

KinhBac City Development Holding Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2020



KinhBac City Development Holding Corporation

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KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

KinhBac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest is the 16th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

The current principal activities of the Company are to invest, construct and trade infrastructure inside and outside the industrial parks; to lease and sell factory plants constructed by the Company in the industrial parks, and residential – urban areas, to carry out financial investment; and other activities in accordance with the Enterprise Registration Certificate.

The Company’s head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its Ho Chi Minh branch is located at No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company’s shares are listed in Ho Chi Minh city’s Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh city’s Stock Exchange on 7 December 2009.

BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member
Mr. Nguyen Vinh Tho	Member

BOARD OF SUPERVISION

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

Ms. Nguyen Bich Ngoc	Head of the Board
Ms. The Thi Minh Hong	Member
Ms. Tran Tien Thanh	Member

MANAGEMENT

Members of Management during the period and at the date of this report are:

Ms Nguyen Thi Thu Huong	General Director
Mr Phan Anh Dung	Deputy General Director
Mr Pham Phuc Hieu	Deputy General Director and Chief Accountant
Ms Nguyen My Ngoc	Deputy General Director

KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Dang Thanh Tam. In accordance with the Authorization Letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong - General Director has been authorized by Mr. Dang Thanh Tam to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2020.

AUDITORS

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

Ernst & Young Vietnam Limited

KinhBac City Development Holding Corporation

REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation (“the Company”) is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the 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 applied 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 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, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 August 2020



Reference: 60774739/21880793-HN-LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the accompanying interim consolidated financial statements of KinhBac City Development Holding Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), as prepared on 27 August 2020 and set out on pages 6 to 61, which comprise the interim consolidated balance sheet as at 30 June 2020, and 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

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 the 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 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.

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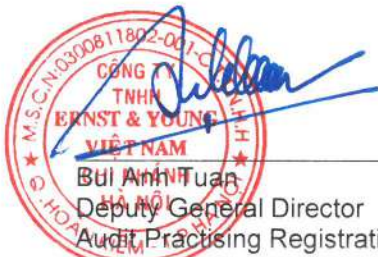
Conclusion

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 the preparation and presentation of interim consolidated financial statements.

Other matter

This report is issued to replace the report dated 27 August 2020 on the review of the interim consolidated financial statements of the Group for the six-month period ended 30 June 2020 issued on the same date due to the amendments of certain information in such interim consolidated financial statements.

Ernst & Young Vietnam Limited



Bui Anh Tuan
Deputy General Director
Audit Practising Registration:
Certificate No. 1067-2018-004-1

Hanoi, Vietnam

4 September 2020

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INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		15,653,448,780,395	13,912,174,569,312
110	I. Cash and cash equivalents	5	416,788,415,603	652,005,005,791
111	1. Cash		254,271,903,680	550,470,450,445
112	2. Cash equivalents		162,516,511,923	101,534,555,346
120	II. Short-term investments		1,858,835,335,260	2,874,095,600
121	1. Held-for-trading securities	6.1	1,862,358,461,369	7,490,461,369
122	2. Provision for held-for-trading securities	6.1	(6,123,126,109)	(6,616,365,769)
123	3. Held-to-maturity investments	6.2	2,600,000,000	2,000,000,000
130	III. Current accounts receivable		5,519,570,894,632	5,493,191,454,059
131	1. Short-term trade receivables	7.1	1,177,689,251,908	1,353,873,386,238
132	2. Short-term advances to suppliers	7.2	2,586,319,967,278	2,442,883,530,085
135	3. Short-term loan receivables	8	322,530,199,857	391,712,488,097
136	4. Other short-term receivables	9	1,440,365,456,239	1,312,056,030,289
137	5. Provision for doubtful short-term receivables	7.3	(7,333,980,650)	(7,333,980,650)
140	IV. Inventories	10	7,641,050,585,859	7,547,758,770,653
141	1. Inventories		7,641,050,585,859	7,547,758,770,653
150	V. Other current assets		217,203,549,041	216,345,243,209
151	1. Short-term prepaid expenses	11	69,363,253,405	77,403,089,347
152	2. Value-added tax deductible	17	142,950,076,259	136,394,905,445
153	3. Tax and other receivables from the State	17	4,871,503,164	2,547,248,417
155	4. Other current assets		18,716,213	-

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

Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
200	B. NON-CURRENT ASSETS		2,533,262,083,607	2,520,815,233,389
210	I. Long-term receivables		136,777,429,018	127,852,712,252
215	1. Long-term loan receivables	8	1,000,000,000	1,000,000,000
216	2. Other long-term receivables	9	135,777,429,018	126,852,712,252
220	II. Fixed assets		253,442,750,467	253,726,902,238
221	1. Tangible fixed assets	12	253,304,535,682	253,543,017,869
222	Cost		505,560,793,536	485,477,345,872
223	Accumulated depreciation		(252,256,257,854)	(231,934,328,003)
227	2. Intangible fixed assets		138,214,785	183,884,369
228	Cost		375,975,500	365,975,500
229	Accumulated amortisation		(237,760,715)	(182,091,131)
230	III. Investment properties	13	411,324,066,879	432,718,621,923
231	1. Cost		476,439,458,160	476,439,458,160
232	2. Accumulated depreciation		(65,115,391,281)	(43,720,836,237)
240	IV. Long-term assets in progress		851,281,709,625	822,034,811,714
242	1. Construction in progress	14	851,281,709,625	822,034,811,714
250	V. Long-term investments	15	862,559,146,179	861,080,542,019
252	1. Investments in associates, jointly controlled entities	15.1	436,946,864,329	434,925,286,015
253	2. Investment in other entities	15.2	448,500,200,000	448,500,200,000
254	3. Provision for diminution in value of long-term investments		(22,887,918,150)	(22,344,943,996)
260	VI. Other long-term assets		17,876,981,439	23,401,643,243
261	1. Long-term prepaid expenses	11	17,876,981,439	23,401,643,243
270	TOTAL ASSETS		18,186,710,864,002	16,432,989,802,701

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

Currency: VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
300	C. LIABILITIES		7,700,461,975,650	6,051,858,701,629
310	I. Current liabilities		5,916,366,198,076	4,067,458,297,616
311	1. Short-term trade payables	16.1	254,726,783,848	370,592,050,524
312	2. Short-term advances from customers	16.2	302,096,256,782	414,280,990,286
313	3. Statutory obligations	17	125,291,306,234	129,306,628,591
314	4. Payables to employees		82,527,893	215,919,868
315	5. Short-term accrued expenses	18	1,567,922,103,556	1,634,889,249,478
318	6. Short-term unearned revenues		4,491,899,842	4,718,340,907
319	7. Other short-term payables	19	2,446,848,884,083	702,391,584,903
320	8. Short-term loans	20	1,208,043,874,529	804,035,305,750
322	9. Bonus and welfare fund		6,862,561,309	7,028,227,309
330	II. Non-current liabilities		1,784,095,777,574	1,984,400,404,013
333	1. Long-term accrued expenses	18	927,879,723	909,879,723
336	2. Long-term unearned revenue		4,727,926,173	4,791,738,286
337	3. Other long-term liabilities	19	35,482,754,956	35,126,202,093
338	4. Long-term loans	20	935,814,358,132	1,121,897,918,268
341	5. Deferred tax liabilities	28.3	806,190,890,628	820,722,697,681
342	6. Long-term provisions		951,967,962	951,967,962

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

Currency: VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
400	D. OWNERS' EQUITY		10,486,248,888,352	10,381,131,101,072
410	I. Capital		10,486,248,888,352	10,381,131,101,072
411	1. Share capital	21.1	4,757,111,670,000	4,757,111,670,000
411a	Shares with voting rights		4,697,601,890,000	4,697,601,890,000
	- Treasury shares		59,509,780,000	59,509,780,000
412	2. Share premium	21.1	989,064,430,000	989,064,430,000
415	3. Treasury shares	21.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	21.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings	21.1	4,150,136,858,283	4,099,263,633,258
421a	- Undistributed earnings up to end of prior year		4,099,263,633,258	3,180,901,758,305
421b	- Undistributed earnings of current period		50,873,225,025	918,361,874,953
429	6. Non-controlling interests	22	952,178,886,246	897,934,323,991
440	TOTAL LIABILITIES AND OWNERS' EQUITY		18,186,710,864,002	16,432,989,802,701



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam


27 August 2020

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

Currency: VND

Cod e	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	23.1	727,333,138,069	1,569,931,202,152
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	727,333,138,069	1,569,931,202,152
11	4. Cost of goods sold and services rendered	24	(370,079,562,942)	(701,834,411,562)
20	5. Gross profit from sale of goods and rendering of services		357,253,575,127	868,096,790,590
21	6. Finance income	23.2	27,224,259,696	29,614,621,187
22	7. Finance expenses	25	(98,401,148,308)	(106,384,569,727)
23	<i>In which: Interest expenses</i>		(84,334,101,879)	(97,765,842,968)
24	8. Shares of profit of associates, joint-ventures	15.1	2,021,578,314	4,225,281,400
25	9. Selling expenses	26	(24,474,368,156)	(56,985,289,417)
26	10. General and administrative expenses	26	(108,326,271,547)	(84,280,027,421)
30	11. Operating profit		155,297,625,126	654,286,806,612
31	12. Other income		9,239,426,132	2,309,377,139
32	13. Other expenses		(126,960,001)	(9,212,838,532)
40	14. Other profit/(loss)		9,112,466,131	(6,903,461,393)
50	15. Accounting profit before tax		164,410,091,257	647,383,345,219
51	16. Current corporate income tax expenses	28.1	(73,824,111,030)	(71,436,911,942)
52	17. Deferred tax income/(expenses)	28.3	14,531,807,053	(63,029,333,195)
60	18. Net profit after tax		105,117,787,280	512,917,100,082
61	19. Net profit after tax attributable to shareholders of the parent		50,873,225,025	390,580,237,525
62	20. Net profit after tax attributable to non-controlling interests		54,244,562,255	122,336,862,557
70	21. Basic earnings per share	30	108	831
71	22. Diluted earnings per share	30	108	831


Luu Phuong Mai
Preparer


Pham Phuc Hieu
Deputy General Director and
Chief Accountant


Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 August 2020

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		164,410,091,257	647,383,345,219
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets		42,295,930,872	22,613,042,303
03	Provisions/(reversal) of provisions		49,734,494	(6,243,540)
05	Profits from investing activities		(25,879,022,579)	(29,457,957,760)
06	Interest expenses	25	84,334,101,879	97,765,842,968
08	Operating profit before changes in working capital		265,210,835,923	738,298,029,190
09	(Increase)/ decrease in receivables		(157,888,610,043)	294,618,887,959
10	(Increase)/decrease in inventories		(93,291,815,206)	372,241,743,750
11	Decrease in payables (other than interest, corporate income tax)		(351,061,537,667)	(348,159,753,346)
12	Decrease/(increase) in prepaid expenses		14,114,030,673	(8,994,597,676)
13	Increase in held-for-trading securities		(50,000,000,000)	-
14	Interest paid		(106,458,709,092)	(108,119,898,888)
15	Corporate income tax paid	17	(72,641,413,825)	(165,251,351,535)
17	Other cash outflows for operating activities		(165,666,000)	-
20	Net cash flows (used in)/from operating activities		(552,182,885,237)	774,633,059,454
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(34,653,449,502)	(21,458,867,773)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(127,710,398,857)	(30,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		196,292,687,097	56,386,943,534
26	Proceeds from sale of investments in other entities		68,500,000,000	39,778,001,357
27	Interest and dividends received		4,180,611,847	31,766,112,585
30	Net cash flows from investing activities		106,609,450,585	76,472,189,703

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		710,125,594,465	518,635,966,615
34	Repayment of borrowings		(475,900,000,001)	(783,303,834,694)
36	Dividend paid		(23,868,750,000)	(77,248,123)
40	Net cash flows from/(used in) financing activities		210,356,844,464	(264,745,116,202)
50	Net (decrease)/increase in cash and cash equivalents for the period		(235,216,590,188)	586,360,132,955
60	Cash and cash equivalents at beginning of period		652,005,005,791	224,080,823,490
70	Cash and cash equivalents at end of period	5	416,788,415,603	810,440,956,445

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief Accountant



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 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

Kinh Bac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002 and the subsequent amendments, with the latest is the 16th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

The current principal activities of the Company are to invest, construct and trade infrastructure inside and outside the industrial parks; to lease and sell factory plants constructed by the Company in the industrial parks, and residential – urban areas, to carry out financial investment; and other activities in accordance with the Enterprise Registration Certificate.

The business cycle of the Company starts from the acquisition of investment license, land clearance, infrastructure development of industrial parks and urban areas until the time of completion and land is handed over to customers. As a result, the business cycle of the Company may extend over 12 months. Ordinary business cycle for other business activities is 12 months.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its Ho Chi Minh branch is located at 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 December 2009.

The total number of employees as at 30 June 2020 is: 520 (31 December 2019: 500).

Corporate structure

At 30 June 2020, the Company has the following subsidiaries:

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%) (*)</i>	<i>Effective interest (%)</i>	<i>Head office</i>	<i>Main activities</i>
1	Saigon – Bac Giang Industrial Park Corporation	92.5	88.06	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang Province	Investment, building and trading industrial parks and real estates
2	Saigon - Hai Phong Industrial Park Corporation	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong City	Investment, building and trading industrial parks and real estates
3	Northwest Saigon City Development Corporation (**)	74.3	72.44	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh City	Investment, building and trading industrial parks and real estates
4	Trang Cat One Member Urban Development Limited Company	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong City	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach Street, Quoc Tu Giam Ward, Dong Da District, Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province	Investment, building and trading real estates

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

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%) (*)</i>	<i>Interest right (%)</i>	<i>Head office</i>	<i>Main activities</i>
7	Kinh Bac – Da Nang Investment One Member Company Limited	100	100	61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City	Investment, building and trading real estates
8	Tien Duong Development Holding Joint Stock Company	51	51	100 An Trach, Cat Linh Ward, Dong Da District, Hanoi	Investment, building and trading real estates
9	Tan Phu Trung – Long An Industrial Park One Member Company Limited (**)	100	72.44	88 Tran Phong Sac, No. 4 Ward, Tan An City, Tan An Province, Vietnam	Architectural and related consultancy activities technical
10	Bac Giang – Long An Industrial Park One Member Company Limited (**)	100	88.06	489E/Road 824, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural and related consultancy activities technical
11	Tan Tap Industrial Infrastructure Development Limited Company (**)	100	86.54	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural and related consultancy activities technical

(*) The voting right is also the total ownership of the Company and its subsidiaries in these subsidiaries.

(**) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

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 Company and its subsidiaries ("the Group"), which are expressed in Vietnam dong ("VND"), are prepared in accordance with the 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 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal 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 Vietnam Dong ("VND") which is also the Group's accounting currency.

2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of the Parent company and its subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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)

3.3 *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 and 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 of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

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

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

3.5 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

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

3.6 *Depreciation and amortisation*

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

Buildings and structures (including land and infrastructure development cost)	8 - 25 years
Machinery and equipment	4 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 8 years
Others	3 years
Softwares	3 - 5 years

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*

Investment properties are stated at cost including transaction costs less accumulated depreciation.

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 follow to the Group.

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

Factories	10 years
Land and infrastructure development cost	40 - 45 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 consolidated income statement in the period of retirement or disposal.

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

3.8 *Borrowing costs*

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

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Expenses are recorded as long-term prepaid expenses and are amortised to the interim consolidated income statement are amortized from 1 to 3 years.

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 *Business combinations and goodwill*

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

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

3.11 *Assets acquisitions and business combinations*

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

3.12 *Investments*

Investments in associates

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

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

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

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)

3.12 Investments (continued)

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

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 consolidated income statement and deducted against the value of such investments.

3.13 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.

3.14 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 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, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease 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.

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 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim consolidated balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the period and arisen from the translation of monetary accounts denominated in foreign currency at interim consolidated balance sheet date are taken to the interim consolidated income statement.

3.16 *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.

3.17 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese 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 encouraging, 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)

3.18 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:

Long-term lease of land and infrastructure

Revenue is recognised when the Group has transferred significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

Sale of factories

Revenue is recognised when the Group has transferred significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

Lease of factories

Revenue under operating lease of factories is recognised in the interim consolidated income statement on a straight-line basis over the lease term.

Rendering of services

Revenue is recognised when services have been provided to the customers and are determined by the net value after deducting discounts, value-added tax, and other deductions.

Income from transfer of investment and trading of securities

Income from transfer of investment and trading of securities is determined by the difference between the sale proceeds and cost of the securities and/or investment held by the Company. Income is recorded on the contract date, which is when the contract becomes effective.

Revenue from project transfer

Revenue is recognised when significant risks and rewards associated with ownership of the project have been transferred to the buyer, usually upon the hand-over of the project, and recovery over sale proceeds can be reasonably ensured.

Revenue from transfer of real estate properties

Revenue is recognised when significant risks and rewards associated with ownership of the real estate properties have been transferred to the buyer.

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.

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)

3.19 *Cost of long-term lease of land and infrastructure*

Cost of sale related to long-term lease of land and infrastructure includes all direct costs that are attributable to the development of land and infrastructure and other overhead costs allocated on a reasonable basis to such activities including:

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities; and
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

3.20 *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 consolidated 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 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 off-set 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 consolidated 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:

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)

3.20 *Taxation* (continued)

Deferred tax (continued)

- ▶ 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 consolidated 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 consolidated 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 realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim consolidated 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 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.

3.21 *Earnings per share*

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

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

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)

3.22 Segment information

A segment is a component which can be separately identified in which the Group takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and returns that are different from those of other segments.

Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business and in one geographic region which is Vietnam.

3.23 Related parties

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

4. SIGNIFICANT EVENTS

Acquisition of Hoa Sen Hotel Development Company Limited

On 20 January 2020, the Group acquired 100% equity capital of Hoa Sen Hotel Development Company Limited, a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No 0107481955 issued by the Department of Planning and Investment of Hanoi on 22 June 2016. The current activity of this company is trading real estates with own or leased property.

The Group does not consolidate the financial statements of Hoa Sen Hotel Development Company Limited into the Group's interim consolidated financial statements for the six-month period ended 30 June 2020 because the Group assessed that control over this investee is temporary.

5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Cash on hand	10,651,182,552	10,339,830,889
Cash at banks	243,620,721,128	540,130,619,556
Cash equivalents (*)	162,516,511,923	101,534,555,346
TOTAL	416,788,415,603	652,005,005,791

(*) Cash equivalents at 30 June 2020 mainly include short-term deposits in VND at banks which earn interest ranging from 4.1% to 5.2% per annum and have maturity term from 1 month to 3 months (2019: ranging from 4.3% to 5.2% per annum).

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

6. SHORT-TERM INVESTMENTS

6.1 Held-for-trading securities

Currency: VND

	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
Shares (i)	7,490,461,369	(6,123,126,109)	7,490,461,369	(6,616,365,769)
Other investment (ii)	1,854,868,000,000	-	-	-
TOTAL	1,862,358,461,369	(6,123,126,109)	7,490,461,369	(6,616,365,769)

- (i) As at 30 June 2020, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company .
- (ii) During the period, the Company acquired 100% equity capital of Hoa Sen Hotel Development Company Limited. The Company classifies this investment as a trading security because there is a plan to transfer this investment in the near future.

6.2 Held-to-maturity investment

Held-to-maturity investment at 30 June 2020 include short-term deposits in VND at banks which earn interest ranging from 6% to 6.5% per annum and have maturity term from 6 months to 12 months (2019: 6% per annum).

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Trade receivables

Currency: VND

	30 June 2020	31 December 2019
Short-term		
An Duong Urban Development Investment JSC (i)	339,890,912,453	339,890,912,453
Kinh Bac Service JSC (ii)	182,291,134,480	182,291,134,480
Saigon BW JSC (iii)	108,926,558,674	108,926,558,674
Saigon Investment JSC (iv)	104,130,000,000	104,130,000,000
Other customers (v)	442,450,646,301	618,634,780,631
TOTAL	1,177,689,251,908	1,353,873,386,238

Provision for doubtful receivables 6,833,980,650 6,833,980,650

- (i) This is the receivable related to the transfer of a part of the "Trang Due Service, Trading Urban area and workers housing project";
- (ii) These are short-term receivables related to the sale of factories in Quang Chau Industrial Park;
- (iii) This is the receivable related to long-term lease of land in Tan Phu Trung Industrial Park;
- (iv) This is the receivable related to the transfer of land at Phuc Ninh Urban Area Project; and
- (v) These are receivables from other customers for long-term lease of land and infrastructure, for sale of real estate properties and utility charges (clean water, waste water treatment supply, etc.) at the industrial parks of the Group.

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

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

7.2 Advances to suppliers

Currency: VND

	30 June 2020	31 December 2019
Short-term		
Kinh Bac Investment and Consulting JSC (i)	1,772,170,175,702	1,701,303,643,620
Kinh Bac Services JSC (i)	655,606,264,677	558,746,344,640
Land and industrial zone development center of Viet Yen District (ii)	65,126,735,506	128,592,971,992
Land clearance and compensation committee of Cu Chi District (iii)	27,240,909,677	26,640,576,584
Other advance to suppliers	66,175,881,716	27,599,993,249
TOTAL	<u>2,586,319,967,278</u>	<u>2,442,883,530,085</u>

(i) This is the advance for the site clearance and compensation and construction works of certain on-going projects of the Group;

(ii) This is the advance to Land and Industrial zone Development Center of Viet Yen District for land clearance of Saigon - Bacgiang Industrial Park JSC's on-going projects; and

(iii) This is the advance to Land Clearance and Compensation Committee of Cu Chi District related to the clearance and compensation for Tan Phu Trung project of Northwest Saigon City Development Corporation.

7.3 Provision for doubtful receivables

Detail of movements of provision for doubtful receivables is as follows:

Currency: VND

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	7,333,980,650	7,333,980,650
Provision in the period	-	-
Ending balance	<u>7,333,980,650</u>	<u>7,333,980,650</u>
<i>In which:</i>		
Provision for short-term receivables	6,833,980,650	6,833,980,650
Provision for loan receivables	500,000,000	500,000,000

7.4 Bad debts

Currency: VND

	30 June 2020		31 December 2019	
	Cost	Recoverable amount	Cost	Recoverable amount
Short-term trade receivables	6,833,980,650	-	6,833,980,650	-
Viet Nhat JSC	6,833,980,650	-	6,833,980,650	-
Other loan receivables	500,000,000	-	500,000,000	-
Saigon Tour Corporation	500,000,000	-	500,000,000	-
TOTAL	<u>7,333,980,650</u>	<u>-</u>	<u>7,333,980,650</u>	<u>-</u>

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

8. LOAN RECEIVABLES

Currency: VND

30 June 2020 31 December 2019

Short-term

Kinh Bac Investment and Consulting JSC (i)	134,100,000,000	184,100,000,000
Vien Dong Real Estate and Property JSC (ii)	52,314,813,357	50,000,000,000
Saigontel Real Estate Investment JSC (iii)	50,000,000,000	55,000,000,000
Saigon - Nhonhoi Industrial Park Corporation (iv)	15,736,501,000	15,736,501,000
Saigon - Lam Dong Investment and Tourist Corporation (v)	12,000,000,000	12,000,000,000
Sai Gon - Da Nang Investment Corporation (vi)	10,512,023,862	50,000,000,000
Saigon Posts & Telecommunications Service Joint Stock Corporation (SPT)	7,160,328,767	-
Other loan receivables	13,479,464,378	8,383,300,000
Other loan receivables from related parties (Note 29)	27,227,068,493	16,492,687,097
TOTAL	322,530,199,857	391,712,488,097
<i>Provision for loan receivables</i>	<i>(500,000,000)</i>	<i>(500,000,000)</i>

Long-term

Construction Project Management Unit of Bac Ninh City (People's Committee of Bac Ninh)	700,000,000	700,000,000
Saigon - Tay Ninh Industrial Park JSC	300,000,000	300,000,000
TOTAL	1,000,000,000	1,000,000,000

- (i) These are the unsecured loans with the interest ranging from 9.6% to 12% per annum and will be matured on 31 December 2020 and 30 June 2021;
- (ii) These are the unsecured loans with the interest of 11% per annum and will be matured on 26 July 2020;
- (iii) These are the unsecured loans with the interest of 10% per annum and will be matured on 4 September 2020;
- (iv) These are the unsecured loans with the interest of 12% per annum and will be matured on 20 September 2020;
- (v) These are the unsecured loans with the interest of 11% per annum and will be matured on 31 December 2020; and
- (vi) These are the unsecured loans with the interest of 12% per annum and will be matured on 1 October 2020 and 10 February 2021.

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

9. OTHER RECEIVABLES

Currency: VND

	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
Short-term				
Saigon Investment JSC (i)	583,000,000,000	-	583,000,000,000	-
Advance to PVCombank (ii)	228,040,284,000	-	223,040,284,000	-
Kinh Bac Services JSC (iii)	165,006,720,919	-	233,506,720,919	-
Advance to employees	58,731,672,494	-	35,755,884,861	-
Lang Ha Corporation	52,521,608,482	-	26,200,890,711	-
Receivables from Kum-ba Corporation (iv)	43,577,296,000	-	43,577,296,000	-
Kinh Bac Investment and Consulting JSC	32,744,498,630	-	26,066,843,836	-
Receivables from People Committee of Bac Ninh relating to land rental subsidy (v)	19,440,000,000	-	19,440,000,000	-
Department of Planning and Investment of Long An province (vi)	35,292,600,000	-	-	-
Deposit receivables (vii)	12,851,128,404	-	12,851,128,404	-
Other receivables	114,981,150,820	-	33,781,442,536	-
Other receivables from related parties (Note 29)	94,178,496,490	-	74,835,539,022	-
TOTAL	1,440,365,456,239	-	1,312,056,030,289	-
Long-term				
Other receivables from related parties (viii)	134,954,376,142	-	126,035,136,906	-
Vien Dong Real Estate and Property JSC	500,000,000	-	500,000,000	-
Other long-term receivables	323,052,876	-	317,575,346	-
TOTAL	135,777,429,018	-	126,852,712,252	-

- (i) This is the advance to Saigon Investment JSC related to the acquisition of shares in Le Minh Xuan 2 Industrial Park Investment JSC. As at 30 June 2020, the share transfer procedures have not been completed;
- (ii) This is the advance to Vietnam Public Joint Stock Commercial Bank ("PVcomBank") related to the acquisition of a real estate project;
- (iii) This is the receivable related to the transfer of 48.3 million shares in Saigon – Binh Dinh Energy JSC to Kinh Bac Services JSC in accordance with the contracts dated 15 December 2015;
- (iv) This is the receivable from Kum-Ba Corporation related to the transfer of shares of Lang Ha Corporation;
- (v) In accordance with the minutes of interdisciplinary meeting between the Finance Department of Bac Ninh Province, the Department of Planning and Investment of Bac Ninh Province, the Department of Natural Resources and Environment of Bac Ninh Province, the Management Board of Industrial Parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QD-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province is committed to support land rental for Que Vo Industrial Park project. Accordingly, the subsidy available to the Company is VND 19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park;

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

9. OTHER RECEIVABLES (continued)

- (vi) This is the deposit to the Department of Planning and Investment of Long An province related to the implementation of Phuoc Vinh Dong 4 Industrial Cluster project and Tan Tap Industrial Cluster project;
- (vii) This is the deposit to Hanoi Agriculture Investment and Development One Member Co., Ltd. in accordance with Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to co-operate to develop a mixed-use real estate project comprising of commercial center, offices, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Commune, Tu Liem District, Hanoi; and
- (viii) This mainly includes interest receivable on the deferred payment balance at the rate of 10% per annum from the transfer of 48.3 million shares of Sai Gon - Binh Dinh Energy JSC to Kinh Bac Service JSC according to the contracts dated 22 June 2015 and 15 December 2015.

10. INVENTORIES

Currency: VND

	30 June 2020		31 December 2019	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Trang Cat Industrial and Residential Park (i)	3,510,291,227,910	-	3,508,914,491,576	-
Tan Phu Trung Industrial Park (ii)	1,571,622,892,436	-	1,657,888,780,919	-
Phuc Ninh Urban Area	1,014,944,015,746	-	985,923,800,098	-
Trang Due Service, Trading Urban area and Workers Housing project	598,398,830,431	-	538,467,763,233	-
Nam Son - Hap Linh Industrial Park	525,507,455,029	-	457,741,605,095	-
Quang Chau Industrial Park and Urban area	363,484,738,398	-	342,779,745,623	-
Trang Due Industrial Park - stage 2	16,404,784,442	-	16,160,870,321	-
Trang Due Industrial Park - stage 1 (iii)	12,408,583,399	-	12,165,328,852	-
Trang Due Industrial Park - stage 3	2,016,023,459	-	2,016,023,459	-
Que Vo II Industrial Park	1,872,460,933	-	1,640,142,933	-
Merchandise for marketing activities	10,361,625,000	-	10,913,011,266	-
Other projects	13,737,948,676	-	13,147,207,278	-
TOTAL	7,641,050,585,859	-	7,547,758,770,653	-

Inventories of the Group as at 30 June 2020 comprise land compensation and infrastructure development costs, capitalized borrowing costs and other overheads which incurred for the development of industrial parks and other real estate projects which are developed for sale. Majority of the Group's inventories are used as collaterals for long-term loans as disclosed in Note 20.

- (i) In accordance with Decision No. 1548/QĐ-UBND dated 17 September 2010, the People's Committee of Hai Phong City approved the detailed planning 1/2000 of the Trang Cat Urban and Service Zone Project ("Trang Cat Project") with the approved development area of 584.91 hectares, and the Company as the investor of the Project. Consequently, the Company established Trang Cat Urban Development One-Member Limited Company ("Trang Cat LLC") to directly manage, develop and complete this project. On 8 October 2012, the Hai Phong People's Committee issued Decision No. 1679/QĐ-UBND to assign the land to Trang Cat Company for the development of Trang Cat Urban and Services Zone project in Trang Cat, Hai An District, with the total assigned land area of 581.93 ha.

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

10. INVENTORIES (continued)

Also relating to Trang Cat Project, in accordance with the Asset Pledge Agreement to guarantee for obligations of third party No. 0202/2013/HDTC-DN dated 22 February 2013 between Trang Cat Company and Western Commercial Joint Stock Bank ("Western Bank"), which has since been merged with Vietnam Public Joint Stock Commercial Bank ("PVcomBank"), Trang Cat LLC has agreed to mortgage the following assets:

- ▶ Trang Cat Project;
- ▶ Property rights and economic benefits arising from the Decision on Land Assignment and the relevant documents, investment associated with the land use right in Trang Cat Project;
- ▶ All the asset rights, benefit rights arising from Trang Cat Project; and
- ▶ All the assets which will be formed in the future under Trang Cat Project.

to PVComBank to secure the obligations of the Group and other affiliates. In particular, the guaranteed obligations comprise:

- ▶ obligations of Saigon - Binh Thuan Power Plant Investment and Development JSC ("Saigon - Binh Thuan Company") arising from the acquisition of an investment portfolio from PVCombank according to the transfer agreement dated 1 August 2012 between the Bank and Saigon - Binh Thuan Company;
 - ▶ loans, trust investment and bonds due by the Company and its subsidiaries, associates (including the Saigon Telecommunication & Technologies Corporation - SGT) to PVCombank with a total value of VND 2,429 billion; and
 - ▶ loans, trust investment and bonds due by other companies (including Saigon Construction JSC, Saigon Investment JSC, Saigon - Cantho Industrial Park Corporation, SGI Fund Management JSC, Saigon Construction JSC, NAVI Securities JSC and Asian Securities JSC) to PVComBank with a total value of VND 1,095 billion.
- (ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area which have been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park developed by Northwest Saigon City Development Corporation, which have been revalued at the date the Group acquired and assumed control over this subsidiary.
- (iii) Work in progress in Trang Due Industrial Park - phase 1 includes the fair value of the land area which have been cleared and granted with land assignment decision of Trang Due Industrial Park developed by Saigon - Hai Phong Industrial Park JSC, which have been revalued at the date the Group acquired and assumed control over this subsidiary.

During the period, the Group capitalized borrowing costs amounting to VND 19.2 billion (for the six-month period ended 30 June 2019: VND 16.4 billion). These costs relate to the borrowings taken to finance the development of industrial parks and other real estate projects of the Group.

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

11. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Brokerage fees of un-completed real-estate transfer contracts	66,357,846,943	77,013,588,129
Other short-term prepaid expenses	<u>3,005,406,462</u>	<u>389,501,218</u>
TOTAL	<u>69,363,253,405</u>	<u>77,403,089,347</u>
Long-term		
Infrastructure repair costs	9,435,797,304	10,253,332,425
Other long-term prepaid expenses	<u>8,441,184,135</u>	<u>13,148,310,818</u>
TOTAL	<u>17,876,981,439</u>	<u>23,401,643,243</u>

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

12. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures (including cost of land development and infrastructure)</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
As at 31 December 2019	325,499,949,077	64,120,551,693	68,315,304,859	26,365,431,153	1,176,109,090	485,477,345,872
- Increase during the period	20,731,334,257	207,650,000	-	36,272,727	181,500,000	21,156,756,984
- Sold, disposed	-	-	(479,905,000)	-	-	(479,905,000)
- Other decreases	(415,904,320)	(177,500,000)	-	-	-	(593,404,320)
As at 30 June 2020	345,815,379,014	64,150,701,693	67,835,399,859	26,401,703,880	1,357,609,090	505,560,793,536
<i>In which:</i>						
<i>Fully depreciated</i>	29,950,621,977	4,920,527,507	15,232,913,149	6,075,900,580	1,141,609,090	57,321,572,303
Accumulated depreciation:						
As at 31 December 2019	152,313,151,031	30,686,096,412	38,315,643,127	9,477,828,343	1,141,609,090	231,934,328,003
- Depreciation for the period	13,091,641,723	2,760,811,757	3,184,576,511	1,800,869,801	7,806,452	20,845,706,244
- Sold, disposed	-	-	(479,905,000)	-	-	(479,905,000)
- Other decreases	(31,192,823)	(12,678,570)	-	-	-	(43,871,393)
As at 30 June 2020	165,373,599,931	33,434,229,599	41,020,314,638	11,278,698,144	1,149,415,542	252,256,257,854
Net carrying amount:						
As at 31 December 2019	173,186,798,046	33,434,455,281	29,999,661,732	16,887,602,810	34,500,000	253,543,017,869
As at 30 June 2020	180,441,779,083	30,716,472,094	26,815,085,221	15,123,005,736	208,193,548	253,304,535,682

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

13. INVESTMENT PROPERTIES

Currency: VND

Factories
(including costs of
land development
and infrastructure)

Cost:

As at 31 December 2019	476,439,458,160
As at 30 June 2020	<u>476,439,458,160</u>

Accumulated depreciation:

As at 31 December 2019	43,720,836,237
- Depreciation during the period	<u>21,394,555,044</u>
As at 30 June 2020	<u>65,115,391,281</u>

Net carrying amount:

As at 31 December 2019	<u>432,718,621,923</u>
As at 30 June 2020	<u>411,324,066,879</u>

Investment properties comprise factories at industrial parks which are held for operating leases.

As at 30 June 2020, the Group has not been able to determine the fair value of these investment properties because there is no active market for these properties.

14. CONSTRUCTION IN PROGRESS

Currency: VND

	30 June 2020	31 December 2019
Project at 84A Hung Vuong street, Da Nang city (i)	700,181,395,652	698,395,630,720
Hanoi Diplomat Area (ii)	106,555,116,818	106,555,116,818
Clean water plant	15,395,406,726	1,377,615,636
Factories of Trang Due Industrial Park	8,176,464,546	-
Phase 3 of Wastewater plant	4,931,479,092	-
Que Vo II Industrial Park	4,721,134,625	-
Office building	1,227,840,728	670,773,455
Que Vo I Industrial Park	-	5,504,432,192
Others	<u>10,092,871,438</u>	<u>9,531,242,893</u>
TOTAL	<u>851,281,709,625</u>	<u>822,034,811,714</u>

(i) This mainly comprises of land use right at 84 Hung Vuong, Hai Chau 1 ward, Hai Chau district, Da Nang city with total land area of 11,170,600 m², which has been transferred under the land use right transfer contract signed between Vien Dong Real Estate and Property JSC and Kinh Bac – Da Nang Investment One Member Co., Ltd.

(ii) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation transferred the existing infrastructure works to the Company for the development of a real estate project, comprising offices, representative offices for international agencies, at Hanoi Diplomatic Area.

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

		Currency: VND	
	Note	30 June 2020	31 December 2019
Investment in associates	15.1	436,946,864,329	434,925,286,015
Other long-term investments	15.2	448,500,200,000	448,500,200,000
Provision for long-term investments	15.2	<u>(22,887,918,150)</u>	<u>(22,344,943,996)</u>
TOTAL		<u>862,559,146,179</u>	<u>861,080,542,019</u>

15.1 Investment in associates

		Currency: VND				
		30 June 2020		31 December 2019		
Note	% of voting right	Number of shares	Amount VND	Number of shares	Amount VND	
Saigon Telecommunication & Technologies JSC	(i)	21.48%	15,896,923	229,203,016,689	15,896,923	226,820,001,888
Saigon - Hue Investment JSC	(ii)	28.14%	9,849,000	202,249,780,018	9,849,000	202,611,216,505
Scanviwood JSC	(iii)	34%	1,077,528	<u>5,494,067,622</u>	1,077,528	<u>5,494,067,622</u>
TOTAL			<u>436,946,864,329</u>			<u>434,925,286,015</u>

(i) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 May 2002 and the amended subsequent licenses, with the latest is the 13th amended Business Registration Certificate being granted on 11 August 2014, with a registered charter capital of VND 740 billion. Its principal activities include trading computers, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is at 46 Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam.

(ii) Saigon - Hue Investment JSC

Saigon - Hue Investment JSC was established pursuant to the Business Registration Certificate No. 3103000255 issued by the Department of Planning and Investment of Thua Thien-Hue province on 9 October 2007 and the first amended Business Registration Certificate No. 3300512389 on 16 February 2012 with a registered charter capital of VND 350 billion. Its principal activities include investment, construction and trading on infrastructure inside and outside industrial zone, residential areas, resettlement area, housing for worker; industrial and civil construction works, transport and power projects up to 35kV.

Its registered office is at No.15, Nguyen Hue Street, Hue City, Vietnam.

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 associates (continued)

(iii) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established pursuant to the Business Registration Certificate No. 0301213033 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND 31.69 billion. Its principal activities include manufacturing of household products for export.

Its registered office is at 565 An Duong Vuong Street, An Lac Ward, Binh Thanh District, Ho Chi Minh City, Vietnam.

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 associates (continued)

Investments in associates as at 30 June 2020 are as below:

Currency: VND

	Saigon Telecommunication & Technologies JSC	Saigon - Hue Investment JSC	Scanviwood JSC	Total
Cost of investment:				
As at 31 December 2019	423,492,661,074	210,627,000,000	7,204,600,000	641,324,261,074
As at 30 June 2020	423,492,661,074	210,627,000,000	7,204,600,000	641,324,261,074
Accumulated share in post-acquisition profit/(loss) of the associates:				
As at 31 December 2019	(36,444,932,800)	(8,015,783,495)	(1,710,532,378)	(46,171,248,673)
- Share in post-acquisition profit/(loss) of the associates for the period	2,383,014,801	(361,436,487)	-	2,021,578,314
As at 30 June 2020	(34,061,917,999)	(8,377,219,982)	(1,710,532,378)	(44,149,670,359)
Accumulated amortization of goodwill:				
As at 31 December 2019	160,227,726,386	-	-	160,227,726,386
As at 30 June 2020	160,227,726,386	-	-	160,227,726,386
Net carrying amount:				
As at 31 December 2019	226,820,001,888	202,611,216,505	5,494,067,622	434,925,286,015
As at 30 June 2020	229,203,016,689	202,249,780,018	5,494,067,622	436,946,864,329

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 Other long-term investments

Currency: VND

	30 June 2020			31 December 2019		
	<i>% of voting right</i>	<i>Number of shares</i>	<i>Cost (*)</i>	<i>% of voting right</i>	<i>Number of shares</i>	<i>Cost (*)</i>
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC - Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - Nhon Hoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Ham Tan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
TOTAL			<u>448,500,200,000</u>			<u>448,500,200,000</u>
Provision for other long-term investments			<u>(22,887,918,150)</u>			<u>(22,344,943,996)</u>
NET CARRYING VALUE			<u>425,612,281,850</u>			<u>426,155,256,004</u>

(*) The Company has not been able to collect necessary information to evaluate the fair value of the shares held in these companies because the shares of these companies have not been listed on the stock exchange.

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

16. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

16.1 Short-term trade payables

Currency: VND

	30 June 2020		31 December 2019	
	Amount	Amount payable	Amount	Amount payable
Trade payables to suppliers				
- Kum-ba Corporation	24,197,260,274	24,197,260,274	24,197,260,274	24,197,260,274
- Truong Phat Investment JSC	14,684,663,207	14,684,663,207	20,188,189,332	20,188,189,332
- Van Loc Construction Development and Investment Corporation	9,791,953,754	9,791,953,754	13,569,718,000	13,569,718,000
- Mai Tuan Anh Transport Trading Company Limited	9,039,176,750	9,039,176,750	18,857,306,900	18,857,306,900
- Cong Thanh Enviroment - Technology Company Limited	8,502,579,073	8,502,579,073	16,005,014,945	16,005,014,945
- Hai Phat Real Estate JSC	13,019,970,115	13,019,970,115	13,019,970,115	13,019,970,115
- Other suppliers	175,491,180,675	175,491,180,675	264,754,590,958	264,754,590,958
TOTAL	254,726,783,848	254,726,783,848	370,592,050,524	370,592,050,524

16.2 Short-term advances from customers

Currency: VND

	30 June 2020	31 December 2019
Deposits for purchase of houses and land use rights at Trang Due Service, Trading Urban area and Workers housing project	123,545,059,740	74,428,093,405
Advances for long-term leases of land at Tan Phu Trung Industrial Park	88,169,084,821	200,347,165,104
Deposits for purchase of houses and land use rights at Quang Chau Urban Project	58,299,338,489	75,331,990,080
Advances for long-term leases of land at Trang Due Industrial Park and Urban Project	20,944,482,236	20,944,482,236
Other advances from customers	11,138,291,496	43,229,259,461
TOTAL	302,096,256,782	414,280,990,286

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

17. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2019	Increase for the period	Payment/off-set in the period	30 June 2020
Payables				
Value added tax	21,981,382,721	77,637,867,840	(84,980,695,642)	14,638,554,919
Corporate income tax	99,327,649,141	73,824,111,030	(68,322,268,959)	104,829,491,212
Personal income tax	2,219,022,078	6,747,452,557	(8,564,858,238)	401,616,397
Other taxes	5,778,574,651	4,015,637,827	(4,372,568,772)	5,421,643,706
TOTAL	129,306,628,591	162,225,069,254	(166,240,391,611)	125,291,306,234
	31 December 2019	Receivable/ Payable for the period	Off-set in the period	30 June 2020
Receivables				
Corporate income tax	-	4,319,144,866	-	4,319,144,866
Value added tax	136,394,905,445	55,190,332,431	(48,635,161,617)	142,950,076,259
Other taxes	2,547,248,417	560,798,311	(2,555,688,430)	552,358,298
TOTAL	138,942,153,862	60,070,275,608	(51,190,850,047)	147,821,579,423
<i>In which:</i>				
Tax receivables	2,547,248,417			4,871,503,164

18. ACCRUED EXPENSES

Currency: VND

30 June 2020 31 December 2019

	30 June 2020	31 December 2019
Short-term		
Accrued future development costs for recognised sales	432,389,116,195	481,392,813,069
- Quang Chau Industrial Park	61,962,653,088	196,930,164,600
- Tan Phu Trung Industrial Park	229,237,679,727	128,150,308,354
- Trang Due Industrial Park	38,495,531,381	49,817,566,787
- Que Vo II Industrial Park	19,250,743,371	19,250,743,371
- Que Vo I Industrial Park	55,102,164,592	56,504,290,047
- Phuc Ninh Urban Area	6,157,417,037	4,116,772,240
- Trang Due Urban Area	22,182,926,999	26,622,967,670
Accrued interest expenses (*)	1,117,719,725,432	1,113,638,659,265
External services	2,911,957,126	34,499,564,263
Other accrued expenses	7,495,712,109	4,124,879,548
Accrued interest expenses to related parties (Note 29)	7,405,592,694	1,233,333,333
TOTAL	1,567,922,103,556	1,634,889,249,478
Long-term		
Accrued interest expenses to related parties (Note 29)	927,879,723	909,879,723
TOTAL	927,879,723	909,879,723

(*) This amount mainly includes the bond interest expense payable to PVcomBank. PVcomBank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be due on 31 December 2020 (Note 20.2).

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19. OTHER PAYABLES

Currency: VND

30 June 2020 31 December 2019

Short-term

Tan Hoang Minh Hotel Service Trading Company Limited (i)	1,804,868,000,000	-
Deposit for land transfer agreement at Phuc Ninh Urban Area (ii)	444,534,322,652	439,934,046,609
Golden Star Vietnam Company Limited	60,723,076,000	-
Tay Ninh Industrial Infrastructure Development Corporation	45,500,000,000	45,500,000,000
Other short-term deposits (iii)	21,166,727,513	111,063,031,650
Dividends	18,126,582,873	41,995,332,873
Infrastructure maintenance fee	20,994,339,385	20,120,313,022
Other short-term payables	30,935,835,660	43,778,860,749
TOTAL	<u>2,446,848,884,083</u>	<u>702,391,584,903</u>

Long-term

Other long-term deposits (iii)	29,130,652,271	28,774,099,409
Other long-term payables	6,352,102,685	6,352,102,684
TOTAL	<u>35,482,754,956</u>	<u>35,126,202,093</u>

- (i) This is payable to Tan Hoang Minh Hotel Service and Trading Company Limited in connection with the transfer of all equity capital of Hoa Sen Hotel Development Company Limited as described in Note 6.1;
- (ii) This is deposit from customers for land transfer agreement at Phuc Ninh Urban Area of the Company; and
- (iii) These mainly pertain to the deposits from long-term leases of land and infrastructure at industrial parks of the Group.

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

20. LOANS

Currency: VND

	31 December 2019		Movement during the period		30 June 2020	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Current portion of long-term loans and bonds (Note 20.1 and Note 20.2)	696,035,305,750	696,035,305,750	826,908,495,962	(515,035,305,750)	1,007,908,495,962	1,007,908,495,962
Short-term loans from related parties (Note 29)	100,000,000,000	100,000,000,000	12,200,000,000	-	112,200,000,000	112,200,000,000
Other short-term loans (i)	8,000,000,000	8,000,000,000	87,735,378,567	(7,800,000,000)	87,935,378,567	87,935,378,567
	804,035,305,750	804,035,305,750	926,843,874,529	(522,835,305,750)	1,208,043,874,529	1,208,043,874,529
Long-term						
Long-term loans from bank (Note 20.1)	260,100,654,324	260,100,654,324	99,186,174,737	(50,700,314,144)	308,586,514,917	308,586,514,917
Bonds (Note 20.2)	805,861,885,377	805,861,885,377	569,996,136,066	(818,630,178,228)	557,227,843,215	557,227,843,215
Long-term loans from related parties (Note 29)	30,000,000,000	30,000,000,000	-	-	30,000,000,000	30,000,000,000
Other long-term loans (ii)	25,935,378,567	25,935,378,567	40,000,000,000	(25,935,378,567)	40,000,000,000	40,000,000,000
	1,121,897,918,268	1,121,897,918,268	709,182,310,803	(895,265,870,939)	935,814,358,132	935,814,358,132

(i) These unsecured loans include: a short-term loan from Kinh Bac Service JSC with the interest at 10.5% per annum and will be matured on 31 December 2020; a short-term loan from Sai Gon – Da Nang Investment Corporation with the interest at 12% per annum and will be matured on 26 August 2020; a short-term loan from an individual without interest and will be matured on 15 January 2021; and a short-term loan from other individual with the interest at 12% per annum and will be matured on 11 November 2020; and

(ii) This is unsecured loan from Kim Ha Consulting and Investment JSC with the interest at 11% per annum and will be matured on 12 May 2022.

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

20. LOANS (continued)

20.1 Long-term loans from bank

Details of long-term loans from banks are as follows:

Banks	30 June 2020 (VND)	Interest	Principal and interest payment term	Collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	39,700,314,144	10.5% per annum	Principal repayment on 6 February 2021. Interest payment on the last 25 th day each quarter	Value of commercial land area that has not been leased according to Valuation report No 217.07/2019/BBĐGL dated 10 October 2019 with amount of VND 84,866,000,000.
Joint Stock Commercial Bank for Investment and Development of Vietnam - Bac Ninh branch	111,751,470,720	10.5% per annum	Principal is repayable every 6 months, started from 1 December 2018. Interest is payable every 3 months, started from 19 September 2018	All assets formed in the future including land use rights and assets attached with the land of Phuc Ninh Area in 22 ha area.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	224,969,640,107	10% per annum	Principal repayment on 29 November 2022. Interest is payable every 3 months on the last 25 th day each quarter	All the assets formed in the future of the 100 hecta project in Phase 1 of Nam Son - Hap Linh Industrial park, along with the property rights arising from the economic contracts for trading of infrastructure, land and other attached properties of 100 hecta land area of stage 1 in Nam Son – Hap Linh Industrial Park.
	52,865,404,090	10% per annum	Principal repayment on 16 November 2022. Interest is payable every 3 months on the last 25 th day each quarter	All assets formed from 83.8 ha area infrastructure development of Que Vo II Industrial Park.
TOTAL	429,286,829,061			
<i>In which:</i>				
Current portion of long-term loans	120,700,314,144			
Long-term loans	308,586,514,917			

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

20. LOANS (continued)

20.2 Bonds

As at 30 June 2020, bonds issued by the Group are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Description of collateral
KBCbond1-2017	Corporate bond issued to BIDV-Saigon Northern branch	280	1,000,000,000	280,000,000,000	10.23%	21 November 2022	All shares of Kinh Bac – Da Nang Investment Company Limited
KBC bond2019-02	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	15 April 2021	26,000,000 shares of Kinh Bac City Development Holding Corporation.
KBC bond2019-05	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	28 June 2021	800,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBCbond2019-03	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	05 January 2021	700,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBC bond2019-06	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.8%	06 June 2021	420,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBCbond2020.200	Corporate bond issued to counterparties	200,000	1,000,000	200,000,000,000	10.5%	08 May 2022	1,309,000 Shares of Saigon – Bac Giang Industrial Park JSC.
KBCbond2020.VB	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.8%	23 June 2022	Land attach asset (including factories, offices), infrastructure investment value in QueVo I, QueVo II, Quang Chau industrial park.
<i>Bond issuance costs:</i>				<i>(35,563,974,967)</i>			
TOTAL		10,200,280		1,444,436,025,033			
<i>In which:</i>							
<i>Bonds due in next year</i>				900,000,000,000			
<i>Bond issue costs will be allocated in next year</i>				(12,791,818,182)			
<i>Long-term bonds</i>				580,000,000,000			
<i>Long-term bond issue costs</i>				(22,772,156,785)			

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

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
For the six-month period ended 30 June 2019							
As at 31 December 2018	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	3,650,661,947,305	802,762,703,429	9,837,357,794,557
- Net profit for the period	-	-	-	-	390,580,237,525	122,336,862,557	512,917,100,082
- Other decreases	-	-	-	-	-	(77,248,123)	(77,248,123)
As at 30 June 2019	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,041,242,184,830	925,022,317,863	10,350,197,646,516
For the six-month period ended 30 June 2020							
As at 31 December 2019	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,099,263,633,258	897,934,323,991	10,381,131,101,072
- Net profit for the period	-	-	-	-	50,873,225,025	54,244,562,255	105,117,787,280
As at 30 June 2020	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,150,136,858,283	952,178,886,246	10,486,248,888,352

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

21. OWNERS' EQUITY (continued)

21.2 Contributed charter capital

Currency: VND

	30 June 2020			31 December 2019		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contribution by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000	4,757,111,670,000	-
Share premium	989,064,430,000	989,064,430,000	-	989,064,430,000	989,064,430,000	-
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,709,450,000	5,381,709,450,000	-	5,381,709,450,000	5,381,709,450,000	-

21.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Contributed capital		
Beginning balance	4,757,111,670,000	4,757,111,670,000
Increase in the period	-	-
Decrease in the period	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>4,757,111,670,000</u>
Dividends/profit paid	-	-

21.4 Dividend

Currency: VND

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Dividends declared during the period		
Interim dividends for 2020:	-	-
Dividends paid during the period		
Interim dividends for 2020:	23,868,750,000	77,248,123

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

21. OWNERS' EQUITY (continued)

21.5 Shares

	30 June 2020		31 December 2019	
	Shares	Par value (VND)	Shares	Par value (VND)
Issued shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Issued and paid-up shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Ordinary shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Preference shares	-	-	-	-
Treasury shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preference shares	-	-	-	-
Shares in circulation	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Ordinary shares	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND10,000/share (31 December 2019: VND10,000/share).

22. NON-CONTROLLING INTEREST

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	897,934,323,991	802,762,703,429
Profit attributable to non-controlling interest	54,244,562,255	122,336,862,557
Other decreases	-	(77,248,123)
Ending balance	952,178,886,246	925,022,317,863

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

23. REVENUES

23.1 Revenue from sales of goods and rendering of services

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Gross revenue	727,333,138,069	1,569,931,202,152
Of which:		
Revenue from long-term lease of land and infrastructures (*)	470,947,281,852	1,351,661,930,698
Revenue from supply of clean water, electricity, management services, waste water treatment supply	124,864,610,512	94,083,765,263
Revenue from real estate transfers	82,811,759,197	1,684,009,834
Revenue from operating leases of warehouses, factories and offices	48,251,500,164	12,483,384,454
Sale of factories	-	105,615,846,960
Other revenue	457,986,344	4,402,264,943
Less	-	-
Net revenue	727,333,138,069	1,569,931,202,152
In which:		
Sales to others	727,333,138,069	1,569,931,202,152
Sales to related parties	-	-

(*) During the period, the Group recorded revenue from long-term lease of land with infrastructure in the industrial parks in the interim consolidated income statement when the land is handed-over to the customers, which is based on the assessment that significant risks and rewards associated with ownership of the land have been transferred to the buyers. If revenue from the lease of land with infrastructure is allocated over the lease term, the impacts to revenue, cost of goods sold and services rendered; and profit before and after corporate income tax of the Group are as follows:

	<i>Currency: VND</i>	
	<i>Revenue recognized in full at the hand-over date</i>	<i>Revenue is amortized over the lease term</i>
Revenues from goods and rendering services	727,333,138,069	269,918,242,048
In which:		
Revenue from long-term lease of land and infrastructures	470,947,281,852	13,252,083,316
Cost of goods sold and services rendered	(370,079,562,942)	(136,215,140,185)
Gross profit of goods sold and services rendered	357,253,575,127	133,703,101,863

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

23. REVENUES (continued)

23.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest income from outstanding receivables of share transfer contract (*)	8,919,239,236	20,000,538,514
Interest income from term deposits and loans	16,936,715,819	9,434,371,151
Interest income on outstanding receivables from long-term leases of land and sale of factories	23,067,524	23,048,095
Other finance income	1,345,237,117	156,663,427
TOTAL	<u>27,224,259,696</u>	<u>29,614,621,187</u>

(*) This pertains mainly to interest income on receivables from Kinh Bac Services JSC under the contract to transfer the shares in Saigon – Binh Dinh Energy JSC.

24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of long-term leases of land and infrastructures	238,355,382,777	600,661,431,765
Cost of supplying of clean water, electricity, management services, waste water treatment supply	62,489,096,576	59,094,601,509
Cost of factories sold	-	32,877,938,899
Cost of warehouses, factories and offices for operating lease	22,089,589,135	6,903,467,291
Cost of real estate transferred	47,145,494,454	2,296,972,098
TOTAL	<u>370,079,562,942</u>	<u>701,834,411,562</u>

25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest expenses	84,334,101,879	97,765,842,968
Others	14,067,046,429	8,618,726,759
TOTAL	<u>98,401,148,308</u>	<u>106,384,569,727</u>

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

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Selling expenses		
Consultation and brokerage expenses	10,456,018,125	49,788,791,532
Labour costs	2,420,671,257	2,016,893,000
Others	11,597,678,774	5,179,604,885
TOTAL	<u>24,474,368,156</u>	<u>56,985,289,417</u>
Administrative expenses		
Labour costs	65,521,171,391	47,832,889,900
External services	17,417,437,356	16,977,967,033
Depreciation	5,584,015,761	5,320,004,612
Others	19,803,647,039	14,149,165,876
TOTAL	<u>108,326,271,547</u>	<u>84,280,027,421</u>

27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Land, infrastructure, factories development and services rendering expenses	445,235,616,457	279,339,574,439
Labour costs	67,941,842,648	51,254,841,923
Depreciation of fixed assets, amortisation of goodwill and allocation of prepaid expenses	42,295,930,872	22,613,042,303
Expenses for external services	66,751,181,346	79,608,583,194
Other expenses	22,951,143,402	27,806,242,690
TOTAL	<u>645,175,714,725</u>	<u>460,622,284,549</u>

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

28. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of profit after tax except for the following :

- ▶ For the industrial park development activities at Quang Chau Industrial Park, Saigon - Bacgiang Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and at 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and at 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 2, Saigon - Hai Phong Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations. The subsidiary is entitled to an exemption from CIT for 4 years from 2015 to 2018, and a 50% reduction of the applicable CIT rate for the following 9 years up to 2027. The statutory CIT rate applicable for the six-month period ended 30 June 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and at 20% for the following years. The statutory CIT rate applicable for the six-month period ended 30 June 2020 is 10%.
- ▶ For the industrial park development activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Limited Company is obliged to pay CIT at the rate of 10% for the first 15 years of operations and at 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2012 to 2015, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2020 is 10% with a 50% reduction.

The tax returns filed by the Company and its subsidiaries 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 financial statements could change at a later date upon final determination by the tax authorities.

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

28. CORPORATE INCOME TAX (continued)

28.1 Chi phí thuế TNDN

	Currency: VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Current CIT expenses	73,824,111,030	71,436,911,942
Deferred CIT (income)/expenses	(14,531,807,053)	63,029,333,195
TOTAL	<u>59,292,303,977</u>	<u>134,466,245,137</u>

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	Currency: VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Profit before tax	164,410,091,257	647,383,345,219
CIT expense at rates applicable to companies in the Group	36,550,464,099	130,777,601,580
<i>In which:</i>		
5% tax rate applied to long-term lease of land activities	-	3,683,082,419
10% tax rate applied to long-term lease of land activities	951,278,475	2,446,695,171
20% tax rate to other activities	35,599,185,624	124,647,823,990
<i>Adjustments to increase</i>		
Non-deductible expenses	1,163,008,707	3,688,643,557
Interest expenses in excess of 30% EBITDA according to Decree 68/2020/ND-CP	19,141,953,608	-
Losses from other activities which are not allowed to be offset against profits from real estate trading	2,638,710,676	-
Tax loss carried forward	(201,833,113)	-
CIT expenses	<u>59,292,303,977</u>	<u>134,466,245,137</u>

28.2 Current CIT

The current CIT payable is based on taxable income for the current period. The taxable income of the Company and its subsidiaries 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 Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the interim consolidated balance sheet date.

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

28. CORPORATE INCOME TAX (continued)

28.3 Deferred CIT

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

Currency: 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>
Deferred tax liabilities				
Deferred tax liabilities arising from fair value adjustment on acquisition date at Northwest Saigon City Development Corporation	164,765,346,545	178,311,780,394	(13,546,433,849)	(17,517,707,670)
Deferred tax liabilities arising from fair value adjustment on acquisition date at Sai Gon - Hai Phong Industrial Park Corporation	457,334,950	457,334,950	-	-
Deferred tax liabilities arising from allocation of CIT over the lease term	640,968,209,133	641,953,582,337	(985,373,204)	80,547,040,865
	806,190,890,628	820,722,697,681		
Net deferred tax (credit)/debit to interim consolidated income statement			(14,531,807,053)	63,029,333,195

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

28. CORPORATE INCOME TAX (continued)

28.4 Unrecognised deferred tax assets

Tax losses carried forward

The Group is entitled to carry each individual tax loss forward to offset against the taxable income arising within 5 subsequent years to the year in which the loss was incurred. At the interim consolidated balance sheet date, the Group had aggregated accumulated tax losses of VND172,588,650,739 (31 December 2019: VND125,056,680,620) available for offset against future taxable. Details are as follows:

Currency: VND

Originating year	Can be utilized up to		Tax loss amount	Utilized up to 30 June 2020	Forfeited	Unutilized at 30 June 2020
2015	2020	(i)	71,200,307,244	-	(68,847,932,661)	2,352,374,583
2016	2021	(i)	3,008,882,395	-	-	3,008,882,395
2017	2022	(i)	4,433,878,613	-	-	4,433,878,613
2018	2023	(i)	5,476,455,673	-	-	5,476,455,673
2019	2024	(ii)	40,937,156,695	(1,009,165,555)	-	39,927,991,140
Current period	2025	(ii)	117,389,096,943	-	-	117,389,096,943
TOTAL			242,445,777,563	(1,009,165,555)	(68,847,932,661)	172,588,679,347

- (i) These are estimated tax losses of the Company's branch which has been audited by the local tax authorities, and estimated tax losses of Trang Cat One Member Development Company Limited which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.
- (ii) These are estimated tax losses as per the Company, the Company's branch and the following subsidiaries's corporate income tax declarations: Trang Cat One Member Development Company Limited, Kinh Bac – Da Nang Investment One Member Company Limited, Bac Giang – Long An Industrial Park One Member Company Limited, Tan Tap Industrial Infrastructure Development Limited Company which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

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

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

29. TRANSACTIONS WITH RELATED PARTIES

List of related parties which had transactions and/or receivable/payable balances during the period with the Group:

No.	Related party	Relationship
1	Saigon Telecommunication & Technologies Corporation	Associate
2	Sai Gon – Hue Investment Corporation	Associate
3	Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Other related parties
4	Vinatex – Tan Tao Investment Corporation	Other related parties
5	Mr. Dang Thanh Tam	Chairman
6	Ms. Nguyen Thi Thu Huong	General Director
7	Mr. Phan Anh Dung	Deputy General Director
8	Ms. Nguyen My Ngoc	Deputy General Director
9	Mr. Mai Tuan Dung	Subsidiary's General Director
10	Mr. Vu Thanh Duong	Subsidiary's General Director

Significant transactions with related parties during the six-month period ended 30 June 2020 and 30 June 2019 were as follows:

Related party	Relationship	Description	Currency: VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Mr. Dang Thanh Tam	Chairman	Advance	9,679,380,000	-
Saigon Telecommunication & Technologies Corporation	Associate	Lending	117,027,068,493	5,000,000,000
		Collection of lending	106,292,687,097	-
		Borrowings	12,200,000,000	-
Vinatex – Tan Tao Investment Corporation	Other related parties	Interest payables	5,933,333,334	-
Mr. Mai Tuan Dung	Subsidiary's General Director	Advance	3,472,493,202	-
Mr. Vu Thanh Duong	Subsidiary's General Director	Advance	7,698,500,000	-

Terms and conditions of transactions with related parties

The sales, and purchases, of goods to/from related parties are made on contractual basis.

Outstanding balances at 30 June 2020 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2020, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2019: 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet dates, amount due to and from related parties of the Group are as follows:

			<i>Currency: VND</i>	
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term loan receivables (Note 8)				
Saigon Telecommunication & Technologies Corporation	Associate	Short-term loan receivables (i)	27,227,068,493	16,492,687,097
			27,227,068,493	16,492,687,097
Other short-term receivables (Note 9)				
Saigon Telecommunication & Technologies Corporation	Associate	Deposit	40,000,000,000	40,000,000,000
		Interest receivables	2,287,530,702	3,794,946,436
Mr. Mai Tuan Dung	Subsidiary's General Director	Advance	29,214,097,068	25,741,603,866
Mr. Dang Thanh Tam	Chairman	Advance	9,679,380,000	-
Mr. Vu Thanh Duong	Subsidiary's General Director	Advance	9,088,500,000	1,390,000,000
Ms. Nguyen Thi Thu Huong	General Director	Advance	3,489,211,820	3,489,211,820
Ms. Nguyen My Ngoc	Deputy General Director	Advance	309,776,900	309,776,900
Mr. Phan Anh Dung	Deputy General Director	Advance	110,000,000	110,000,000
			94,178,496,490	74,835,539,022
Short-term accrued expenses (Note 18)				
Vinatex – Tan Tao Investment Corporation	Other related parties	Interest payable	7,166,666,667	1,233,333,333
Saigon Telecommunication & Technologies Corporation	Associate	Interest payable	238,926,027	-
			7,405,592,694	1,233,333,333
Long-term accrued expenses (Note 18)				
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Other related parties	Interest payables	927,879,723	909,879,723
			927,879,723	909,879,723

(i) This is unsecured loan with the interest ranging from 4.5% to 11% per annum and will be matured from September 2020 to February 2021.

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet dates, amount due to and from related parties of the Group are as follows (continued):

Related party	Relationship	Transaction	Currency: VND	
			30 June 2020	31 December 2019
Short-term loans (Note 20)				
Vinatex – Tan Tao Investment Corporation (i)	Other related parties	Short-term loan	100,000,000,000	100,000,000,000
Saigon Telecommunication & Technologies Corporation (ii)	Associate	Short-term loan	12,200,000,000	-
			112,200,000,000	100,000,000,000
Long-term loans (Note 20)				
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC (iii)	Other related parties	Long-term loan	30,000,000,000	30,000,000,000
			30,000,000,000	30,000,000,000

- (i) This is unsecured loan with the interest at 1% per month and will be matured in July 2020;
- (ii) This is unsecured loan with the interest at 11% per annum and will be matured on 15 April 2021; and
- (iii) This is unsecured loan with the interest at 10.5% per annum and will be matured on 31 December 2022.

Transactions with other related parties

Remuneration to members the Board of Directors and Board of Management:

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
General Director	5,328,184,000	4,205,533,000
Deputy General Directors and Chief Accountant	4,478,878,000	3,183,012,000
TOTAL	9,807,062,000	7,388,545,000

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

30. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	<i>Currency: VND</i>	
	<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 attributable to ordinary equity holders for basic earnings	50,873,225,025	390,580,237,525
<i>Effect of dilution</i>	-	-
Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution	50,873,225,025	390,580,237,525
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	469,760,189	469,760,189
<i>Effect of dilution</i>	-	-
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	469,760,189	469,760,189
Basic earnings per share	108	831
Diluted earnings per share	108	831

There is no ordinary shares transaction or preference share transaction since 30 June 2020 until the date of these interim consolidated financial statements.

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

31. COMMITMENTS AND CONTINGENCIES

31.1 Commitments relating to real estate investment projects

Commitments relating to the State:

- (i) According to Decision No. 1526/QD-CT dated 17 December 2003 and Decision No. 971/QD-UBND dated 15 July 2009 by Bac Ninh Provincial People's Committee regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh Town, Bac Ninh Province, the Company has an obligation to pay land use fees and other charges for the residential land area, commercial and public areas in the Phuc Ninh Residential Area. Accordingly, the Company was handed over 49.53 ha of land in 2010, completed the land marking for 47.2 ha of land in 2013 with Bac Ninh Provincial People's Committee and paid the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT dated 23 December 2004 by Bac Ninh Provincial People's Committee on the land use fee (phase 1) and the notices of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2020, the Company is in the process of finalizing the land use fee with Bac Ninh Provincial People's Committee for the above assigned land.
- (ii) From 2003 to 2014, the Company signed a number of land rental contracts with Bac Ninh Provincial People's Committee for the land area at Que Vo I Industrial Park and Que Vo II Industrial Park, which is 2,268,388.8 m² (up to 2052) and 2,234,012.9 m² (up to 2057), respectively. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. As at 30 June 2020, the Company is still in the process of finalizing land use payments with Bac Ninh Provincial People's Committee for the above-mentioned land areas under the Land Law No. 45/2013/QH13 dated 1 July 2014 by the National Assembly and Decree 135/2016/ND-CP dated 9 September 2016 by the Government with effect from 15 November 2016 and relevant regulations on collection of land use right and rental fees.
- (iii) On 10 June 2015, the Company signed a land rental contract with Bac Ninh Provincial People's Committee for 1,050,877.9m² land area assigned at Nam Son Hap Linh Industrial Park (up to 2058). As at 30 June 2020, the Company is still in the process of finalizing with the authorities to determine land rental obligations.
- (iv) On 20 March 2013, the Department of Finance of Ho Chi Minh City sent a notice to Northwest Saigon City Development JSC ("SCD") advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square meter for 2011 and 2012. However, according to Decision No. 2093/QD-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC on removal of difficulties for enterprises, land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, SCD currently accrues the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014 based on the land rental rate of VND 500/m², equivalent to two times of 2010 land rental fee which was approved by Ho Chi Minh City People's Committee under the land lease contract No. 2516/HD-TNMT-QHSDD on 5 April 2007. At the same time, SCD sent a letter to the Ho Chi Minh City People's Committee to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 pursuant to the above regulations. On 5 October 2017, Ho Chi Minh city Tax department issued Notice No. 9726/CT-KTTĐ on land rental for the change in land use purpose in Tan Phu Trung Industrial Park, Cu Chi District. According to which, the land rental fee of 12 tenants from 1 January 2016 to 16 December 2017 is VND 10,158,341,700; and late payment penalty has been calculated to 30 June 2017 is VND 12,219,236,070. The Company has paid such land rental fee and late payment penalty in 2018 in accordance with above notice.

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

31. COMMITMENTS AND CONTINGENCIES (continued)

31.1 Commitments relating to real estate investment projects (continued)

Commitments relating to the State: (continued)

- (v) From 2011 to 2014, Saigon - Haiphong Industrial Park Corporation ("SHP") signed land lease agreements with the People's Committee of Hai Phong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m². Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m² land area and up to 2057), Contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m² land area and up to 2057) and Contract No.13 / HĐTD dated 17 February 2014 (for 93,303.7 m² land area and up to 2057). On 12 December 2014, the General Department of Taxation of Haiphong City issued Decision No. 4274 / QĐ-CT on land rent exemption for Saigon-Hai Phong Industrial Park Corporation. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the Land Lease Contracts No. 04, No.13 and No.179, respectively. However, according to Investment Certificate No.02221000009 issued by the Hai Phong Economic Zone Management Board on 29 November 2013, SHP is exempted from land rental for the above land area. Therefore, SHP is in the process of working with the relevant government agencies to clarify the inconsistency in the above legal documents.
- (vi) From 2008 to 2010, Saigon - Bac Giang Industrial Park Corporation ("SBG") signed land lease agreements with the People's Committee of Bac Giang Province for a total land area of 3,900,015.2 m² at Quang Chau Industrial Park (until 2056). According to the 2nd Investment Certificate dated 12 September 2014, Quang Chau Industrial Park is entitled to land rental fee exemption for 6 years during the development of the Industrial Park and another 7 years from the completion date of the project and put into operations. As at the date of these interim consolidated financial statements, SBG is still in the process of finalizing with the authorities to determine land rental obligations.

Capital expenditure commitments:

As at 30 June 2020, the Company and its subsidiaries have entered into contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Quang Chau urban area, Trang Due Industrial Park, Tan Phu Trung Industrial Park and Trang Cat urban area with total outstanding contractual commitment amounts to approximately VND 762 billion.

31.2 Guarantee and security

The Group has the following contingent liabilities related to guarantees as at 30 June 2020:

Guarantee under the mortgage contract with PVcomBank

As disclosed in Note 10, Trang Cat One Member Urban Development Limited Company ("Trang Cat LLC") signed mortgage contract No. 0202/2013/HĐTC-DN dated 22 February 2013 with PVcomBank to guarantee for payment obligations of third parties. Accordingly, Trang Cat LLC has agreed to pledge part of its assets related to the Trang Cat Urban and Service Zone Project to guarantee for the loans, trust investment, corporate bonds and other contractual obligations of the Group, its subsidiaries, associates and other companies.

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

31. COMMITMENTS AND CONTINGENCIES (continued)

31.3 Disputes

Disputes with VTC Wireless Telecommunications Corporation

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19.2%. The Company has then transferred VND 30,700,200,000 (19.2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation. However, the Company has alleged that VTC has not completed the purchase of assets for VTC - Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recover this investment. The Group's management has assessed that this investment will be recovered from VTC; and therefore, no provision has been made for the investment in VTC - Saigontel Media Company.

32. EVENTS AFTER THE BALANCE SHEET DATE

According to Board of Directors Resolution No. 2807/2020/KBC/NQ-HDQT dated 28 July 2020, the Company has contributed additional capital of VND 120,000,000,000 to Kinh Bac - Da Nang Investment Company Limited – Company's subsidiary.

There is no other matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.



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Preparer



Pham Phuc Hieu
Deputy General Director
and Chief Accountant




Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 August 2020