-	-	-	(34,321,150,000)	-	
Net profit for the period	-	-	-	-	25,882,848,491	25,882,848,491	
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)	72,518,803,000	146,953,571,672	1,683,518,413,885	

(\*) In accordance with the Annual General Meeting Resolution No. 01/NQ-DHDCĐ dated 25 April 2019 and the Board of Directors's 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.

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

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

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

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
		<i>VND</i>
Contributed share capital	<u>725,188,030,000</u>	<u>690,866,880,000</u>
Dividends declared	-	34,323,164,000
Dividends paid	28,065,452,650	68,284,610,947

**22.3 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 and for the six-month period then ended

## 23. REVENUES

### 23.1 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>Net revenue</b>	<b><u>190,062,690,463</u></b>	<b><u>110,574,844,231</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>	66,518,472,184	39,177,742,596
<i>Revenue from rental services (Note 12)</i>	9,620,587,753	4,678,894,320
<i>Revenue from other services</i>	3,396,565,720	2,325,618,462

### 23.2 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>
Dividend received	400,000,000	11,900,000,000
Interest income	79,757,078	5,078,431,632
Profit on stock trading	68,850,000	-
<b>TOTAL</b>	<b><u>548,607,078</u></b>	<b><u>16,978,431,632</u></b>

## 24. COST 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	68,808,625,045	45,901,169,092
Cost of construction services	63,629,263,088	36,711,322,598
Cost of rental services (Note 12)	5,212,068,790	1,596,649,345
Cost of other services rendered	1,320,424,545	1,158,397,740
<b>TOTAL</b>	<b><u>138,970,381,468</u></b>	<b><u>85,367,538,775</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
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**25. 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	4,090,491,075	7,502,265,851
Provision for diminution in value of investments	3,794,455,492	1,489,064,764
<b>TOTAL</b>	<b><u>7,884,946,567</u></b>	<b><u>8,991,330,615</u></b>

**26. SELLING EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Sale commission	1,958,761,774	2,046,984,036
Others	-	28,600,000
<b>TOTAL</b>	<b><u>1,958,761,774</u></b>	<b><u>2,075,584,036</u></b>

**27. 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>
External service fee	4,739,727,500	3,916,681,000
Labour costs	2,333,142,439	2,131,274,420
Depreciation (Note 10)	564,539,724	564,539,724
(Reversal of provision) provision for short-term doubtful debt	(1,400,000,000)	272,620,000
Others	3,319,782,382	2,961,446,346
<b>TOTAL</b>	<b><u>9,557,192,045</u></b>	<b><u>9,846,561,490</u></b>

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

## 28. 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	68,808,625,045	45,901,169,092
External service fee	65,962,405,527	38,842,597,018
Depreciation and amortisation (Notes 10 and 12)	5,435,444,158	1,906,081,332
Labour cost	4,739,727,500	3,916,681,000
Sales commission	1,958,761,774	2,046,984,036
Provision (reversal of provision) for bad debt	(1,400,000,000)	272,620,000
Others	4,981,371,283	4,403,551,823
<b>TOTAL</b>	<b><u>150,486,335,287</u></b>	<b><u>97,289,684,301</u></b>

## 29. CORPORATE INCOME TAX

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

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

### 29.1 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	7,377,806,119	-
Deferred tax income	(4,474,600)	(3,666,400)
<b>TOTAL</b>	<b><u>7,373,331,519</u></b>	<b><u>(3,666,400)</u></b>

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

## 29. CORPORATE INCOME TAX (continued)

### 29.1 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>33,256,180,010</b>	<b>17,926,106,848</b>
At CIT rate applied for the Company	6,651,236,002	3,585,221,370
<i>Adjustment to increase:</i>		
Non-deductible expenses	802,095,517	2,250,674,676
<i>Adjustments to decrease:</i>		
Utilization of tax losses carried forward	-	(3,459,562,446)
Dividends received	(80,000,000)	(2,380,000,000)
<b>CIT expense</b>	<b>7,373,331,519</b>	<b>(3,666,400)</b>

### 29.2 Current tax

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

### 29.3 Deferred CIT

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

	VND			
	<i>Interim separate balance sheet</i>		<i>Interim separate 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>
Accrual for severance pay	195,075,000	190,600,400	4,474,600	3,666,400
Internal unrealised profit	178,275,356	178,275,356	-	-
<b>Deferred income tax assets</b>	<b>373,350,356</b>	<b>368,875,756</b>	<b>4,474,600</b>	<b>3,666,400</b>
<b>Net deferred tax income</b>			<b>4,474,600</b>	<b>3,666,400</b>



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

### 30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company with related parties during the current and previous periods 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
Intresco Construction Joint Stock Company	Subsidiary	Purchase of construction services	107,980,673,624	141,356,789,852
		Dividends income	-	11,900,000,000
		Dividends received	11,900,000,000	-
		Payment on behalf	383,591,071	568,021,645
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Advance for purchase of apartments	98,188,300,000	-
		Loan repayment	6,235,672,760	607,594,520
		Loan interest	1,806,048,847	1,508,888,889
		Capital contribution	-	80,760,856,762
		Loan	-	80,000,000,000
Royal Service Restaurant Hotel Travel Joint Stock Company	Subsidiary	Revenue from rental services	4,778,746,364	-
		Payment on behalf	3,310,937,133	116,218,181
		Loan interest	2,900,873,712	905,616,438
		Loan repayment	2,500,000,000	-
		Loan	-	150,000,000,000
Ms. Le Thi Tram Anh	Related party	Capital contribution	-	150,000,000,000
		Loan	5,000,000,000	-
		Loan repayment	2,800,000,000	-
Long Binh Construction – Trading – Producing Joint Stock Company	Associate	Loan interest	1,077,248,218	376,964,384
		Dividend	400,000,000	-

#### 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 at are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2020, the Company 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.

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

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

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

Related parties	Relationship	Nature of transaction	VND	
			30 June 2020	31 December 2019
<b>Short-term trade receivables</b>				
Royal Service Restaurant Hotel Travel Joint Stock Company	Subsidiary	Revenue from rental services	4,778,746,364	-
Ms. Le Thi Tram Anh	Related party	Purchase land lots	4,101,231,043	4,101,231,043
			<b>8,879,977,407</b>	<b>4,101,231,043</b>
<b>Short-term advances to suppliers</b>				
Intresco Construction Joint Stock Company	Subsidiary	Construction services	104,607,628,334	107,807,628,334
Future Architectural Joint Stock Company	Significant shareholder	Design service fee	20,262,168,134	20,262,168,134
Long Binh Construction – Trading – Producing Joint Stock Company	Associate	Compensation for land	13,299,197,600	15,299,197,600
			<b>138,168,994,068</b>	<b>143,368,994,068</b>
<b>Other receivables</b>				
Member of Board of Directors	General Director	Advance	56,850,000,000	56,850,000,000
Royal Service Restaurant Hotel Travel Joint Stock Company	Subsidiary	Payment on behalf	3,627,202,868	-
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Interest income	1,592,901,607	1,592,901,607
Intresco Construction Joint Stock Company	Subsidiary	Payment on behalf Dividend	377,957,873	198,004,977
			-	11,900,000,000
			<b>62,448,062,348</b>	<b>70,540,906,584</b>
<b>Short-term trade payables</b>				
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	97,860,945,254	108,522,204,268
Future Architectures Design Joint Stock Company	Significant shareholder	Design service fee	1,560,654,545	1,560,654,545
			<b>99,421,599,799</b>	<b>110,082,858,813</b>
<b>Short-term advance from customers</b>				
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Purchase of apartments	98,188,300,000	-
Ms. Le Thi Tram Anh	Related party	Purchase of apartments	16,000,000,000	13,000,000,000
Ms. Truong Thi Minh Nguyet	Related party	Purchase of land lots	513,109,726	513,109,726
			<b>114,701,409,726</b>	<b>13,513,109,726</b>

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

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

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

Related parties	Relationship	Nature of transaction	VND	
			30 June 2020	31 December 2019
<b>Other short-term and long-term payables</b>				
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Loan Borrowing	20,700,000,000	-
			-	1,922,416,683
Royal Service Restaurant hotel travel Joint Stock Company	Subsidiary	Deposit	11,000,000,000	7,000,000,000
			<b>31,700,000,000</b>	<b>8,922,416,683</b>

#### Loans

Royal Service Restaurant hotel travel Joint Stock Company	Subsidiary	Loan	144,500,000,000	147,000,000,000
Ms. Le Thi Tram Anh	Related party	Loan	41,200,000,000	39,000,000,000
Sai Gon Binh Duong Joint Stock Company	Subsidiary	Loan	-	117,000,000,000
			<b>185,700,000,000</b>	<b>303,000,000,000</b>

#### 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>1,588,870,000</u>	<u>1,564,100,000</u>

### 31. CAPITAL COMMITMENT

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

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

### 32. OFF BALANCE SHEET ITEMS

As at 30 June 2020, the Company 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.

### 33. EVENTS AFTER THE BALANCE SHEET DATE

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



Pham Van Khanh  
Preparer



Doan Huu Chi  
Chief Accountant



Trương Minh Thuận  
General Director

28 August 2020