

Van Phu – Invest Investment Joint Stock Company

Interim consolidated financial statements

For the six-month period ended 30 June 2020



Van Phu – Invest Investment Joint Stock Company

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Van Phu – Invest Investment Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Van Phu - Invest Investment Joint Stock Company ("the Company") is a joint stock company which was established in accordance with the first Business Registration Certificate No. 0102702590 dated 12 March 2008. The Company also received its subsequent amended Enterprise Registration Certificates, with the latest being the 19th amendment being granted by Hanoi Department of Planning and Investment on 31 May 2019.

The current principal activity of the Company is development of real estate properties.

The Company's head office is located at No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi, Vietnam.

BOARD OF DIRECTORS

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

Mr. To Nhu Toan	Chairman	
Mr. Ngo Duc Long	Member	
Mr. Pham Hong Chau	Member	
Mrs. Nguyen Dieu Tu	Member	
Mr. Chu Duc Luong	Independent member	
Mr. Trinh Thanh Hai	Independent member	
Mr. To Nhu Thang	Member	Resigned on 15 May 2020

MANAGEMENT

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

Mr. Doan Chau Phong	General Director	
Mr. To Nhu Thang	Deputy General Director	
Mr. Pham Hong Chau	Deputy General Director	
Mr. Lam Hoang Dang	Deputy General Director	
Mrs. Nguyen Thu Hang	Deputy General Director	Appointed on 9 June 2020
Mr. Nguyen Minh Nguyen	Deputy General Director	Resigned on 1 May 2020

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. To Nhu Toan, Chairman.

AUDITOR

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

Van Phu – Invest Investment Joint Stock Company

REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management of Van Phu – Invest Investment Joint Stock Company ("the Company") is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

THE BOARD OF DIRECTORS AND MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and Management are 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 Company and its subsidiaries 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, the Board of Directors and Management are 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 Company and its subsidiaries will continue its business.

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

The Board of Directors and Management confirmed that they have complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management do hereby state that, in their opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company and its subsidiaries 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 the interim consolidated financial statements.

For and on behalf of the Board of Directors and Management:



To Nhu Toàn
Chairman

Hanoi, Vietnam

28 August 2020

Reference: 61600055/22066288-HN/LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The shareholders of Van Phu – Invest Investment Joint Stock Company

We have reviewed the accompanying interim consolidated financial statements of Van Phu - Invest Investment Joint Stock Company ("the Company") and its subsidiaries, as prepared on 28 August 2020 and set out on pages 5 to 50, which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The Board of Directors and Management's responsibility

The Board of Directors and Management are 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 the interim consolidated financial statements, and for such internal control as the Board of Directors and Management determine is necessary to enable the preparation and presentation of the 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.

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 Company and its subsidiaries 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 the interim consolidated financial statements.

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Other Matter

The interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2019 were reviewed by another audit firm which expressed an unmodified conclusion on those interim consolidated financial statements on 26 August 2019.

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 1 April 2020.

Ernst & Young Vietnam Limited



Tran Phu Son
Deputy General Director
Audit Practising Registration Certificate No. 0637-2018-004-1

Hanoi, Vietnam

28 August 2020

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		6,342,894,667,134	6,158,879,451,810
110	I. Cash and cash equivalents	4	626,027,594,040	650,500,398,617
111	1. Cash		204,334,145,601	93,546,949,205
112	2. Cash equivalents		421,693,448,439	556,953,449,412
120	II. Short-term investments	5	4,000,000,000	15,334,932,573
123	1. Held-to-maturity investments		4,000,000,000	15,334,932,573
130	III. Current accounts receivable		3,644,026,580,731	3,391,545,219,583
131	1. Short-term trade receivables	6.1	2,369,252,482,797	2,227,450,490,812
132	2. Short-term advances to suppliers	6.2	154,378,765,512	109,988,516,085
135	3. Short-term loan receivables	7	557,500,000,000	587,500,000,000
136	4. Other short-term receivables	8	573,502,836,679	522,408,316,943
137	5. Provision for doubtful short-term receivables	9	(10,607,504,257)	(55,802,104,257)
140	IV. Inventories	10	1,950,696,326,239	2,077,233,262,413
141	1. Inventories		1,950,696,326,239	2,077,233,262,413
150	V. Other current assets		118,144,166,124	24,265,638,624
151	1. Short-term prepaid expenses	15	112,857,914,409	4,195,154,376
152	2. Value-added tax deductible	17	5,070,388,324	18,200,346,127
153	3. Tax and other receivables from the State	17	215,863,391	1,870,138,121

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

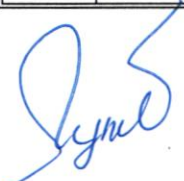
Currency: VND


Code	ASSETS	Notes	30 June 2020	31 December 2019
200	B. NON-CURRENT ASSETS		2,950,988,983,136	2,813,465,653,835
210	I. Long-term receivables		1,213,690,151,956	1,133,671,788,850
216	1. Other long-term receivables	8	1,213,690,151,956	1,133,671,788,850
220	II. Fixed assets		606,817,949,671	616,432,324,941
221	1. Tangible fixed assets	13	601,699,404,306	611,016,581,001
222	Cost		623,584,194,286	623,597,122,676
223	Accumulated depreciation		(21,884,789,980)	(12,580,541,675)
227	2. Intangible fixed assets		5,118,545,365	5,415,743,940
228	Cost		5,505,499,491	5,505,499,491
229	Accumulated amortization		(386,954,126)	(89,755,551)
240	III. Long-term assets in progress	12	329,627,460,748	245,855,941,000
241	1. Long-term work in progress	12.1	89,566,122,396	64,437,368,179
242	2. Construction in progress	12.2	240,061,338,352	181,418,572,821
250	IV. Long-term investments		567,418,849,505	558,571,736,513
252	1. Investments in associates, joint ventures entities	14	567,218,849,505	558,571,736,513
255	2. Held-to-maturity investments		200,000,000	-
260	V. Other long-term assets		233,434,571,256	258,933,862,531
261	1. Long-term prepaid expenses	15	230,810,170,918	255,667,209,789
262	2. Deferred tax assets	28.3	2,624,400,338	932,679,620
269	3. Goodwill		-	2,333,973,122
270	TOTAL ASSETS		9,293,883,650,270	8,972,345,105,645


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

Currency: VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
300	C. LIABILITIES		6,594,617,412,757	6,281,177,275,026
310	I. Current liabilities		3,771,236,824,596	3,501,093,640,894
311	1. Short-term trade payables	16.1	217,740,251,243	340,523,306,020
312	2. Short-term advances from customers	16.2	1,104,835,489,913	647,325,183,976
313	3. Statutory obligations	17	52,267,465,873	128,967,914,352
314	4. Payables to employees		8,380,102,427	12,900,171,768
315	5. Short-term accrued expenses	18	357,628,256,534	464,839,993,097
318	6. Short-term unearned revenues		1,085,661,131	831,625,709
319	7. Other short-term payables	19	163,901,669,166	185,324,603,373
320	8. Short-term loan	20	1,842,322,080,555	1,695,358,189,698
321	9. Short-term provisions		-	1,941,159,692
322	10. Bonus and welfare fund		23,075,847,754	23,081,493,209
330	II. Non-current liabilities		2,823,380,588,161	2,780,083,634,132
337	1. Other long-term payables	19	874,879,860,010	210,736,074,084
338	2. Long-term loans	20	1,945,730,380,374	2,566,577,212,271
342	3. Long-term provisions		2,770,347,777	2,770,347,777
400	D. OWNERS' EQUITY		2,699,266,237,513	2,691,167,830,619
410	I. Capital	21	2,699,266,237,513	2,691,167,830,619
411	1. Issued share capital		1,600,000,000,000	1,600,000,000,000
411a	- Ordinary shares with voting rights		1,600,000,000,000	1,600,000,000,000
418	2. Investment and development fund		15,177,859,740	15,177,859,740
420	3. Other funds belonging to owners' equity		7,588,929,869	7,588,929,869
421	4. Undistributed earnings		874,782,318,938	851,463,063,516
421a	- Undistributed earnings by the end of prior year		851,463,063,516	345,187,654,292
421b	- Undistributed earnings of current period		23,319,255,422	506,275,409,224
429	5. Non-controlling interests		201,717,128,966	216,937,977,494
440	TOTAL LIABILITIES AND OWNERS' EQUITY		9,293,883,650,270	8,972,345,105,645


Tran My Yen
Preparer


Do Thi Thanh Phuong
Chief Accountant


To Nhu Toan
Chairman

Hanoi, Vietnam

28 August 2020

INTERIM CONSOLIDATED INCOME 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
01	1. Revenue from sale of goods and rendering of services	22.1	549,037,178,976	511,448,282,026
02	2. Deductions	22.1	-	(39,511,400,438)
10	3. Net revenue from sale of goods and rendering of services	22.1	549,037,178,976	471,936,881,588
11	4. Cost of goods sold and services rendered	23	(378,842,425,316)	(375,794,088,228)
20	5. Gross profit from sale of goods and rendering of services		170,194,753,660	96,142,793,360
21	6. Finance income	22.2	41,067,723,229	17,063,983,091
22	7. Finance expenses	24	(104,935,838,272)	(61,744,957,558)
23	In which: Interest expenses		(101,279,162,788)	(61,744,957,558)
24	8. Shares of profit of associates, joint-ventures		8,647,112,992	9,786,545,853
25	9. Selling expenses	25	(13,854,984,678)	(3,191,787,405)
26	10. General and administrative expenses	25	(61,044,022,839)	(45,068,453,679)
30	11. Operating profit		40,074,744,092	12,988,123,662
31	12. Other income	26	688,998,143	15,687,976,175
32	13. Other expenses		(721,817,436)	(1,375,566,484)
40	14. Other (loss)/profit		(32,819,293)	14,312,409,691
50	15. Accounting profit before tax		40,041,924,799	27,300,533,353
51	16. Current corporate income tax expense	28.1	(13,213,469,204)	(7,428,675,235)
52	17. Deferred tax income	28.3	1,691,720,718	724,903,417
60	18. Net profit after tax		28,520,176,313	20,596,761,535
61	19. Net profit after tax attributable to shareholders of the parent		23,319,255,422	23,202,904,681
62	20. Net profit/(loss) after tax attributable to non-controlling interests		5,200,920,891	(2,606,143,146)
70	21. Basic earnings per share	30	146	145

Tran My Yen
Preparer

Do Thi Thanh Phuong
Chief Accountant

To Nhu Toan
Chairman

Hanoi, Vietnam

28 August 2020

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

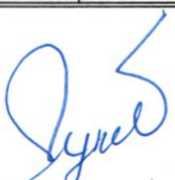
Currency: VND


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		40,041,924,799	27,300,533,353
02	<i>Adjustments for:</i> Depreciation and amortization of fixed assets and amortization of goodwill		12,493,925,055	7,507,740,584
03	Reversal of provisions		(1,941,159,692)	-
05	Profits from investing activities		(49,765,608,948)	(26,850,528,944)
06	Interest expenses (including bond issuance costs)	24	103,358,207,805	61,744,957,558
08	Operating profit before changes in working capital		104,187,289,019	69,702,702,551
09	Increase in receivables		(369,693,034,134)	(350,727,840,926)
10	Decrease/(increase) in inventories		126,181,012,538	(524,989,218,966)
11	Increase/(decrease) in payables		1,014,925,051,744	(519,892,648,417)
12	Increase in prepaid expenses		(73,570,216,429)	(62,087,129,007)
14	Interest paid		(111,385,973,121)	(41,553,120,888)
15	Corporate income tax paid		(124,112,289,240)	(98,343,391,877)
20	Net cash flows from/(used in) operating activities		566,531,840,377	(1,527,890,647,530)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(167,843,332,537)	(16,573,783,053)
22	Proceeds from disposals of fixed assets and other long-term assets		50,772,727	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(4,200,000,000)	(458,000,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		45,334,932,573	197,483,150,000
25	Payments for investments in other entities		-	(22,331,949,156)
26	Proceeds from sale of investments in other entities		-	414,000,000,000
27	Interest and dividends and profit distribution received		11,652,073,177	7,647,715,387
30	Net cash flows (used in)/from investing activities		(115,005,554,060)	122,225,133,178

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		649,444,482,066	2,718,560,055,554
34	Repayment of borrowings		(1,125,443,572,960)	(1,022,130,584,606)
40	Net cash flows (used in)/from financing activities		(475,999,090,894)	1,696,429,470,948
50	Net (decrease)/increase in cash for the period		(24,472,804,577)	290,763,956,596
60	Cash and cash equivalents at the beginning of the period		650,500,398,617	95,356,703,552
70	Cash and cash equivalents at the end of the period	4	626,027,594,040	386,120,660,148


 Tran My Yen
Preparer


 Do Thi Thanh Phuong
Chief Accountant


 To Nhu Toan
Chairman

Hanoi, Vietnam

28 August 2020

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

1. CORPORATE INFORMATION

Van Phu - Invest Investment Joint Stock Company ("the Company") is a joint stock company which was established in accordance with the first Business Registration Certificate No. 0102702590 dated 12 March 2008. The Company also received its subsequent amended Enterprise Registration Certificates, with the latest being the 19th amendment being granted by Hanoi Department of Planning and Investment on 31 May 2019.

The current principal activity of the Company is development of real estate properties.

The Company's head office is located at No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi, Vietnam.

The Company's normal course of business cycle of real estate business starts at the time of application for investment certificate, commencement of site clearance and construction and ends at the time of completion. Thus, the Company and its subsidiaries' normal course of business cycle of real estate business is from 12 to 36 months.

The Company and its subsidiaries' normal course of business cycle for other business activities is 12 months.

The total number of the Company's employees as at 30 June 2020 is 121 (31 December 2019: 237).

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

As at 30 June 2020, the Company has 13 subsidiaries (as at 31 December 2019: 11 subsidiaries). Detailed information of subsidiaries and equity interest and voting rights of the Company are as follows:

No	Name of subsidiary	Equity interest (%)	Voting rights (%)	Address	Principle activities
1	Van Phu - Giang Vo Investment One member Limited Liability Company	100%	100%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Real estate business
2	Van Phu No. 1 Investment Joint Stock Company	67%	67%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Construction and real estate business
3	Van Phu No. 2 Investment Joint Stock Company	78.50%	78.50%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Real estate business
4	Van Phu – CGM Limited Company	100%	100%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Construction and real estate business
5	Van Phu Bac Ai Joint Stock Company	60%	60%	No.129 Dinh Tien Hoang, No.3 Ward, Binh Thanh District, Ho Chi Minh City	Real estate business
6	Van Phu Homes Joint Stock Company	62.64% (***)	70%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Real estate consulting, brokerage and auction
7	Van Phu Resort – Loc Binh Limited Company	100%	100%	Road 7, An Cuu New urban area, An Dong Ward, Hue City, Thua Thien Hue Province	Real estate business
8	Truong Minh Agricultural and Pharmacy Limited Company	100%	100%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Propagation and care of seeds
9	Lam Vien Tourism Services Limited Company	100%	100%	Lot 7, An Cuu City Urban Area, An Dong Ward, Hue City, Thua Thien Hue Province	Lodging services

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>Name of subsidiary</i>	<i>Equity interest (%)</i>	<i>Voting rights (%)</i>	<i>Address</i>	<i>Principle activities</i>
10	Union Success Viet Nam Joint Stock Company	54.95% (*)	70%	No.119 Pho Moi, Tan Duong Village, Thuy Nguyen Commune, Hai Phong City	Real estate business
11	Con Khuong Investment Limited Company	(**)	70%	No. 9C, Tran Phu Street, Cai Khe Ward, Ninh Kieu District, Can Tho City	Real estate business
12	Van Phu – Pham Hung Investment Limited Company	(***)	65%	No. 104 Thai Thinh Street, Trung Liet Ward, Dong Da District, Hanoi	Real estate business
13	Lilas Hospitality Joint Stock Company	(***)	60%	No. 177 Trung Kinh, Yen Hoa Ward, Cau Giay District, Hanoi	Lodging services

(*) The equity interest is different from the voting rights because the Company controls this subsidiary indirectly through another subsidiary.

(**) According to Decision No.157/QD-VPI dated 22 June 2020, the Chairman of the Company approved the capital contribution to Con Khuong Investment Company Limited with the charter capital of VND750 billion, in which the Company contributes 70% of the charter capital following the partnership agreement No. 36/2018/TT-LD between the Company and 216 Joint Stock Company on the development of Con Khuong New Urban Area project. In July 2020, the Company contributed capital to this subsidiary.

(***) As at 30 June 2020, the Company committed to contribute capitals to these subsidiaries.

The Company has associates and joint ventures entities as described in Note 14.

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

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

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

2.2 *Applied accounting documentation system*

The Company and its subsidiaries' applied accounting documentation system is general ledger.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The interim consolidated financial statements of the Company and its subsidiaries are prepared in VND which is also the Company and its subsidiaries' accounting currency.

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 (continued)

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 Company and its subsidiaries obtains control and continued to be consolidated until the date that such control ceases.

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

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

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and its subsidiaries and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

Inventory property

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

Cost includes:

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

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

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)

3.2 Inventories (continued)

Inventory property (continued)

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

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the interim consolidated balance sheet date.

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Leased assets* (continued)

Where the Company and its subsidiaries are the lessee

Rentals under operating leases are charged to the interim consolidated income statement on a straight-line basis over the lease term.

Where the Company and its subsidiaries are the lessor

Lease income is recognized in the interim consolidated income statement on a straight-line basis over the lease term.

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed 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 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.

3.7 *Depreciation and amortization*

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

Buildings and structures	5 - 46 years
Machinery and equipment	5 - 12 years
Means of transportation	6 - 10 years
Office equipment	3 - 10 years
Computer software	3 years
Other assets	8 years

3.8 *Prepaid expenses*

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

Short-term prepaid expenses include brokerage costs for real estate sales, provisional corporate income tax for payments made according to the progress of customers buying real estate at the Company and its subsidiaries' real estate projects and other prepaid expenses that bring future economic benefits for less than one year.

Long-term prepaid expenses include pre-operation expenditure, tools and supplies, prepaid land rental and other prepaid expenses that bring future economic benefits for more than one year.

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)

3.9 *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 Company and its subsidiaries' 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 for a period of one (1) year.

3.10 *Assets acquisitions and business combinations*

The Company and its subsidiaries acquire subsidiaries that own assets and operating 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 recognized.

3.11 *Investments*

Investments in associates

The Company and its subsidiaries' investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem 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 Company and its subsidiaries' 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 amortized and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

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

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)

3.11 Investments (continued)

Investments in joint ventures

The Company and its subsidiaries' investment in joint ventures entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post joint venture changes in the Company and its subsidiaries' share of net assets of the joint venture entity. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the joint ventures entity.

The share of profit/(loss) of the joint venture entity is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from joint ventures entities reduces the carrying amount of the investment.

The financial statements of the joint ventures entities are prepared for the same reporting period and use the same accounting policies as the Company and its subsidiaries. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company and its subsidiaries.

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 recognized as finance expense in the interim consolidated income statement and deducted against the value of such investments.

Provision for investments

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

3.12 Borrowing cost

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 for 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.

3.13 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries.

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)

3.14 Provisions

General

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company and its subsidiaries expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the interim consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

Warranty provision

The Company and its subsidiaries estimate warranty provision based on revenue and existing information about repairs of past real estate properties and goods sold.

3.15 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval by the general shareholders, and after making appropriation to reserve funds in accordance with the Company's Charter and its subsidiaries and Vietnam's regulatory requirements.

The Company and its subsidiaries maintain the following reserve funds which are appropriated from the Company and its subsidiaries' net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Company and its subsidiaries' expansion of its operation or of in-depth investment or offset financial losses of the Company and its subsidiaries in the future.

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)

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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 recognized:

Revenue from sale of inventory property

Revenue from sale of inventory property is recognized when the significant risks and rewards incident to ownership of the properties have been transferred to the buyer, usually coinciding with the time of handing over the properties.

Rendering of services

Revenue from rendering of services is recognized when the services are provided to the customers.

Interest

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

Dividends

Income is recognized when the Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

3.17 Taxation

Current income tax

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation (continued)

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 in interim consolidated financial statements.

Deferred tax liabilities are recognized 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 temporary differences associated with investments in 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 recognized 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 utilized, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognized 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 utilized.

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 utilized. Previously unrecognized deferred tax assets are re assessed at each interim consolidated balance sheet date and are recognized 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 realized 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 recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries 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 Company and its subsidiaries intend either settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Earnings per share

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

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

3.19 Segment information

The Company and its subsidiaries' principal activity is real estate business. In addition, this activity is mainly performed within Vietnam. Therefore, the Company and its subsidiaries' risks and returns are not impacted by the Company and its subsidiaries' services which the Company and its subsidiaries are rendering or the locations where the Company and its subsidiaries are operating. As a result, the Board of Directors and Management are of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.20 Related parties

Parties are considered to be related parties of the Company and its subsidiaries if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and its subsidiaries 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. CASH AND CASH EQUIVALENTS

Currency: VND

	30 June 2020	31 December 2019
Cash on hand	8,618,085,112	21,059,742,363
Cash at banks	195,716,060,489	72,487,206,842
Cash equivalents (*)	421,693,448,439	556,953,449,412
TOTAL	626,027,594,040	650,500,398,617

(*) Cash equivalents as at 30 June 2020 comprised of bank deposits with less-than-3-month term, earning interests at rates ranging from 3.5% to 4.25% per annum (as at 31 December 2019: from 3.5% to 3.8% per annum). In which, the deposit of VND170 billion at Vietnam Prosperity Joint Stock Commercial Bank is being pledged as a collateral for all obligations to the holders of bonds issued by the Company.

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

5. SHORT-TERM INVESTMENTS

	Currency: VND	
	30 June 2020	31 December 2019
Term deposit (*)	4,000,000,000	15,334,932,573
TOTAL	4,000,000,000	15,334,932,573

(*) Term deposits as at 30 June 2020 comprised of bank deposit with term of 6 months and interest rate of 5.3% per annum (as at 31 December 2019: 5.3% per annum).

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	Currency: VND	
	30 June 2020	31 December 2019
Receivables from sale of inventory properties	1,983,342,598,775	1,840,478,432,284
- Corporate customer No.1	326,763,037,300	398,829,058,000
- Corporate customer No.2	290,433,070,000	234,590,600,000
- Other customers	1,366,146,491,475	1,207,058,774,284
Receivable from the People's Committee of Ho Chi Minh City for "Construction of the connecting road from Pham Van Dong Road to Go Dua intersection - National highway No.1, Thu Duc District" project	372,195,877,627	372,195,877,627
Receivables from other activities	13,714,006,395	14,776,180,901
TOTAL	2,369,252,482,797	2,227,450,490,812

In which:

Short-term trade receivables from related parties (Note 29)	94,632,000	2,236,892,000
Short-term trade receivables from other parties	2,369,157,850,797	2,225,213,598,812
Provision for doubtful debts	(10,607,504,257)	(10,607,504,257)

6.2 Short-term advances to suppliers

	Currency: VND	
	30 June 2020	31 December 2019
Advances to suppliers	154,167,226,512	109,400,991,085
- Ecoba Vietnam Joint Stock Company	54,613,099,406	-
- Hawee ME Joint Stock Company	-	13,101,859,358
- Bac Ai Investment and Construction Joint Stock Company	40,331,462,450	40,331,462,450
- Other suppliers	59,222,664,656	55,967,669,277
Advances to related parties (Note 29)	211,539,000	587,525,000
TOTAL	154,378,765,512	109,988,516,085

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

7. SHORT-TERM LOAN RECEIVABLES

<i>Borrower</i>	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
REQ Company Limited (i)	458,000,000,000	458,000,000,000
An Thinh Urban Development JSC (ii)	80,000,000,000	110,000,000,000
Palm Garden Resort JSC (iii)	19,500,000,000	19,500,000,000
TOTAL	557,500,000,000	587,500,000,000

- (i) This loan is a one-year loan with interest rate of 10% per annum and secured by the deposit and interest of REQ Company Limited under the principle contract No. 01/2020/NDNT/REQ-VPI on investment cooperation of Con Khuong New Urban Area project in Can Tho City (refer to Note 19).
- (ii) These loans will become due on 31 December 2020 with interest rates ranging from 10.5% to 11% per annum.
- (iii) This loan will become due on 31 December 2020 with interest rate of 12% per annum.

8. OTHER RECEIVABLES

	<i>Currency: VND</i>			
	<i>30 June 2020</i>		<i>31 December 2019</i>	
	<i>Amount</i>	<i>Provision</i>	<i>Amount</i>	<i>Provision</i>
Short-term				
Advance for project development	360,966,137,388	-	344,061,343,557	(45,194,600,000)
Loan interest receivable	77,200,616,386	-	47,784,966,334	-
Advance to individuals for share acquisition	50,000,000,000	-	50,000,000,000	-
Other advances to employees	42,701,573,831	-	43,523,673,006	-
Advance to Song Da Nha Trang JSC (i)	20,000,000,000	-	20,000,000,000	-
Short-term deposits	269,100,000	-	269,100,000	-
Others	22,365,409,074	-	16,769,234,046	-
TOTAL	573,502,836,679	-	522,408,316,943	(45,194,600,000)
Long-term				
Advance for compensation and land clearance (ii)	1,156,815,389,421	-	1,078,465,670,287	-
Deposit for investment cooperation (iii)	32,000,000,000	-	32,000,000,000	-
Long-term deposits	10,509,398,900	-	10,509,398,900	-
Others	14,365,363,635	-	12,696,719,663	-
TOTAL	1,213,690,151,956	-	1,133,671,788,850	-

- (i) Advance for implementation of the investment cooperation contract to develop Stellar Hotels & Residence – An Vien Beach Urban Area project, Nha Trang City, Khanh Hoa Province.
- (ii) Advance for compensation and land clearance of “Construction of the connecting road from Pham Van Dong Road to Go Dua intersection - National highway No.1, Thu Duc District project” under a Build – Transfer contract.
- (iii) Deposit to Nhat Quan Anh Joint Stock Company for investment cooperation to develop real estate project at No. 3A Quang Trung, Trang Tien Ward, Hoan Kiem District, Hanoi.

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

9. BAD DEBTS

Currency: VND

	30 June 2020		31 December 2019	
	Cost	Recoverable amount	Cost	Recoverable amount
An individual Petrovietnam Premier Recreation JSC (PVR)	(*)	(*)	90,389,200,000	45,194,600,000
Others	10,000,000,000	-	10,000,000,000	-
	607,504,257	-	607,504,257	-
TOTAL	10,607,504,257	-	100,996,704,257	45,194,600,000

As at 30 June 2020, the Company's Board of Directors and Management assessed and determined the recoverable amount of this receivable based on cost less provision for doubtful debts.

(*) These values are presented on a net basis as at 30 June 2020.

10. INVENTORIES

Currency: VND

	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
Raw materials	436,268,674	-	251,544,134	-
Work in process (*)	1,927,309,368,364	-	2,076,492,087,833	-
Completed inventory properties	22,593,112,632	-	-	-
Merchandise	357,576,569	-	489,630,446	-
TOTAL	1,950,696,326,239	-	2,077,233,262,413	-

(*) Detail of work in process:

Currency: VND

	30 June 2020	31 December 2019
Grandeur Palace Giang Vo project (property complex at 138B Giang Vo) (i)	1,049,625,140,943	1,006,702,997,754
The Terra An Hung project (ii)	782,180,314,459	737,056,938,460
The Terra Hao Nam project (iii)	47,632,105,181	205,967,306,693
Apartment for sale and office for lease in Luxury Tower project	-	28,159,435,235
West Lake Hotel and Residence project	-	46,327,772,540
Other projects	47,871,807,781	52,277,637,151
TOTAL	1,927,309,368,364	2,076,492,087,833

(i) Grandeur Palace Giang Vo project (property complex at 138B Giang Vo) is a complex of commerce, services, office, condotel, apartment, kindergarten, club house and terraced houses invested by Van Phu - Giang Vo Investment One member Limited Company.

(ii) The Terra An Hung project is a complex of commerce, services, high-class apartments and terraced houses at TTDV01 plot of An Hung New Urban Area, La Khe and Duong Noi Wards, Ha Dong District, Hanoi.

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

10. INVENTORIES (continued)

- (iii) The Terra Hao Nam project is a residential, commercial and office complex at No. 83 Hao Nam Street, O Cho Dua Ward, Dong Da District, Hanoi, under the investment cooperation contract between Van Phu No. 2 Investment Joint Stock Company and Printing and Cultural Product Joint Stock Company.

Detail of inventories used as collaterals for loans and bonds of the Company and its subsidiaries is disclosed in Note 20.

11. CAPITALISED BORROWING COSTS

During the period, the Company and its subsidiaries capitalized borrowing costs with the amount of VND44.5 billion (for the six-month period ended 30 June 2019: VND37.4 billion). These costs are mainly related to specific borrowings obtained to finance the real estate projects of the Company and its subsidiaries.

12. LONG-TERM WORK IN PROCESS

12.1 Long-term work in process

	Currency: VND	
	<i>Cost (also recoverable amount)</i>	
	30 June 2020	31 December 2019
Long-term work in process (i)	89,566,122,396	64,437,368,179
TOTAL	89,566,122,396	64,437,368,179

- (i) This represents development costs of the commercial center, office, apartment, luxury villas for sale and lease, 5-star hotel and night market food court on an area of about 30 hectares in Thuy Duong Commune and Hoa Binh Commune, Thuy Nguyen District, Hai Phong City, Vietnam.

12.2 Long-term construction in progress

	Currency: VND	
	30 June 2020	31 December 2019
Construction of road connecting Pham Van Dong Road to Go Dua intersection project (i)	72,644,328,511	41,839,652,437
Grandeur Palace project – My Dinh	59,337,888,399	59,337,888,399
Loc Binh project – Thua Thien Hue Province	38,176,700,070	25,643,095,928
Hoanh Bo project – Quang Ninh Province	13,280,634,328	12,420,290,007
Other projects	56,621,787,044	42,177,646,050
TOTAL	240,061,338,352	181,418,572,821

- (i) The Project "Construction of road connecting Pham Van Dong Road to Go Dua intersection, Thu Duc District" is implemented under a Build – Transfer contract between Ho Chi Minh City People's Committee and a partnership of investors.

Detail of inventories used as collaterals for loans and bonds of the Company and its subsidiaries is disclosed in Note 20.

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

13. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures</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	584,304,033,554	5,860,793,936	20,696,840,081	3,155,174,360	9,580,280,745	623,597,122,676
Newly purchased	-	-	-	258,000,000	-	258,000,000
Disposed	-	-	(489,990,908)	-	-	(489,990,908)
Others	219,062,518	-	-	-	-	219,062,518
As at 30 June 2020	584,523,096,072	5,860,793,936	20,206,849,173	3,413,174,360	9,580,280,745	623,584,194,286
<i>In which:</i>						
<i>Fully depreciated</i>	34,000,000	246,850,012	593,313,333	752,837,567	-	1,627,000,912
Accumulated depreciation:						
As at 31 December 2019	1,517,103,750	390,509,383	8,907,264,942	1,499,666,540	265,997,060	12,580,541,675
Depreciation for the period	6,490,449,941	502,181,457	1,693,299,140	399,244,982	777,577,838	9,862,753,358
Disposed	-	-	(489,990,908)	-	-	(489,990,908)
Others	(68,514,145)	-	-	-	-	(68,514,145)
As at 30 June 2020	7,939,039,546	892,690,840	10,110,573,174	1,898,911,522	1,043,574,898	21,884,789,980
Net carrying amount:						
As at 31 December 2019	582,786,929,804	5,470,284,553	11,789,575,139	1,655,507,820	9,314,283,685	611,016,581,001
As at 30 June 2020	576,584,056,526	4,968,103,096	10,096,275,999	1,514,262,838	8,536,705,847	601,699,404,306

Detail of tangible fixed assets used as collaterals for loans and bonds of the Company and its subsidiaries is disclosed in Note 20.

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

14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Detail of investment in associates and joint ventures:

<i>Full name</i>	<i>Registered office's address</i>	<i>Principal activities</i>	<i>30 June 2020</i>		<i>31 December 2019</i>	
			<i>Equity interest (%)</i>	<i>Voting right (%)</i>	<i>Equity interest (%)</i>	<i>Voting right (%)</i>
Van Phu Trading Development and Investment Joint Stock Company	Floor 1-4, V1 The Van Phu Victoria, CT9, Van Phu Urban Area, Phuc La Ward, Ha Dong District, Hanoi	Real estate business	35.00	35.00	35.00	35.00
Hanoi – Bac Giang BOT Investment Joint Stock Company	No. 14, Lot B1, Nam Tu Son New Urban Area, Phu Chan Commune, Tu Son Town, Bac Ninh Province	Road construction and toll collection	33.00	33.00	33.00	33.00
Printing and Cultural Product Joint Stock Company	No. 83, Hao Nam Street, O Cho Dua Ward, Dong Da District, Hanoi	Construction and printing	46.77	46.77	46.77	46.77
BT Ha Dong Company Limited	No. 12, Khuat Duy Tien Street, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi	Civil engineering construction	51.43	50.00	52.49	50.00
Van Phu Property Joint Stock Company	No. 177, Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi	Real estate consulting, brokerage and auction	43.90	36.00	43.90	36.00
Trung Van Park Limited Company	House 24B/1 Phu My Residential Area, 24 Ngo Quyen, Van Phuc Ward, Ha Dong District, Hanoi	Real estate business	(*)	40.00	-	-

(*) As at 30 June 2020, the Company committed to contribute capital to this associate.

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

14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Balance of investment in associates and joint ventures:

Currency: VND

	<i>Van Phu Trading Development and Investment Joint Stock Company</i>	<i>Hanoi – Bac Giang BOT Investment Joint Stock Company</i>	<i>Printing and Cultural product Joint Stock Company</i>	<i>BT Ha Dong Company Limited</i>	<i>Van Phu Property Joint Stock Company</i>	<i>Total</i>
Cost:						
As at 31 December 2019	278,006,400,000	163,786,400,000	33,777,503,175	50,902,886,097	2,160,000,000	528,633,189,272
As at 30 June 2020	278,006,400,000	163,786,400,000	33,777,503,175	50,902,886,097	2,160,000,000	528,633,189,272
Accumulated share in post-acquisition profit/(loss) of the associates and joint venture:						
As at 31 December 2019	191,559,172	37,475,148,268	(5,568,160,199)	-	(2,160,000,000)	29,938,547,241
Share in post-acquisition profit/(loss) of the associates and joint ventures for the period	(974,048,301)	5,870,008,183	3,751,153,110	-	-	8,647,112,992
As at 30 June 2020	(782,489,129)	43,345,156,451	(1,817,007,089)	-	(2,160,000,000)	38,585,660,233
Net carrying amount:						
As at 31 December 2019	278,197,959,172	201,261,548,268	28,209,342,976	50,902,886,097	-	558,571,736,513
As at 30 June 2020	277,223,910,871	207,131,556,451	31,960,496,086	50,902,886,097	-	567,218,849,505

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

15. PREPAID EXPENSES

Currency: VND

	30 June 2020	31 December 2019
Short-term		
Provisional corporate income tax	9,607,494,604	-
Selling expense of The Terra An Hung project	101,659,409,806	1,664,123,977
Tools and supplies	650,696,828	896,466,732
Others	940,313,171	1,634,563,667
TOTAL	112,857,914,409	4,195,154,376
Long-term		
Tools and supplies of the West Lake Hotel and Residence project	134,065,118,167	146,594,688,467
Selling expense of The Terra An Hung project	-	52,090,478,225
Prepaid land rental for the West Lake Hotel and Residence project	51,056,748,645	10,695,769,026
Renovation cost for office at 104 Thai Tinh	24,510,620,341	27,825,603,835
Tools and supplies	3,535,866,445	4,834,064,323
Others	17,641,817,320	13,626,605,913
TOTAL	230,810,170,918	255,667,209,789

16. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**16.1 Short-term trade payables**

Currency: VND

	Balance (also amount payables)	
	30 June 2020	31 December 2019
Trade payables to other parties		
- Xuan Phuc Investment Joint Stock Company	24,777,235,519	44,346,733,525
- Ha Quynh Trading and Construction Company Limited	19,963,548,800	40,030,097,600
- COTECCONS Construction Joint Stock Company	18,184,743,340	37,134,023,131
- Other suppliers	141,158,228,393	213,232,207,762
Trade payables to related parties (Note 29)	13,656,495,191	5,780,244,002
TOTAL	217,740,251,243	340,523,306,020

16.2 Short-term advances from customers

Currency: VND

	30 June 2020	31 December 2019
Customers of The Terra An Hung project	963,439,460,770	609,621,649,296
Customers of Grandeur Palace Giang Vo project	116,850,271,353	35,592,855,456
Customers of The Terra Hao Nam project	8,231,820,259	995,489,940
Others	16,313,937,531	1,115,189,284
TOTAL	1,104,835,489,913	647,325,183,976

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	Receivable for the period	Offset in the period	30 June 2020
Receivables				
Value added tax	18,200,346,127	-	(13,129,957,803)	5,070,388,324
Corporate income tax	192,347,741	-	-	192,347,741
Others	1,677,790,380	23,515,650	(1,677,790,380)	23,515,650
TOTAL	20,070,484,248	23,515,650	(14,807,748,183)	5,286,251,715
	31 December 2019	Payables for the period	Payment made/offset in the period	30 June 2020
Payables				
Corporate income tax (*)	127,092,098,137	36,950,216,151	(134,465,548,137)	29,576,766,151
Value added tax	263,545,553	21,454,299,568	-	21,717,845,121
Personal income tax	1,563,574,730	6,095,626,854	(6,921,543,774)	737,657,810
Others	48,695,932	569,260,507	(382,759,648)	235,196,791
TOTAL	128,967,914,352	65,069,403,080	(141,769,851,559)	52,267,465,873

(*) During the period, the Company has offset part of the corporate income tax payable against the adjustment to previous year's corporate income tax due to the effect of Decree No. 68/2020/ND-CP dated 24 June 2020.

18. ACCRUED EXPENSES

Currency: VND

	30 June 2020	31 December 2019
Accruals for costs of The Terra An Hung project	106,886,488,444	164,724,865,939
Accruals for costs of Van Phu New Urban Area project	100,075,250,083	100,150,838,272
Accruals for costs of West Lake Hotel and Residence project	37,807,054,070	103,232,535,044
Accruals for costs of Grandeur Palace Giang Vo project	35,153,541,941	37,888,156,346
Accruals for loan interest	60,323,751,402	35,849,165,384
Others	17,382,170,594	22,994,432,112
TOTAL	357,628,256,534	464,839,993,097

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

19. OTHER PAYABLES

Currency: VND

30 June 2020 31 December 2019

Short-term:

Deposit received for transfer of real estate (i)	74,000,000,000	74,000,000,000
Payable related to value of property on land of the Grandeur Giang Vo Project (ii)	43,098,104,400	43,098,104,400
Maintenance fund of The Terra Hao Nam project	7,408,490,288	7,415,458,511
Payables for capital transfer	-	11,500,000,000
Others	37,692,774,457	28,104,355,826
Short-term other payables to related parties (Note 29)	1,702,300,021	21,206,684,636
TOTAL	163,901,669,166	185,324,603,373

Long-term:

Deposit received for investment cooperation of Con Khuong New Urban Area project (iii)	625,000,000,000	-
Deposits received for investment cooperation (iv)	109,214,022,300	109,214,022,300
Amount received to implement site clearance (v)	72,201,476,778	43,701,476,778
Others	6,500,000,000	4,800,004,579
Long-term other payables to related parties (Note 29)	61,964,360,932	53,020,570,427
TOTAL	874,879,860,010	210,736,074,084

- (i) The deposit received under the principle contract of land use right transfer of a land lot in Ho Chi Minh City between Van Phu Bac Ai Joint Stock Company and Joming Company Limited.
- (ii) Amounts payable to the Ministry of Health for the value of assets on land held by the Public Health University related to the Grandeur Palace Giang Vo project.
- (iii) Deposit received from REQ Company Limited under Principle Contract No. 01/2020/NDNT/REQ-VPI for implementation of Con Khuong New Urban Area project in Can Tho City ("the Project") (refer to Note 1). Accordingly, REQ Company Limited and the Company will sign investment cooperation contract to contribute capital into the Project at the rate of 80:20 on the Company's total investment in the Project. The Company is entitled to receive the full amount of capital contribution and profit shared from the Project proportionated to its capital contribution ratio. The Company is obliged to pay the fund-raising costs incurred by REQ Company Limited for this deposit under the Supplementary Agreement dated 10 January 2020.
- (iv) Capital received for investment cooperation for "Construction of the connecting road from Pham Van Dong Road to Go Dua intersection - National highway No. 1, Thu Duc District project" under Build - Transfer Contract and "Renovation and upgrade of National highway No. 1 - Hanoi - Bac Giang section" under Build - Operate - Transfer Contract. Under the investment cooperation contracts, the Company, on behalf of the capital contributors, exercises the rights and obligations relating to the project implementation and distributes profit to capital contributors proportionated to capital contribution ratios.
- (v) Advance received from Bac Ai Construction Investment Consultation Joint Stock Company and HNS Vietnam Investment Joint Stock Company to implement the "Construction of connecting road from Pham Van Dong Road to Go Dua intersection" project.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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 loans						
Loans from banks (Note 20.1)	820,358,810,709	820,358,810,709	592,756,577,886	(561,685,783,046)	851,429,605,549	851,429,605,549
Loans from others (Note 20.3)	183,500,000,000	183,500,000,000	32,850,000,000	(183,100,000,000)	33,250,000,000	33,250,000,000
Current portion of the loan from banks (Note 20.2)	293,118,350,526	293,118,350,526	163,752,353,645	(97,923,546,905)	358,947,157,266	358,947,157,266
Current portion of corporate bond (Note 20.4)	398,381,028,463	398,381,028,463	200,000,000,000	314,289,277	598,695,317,740	598,695,317,740
	1,695,358,189,698	1,695,358,189,698	989,358,931,531	(842,395,040,674)	1,842,322,080,555	1,842,322,080,555
Long-term loans						
Loans from banks (Note 20.2)	1,868,904,257,972	1,868,904,257,972	23,837,904,180	(196,486,596,654)	1,696,255,565,498	1,696,255,565,498
Corporate bond (Note 20.4)	697,672,954,299	697,672,954,299	1,801,860,577	(450,000,000,000)	249,474,814,876	249,474,814,876
	2,566,577,212,271	2,566,577,212,271	25,639,764,757	(646,486,596,654)	1,945,730,380,374	1,945,730,380,374
TOTAL	4,261,935,401,969	4,261,935,401,969	1,014,998,696,288	(1,488,881,637,328)	3,788,052,460,929	3,788,052,460,929

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 Short-term loans from banks

				Currency: VND
Bank	30 June 2020 (VND)	Maturity date	Interest rate	Collateral
Indovina Bank Limited – Thien Long Branch	342,859,999,208	The last loan disbursement matures in June 2021. Interest is paid monthly.	Interest rate according to each loan disbursement and Bank's notice.	(i)
Indovina Bank Limited – Thien Long Branch	99,030,901,561	The last loan disbursement matures in June 2021. Interest is paid monthly.	Interest rate according to each loan disbursement and Bank's notice.	(i), (ii)
Indovina Bank Limited – Thien Long Branch	5,597,941,824	The last loan disbursement matures in June 2021. Interest is paid monthly.	9.3% per annum.	(i)
Vietnam Prosperity Joint Stock Commercial Bank	388,141,177,119	The last loan disbursement matures in June 2021. Interest is paid monthly.	11.1% – 12.6% per annum.	(iii)
Joint Stock Commercial Bank for Investment and Development of Vietnam – Dai La Branch	15,799,585,837	The last loan disbursement matures in April 2021. Interest is paid monthly.	9.4% per annum.	(iv)
TOTAL	851,429,605,549			

- (i) Secured by assets attached to land at 5th floor – CT9, Van Phu New Urban Area, Phuc La Ward, Ha Dong District, Hanoi, which are owned by third party; assets attached to land at commercial 1st floor of Home City Tower, Group 51, Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi, which are owned by third party, and 17,000,000 ordinary shares of the Company.
- (ii) Secured by the right to claim debt from sale/transfer contracts between Van Phu Investment Joint Stock Company No.2 and customers and benefits from operating business using the land use rights and infrastructure attached land at No. 83 Hao Nam, O Cho Dua ward, Dong Da District, Hanoi.
- (iii) Secured by property rights arising from or related to the 138B Giang Vo Mixed-use and Housing project and future land-attached assets under the 138B Giang Vo Mixed-use and Housing project including a number of low-rise houses, high-rise apartments and the remaining items are land-attached assets located on the land area for greenery for common use, land for construction of community houses, land for making courtyards, roads for common use in areas and buildings; and the entire capital contribution owned by the Company in Van Phu - Giang Vo Investment One Member Company Limited.
- (iv) Secured by 2,100,000 ordinary shares of the Company and all benefits arising from these shares.



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 Long-term loans from banks

Bank	30 June 2020 (VND)	Maturity date	Interest rate	Collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thu Thiem Branch and Indovina Bank Limited – Thien Long Branch	838,863,391,340	Principal and interest are payable every 6 months from August 2020 to August 2022.	10.3% per annum.	(v)
<i>In which: Current portion of long-term loan</i>	<i>14,000,000,000</i>			
Indovina Bank Limited – Thien Long Branch	450,340,036,695	Principal and interest are payable every 6 months from November 2021 to November 2023.	11% per annum.	(v)
<i>In which: Current portion of long-term loan</i>	<i>16,438,436,432</i>			
Vietnam Prosperity Joint Stock Commercial Bank	439,215,760,834	Principal and interest are payable every 3 months from September 2020 to June 2026.	11.2% - 12.5% per annum.	Same collateral as (iii) of Note 20.1
<i>In which: Current portion of long-term loan</i>	<i>289,215,760,834</i>			
Joint Stock Commercial Bank for Foreign Trade of Vietnam – West Hanoi Branch	216,717,589,179	Principal is paid every 3 months from June 2022 to March 2032. Grace period up to March 2022. Interest is paid monthly.	9.0% - 9.8% per annum.	(vi)
Indovina Bank Limited – Thien Long Branch	110,065,944,716	Principal and interest are payable every 3 months from December 2020 to August 2021.	Interest rate according to each loan disbursement and the Bank's notice.	Same collateral as (ii) of Note 20.1
<i>In which: Current portion of long-term loan</i>	<i>39,292,960,000</i>			
TOTAL	2,055,202,722,764			
<i>In which:</i>				
<i>Current portion of long-term loans</i>	<i>358,947,157,266</i>			
<i>Long-term loans</i>	<i>1,696,255,565,498</i>			

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 Long-term loans from banks (continued)

- (v) Secured by property right, right to collection arising from the Build - Transfer contract No. 6827/HD-UBND signed amongst Ho Chi Minh City People's Committee and investors of "Construction of the connecting road from Pham Van Dong Road to Go Dua intersection - National highway No. 1, Thu Duc district" project, including all of land use right formed in the future which is used to settle the investors under this Build - Transfer contract; and capital contribution of shareholders in Van Phu Bac Ai Joint Stock Company.
- (vi) Secured by land use right and house ownership at BT11-02, An Hung New Urban Area, Duong Noi Ward, Ha Dong District, Hanoi, which are owned by individuals; ownership of assets attached to land at Unit 2 and Unit 3, 1st floor, No. 76 Nguyen Chi Thanh, Lang Thuong Ward, Dong Da District, Hanoi which are owned by shareholders of the Company; rights arising from the lease contract of Building 1 and Building 2 of West Lake Hotel and Residence project and all assets formed in future of West Lake Hotel and Residence project owned by the Company.

20.3 Loans from others

Short-term loans from others as at 30 June 2020 represent the loans which are unsecured, bear interest at rate from 6% per annum to 10% per annum, with the maturity date of principal and interest from December 2020 to April 2021.



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

20. LOANS (continued)

20.4 Corporate bond

<i>Lender/credit arranger</i>	<i>30 June 2020 (VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietcombank Securities Company Limited	199,759,441,596	Principal matures in July 2020. Interest is paid every 6 months.	9.5% per annum	10,000,000 ordinary shares of the Company
Vietcombank Securities Company Limited	199,217,681,890	Principal matures in March 2021. Interest is paid every 6 months.	9.5% - 9.7% per annum	10,000,000 ordinary shares of the Company
VietinBank Securities JSC	199,718,194,254	Principal matures in October 2020. Interest is paid every 6 months.	9.5% per annum	10,000,000 ordinary shares of the Company
Viet Capital Securities JSC	249,474,814,876	Principal matures in December 2021. Interest is paid every 6 months.	9.95% - 10.1% per annum	(vii)
TOTAL	<u>848,170,132,616</u>			

In which:

- Current portion of long-term bond	598,695,317,740
- Long-term bond	249,474,814,876

(vii) Secured by land use rights, property rights, part of future property to be formed in the future, the right to claim debt arising from sale and purchase contracts of high-rise apartments and low-rise houses of the Commercial and service complex, high-class apartments and low-rise houses project at Lot TTDV-01 in An Hung New Urban Area, La Khe Ward and Duong Noi Ward, Ha Dong District, Hanoi owned by the Company; all interests, rights and benefits arising from the Company's deposits at Vietnam Prosperity Joint Stock Commercial Bank.

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

	Owner's equity belonging to the parent company's shareholders					
	Issued share capital	Development fund	Other funds belonging to owner's equity	Undistributed earnings	Non-controlling interest	Total
For the six-month period ended 30 June 2019						
31 December 2018	1,600,000,000,000	15,177,859,740	7,588,929,869	624,167,654,292	210,634,385,388	2,457,568,829,289
- Net profit/(loss) for the period	-	-	-	23,202,904,681	(2,606,143,146)	20,596,761,535
30 June 2019	<u>1,600,000,000,000</u>	<u>15,177,859,740</u>	<u>7,588,929,869</u>	<u>647,370,558,973</u>	<u>208,028,242,242</u>	<u>2,478,165,590,824</u>
For the six-month period ended 30 June 2020						
31 December 2019	1,600,000,000,000	15,177,859,740	7,588,929,869	851,463,063,516	216,937,977,494	2,691,167,830,619
- Net profit for the period	-	-	-	23,319,255,422	5,200,920,891	28,520,176,313
- Other decreases	-	-	-	-	(20,421,769,419)	(20,421,769,419)
30 June 2020	<u>1,600,000,000,000</u>	<u>15,177,859,740</u>	<u>7,588,929,869</u>	<u>874,782,318,938</u>	<u>201,717,128,966</u>	<u>2,699,266,237,513</u>

On 15 May 2020, the General Meeting of Shareholders of the Company approved the Proposal on the plan to issue share for distribution of dividend for 2019 in the Resolution of the Annual General Meeting of Shareholders 2020 No. 1505/2020/NQ-DHDCD, in which shares will be issued to pay dividends to existing shareholders at the ratio of 4:1 (each existing shareholder owning 4 shares will receive dividends of 1 share). Accordingly, the number of shares planned to be issued by the Company is 40,000,000 shares with par value of VND10,000/share. As at the date of these interim consolidated financial statements, the Company has not completed the procedures to issue shares to pay dividends.

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 share capital

	30 June 2020		31 December 2019	
	Currency: VND		Currency: VND	
	Total	Ordinary shares	Total	Ordinary shares
Issued share capital	1,600,000,000,000	1,600,000,000,000	1,600,000,000,000	1,600,000,000,000
TOTAL	1,600,000,000,000	1,600,000,000,000	1,600,000,000,000	1,600,000,000,000

21.3 Capital transactions with owners

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Issued share capital		
Opening balance	1,600,000,000,000	1,600,000,000,000
Ending balance	1,600,000,000,000	1,600,000,000,000
Dividends/profit declared	-	-

21.4 Shares

	30 June 2020 (Shares)	31 December 2019 (Shares)
Issued shares	160,000,000	160,000,000
Ordinary shares	160,000,000	160,000,000
Shares in circulation	160,000,000	160,000,000
Ordinary shares	160,000,000	160,000,000

The par value of outstanding shares: VND10,000 per share (31 December 2019: VND10,000 per share).

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

22. REVENUES

22.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Gross revenue	549,037,178,976	511,448,282,026
<i>In which:</i>		
Revenue from real estate property sold	522,186,444,950	510,017,545,232
Revenue from services rendered	26,850,734,026	1,430,736,794
Deductions	-	(39,511,400,438)
Sales return	-	(39,511,400,438)
Net revenue	549,037,178,976	471,936,881,588
<i>In which:</i>		
Revenue from real estate property sold	522,186,444,950	470,506,144,794
Revenue from services rendered	26,850,734,026	1,430,736,794
<i>In which:</i>		
Revenue from sale to related parties	259,999,999	203,641,831
Revenue from sale to others	548,777,178,977	471,733,239,757

22.2 Finance income

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Interest income	41,067,723,229	17,063,983,091
TOTAL	41,067,723,229	17,063,983,091

23. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Cost of real estate property sold	352,097,203,265	374,228,040,734
Cost of services rendered	26,745,222,051	1,566,047,494
TOTAL	378,842,425,316	375,794,088,228

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

24. 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	101,279,162,788	61,744,957,558
Bond issuance costs	2,079,045,017	-
Others	1,577,630,467	-
TOTAL	104,935,838,272	61,744,957,558

25. 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		
Commission fees and interest support expenses	6,642,783,042	3,191,787,405
Others	7,212,201,636	-
TOTAL	13,854,984,678	3,191,787,405
General and administrative expenses		
Labor costs	22,286,116,361	18,645,843,773
Tools and office supplies	14,024,355,673	4,302,208,972
Depreciation of fixed assets and amortization of goodwill	4,354,961,132	4,110,393,310
External service expenses	14,954,512,545	6,153,530,150
Others	5,424,077,128	11,856,477,474
TOTAL	61,044,022,839	45,068,453,679

26. OTHER 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>
Compensation income	456,205,644	15,519,169,736
Others	232,792,499	168,806,439
TOTAL	688,998,143	15,687,976,175

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

27. PRODUCTION AND OPERATING COSTS

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Construction and development costs of inventory properties	249,337,513,154	1,320,753,395,573
Labor costs	22,286,116,361	18,645,843,773
Depreciation and amortization	12,493,925,055	7,507,740,584
External service expenses	40,759,987,975	10,911,365,049
Others	26,104,200,177	12,761,339,172
TOTAL	350,981,742,722	1,370,579,684,151

28. CORPORATE INCOME TAX

The current statutory corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable income.

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 interim consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

28.1 CIT expenses

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Current tax expense	23,567,859,451	7,428,675,235
Adjusting CIT expenses of prior year according to Decree No. 68/2020/ND-CP	(10,354,390,247)	-
Deferred tax income	(1,691,720,718)	(724,903,417)
TOTAL	11,521,748,486	6,703,771,818

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 CIT expenses (continued)

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

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Accounting profit before tax	40,041,924,799	27,300,533,353
At CIT rate of 20% applicable to the Company	8,008,384,960	5,460,106,671
<i>Adjustments:</i>		
Deferred tax assets not being recognized for non-deductible interest expenses	6,424,538,372	943,637,776
Deferred tax assets not being recognized for tax loss	8,705,359,465	2,914,854,662
Other non-deductible expenses	560,242,002	273,762,448
Adjustment to CIT in the previous year according to Decree No. 68/2020/ND-CP	(10,354,390,247)	-
Consolidation entries not subject to CIT	(1,729,422,598)	(1,957,309,171)
Others	(92,963,468)	(931,280,568)
CIT expenses	11,521,748,486	6,703,771,818

28.2 Current tax

The current tax 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 tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement 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 assets				
Unrealized profit	2,624,400,338	932,679,620	1,691,720,718	724,903,417
Net deferred tax assets presented on the interim consolidated balance sheet	2,624,400,338	932,679,620		
Net deferred tax credit to interim consolidated income statement			1,691,720,718	724,903,417

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the interim consolidated balance sheet date, the Company and its subsidiaries had aggregated accumulated tax losses of VND73.6 billion available to offset against future taxable income. These are estimated accumulated tax losses as per the CIT declarations of the Company and its subsidiaries, which have not been finalized by the local tax authorities as of the date of these interim consolidated financial statements.

The Company and its subsidiaries have not recognized deferred tax assets for tax losses and non-deductible interest expenses carried forward to the following year according to Decree No. 68/2020/ND-CP due to uncertain estimates of calculated income tax in the future.

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

Significant transactions with related parties were as follows:

			Currency: VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Van Phu Property Joint Stock Company	Associate	Revenue from rendering of service	259,999,999	203,641,831
		Purchase of service	16,421,031,255	2,725,953,530
I.D.E.A Investment Consulting and Architect Development JSC	Company with the same member of the Management	Purchase of service	1,385,596,818	-
BT Ha Dong Company Limited	Joint venture	Capital contribution	-	17,755,635,000

Terms and conditions of transactions with related parties

During the period, the Company and its subsidiaries sold/purchased goods and services to/from related parties based on contractual terms.

Balances of receivables, loans and payables as at 30 June 2020 are unsecured, interest-free and will be settled in cash. For the six-month period ended 30 June 2020, the Company and its subsidiaries have not made any provision for doubtful debts relating to amounts owned by related parties (31 December 2019: nil). This assessment is undertaken each period through the examination of the financial position of the related parties and the market in which the related parties operate.

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)**

Amount due to and due from related parties were as follows:

			Currency: VND	
Related parties	Relationship	Transactions	30 June 2020	31 December 2019
Short-term trade receivables (Note 6.1)				
Van Phu – Land Joint Stock Company	Company with the same member of the Management	Rendering of service	-	2,236,892,000
Van Phu Property Joint Stock Company	Associate	Rendering of service	94,632,000	-
TOTAL			94,632,000	2,236,892,000
Short-term advances to suppliers (Note 6.2)				
I.D.E.A Investment Consulting and Architect Development JSC	Company with the same member of the Management	Advance to supplier	211,539,000	587,525,000
TOTAL			211,539,000	587,525,000
Trade payables (Note 16.1)				
Van Phu Property Joint Stock Company	Associate	Purchase of service	7,960,895,291	5,780,244,002
I.D.E.A Investment Consulting and Architect Development JSC	Company with the same member of the Management	Purchase of service	5,695,599,900	-
TOTAL			13,656,495,191	5,780,244,002
Other short-term payable (Note 19)				
Van Phu – Land Joint Stock Company	Company with the same member of the Management	Receive contribution for investment cooperation	-	19,538,000,000
Van Phu Trading Development and Investment Joint Stock Company	Associate	Receive contribution for investment cooperation	1,462,300,021	1,461,684,636
Board of Directors and Board of Supervision		Remuneration	240,000,000	207,000,000
TOTAL			1,702,300,021	21,206,684,636
Other long-term payable (Note 19)				
Phu My Group Joint Stock Company	Company with the same member of the Board of Directors	Receive contribution for investment cooperation	1,297,290,000	1,297,290,000
Printing and Cultural Product Joint Stock Company	Associate	Payable of profit sharing from business cooperation	60,667,070,932	51,723,280,427
TOTAL			61,964,360,932	53,020,570,427

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)

Transactions with other related parties

Remuneration to members of the Board of Directors and management:

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Salaries and bonus	5,085,835,833	4,627,320,000
TOTAL	5,085,835,833	4,627,320,000

30. EARNINGS PER SHARE

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

	Currency: VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	23,319,255,422	23,202,904,681
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	23,319,255,422	23,202,904,681
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	160,000,000	160,000,000
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	160,000,000	160,000,000
Basic earnings per share		
Basic earnings per share	146	145

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion 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. COMMITMENT

Commitments on capital expenditures for real estate projects

The Company has entered into a number of contracts relating to the development of real estate projects. The remaining commitment on these contracts as at 30 June 2020 is approximately VND1,916 billion.

Other construction commitments

Under the Build - Transfer (BT) Contract of the Construction of road connecting Pham Van Dong Road to Go Dua intersection - Highway 1, Thu Duc District project in the form of public-private partnership No. 6827/HD-UBND signed on 25 November 2016 between the People's Committee of Ho Chi Minh City and the investors include the Company, HNS Vietnam Investment Joint Stock Company and Bac Ai Construction Investment Consultation Joint Stock Company, the remaining investment committed as at 30 June 2020 is VND926 billion.

Commitment under operating leases where the Group is a lessee

The Company has commitment to lease 2 buildings of the West Lake Hotel and Residence project under the contract No. 60 HDTN/CTHT from 3 February 2016 to 26 September 2064 as follows:

	Currency: VND	
	30 June 2020	31 December 2019
Less than 1 year	13,478,043,520	13,478,043,520
From 1 to 5 years	53,912,124,080	53,912,124,080
More than 5 years	529,061,293,613	536,808,736,013
TOTAL	596,451,461,213	604,198,903,613

Commitment under the interest support agreements

The Company enters into three-party interest support agreements with buyers of the inventory properties of the Company's projects and certain banks which provide loans to those buyers. According to these agreements, the Company commit to supporting the buyers in settling the interest in accordance with loan contracts signed between buyers and these banks during the committed period.

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

32. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

According to the Resolution of the Board of Directors No. 2306/NQ-HDQT dated 23 June 2020, the Board of Directors of the Company has approved the plan to issue 2,000 bonds in 2020 with the maximum par value of VND200 billion which will be secured by land use rights, property rights arising from apartments sale and purchase contracts, assets attached to land to be formed in the future land and other assets. Accordingly, in July 2020, the Company received the proceed from bonds issued of VND200 billion.

According to the Resolution of the Board of Directors No. 1507/NQ-HDQT dated 15 July 2020, the Board of Directors of the Company approved the plan to issue 2,000 bonds in 2020 with the maximum par value of VND200 billion which will be secured by shares of the Company owned by shareholders, related individuals and other assets of the Company, third parties and related parties of the Company, if necessary. Accordingly, in July 2020, the Company received the proceed from bonds issued of VND 180 billion.

According to the Resolution No. 1008/NQ-HDQT dated 10 August 2020, the Board of Directors approved the capital contribution to An Bien Golf and Resort Company Limited with the charter capital of VND170 billion. The Company commits to contribute 10% of the total charter capital of this newly established company.

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 Company.



Tran My Yen
Preparer



Do Thi Thanh Phuong
Chief Accountant



To Nhu Toan
Chairman



Hanoi, Vietnam

28 August 2020