

# **Khang Dien House Trading and Investment Joint Stock Company**

Interim separate financial statements

For the six-month period ended 30 June 2020



# Khang Dien House Trading and Investment Joint Stock Company

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# Khang Dien House Trading and Investment Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Khang Dien House Trading and Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 2 May 2007, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the HOSE on 21 January 2010.

The current principal activities of the Company are to trade and lease houses, receive land use rights to construct houses for sale and lease, invest in construction of infrastructure in compliance with residential construction scheme to transfer land use rights; undertake engineering and industrial construction works; and to provide real-estate consulting services.

The Company's registered head office is located at Room 1 and 2, 11<sup>th</sup> Floor, Saigon Centre, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Ms Mai Tran Thanh Trang	Chairwoman	
Mr Ly Dien Son	Deputy Chairman	
Ms Nguyen Thi Dieu Phuong	Member	
Ms Nguyen Thi Cam Van	Member	
Mr Le Quang Minh	Member	appointed on 19 June 2020
Ms Ngo Thi Mai Chi	Member	resigned on 19 June 2020

### BOARD OF SUPERVISION

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

Mr Nguyen Phuong Nam	Head	appointed on 22 June 2020
Ms Pham Kim Thoa	Head	resigned on 22 June 2020
Ms Vuong Hoang Thao Linh	Member	
Ms Luu Thi Xuan Lai	Member	

### MANAGEMENT

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

Mr Le Quang Minh	General Director	appointed on 22 June 2020
	Deputy General Director	resigned on 22 June 2020
Ms Ngo Thi Mai Chi	General Director	appointed on 15 April 2020
Mr Truong Minh Duy	Deputy General Director	resigned on 22 June 2020
Mr Bui Quang Huy	Deputy General Director	
Ms Nguyen Thuy Trang	Deputy General Director	appointed on 25 March 2020

### LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2020 to 21 June 2020 was Ms Ngo Thi Mai Chi and from 22 June 2020 to the date of this report is Mr Le Quang Minh.

### AUDITORS

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

# Khang Dien House Trading and Investment Joint Stock Company

## REPORT OF MANAGEMENT

Management of Khang Dien House Trading and Investment Joint Stock Company ("the Company") is pleased to present this report and the interim separate financial statements of the Company for the six-month period ended 30 June 2020.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2020 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020 dated 20 August 2020.

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

For and on behalf of management:



Le Quang Minh  
General Director

Ho Chi Minh City, Vietnam

20 August 2020

Reference: 60766189/22006883/LR

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

**To: The Shareholders of Khang Dien House Trading and Investment Joint Stock Company**

We have reviewed the accompanying interim separate financial statements of Khang Dien House Trading and Investment Joint Stock Company ("the Company") as prepared on 20 August 2020 and set out on pages 5 to 32, which comprise the interim separate balance sheet as at 30 June 2020, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

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

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

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

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements No. 2410 - Review of interim financial information performed by the independent auditor of the entity.

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

### **Conclusion**

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

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



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Duong Le Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

20 August 2020

INTERIM SEPARATE BALANCE SHEET  
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,371,941,611,087</b>	<b>1,346,792,827,537</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>350,819,238,429</b>	<b>614,985,873,510</b>
111	1. Cash		25,819,238,429	124,985,873,510
112	2. Cash equivalents		325,000,000,000	490,000,000,000
<b>130</b>	<b>II. Current accounts receivable</b>		<b>938,147,275,612</b>	<b>654,717,266,663</b>
131	1. Short-term trade receivables	5	3,015,018,697	3,020,778,697
132	2. Short-term advances to suppliers	6	29,071,601,280	29,337,476,169
135	3. Short-term loan receivables	7	684,500,000,000	576,500,000,000
136	4. Other short-term receivables	8	221,560,655,635	45,859,011,797
<b>140</b>	<b>III. Inventory</b>		<b>78,845,068,002</b>	<b>73,118,289,086</b>
141	1. Inventories	9	78,845,068,002	73,118,289,086
<b>150</b>	<b>IV. Other current assets</b>		<b>4,130,029,044</b>	<b>3,971,398,278</b>
151	1. Short-term prepaid expenses	10	161,684,286	326,006,555
152	2. Value-added tax deductible		3,968,344,758	3,645,391,723
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>6,542,142,760,819</b>	<b>6,333,945,385,524</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>794,533,910</b>	<b>769,636,160</b>
216	1. Other long-term receivables		794,533,910	769,636,160
<b>220</b>	<b>II. Fixed assets</b>		<b>1,975,532,514</b>	<b>2,371,479,301</b>
221	1. Tangible fixed assets	11	1,975,532,514	2,371,479,301
222	Cost		6,287,276,994	6,287,276,994
223	Accumulated depreciation		(4,311,744,480)	(3,915,797,693)
227	2. Intangible fixed assets		-	-
228	Cost		84,000,000	84,000,000
229	Accumulated amortisation		(84,000,000)	(84,000,000)
<b>250</b>	<b>III. Long-term investment</b>		<b>6,538,625,651,763</b>	<b>6,329,825,651,763</b>
251	1. Investments in subsidiaries	12	6,538,625,651,763	6,329,825,651,763
<b>260</b>	<b>IV. Other long-term asset</b>		<b>747,042,632</b>	<b>978,618,300</b>
261	1. Long-term prepaid expenses	10	747,042,632	978,618,300
<b>270</b>	<b>TOTAL ASSETS</b>		<b>7,914,084,371,906</b>	<b>7,680,738,213,061</b>



Khang Dien House Trading and Investment  
Joint Stock Company

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

VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>603,508,180,550</b>	<b>642,462,859,407</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>474,326,346,467</b>	<b>408,519,224,133</b>
311	1. Short-term trade payables	13	2,882,951,421	1,512,752,497
312	2. Short-term advances from customers	14	68,324,963,722	63,524,590,994
313	3. Statutory obligations	15	1,386,417,610	756,756,511
315	4. Short-term accrued expenses	16	3,032,876,713	6,087,142,316
319	5. Other short-term payables	17	2,439,191,800	2,382,206,450
320	6. Short-term loans	19	344,937,841,671	301,952,670,835
322	7. Bonus and welfare fund	18	51,322,103,530	32,303,104,530
<b>330</b>	<b>II. Non-current liabilities</b>		<b>129,181,834,083</b>	<b>233,943,635,274</b>
338	1. Long-term loans	19	120,000,000,000	224,952,670,834
341	2. Deferred tax liabilities	24.3	8,625,834,083	8,434,964,440
342	3. Long-term provisions		556,000,000	556,000,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>20.1</b>	<b>7,310,576,191,356</b>	<b>7,038,275,353,654</b>
<b>410</b>	<b>I. Capital</b>		<b>7,310,576,191,356</b>	<b>7,038,275,353,654</b>
411	1. Share capital		5,444,291,090,000	5,444,291,090,000
411a	- Shares with voting rights		5,444,291,090,000	5,444,291,090,000
412	2. Share premium		720,153,163,466	720,153,163,466
415	3. Treasury shares		(419,064,793,701)	-
418	4. Investment and development fund		177,507,371,350	131,745,729,350
421	5. Undistributed earnings		1,387,689,360,241	742,085,370,838
421a	- Undistributed earnings by the end of prior period		623,105,101,488	-
421b	- Undistributed earnings of current period		764,584,258,753	742,085,370,838
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>7,914,084,371,906</b>	<b>7,680,738,213,061</b>

Luu Thi Minh Hieu  
Preparer

Nguyen Tran Cam Hien  
Chief Accountant

Le Quang Minh  
General Director



20 August 2020



Khang Dien House Trading and Investment  
Joint Stock Company

B02a-DN

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
21	1. Finance income	21	807,550,503,850	308,481,208,320
22 23	2. Finance expenses - In which: Interest expense	22	(24,029,122,907) (23,946,622,905)	(12,961,554,726) (12,925,379,724)
26	3. General and administrative expenses	23	(18,698,452,547)	(20,594,413,160)
30	4. Operating profit		764,822,928,396	274,925,240,434
31	5. Other income		2,200,000	400
32	6. Other expenses		(50,000,000)	(4,515,112)
40	7. Other loss		(47,800,000)	(4,514,712)
50	8. Accounting profit before tax		764,775,128,396	274,920,725,722
51	9. Current corporate income tax expense	24.1	-	-
52	10. Deferred tax expense	24.3	(190,869,643)	(1,962,559,145)
60	11. Net profit after tax		764,584,258,753	272,958,166,577

Luu Thi Minh Hieu  
Preparer

Nguyen Tran Cam Hien  
Chief Accountant

Le Quang Minh  
General Director



20 August 2020

Khang Dien House Trading and Investment  
Joint Stock Company

B03a-DN

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>764,775,128,396</b>	<b>274,920,725,722</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets	11	395,946,787	405,580,116
05	Profits from investing activities	21	(807,550,503,850)	(308,481,208,320)
06	Interest expense	22	24,029,122,907	12,961,554,726
08	<b>Operating loss before changes in working capital</b>		<b>(18,350,305,760)</b>	<b>(20,193,347,756)</b>
09	Decrease (increase) in receivables		2,346,973,600	(1,047,287,992)
10	Increase in inventories		(5,726,778,916)	(1,658,179,646)
11	(Decrease) increase in payables		(22,149,767,249)	3,939,567,998
12	Decrease (increase) in prepaid expenses		395,897,937	(309,278,641)
14	Interest paid		(27,000,888,508)	(12,530,859,176)
17	Other cash outflows for operating activities		(26,742,643,000)	(24,412,268,047)
20	<b>Net cash flows used in operating activities</b>		<b>(97,227,511,896)</b>	<b>(56,211,653,260)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
23	Loans to other entities		(417,400,000,000)	(429,900,000,000)
24	Collections from borrowers		309,400,000,000	332,000,000,000
25	Payments for investments in other entities		(208,800,000,000)	(346,500,000,000)
27	Interest and dividends received		630,925,670,516	355,483,371,295
30	<b>Net cash flows from (used in) investing activities</b>		<b>314,125,670,516</b>	<b>(88,916,628,705)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of new shares		-	46,360,000,000
32	Repurchased of issued shares		(419,064,793,701)	-
33	Drawdown of borrowings		240,000,000,000	499,870,000,000
34	Repayment of borrowings		(302,000,000,000)	(200,000,000,000)
36	Dividends paid		-	(207,011,676,500)
40	<b>Net cash flows (used in) from financing activities</b>		<b>(481,064,793,701)</b>	<b>139,218,323,500</b>

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
50	Net decrease in cash and cash equivalents for the period		(264,166,635,081)	(5,909,958,465)
60	Cash and cash equivalents at beginning of the period		614,985,873,510	92,541,327,018
70	Cash and cash equivalents at end of the period	4	350,819,238,429	86,631,368,553

  
Luu Thi Minh Hieu  
Preparer

  
Nguyen Tran Cam Hien  
Chief Accountant



  
Te Quang Minh  
General Director

20 August 2020

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

**1. CORPORATE INFORMATION**

Khang Dien House Trading and Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103006559 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 2 May 2007, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code KDH in accordance with Decision No. 11/QD-SGDHCM issued by the HOSE on 21 January 2010.

The current principal activities of the Company are to trade and lease houses, receive land use right to construct houses for sale and lease, invest in construction of infrastructure in compliance with residential construction scheme to transfer land use right and undertake engineering and industrial construction works; and to provide real-estate consulting.

The Company's registered head office is located at Room 1 and 2, 11<sup>th</sup> Floor, Saigon Centre, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of Company's employees as at 30 June 2020 was 17 (31 December 2019: 18).

**2. BASIS OF PREPARATION**

**2.1 Purpose of preparing the interim separate financial statements**

The Company has subsidiaries as disclosed in Note 12. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020 dated 14 August 2020.

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

**2.2 Accounting standards and system**

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

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

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

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

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

**2.3 *Applied accounting documentation system***

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

**2.4 *Fiscal year***

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

**2.5 *Accounting currency***

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly-liquid investments with an original maturity of 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***

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

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.

NRV represents the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

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

**3.3 *Receivables***

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

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



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

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

**3.4 Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

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

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

**3.5 Depreciation and amortisation**

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

Means of transportation	6 - 10 years
Office equipment	3 years
Accounting software	3 years

**3.6 Borrowing costs**

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

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

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

**3.7 Prepaid expenses**

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

**3.8 Investments in subsidiaries**

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

*Provision for diminution in value of investments*

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

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

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

**3.9 Payables and accruals**

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

**3.10 Accrual for severance pay**

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

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

**3.11 Appropriation of net profit**

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

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

*Investment and development fund*

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

*Bonus and welfare fund*

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

**3.12 Revenue recognition**

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

*Sale of completed property*

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

*Interest income*

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

*Dividend income*

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



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

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

**3.13 Taxation**

*Current income tax*

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

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

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

*Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

**3.14 Related parties**

Parties are considered to be related parties of the Company 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 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.

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

**4. CASH AND CASH EQUIVALENTS**

	VND	
	30 June 2020	31 December 2019
Cash on hand	970,951,252	222,135,399
Cash in banks	24,848,287,177	124,763,738,111
Cash equivalents (*)	325,000,000,000	490,000,000,000
<b>TOTAL</b>	<b><u>350,819,238,429</u></b>	<b><u>614,985,873,510</u></b>

(\*) Cash equivalents represent bank deposits with maturity of one month and earning interest at the rates ranging from 4% to 4.25% per annum.

**5. SHORT-TERM TRADE RECEIVABLES**

	VND	
	30 June 2020	31 December 2019
Ms Tran Ngoc Anh Dao	455,062,570	455,062,570
Others	2,559,956,127	2,565,716,127
<b>TOTAL</b>	<b><u>3,015,018,697</u></b>	<b><u>3,020,778,697</u></b>

**6. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	30 June 2020	31 December 2019
Advances for transfer of land use right	28,894,060,000	28,894,060,000
Others	177,541,280	443,416,169
<b>TOTAL</b>	<b><u>29,071,601,280</u></b>	<b><u>29,337,476,169</u></b>

**7. SHORT-TERM LOANS RECEIVABLES**

These represent unsecured loans granted to related parties to finance their working capital requirements with the repayment term of 12 months and earning the interest at the rates ranging from 5% to 12% per annum (Note 25).

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

**8. OTHER SHORT-TERM RECEIVABLES**

	VND	
	30 June 2020	31 December 2019
Receivables from related parties (Note 25)	181,192,750,000	5,683,333,333
Provisional corporate income tax (i)	35,966,813,729	35,966,813,729
Advances to employees	3,969,146,000	3,413,646,000
Others	<u>431,945,906</u>	<u>795,218,735</u>
<b>TOTAL</b>	<b><u>221,560,655,635</u></b>	<b><u>45,859,011,797</u></b>

(i) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on Corporate Income Tax, the Company is entitled to provisionally pay tax at the rate of 20% on turnover received in cash from its customers after deduction of corresponding expenses.

**9. INVENTORIES**

	VND	
	30 June 2020	31 December 2019
Inventory properties under development (*)	76,546,606,094	70,819,827,178
Construction project in process	<u>2,298,461,908</u>	<u>2,298,461,908</u>
<b>TOTAL</b>	<b><u>78,845,068,002</u></b>	<b><u>73,118,289,086</u></b>

(\*) Inventory properties under development comprise on-going residential projects as follows:

	VND	
	30 June 2020	31 December 2019
Khang Dien Phuoc Long B project	34,924,808,120	30,375,707,384
Khang Dien Phu Huu - Topia Garden project	31,189,675,688	30,011,997,508
Khang Dien Long Truong project	<u>10,432,122,286</u>	<u>10,432,122,286</u>
<b>TOTAL</b>	<b><u>76,546,606,094</u></b>	<b><u>70,819,827,178</u></b>

**10. PREPAID EXPENSES**

	VND	
	30 June 2020	31 December 2019
<b>Short-term</b>	<b>161,684,286</b>	<b>326,006,555</b>
Computer software	89,458,913	323,237,555
Others	72,225,373	2,769,000
<b>Long-term</b>	<b>747,042,632</b>	<b>978,618,300</b>
Computer software	<u>747,042,632</u>	<u>978,618,300</u>
<b>TOTAL</b>	<b><u>908,726,918</u></b>	<b><u>1,304,624,855</u></b>

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

**11. TANGIBLE FIXED ASSETS**

			VND
	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>			
As at 31 December 2019 and 30 June 2020	5,530,300,000	756,976,994	6,287,276,994
<i>In which:</i>			
<i>Fully depreciated</i>	-	397,358,812	397,358,812
<b>Accumulated depreciation</b>			
As at 31 December 2019	(3,313,653,318)	(602,144,375)	(3,915,797,693)
Depreciation for the period	(345,643,752)	(50,303,035)	(395,946,787)
As at 30 June 2020	(3,659,297,070)	(652,447,410)	(4,311,744,480)
<b>Net carrying amount</b>			
As at 31 December 2019	2,216,646,682	154,832,619	2,371,479,301
As at 30 June 2020	1,871,002,930	104,529,584	1,975,532,514

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

## 12. INVESTMENTS IN SUBSIDIARIES

Details of the Company's investments in subsidiaries were as follows:

Name of subsidiaries	Location	Business activities	Status	30 June 2020		31 December 2019	
				Amount VND	% of interest	Amount VND	% of interest
Khang Phuc House Trading Investment Company Limited	Ho Chi Minh City	Trade real estate properties, house construction, construction investment, trading infrastructure of industrial parks	Operating	3,758,324,249,438	100.00	3,758,324,249,438	100.00
Thanh Phuc Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	429,570,000,000	99.90	429,570,000,000	99.90
Vi La Joint Stock Company (i)	Ho Chi Minh City	Trade real estate properties	Operating	516,000,000,000	99.00	396,000,000,000	99.00
Sapphire Real Estate Trading Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	383,765,000,000	99.90	383,765,000,000	99.90
Tri Minh Real Estate Trading and Investment Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	297,787,760,000	99.80	297,787,760,000	99.80
Gia Phuoc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	264,805,200,000	99.90	264,805,200,000	99.90
Kim Phat Real Estate Trading Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	199,800,000,000	99.90	199,800,000,000	99.90

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

## 12. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the Company's investments in subsidiaries were as follows: (continued)

Name of subsidiaries	Location	Business activities	Status	30 June 2020		31 December 2019	
				Amount VND	% of interest	Amount VND	% of interest
International Consulting Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	182,649,970,703	99.90	182,649,970,703	99.90
Long Phuoc Dien Housing and Infrastructure Development Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	162,468,250,000	99.95	162,468,250,000	99.95
Hao Khang One Member Company Limited	Ho Chi Minh City	Construct and trade real estate properties	Operating	110,000,000,000	100.00	110,000,000,000	100.00
Tri Kiet Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	75,980,000,000	99.90	75,980,000,000	99.90
Me Ga City Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	58,475,221,622	51.00	58,475,221,622	51.00
Nam Phu Real Estate Development Company Limited (ii)	Ho Chi Minh City	Trade real estate properties	Operating	99,000,000,000	99.00	10,200,000,000	51.00
<b>TOTAL</b>				<b>6,538,625,651,763</b>		<b>6,329,825,651,763</b>	

(i) On 4 June 2020, Vi La Joint Stock Company ("Vi La") received the 12<sup>th</sup> amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City, approving the increase in charter capital from VND 400,000,000,000 to VND 520,000,000,000. Accordingly, the Company's contribution in the charter capital of Vi La was proportionally increased from VND 396,000,000,000 to VND 516,000,000,000.

(ii) On 13 June 2020, the Company completed the acquisition of 48% ownership interest in Nam Phu Real Estate Development Company Limited ("Nam Phu") with the amount of VND 9,600,000,000. On the same date, Nam Phu received the 2<sup>nd</sup> amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City, approving the increase in charter capital from VND 20,000,000,000 to VND 100,000,000,000. Accordingly, the Company's contribution in the charter capital of Nam Phu was proportionally increased from VND 19,800,000,000 to VND 99,000,000,000.

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

**13. SHORT-TERM TRADE PAYABLES**

	VND	
	30 June 2020	31 December 2019
Thiet Thach Construction Design and Consultant Company Limited	919,106,000	-
Tan Thanh Tan Construction Design and Development Company Limited	399,935,000	56,935,000
Others	1,563,910,421	1,455,817,497
<b>TOTAL</b>	<b><u>2,882,951,421</u></b>	<b><u>1,512,752,497</u></b>

**14. SHORT-TERM ADVANCES FROM CUSTOMERS**

	VND	
	30 June 2020	31 December 2019
Other parties (*)	66,730,195,367	61,929,822,639
A related party (Note 25)	1,594,768,355	1,594,768,355
<b>TOTAL</b>	<b><u>68,324,963,722</u></b>	<b><u>63,524,590,994</u></b>

(\*) These represent advances from customers based on agreed progress billings regarding to Khang Dien Phu Huu – Topia Garden project and Khang Dien Phuoc Long B project.

**15. STATUTORY OBLIGATIONS**

	VND			
	31 December 2019	Payable for the period	Payment made in the period	30 June 2020
Corporate income tax	737,925,027	46,208,254	-	784,133,281
Personal income tax	18,831,484	2,015,762,305	(1,432,309,460)	602,284,329
Other tax	-	26,764,911	(26,764,911)	-
<b>TOTAL</b>	<b><u>756,756,511</u></b>	<b><u>2,088,735,470</u></b>	<b><u>(1,459,074,371)</u></b>	<b><u>1,386,417,610</u></b>

**16. SHORT-TERM ACCRUED EXPENSES**

	VND	
	30 June 2020	31 December 2019
Interest expense	3,032,876,713	6,087,142,316
<i>In which:</i>		
<i>Payable to other parties</i>	3,032,876,713	6,065,753,426
<i>Payable to related parties (Note 25)</i>	-	21,388,890



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

**17. OTHER SHORT-TERM PAYABLES**

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Deposits received	900,000,000	800,000,000
Others	1,539,191,800	82,206,450
Payables to related parties (Note 25)	-	1,500,000,000
<b>TOTAL</b>	<b><u>2,439,191,800</u></b>	<b><u>2,382,206,450</u></b>

**18. BONUS AND WELFARE FUND**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	32,303,104,530	29,046,605,232
Increase	45,761,642,000	40,403,910,000
Decrease	<u>(26,742,643,000)</u>	<u>(24,412,268,047)</u>
Ending balance	<b><u>51,322,103,530</u></b>	<b><u>45,038,247,185</u></b>

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

## 19. LOANS

	31 December 2019	Increase	Decrease	Reclassify	VND 30 June 2020
<b>Short-term</b>					
Loans from related parties (Note 25)	77,000,000,000	-	(77,000,000,000)	-	-
Bonds issued (*)	224,952,670,835	-	(224,967,499,998)	344,952,670,834	344,937,841,671
	<u>301,952,670,835</u>	<u>-</u>	<u>(301,967,499,998)</u>	<u>344,952,670,834</u>	<u>344,937,841,671</u>
<b>Long-term</b>					
Bonds issued (*)	224,952,670,834	240,000,000,000	-	(344,952,670,834)	120,000,000,000
<b>TOTAL</b>	<u><b>526,905,341,669</b></u>	<u><b>240,000,000,000</b></u>	<u><b>(301,967,499,998)</b></u>	<u><b>-</b></u>	<u><b>464,937,841,671</b></u>

(\*) Details of bonds issued were as follows:

	30 June 2020 VND	Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
Bonds issued at par value	<u>464,937,841,671</u>	From 21 November 2020 to 26 June 2022	To finance working capital	12	Unsecured
<i>In which:</i>					
Short-term	344,937,841,671				
Long-term	120,000,000,000				

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

## 20. OWNERS' EQUITY

### 20.1 Increase and decrease in owners' equity

	VND					
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>For the six-month period ended 30 June 2019</b>						
As at 31 December 2018	4,140,233,530,000	1,724,205,883,466	-	91,341,819,350	473,359,803,840	6,429,141,036,656
Shares issuance	1,035,052,720,000	(1,035,052,720,000)	-	-	-	-
Net profit for the period	-	-	-	-	272,958,166,577	272,958,166,577
Transfer to bonus and welfare fund	-	-	-	-	(40,403,910,000)	(40,403,910,000)
Appropriation of net profit	-	-	-	40,403,910,000	(40,403,910,000)	-
Dividends by shares	207,004,840,000	-	-	-	(207,004,840,000)	-
Dividends by cash	-	-	-	-	(207,011,676,500)	(207,011,676,500)
As at 30 June 2019	<u>5,382,291,090,000</u>	<u>689,153,163,466</u>	<u>-</u>	<u>131,745,729,350</u>	<u>251,493,633,917</u>	<u>6,454,683,616,733</u>
<b>For the six-month period ended 30 June 2020</b>						
As at 31 December 2019	5,444,291,090,000	720,153,163,466	-	131,745,729,350	742,085,370,838	7,038,275,353,654
Net profit for the period	-	-	-	-	764,584,258,753	764,584,258,753
Transfer to bonus and welfare fund	-	-	-	-	(45,761,642,000)	(45,761,642,000)
Remuneration of the Board of Directors and Supervision	-	-	-	-	(27,456,985,350)	(27,456,985,350)
Appropriation of net profit	-	-	-	45,761,642,000	(45,761,642,000)	-
Repurchase of issued shares	-	-	(419,064,793,701)	-	-	(419,064,793,701)
As at 30 June 2020	<u>5,444,291,090,000</u>	<u>720,153,163,466</u>	<u>(419,064,793,701)</u>	<u>177,507,371,350</u>	<u>1,387,689,360,241</u>	<u>7,310,576,191,356</u>

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

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

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Contributed share capital</b>		
Beginning balance	5,444,291,090,000	4,140,233,530,000
Increase during the period	-	1,242,057,560,000
Ending balance	<u>5,444,291,090,000</u>	<u>5,382,291,090,000</u>
<b>Dividends declared and paid during the period</b>		
Dividends on ordinary shares	-	414,016,516,500
<i>Dividends by cash for 2018:</i>		
<i>VND 500 per share</i>	-	207,011,676,500
<i>Dividends by shares for 2018:</i>		
<i>5 shares per 100 existing shares</i>	-	207,004,840,000

**20.3 Shares**

	Quantity	
	<u>30 June 2020</u>	<u>31 December 2019</u>
Authorised shares	544,429,109	544,429,109
Issued and paid-up shares		
<i>Ordinary shares</i>	544,429,109	544,429,109
Treasury shares		
<i>Ordinary shares</i>	19,850,640	-
Shares in circulation		
<i>Ordinary shares</i>	524,578,469	544,429,109

Par value of outstanding share: VND 10,000/share (2019: VND 10,000/share).

**21. FINANCE INCOME**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Dividend and profit distributed	764,215,000,000	299,700,000,000
Interest income	<u>43,335,503,850</u>	<u>8,781,208,320</u>
<b>TOTAL</b>	<u><b>807,550,503,850</b></u>	<u><b>308,481,208,320</b></u>

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

**22. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest expense	23,946,622,905	12,925,379,724
Bond issuance expense	82,500,002	36,175,002
<b>TOTAL</b>	<b><u>24,029,122,907</u></b>	<b><u>12,961,554,726</u></b>

**23. GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Labour costs	11,151,584,825	10,727,870,562
Expenses for external services	6,168,948,773	6,833,846,967
Depreciation expenses	395,946,787	405,580,116
Others	981,972,162	2,627,115,515
<b>TOTAL</b>	<b><u>18,698,452,547</u></b>	<b><u>20,594,413,160</u></b>

**24. CORPORATE INCOME TAX**

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

The Company's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, amounts reported in the interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

**24.1 CIT expense**

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Current CIT expense	-	-
Deferred tax expense	190,869,643	1,962,559,145
<b>TOTAL</b>	<b><u>190,869,643</u></b>	<b><u>1,962,559,145</u></b>

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

**24. CORPORATE INCOME TAX (continued)**

**24.1 CIT expense (continued)**

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

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Accounting profit before tax</b>	<b>764,775,128,396</b>	<b>274,920,725,722</b>
At CIT rate of 20%	152,955,025,679	54,984,145,144
<i>Adjustments:</i>		
Non-deductible expenses	78,843,964	434,892,810
Dividend and profit distributed	(152,843,000,000)	(59,940,000,000)
Adjustment of tax loss under tax authorities' decision	-	6,483,521,191
<b>CIT expense</b>	<b>190,869,643</b>	<b>1,962,559,145</b>

**24.2 Tax loss**

The tax loss of the Company for the period differs from the loss as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

**24.3 Deferred tax**

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

	VND			
	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Tax loss	31,694,694,672	25,821,403,204	5,873,291,468	(1,491,236,923)
Accrual for severance pay	111,200,000	111,200,000	-	-
Accrued expenses	-	4,277,778	(4,277,778)	-
Accrued interest income	(7,196,550,000)	(1,136,666,667)	(6,059,883,333)	(471,322,222)
Profit from sale of land properties but not yet taxable	(33,235,178,755)	(33,235,178,755)	-	-
<b>Net deferred tax liabilities</b>	<b>(8,625,834,083)</b>	<b>(8,434,964,440)</b>		
<b>Deferred tax expense</b>			<b>(190,869,643)</b>	<b>(1,962,559,145)</b>

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

**24. CORPORATE INCOME TAX** (continued)

**24.4 Tax losses carried forward**

The Company is entitled to carry each individual tax loss forward to offset against taxable income arising within five consecutive years subsequent to the period in which the loss was incurred. At the balance sheet date, the Company has the aggregated accumulated tax losses of VND 158,473,473,361 (31 December 2019: VND 129,107,016,019) available for offset against future taxable income. Details are as follows:

VND					
Originating year	Can be utilized up to	Tax loss	Utilized up to 30 June 2020	Forfeited	Unutilized at 30 June 2020
2016 (*)	2021	5,297,103,539	-	-	5,297,103,539
2017 (*)	2022	25,179,863,891	-	-	25,179,863,891
2018 (**)	2023	59,289,904,553	-	-	59,289,904,553
2019 (**)	2024	39,340,144,036	-	-	39,340,144,036
Six months ended 30 June 2020 (**)	2025	29,366,457,342	-	-	29,366,457,342
<b>TOTAL</b>		<b>158,473,473,361</b>	<b>-</b>	<b>-</b>	<b>158,473,473,361</b>

(\*) Tax losses have been audited by the local tax authorities as of the date of the interim separate financial statements.

(\*\*) Estimated tax losses as per the Company's CIT declarations have not been audited by the local tax authorities as of the date of the interim separate financial statements.



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

**25. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties were as follows:

Related party	Relationship	Transaction	VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Thanh Phuc Investment Company Limited	Subsidiary	Profit distributed	369,610,000,000	249,750,000,000
		Lending	51,000,000,000	49,900,000,000
		Collection from lending	25,000,000,000	-
		Lending interest	1,896,000,000	582,166,667
Binh Trung Real Estate Trading Investment Company Limited	Indirect subsidiary	Lending	146,400,000,000	-
		Collection from lending	129,400,000,000	157,000,000,000
		Lending interest	33,597,166,667	1,417,361,112
		Interest payment	7,133,333,333	-
		Interest received	-	2,053,333,335
Khang Phuc House Trading Investment Company Limited	Subsidiary	Lending and collected	-	250,000,000,000
		Profit received	-	40,000,000,000
		Lending interest and collected	-	2,683,333,333
Vi La Joint Stock Company	Subsidiary	Lending	160,000,000,000	30,000,000,000
		Capital contribution	120,000,000,000	346,500,000,000
		Collection from lending	95,000,000,000	175,000,000,000
		Lending interest	3,043,750,000	1,565,416,667
		Interest received	1,104,166,667	2,971,666,667
Kim Phat Real Estate Trading Investment Company Limited	Subsidiary	Profit distributed	394,605,000,000	-
		Collection from lending	60,000,000,000	100,000,000,000
		Lending	60,000,000,000	-
		Lending interest collection	133,333,333	1,133,333,333
		Lending interest	133,333,333	-
Saphire Real Estate Trading Investment Company Limited	Subsidiary	Loans and repaid	-	50,000,000,000
		Loans interest and repayment	-	152,777,778
Gia Phuoc Real Estate Trading and Investment Company Limited	Subsidiary	Profit received	25,000,000	49,950,000,000
		Profit distributed	-	49,950,000,000

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

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

Significant transactions with related parties were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
International Consulting Company Limited	Subsidiary	Profit received	-	22,000,000,000
Long Phuoc Dien Housing and Infrastructure Development Company Limited	Subsidiary	Repayment of loans Loan interest	37,000,000,000 25,694,444	- -
Khong Gian Xanh Real Estate Trading Investment Company Limited	Indirect subsidiary	Loans prepayment Loans interest	20,000,000,000 13,888,888	- -
Minh Phat Real Estate Investment Company Limited	Indirect subsidiary	Repayment of loans Loan interest	20,000,000,000 13,888,888	- -
Nam Phu Real Estate Development Company Limited	Subsidiary	Capital contribution	79,200,000,000	-

***Transactions with other related parties***

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

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Salaries and bonus of Board of Directors, Board of Supervision and Management	<u>5,870,747,583</u>	<u>5,854,141,758</u>

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

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

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
<i>VND</i>				
<b>Short-term loans receivables</b>				
Binh Trung Real Estate Trading Investment Company Limited	Indirect subsidiary	Lending	568,000,000,000	551,000,000,000
Thanh Phuc Investment Company Limited	Subsidiary	Lending	51,500,000,000	25,500,000,000
Vi La Joint Stock Company	Subsidiary	Lending	65,000,000,000	-
			<b>684,500,000,000</b>	<b>576,500,000,000</b>
<b>Other short-term receivables</b>				
Thanh Phuc Investment Company Limited	Subsidiary	Profit distributed	145,210,000,000	-
		Lending interest	2,797,000,000	901,000,000
Binh Trung Real Estate Trading Investment Company Limited	Indirect subsidiary	Lending interest	31,246,166,667	4,782,333,333
Vi La Joint Stock Company	Subsidiary	Lending interest	1,939,583,333	-
			<b>181,192,750,000</b>	<b>5,683,333,333</b>
<b>Short-term advance from a customer</b>				
Me Ga City Company Limited	Subsidiary	Construction service	1,594,768,355	1,594,768,355
<b>Short-term accrued expenses</b>				
Long Phuoc Dien Housing and Infrastructure Development Company Limited	Subsidiary	Loan interest	-	10,277,778
Khong Gian Xanh Real Estate Trading Investment Company Limited	Indirect subsidiary	Loan interest	-	5,555,556
Minh Phat Real Estate Investment Company Limited	Indirect subsidiary	Loan interest	-	5,555,556
			<b>-</b>	<b>21,388,890</b>

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

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

Amounts due from and due to related parties were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>30 June 2020</i>	<i>31 December 2019</i>
<b><i>Other short-term payables</i></b>				
Thanh Phuc Investment Company Limited	Subsidiary	Payments on behalf	-	1,400,000,000
Kim Phat Real Estate Trading Investment Company Limited	Subsidiary	Payments on behalf	-	75,000,000
Gia Phuoc Real Estate Trading and Investment Company Limited	Subsidiary	Payments on behalf	-	25,000,000
			<u>-</u>	<u>1,500,000,000</u>
<b><i>Short-term loans</i></b>				
Long Phuoc Dien Housing and Infrastructure Development Company Limited	Subsidiary	Loans	-	37,000,000,000
Khong Gian Xanh Real Estate Trading Investment Company Limited	Indirect subsidiary	Loans	-	20,000,000,000
Minh Phat Real Estate Investment Company Limited	Indirect subsidiary	Loans	-	20,000,000,000
			<u>-</u>	<u>77,000,000,000</u>

**26. OPERATING LEASE COMMITMENTS**

The Company leases office premises under an operating lease arrangement with future minimum lease payable was as follows:

	<i>VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than 1 year	<u>2,667,358,500</u>	<u>2,908,858,500</u>

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

**27. EVENTS AFTER THE BALANCE SHEET DATE**

On 17 July 2020, the Board of Directors approved Decision No. 20/2020/NQ-HDQT regarding to the issuance of 26,228,923 ordinary shares from undistributed earnings up to 31 December 2019 to paid dividends to existing shareholders at par value of VND 10,000/share and the issuance of 8,000,000 ordinary shares to employees under ESOP with the price of VND 13,000/share in accordance with the Resolution of Shareholders at Annual General Meeting No. 01/2020/NQ-DHDCD dated 19 June 2020. As at the date of these interim separate financial statements, these shares issuances were not yet completed.

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

  
\_\_\_\_\_  
Luu Thi Minh Hieu  
Preparer

  
\_\_\_\_\_  
Nguyen Tran Cam Hien  
Chief Accountant

  
\_\_\_\_\_  
Le Quang Minh  
General Director





20 August 2020