

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

Consolidated financial statements

For the year ended 31 December 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 ("BRC") 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 HOSE on 21 January 2010.

The current principal activities of the Company and its subsidiaries ("the Group") 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, 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 year 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	Independent member	
Ms Nguyen Thi Cam Van	Independent 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 year 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 year and at the date of this report are:

Mr Vuong Van Minh	General Director	appointed on 3 March 2021
	Deputy General Director	appointed on 8 February 2021 resigned on 3 March 2021
Mr Le Quang Minh	General Director	appointed on 22 June 2020 resigned on 3 March 2021
	Deputy General Director	appointed on 15 April 2020 resigned on 22 June 2020
Ms Ngo Thi Mai Chi	General Director	resigned on 22 June 2020
Mr Truong Minh Duy	Deputy General Director	
Mr Bui Quang Huy	Deputy General Director	
Ms Nguyen Thuy Trang	Deputy General Director	appointed on 25 March 2020
Mr Le Hoang Khoi	Deputy General Director	appointed on 8 February 2021

### LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report are:

Ms Ngo Thi Mai Chi	from 1 January 2020 to 21 June 2020
Mr Le Quang Minh	from 22 June 2020 to 3 March 2021
Mr Vuong Van Minh	from 4 March 2021 to the date of this report

### 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 consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2020.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Wuog Van Minh  
General Director

Ho Chi Minh City, Vietnam

19 March 2021

Reference: 60766189/22006883-HN

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying consolidated financial statements of Khang Dien House Trading and Investment Joint Stock Company ("the Company") and its subsidiaries ("the Group") as prepared on 19 March 2021 and set out on pages 5 to 42, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

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

The Company's management is responsible for the preparation and fair presentation of these 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 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



**Ernst & Young Vietnam Limited**

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



Ly Hong My  
Auditor  
Audit Practicing Registration Certificate  
No. 4175-2017-004-1

Ho Chi Minh City, Vietnam

19 March 2021



Khang Dien House Trading and Investment  
Joint Stock Company

B01-DN/HN

CONSOLIDATED BALANCE SHEET  
as at 31 December 2020

VND'000

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>13,021,590,958</b>	<b>12,326,995,869</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,835,747,877</b>	<b>1,174,994,416</b>
111	1. Cash		360,375,041	430,646,149
112	2. Cash equivalents		1,475,372,836	744,348,267
<b>120</b>	<b>II. Short-term investment</b>		<b>-</b>	<b>32,490,641</b>
123	1. Held-to-maturity investments		-	32,490,641
<b>130</b>	<b>III. Current accounts receivable</b>		<b>3,528,726,882</b>	<b>3,777,835,110</b>
131	1. Short-term trade receivables	6	628,305,189	1,614,477,111
132	2. Short-term advances to suppliers	7	2,237,161,864	1,700,470,697
136	3. Other short-term receivables	8	664,234,726	463,768,688
137	4. Provision for doubtful short-term receivables	6	(974,897)	(881,386)
<b>140</b>	<b>IV. Inventory</b>		<b>7,337,992,558</b>	<b>7,037,108,743</b>
141	1. Inventories	9	7,337,992,558	7,037,108,743
<b>150</b>	<b>V. Other current assets</b>		<b>319,123,641</b>	<b>304,566,959</b>
151	1. Short-term prepaid expenses	10	265,101,641	250,231,916
152	2. Value-added tax deductible		51,945,028	54,259,655
153	3. Tax and other receivables from the State		2,076,972	75,388
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>912,881,282</b>	<b>910,329,204</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>79,822,125</b>	<b>95,819,247</b>
211	1. Long-term trade receivables	6	67,176,792	77,954,214
212	2. Long-term advances to suppliers	7	1,728,585	1,728,585
216	3. Other long-term receivables	8	12,916,748	18,136,448
219	4. Provision for doubtful long-term receivables	6	(2,000,000)	(2,000,000)
<b>220</b>	<b>II. Fixed assets</b>		<b>47,431,468</b>	<b>47,761,628</b>
221	1. Tangible fixed assets	11	47,431,468	47,761,628
222	Cost		116,211,566	109,142,032
223	Accumulated depreciation		(68,780,098)	(61,380,404)
227	2. Intangible fixed assets		-	-
228	Cost		339,700	339,700
229	Accumulated amortisation		(339,700)	(339,700)
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>60,109,591</b>	<b>99,666,817</b>
231	1. Cost		65,973,562	104,566,383
232	2. Accumulated depreciation		(5,863,971)	(4,899,566)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>694,548,005</b>	<b>629,487,717</b>
242	1. Construction in progress	13	694,548,005	629,487,717
<b>250</b>	<b>V. Long-term investments</b>	<b>14</b>	<b>14,300,000</b>	<b>14,300,000</b>
253	1. Investment in other entity	14.1	14,000,000	14,000,000
255	2. Held-to-maturity investments	14.2	300,000	300,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>16,670,093</b>	<b>23,293,795</b>
261	1. Long-term prepaid expenses	10	5,089,197	10,957,661
262	2. Deferred tax assets	31.3	9,770,259	9,563,044
269	3. Goodwill	15	1,810,637	2,773,090
<b>270</b>	<b>TOTAL ASSETS</b>		<b>13,934,472,240</b>	<b>13,237,325,073</b>

Khang Dien House Trading and Investment  
Joint Stock Company

B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>5,776,372,073</b>	<b>5,572,964,711</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,207,932,830</b>	<b>4,571,654,220</b>
311	1. Short-term trade payables	16	242,016,157	695,698,468
312	2. Short-term advances from customers	17	2,170,746,738	2,772,929,571
313	3. Statutory obligations	18	548,987,642	294,417,957
315	4. Short-term accrued expenses	19	24,508,429	75,424,337
318	5. Short-term unearned revenues	20	15,418,843	1,330,504
319	6. Other short-term payables	21	372,537,973	319,815,817
320	7. Short-term loans	23	786,915,760	377,291,025
322	8. Bonus and welfare fund	22	46,801,288	34,746,541
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,568,439,243</b>	<b>1,001,310,491</b>
332	1. Long-term advances from customers	17	193,431	26,526,233
333	2. Long-term accrued expenses	19	69,807,101	69,227,791
336	3. Long-term unearned revenues	20	7,404,315	10,159,880
337	4. Other long-term liabilities	21	396,010,400	436,260,677
338	5. Long-term loans	23	1,058,235,534	405,200,418
341	6. Deferred tax liabilities	31.3	35,449,037	52,500,279
342	7. Long-term provisions		1,339,425	1,435,213
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>8,158,100,167</b>	<b>7,664,360,362</b>
<b>410</b>	<b>I. Capital</b>		<b>8,158,100,167</b>	<b>7,664,360,362</b>
411	1. Share capital	24.1	5,786,572,190	5,444,291,090
411a	- Shares with voting rights		5,786,572,190	5,444,291,090
412	2. Share premium	24.1	744,153,163	720,153,163
415	3. Treasury shares	24.1	(419,064,794)	-
418	4. Investment and development fund	24.1	179,339,505	133,577,863
421	5. Undistributed earnings	24.1	1,836,456,359	1,327,039,024
421a	- Undistributed earnings by the end of prior year		683,690,846	411,806,179
421b	- Undistributed earnings of current year		1,152,765,513	915,232,845
429	6. Non-controlling interests	25	30,643,744	39,299,222
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>13,934,472,240</b>	<b>13,237,325,073</b>

Luu Thi Minh Hieu  
Preparer

Pham Thi Thu Thuy  
Chief Accountant

Vuong Van Minh  
General Director

19 March 2021



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2020

VND'000

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	26.1	4,616,848,433	2,844,774,366
02	2. Deductions	26.1	(84,779,914)	(31,420,938)
10	3. Net revenue from sale of goods and rendering of services	26.1	4,532,068,519	2,813,353,428
11	4. Cost of goods sold and services rendered	27	(2,568,451,212)	(1,312,924,322)
20	5. Gross profit from sale of goods and rendering of services		1,963,617,307	1,500,429,106
21	6. Finance income	26.2	34,994,379	41,460,133
22	7. Finance expenses	28	(84,692,054)	(41,617,734)
23	- In which: Interest expenses		-	(1,519,427)
25	8. Selling expenses	29	(246,995,212)	(115,390,554)
26	9. General and administrative expenses	29	(169,410,471)	(162,284,584)
30	10. Operating profit		1,497,513,949	1,222,596,367
31	11. Other income	30	33,228,706	32,910,340
32	12. Other expenses	30	(72,334,521)	(65,666,550)
40	13. Other loss	30	(39,105,815)	(32,756,210)
50	14. Accounting profit before tax		1,458,408,134	1,189,840,157
51	15. Current corporate income tax expense	31.1	(321,199,130)	(284,168,467)
52	16. Deferred tax income	31.3	17,258,457	11,204,972
60	17. Net profit after tax		1,154,467,461	916,876,662
61	18. Net profit after tax attributable to shareholders of the parent		1,152,765,513	915,232,845
62	19. Net profit after tax attributable to non-controlling interests		1,701,948	1,643,817
70	20. Basic earnings per share (VND'000/share)	33	2.06	1.48
71	21. Diluted earnings per share (VND'000/share)	33	2.06	1.48

Luu Thi Minh Hieu  
Preparer

Pham Thi Thu Thuy  
Chief Accountant

Vuong Van Minh  
General Director

19 March 2021

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2020

VND'000

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>1,458,408,134</b>	<b>1,189,840,157</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (including amortisation of goodwill)	11, 12, 15	10,747,089	9,344,289
03	Provision (reversal of provision)		93,511	(2,067,995)
05	Profits from investing activities		(35,087,106)	(41,460,133)
06	Interest expenses		-	1,588,101
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>1,434,161,628</b>	<b>1,157,244,419</b>
09	Decrease (increase) in receivables		263,465,111	(2,006,442,350)
10	Increase in inventories		(300,883,815)	(1,268,707,451)
11	(Decrease) increase in payables		(1,011,259,822)	2,470,492,144
12	Increase in prepaid expenses		(9,001,261)	(159,595,252)
14	Interest paid		(83,644,441)	(89,909,787)
15	Corporate income tax paid	18	(96,519,145)	(229,395,213)
17	Other cash outflows from operating activities	22	(33,706,895)	(37,214,410)
<b>20</b>	<b>Net cash flows from (used in) operating activities</b>		<b>162,611,360</b>	<b>(163,527,900)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(48,030,511)	(234,743,660)
22	Proceeds from disposal of fixed assets		102,000	-
23	Payment of term deposits		-	(92,490,641)
24	Collection of term deposits		32,490,641	60,000,000
25	Payment for investments in other entities		(9,600,000)	-
27	Interest received		36,854,149	66,422,658
<b>30</b>	<b>Net cash flows from (used in) investing activities</b>		<b>11,816,279</b>	<b>(200,811,643)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of new shares		104,000,000	96,500,000
	Capital contribution from non-controlling interests		1,020,000	-
32	Repurchase of issued shares		(419,064,794)	-
33	Drawdown of borrowings		2,019,565,003	534,764,080
34	Repayment of borrowings		(956,905,152)	(720,624,757)
36	Dividend paid	24.2	(262,289,235)	(207,011,676)
<b>40</b>	<b>Net cash flows from (used in) financing activities</b>		<b>486,325,822</b>	<b>(296,372,353)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2020

VND'000

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents		660,753,461	(660,711,896)
60	Cash and cash equivalents at beginning of the year		1,174,994,416	1,835,706,312
70	Cash and cash equivalents at end of the year	5	1,835,747,877	1,174,994,416



Luu Thi Minh Hieu  
Preparer



Pham Thi Thu Thuy  
Chief Accountant



Vuong Van Minh  
General Director

19 March 2021

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
as at 31 December 2020 and for the year 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 ("BRC") 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 HOSE on 21 January 2010.

The current principal activities of the Company and its subsidiaries ("the Group") 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, 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.

The number of Group's employees as at 31 December 2020 was 322 (31 December 2019: 327).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

**Corporate structure**

The Company invested in 26 subsidiaries, which are consolidated into the Group's consolidated financial statements:

Name of subsidiaries	Location	Business activities	Status	% of ownership and voting rights	
				31 December 2020	31 December 2019
(1) Thanh Phuc Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(2) Tri Minh Real Estate Trading and Investment Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(3) Gia Phuoc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	99.90	99.90
(4) Spring Sai Gon Real Estate Trading Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(5) International Consulting Company Limited	Ho Chi Minh City	Consult, construct and trade real estate properties	Operating	99.90	99.90
(6) Long Phuoc Dien Housing and Infrastructure Development Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.95	99.95
(7) Hao Khang One Member Company Limited	Ho Chi Minh City	Construct and trade real estate properties	Operating	100	100
(8) Sapphire Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(9) Lien Minh Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.70	99.70
(10) Song Lap Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.70	99.70



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

The Company invested in 26 subsidiaries, which are consolidated into the Group's consolidated financial statements: (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Business activities</i>	<i>Status</i>	<i>% of ownership and voting rights</i>	
				<i>31 December 2020</i>	<i>31 December 2019</i>
(11) Tri Kiet Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(12) Mega City Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.85	99.85
(13) Vi La Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.00	99.00
(14) Thap Muoi Real Estate Trading and Construction Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(15) Viet Huu Phu Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	99.00	99.00
(16) Khong Gian Xanh Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	98.01	98.01
(17) Binh Trung Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.80	99.80
(18) 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	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**1. CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

The Company invested in 26 subsidiaries, which are consolidated into the Group's consolidated financial statements: (continued)

Name of subsidiaries	Location	Business activities	Status	% of ownership and voting rights	
				31 December 2020	31 December 2019
(19) BCCI Development Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	100	100
(20) Minh Phat Real Estate Investment Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	51.00	51.00
(21) Kim Phat Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Trade real estate properties	Operating	99.90	99.90
(22) Nam Phu Real Estate Development Company Limited (Note 4)	Ho Chi Minh City	Trade real estate properties	Operating	99.00	51.00
(23) Thuy Sinh Real Estate Joint Stock Company	Ho Chi Minh City	Trade real estate properties	Operating	98.90	98.90
(24) Nguyen Phat Real Estate Investment Company Limited (*)	Ho Chi Minh City	Trade real estate properties	Operating	99.80	-
(25) Phu Hai Real Estate Development Company Limited (**)	Ho Chi Minh City	Trade real estate properties	Operating	99.80	-
(26) Nam Thong Real Estate Development Company Limited (***)	Ho Chi Minh City	Trade real estate properties	Operating	99.80	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**1. CORPORATE INFORMATION** (continued)

- (\*) During the year, the Group established Nguyen Phat Real Estate Investment Company Limited ("Nguyen Phat"), a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 0316461487 issued by the DPI of Ho Chi Minh City on 31 August 2020. Nguyen Phat's registered head office is located at Vietoffice Tower, 481 Dien Bien Phu Street, Ward 3, District 3, Ho Chi Minh City, Vietnam.
- (\*\*) During the year, the Group established Phu Hai Real Estate Investment Company Limited ("Phu Hai"), a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the ERC No. 0316466157 issued by the DPI of Ho Chi Minh City on 1 September 2020. Phu Hai's registered head office is located at 46<sup>th</sup> Floor, Bitexco Financial Tower, 2 Hai Trieu Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.
- (\*\*\*) During the year, the Group established Nam Thong Real Estate Investment Company Limited ("Nam Thong"), a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the ERC No. 0316468644 issued by the DPI of Ho Chi Minh City on 3 September 2020. Nam Thong's registered head office is located at 1<sup>st</sup> Floor, Packsimex Building, 52 Dong Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

**2. BASIS OF PREPARATION**

**2.1 Accounting standards and system**

The consolidated financial statements of the Group expressed in thousands of Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying 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 consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2 Applied accounting documentation system**

The Group's applied accounting documentation system is the Voucher Journal and the General Journal system.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**2.3 Fiscal year**

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

**2.4 Accounting currency**

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

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

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

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

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

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

**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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**3.2 Inventories**

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

The cost of inventory property recognised in the consolidated income statement 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.

*Other inventories*

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

NRV 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.

The perpetual method is used to record inventories, which are valued as follows:

Tools and supplies - cost of purchase on a weighted average 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 inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

**3.3 Receivables**

Receivables are presented in the 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 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 consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year 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 fixed assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When 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 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.

*Where the Group is the lessee*

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

*Where the Group is the lessor*

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

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

**3.6 Depreciation and amortisation**

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

Building and structures	10 - 20 years
Machinery and equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 years
ISO certificate	3 - 10 years
Computer software	3 - 10 years

**3.7 Investment properties**

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

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

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

Infrastructure	25 - 46 years
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

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

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

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

**3.8 *Borrowing costs***

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

Borrowing costs are recorded as expense during the year 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.

**3.9 *Prepaid expenses***

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

The following types of expenses are recorded as prepaid expense and are amortised or recognised consistently with revenue to the consolidated income statement:

- ▶ Prepaid rental;
- ▶ Tools and supplies;
- ▶ Commission fees;
- ▶ Discounts; and
- ▶ Industrial park's renovation costs.

**3.10 *Business combinations and goodwill***

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**3.10 Business combinations and goodwill (continued)**

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

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

**3.11 Investments**

*Investment in other entity*

Investment in other entity is stated at its acquisition cost.

*Held-to-maturity investments*

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

*Provision for diminution in value of investments*

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

**3.12 Payables and accruals**

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

**3.13 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 is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**3.14 Treasury shares**

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

**3.15 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 shareholders at the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

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

*Investment and development fund*

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

*Bonus and welfare fund*

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

**3.16 Revenue recognition**

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

*Sale of completed properties*

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

*Sale of land lots and related infrastructure*

The Group applies the revenue recognition method as guided in the Official Letter No. 17239/BTC-CDKT dated 20 December 2017 of Ministry of Finance. Accordingly, sublease rentals are recognised on a straight-line basis over the lease terms when the Group progressively receives less than 90% of total rentals. The remaining rentals will be recognised in full upon cumulative receipt of 90% of total rentals.

*Rental income*

Rental income arising from operating leases is recorded to the consolidated income statement and accounted for on a straight-line basis over the terms of the lease.

*Rendering of services*

Revenue is recognised upon completion of the services provided.

*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 Group's entitlement as an investor to receive the dividend is established.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**3.17 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 consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the 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 income 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 income tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

**3.18 Earnings per share**

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**3.19 Segment information**

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of real estate. Geographical segment of the Group is in Vietnam only. Accordingly, segment information is not presented.

**3.20 Related parties**

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

**4. BUSINESS COMBINATION**

***Acquisition of additional interest in existing subsidiary - Nam Phu Real Estate Development Company Limited ("Nam Phu")***

On 22 June 2020, the Group acquired an additional 48% interest in the voting shares of Nam Phu, increasing its ownership interest to 99% as at this date. Cash consideration of VND'000 9,600,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Nam Phu (excluding goodwill on the original acquisition) at the acquisition date was VND'000 20,421,720, and the carrying value of the additional interest acquired was VND'000 9,802,426. The difference of VND'000 202,426 between the consideration and the carrying value of the interest acquired has been recognised in undistributed earnings.

**5. CASH AND CASH EQUIVALENTS**

	VND'000	
	Ending balance	Beginning balance
Cash on hand	14,719,336	12,751,358
Cash in banks	345,655,705	417,894,791
Cash equivalents (*)	1,475,372,836	744,348,267
<b>TOTAL</b>	<b>1,835,747,877</b>	<b>1,174,994,416</b>

(\*) Cash equivalents represent term deposits at banks with original maturities of not more than three months and earning interest at the rates ranging from 2.9% to 4% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**6. TRADE RECEIVABLES**

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>628,305,189</b>	<b>1,614,477,111</b>
Receivables from sales of residential land properties	628,146,252	1,614,477,111
Receivables from rendering of construction services	158,937	-
<b>Long-term</b>	<b>67,176,792</b>	<b>77,954,214</b>
Receivables from sales of residential land properties	67,176,792	77,954,214
<b>TOTAL</b>	<b>695,481,981</b>	<b>1,692,431,325</b>
Provision for doubtful receivables	(2,974,897)	(2,881,386)
<i>In which:</i>		
<i>Short-term</i>	(974,897)	(881,386)
<i>Long-term</i>	(2,000,000)	(2,000,000)
<b>NET</b>	<b>692,507,084</b>	<b>1,689,549,939</b>

**7. ADVANCES TO SUPPLIERS**

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>2,237,161,864</b>	<b>1,700,470,697</b>
Advances for land use rights transfer	1,945,893,284	1,244,320,795
Advances for capital transfer	264,600,000	-
Advances for construction services	10,333,868	448,064,465
Others	16,334,712	8,085,437
<b>Long-term</b>	<b>1,728,585</b>	<b>1,728,585</b>
Advances for construction services	1,728,585	1,728,585
<b>TOTAL</b>	<b>2,238,890,449</b>	<b>1,702,199,282</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

8. OTHER RECEIVABLES

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>664,234,726</b>	<b>463,768,688</b>
Advances for projects compensation	588,363,542	390,657,926
Provisional corporate income tax (i)	55,819,358	55,713,905
Others	20,051,826	17,396,857
<b>Long-term</b>	<b>12,916,748</b>	<b>18,136,448</b>
Overpaid land use fee	6,399,496	6,399,496
Deposits	3,450,372	5,048,500
Others	3,066,880	6,688,452
<b>TOTAL</b>	<b>677,151,474</b>	<b>481,905,136</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 Group is entitled to provisionally pay tax at the rate of 20% on turnover received by cash from its customers less corresponding expenses or at the rate of 1% on cash collections from its customers.

9. INVENTORIES

	VND'000	
	Ending balance	Beginning balance
Real estate properties (*)	7,337,718,128	7,036,654,860
Tools and supplies	274,430	453,883
<b>TOTAL</b>	<b>7,337,992,558</b>	<b>7,037,108,743</b>

(\*) Real estate properties mainly include compensation costs, land clearance costs, construction costs, capitalised interest and other development costs incurred for the following on-going real estate projects:

	VND'000	
	Ending balance	Beginning balance
Khang Phuc - Tan Tao Residential Zone (**)	2,794,596,973	2,428,853,680
Khang Phuc - Lovera Vista	940,376,266	183,885,368
Khang Phuc - Binh Hung 11A Residential Zone	490,309,027	470,472,151
Binh Trung - Binh Trung Dong	476,857,671	380,864,855
Khang Phuc - An Duong Vuong	443,449,267	198,469,392
Thuy Sinh - Phu Huu (**)	429,816,876	422,791,129
Safira	350,379,341	1,280,602,155
Khang Phuc - Resettlement Zone Phong Phu 4	228,745,239	217,594,222
Verosa (**)	171,014,090	439,576,487
Others	1,012,173,378	1,013,545,421
<b>TOTAL</b>	<b>7,337,718,128</b>	<b>7,036,654,860</b>

(\*\*) Land use rights and its associated assets of these projects were pledged to obtain loans from banks (Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

9. **INVENTORIES** (continued)

The Group capitalised borrowing costs for the year ended 31 December 2020 amounting to VND'000 82,409,960 (for the year ended 31 December 2019: VND'000 85,074,932). These costs relate to borrowings obtained to finance the development and construction of the Group's property projects.

10. **PREPAID EXPENSES**

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>265,101,641</b>	<b>250,231,916</b>
Commission fees	118,928,992	161,921,346
Discounts	98,173,042	63,660,875
Others	47,999,607	24,649,695
<b>Long-term</b>	<b>5,089,197</b>	<b>10,957,661</b>
Le Minh Xuan Expansion Industrial Park's renovation costs	3,924,991	5,932,455
Others	1,164,206	5,025,206
<b>TOTAL</b>	<b><u>270,190,838</u></b>	<b><u>261,189,577</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 11. TANGIBLE FIXED ASSETS

	VND'000				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>					
Beginning balance	30,258,993	51,702,807	24,469,469	2,710,763	109,142,032
New purchase	-	-	-	301,627	301,627
Transfer from construction in progress	7,490,912	399,378	-	-	7,890,290
Disposal	-	(768,664)	(310,849)	(42,870)	(1,122,383)
Ending balance	<u>37,749,905</u>	<u>51,333,521</u>	<u>24,158,620</u>	<u>2,969,520</u>	<u>116,211,566</u>
<i>In which:</i>					
<i>Fully depreciated</i>	660,728	27,773,627	5,546,959	2,333,787	36,315,101
<b>Accumulated depreciation</b>					
Beginning balance	(9,911,283)	(35,506,773)	(13,459,473)	(2,502,875)	(61,380,404)
Depreciation for the year	(1,979,576)	(2,971,522)	(2,986,224)	(383,097)	(8,320,419)
Disposal	-	567,005	310,850	42,870	920,725
Ending balance	<u>(11,890,859)</u>	<u>(37,911,290)</u>	<u>(16,134,847)</u>	<u>(2,843,102)</u>	<u>(68,780,098)</u>
<b>Net carrying amount</b>					
Beginning balance	<u>20,347,710</u>	<u>16,196,034</u>	<u>11,009,996</u>	<u>207,888</u>	<u>47,761,628</u>
Ending balance	<u>25,859,046</u>	<u>13,422,231</u>	<u>8,023,773</u>	<u>126,418</u>	<u>47,431,468</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**12. INVESTMENT PROPERTIES**

	<i>VND'000</i>	
	<i>Infrastructure</i>	
<b>Cost</b>		
Beginning balance		104,566,383
Disposal		(6,368,616)
Other decrease		(32,224,205)
Ending balance		<u>65,973,562</u>
<b>Accumulated depreciation</b>		
Beginning balance		(4,899,566)
Depreciation for the year		(1,464,217)
Disposal		177,570
Other decrease		322,242
Ending balance		<u>(5,863,971)</u>
<b>Net carrying amount</b>		
Beginning balance		<u>99,666,817</u>
Ending balance		<u>60,109,591</u>

The fair values of investment properties at the balance sheet date had not yet been formally assessed and determined, but the management believed that it was much higher than properties' carrying values considering that investment properties have been almost fully rented out at this date.

**13. CONSTRUCTION IN PROGRESS**

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Le Minh Xuan Expansion Industrial Park (*)	<u>694,548,005</u>	<u>629,487,717</u>

(\*) Land use rights and its associated assets of this project were pledged to obtain the loan from bank (Note 23).

**14. LONG-TERM INVESTMENTS**

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in other entity (Note 14.1)	14,000,000	14,000,000
Held-to-maturity investments (Note 14.2)	<u>300,000</u>	<u>300,000</u>
<b>TOTAL</b>	<u><b>14,300,000</b></u>	<u><b>14,300,000</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

**14.1 Investment in other entity**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>Amount</i> VND'000	<i>% of</i> <i>interest</i>	<i>Amount</i> VND'000	<i>% of</i> <i>interest</i>
CVH Spring Company Limited	<u>14,000,000</u>	5	<u>14,000,000</u>	5

**14.2 Held-to-maturity investments**

These represent 30 bonds at par value of VND'000 10,000/bond with an original maturity of 10 years and earning interest at the reference saving account rate plus 0.8% per annum issued by Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch.

**15. GOODWILL**

The movements in goodwill during the year are as follows:

	<i>VND'000</i>
<b>Cost</b>	
Beginning and ending balances	<u>34,008,874</u>
<b>Accumulated amortisation</b>	
Beginning balance	(31,235,784)
Amortisation for the year	<u>(962,453)</u>
Ending balance	<u>(32,198,237)</u>
<b>Net carrying amount</b>	
Beginning balance	<u>2,773,090</u>
Ending balance	<u>1,810,637</u>

**16. SHORT-TERM TRADE PAYABLES**

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
An Phong Construction Co., Ltd.	80,620,431	236,133,913
Ricons Construction Investment Joint Stock Company	77,685,137	258,715,812
Hoa Binh Construction Group Joint Stock Company	-	120,061,256
Others	<u>83,710,589</u>	<u>80,787,487</u>
<b>TOTAL</b>	<u><b>242,016,157</b></u>	<u><b>695,698,468</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**17. ADVANCES FROM CUSTOMERS**

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>2,170,746,738</b>	<b>2,772,929,571</b>
Advances received for real estate properties transfer (*)	2,167,483,911	2,772,735,095
Others	3,262,827	194,476
<b>Long-term</b>	<b>193,431</b>	<b>26,526,233</b>
Advances received for real estate properties transfer (*)	193,431	26,526,233
<b>TOTAL</b>	<b><u>2,170,940,169</u></b>	<b><u>2,799,455,804</u></b>

(\*) These represent advances based on agreed progress billings from customers who buy properties of the Group's projects which are under construction. The Group will hand over properties to customers upon completion of construction and recognise revenue correspondingly.

**18. STATUTORY OBLIGATIONS**

	VND'000			
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Corporate income tax	280,441,636	333,279,178	(96,519,145)	517,201,669
Value-added tax	12,505,832	260,393,426	(244,396,648)	28,502,610
Personal income tax	1,449,043	15,099,629	(13,278,103)	3,270,569
Others	21,446	6,585,309	(6,593,961)	12,794
<b>TOTAL</b>	<b><u>294,417,957</u></b>	<b><u>615,357,542</u></b>	<b><u>(360,787,857)</u></b>	<b><u>548,987,642</u></b>

**19. ACCRUED EXPENSES**

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>24,508,429</b>	<b>75,424,337</b>
Project development costs	15,386,020	35,885,011
Interest expense	7,387,717	6,638,220
Commission fees	637,756	18,448,934
Others	1,096,936	14,452,172
<b>Long-term</b>	<b>69,807,101</b>	<b>69,227,791</b>
Project development costs	69,807,101	69,227,791
<b>TOTAL</b>	<b><u>94,315,530</u></b>	<b><u>144,652,128</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**20. UNEARNED REVENUES**

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>15,418,843</b>	<b>1,330,504</b>
Advances received for management fees	14,479,087	-
Advances received for land leases of Le Minh Xuan Industrial Park	939,756	1,330,504
<b>Long-term</b>	<b>7,404,315</b>	<b>10,159,880</b>
Advances received for land leases of Le Minh Xuan Industrial Park	7,404,315	10,159,880
<b>TOTAL</b>	<b>22,823,158</b>	<b>11,490,384</b>

**21. OTHER PAYABLES**

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>372,537,973</b>	<b>319,815,817</b>
Maintenance fund	272,278,245	152,764,996
Financial support for customers	43,305,413	-
Deposits received	37,980,317	149,020,738
Others	18,973,998	18,030,083
<b>Long-term</b>	<b>396,010,400</b>	<b>436,260,677</b>
Capital received from Investment Cooperation Contracts ("ICCs") (i)	362,000,000	362,000,000
Land compensation payables (ii)	13,983,160	21,115,860
Deposits received	3,597,758	46,343,967
Others	16,429,482	6,800,850
<b>TOTAL</b>	<b>768,548,373</b>	<b>756,076,494</b>

(i) There are capital received from Phuc Dat Real Estate Joint Stock Company and Nam Hung Real Estate Investment and Development Limited Company under ICCs amounting to VND'000 252,000,000 and VND'000 110,000,000, respectively, with the term of 18 months from 9 December 2019, to develop Residential project at Binh Hung Ward, Binh Chanh District, Ho Chi Minh City.

(ii) This represents land compensation payables to owners of raw land regarding to Hamlet 2 Tan Tao Residential project. This payable will be subsequently paid out of the developed land lots from the said project.

**22. BONUS AND WELFARE FUND**

	VND'000	
	Current year	Previous year
Beginning balance	34,746,541	31,557,041
Increase	45,761,642	40,403,910
Decrease	(33,706,895)	(37,214,410)
Ending balance	46,801,288	34,746,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 23. LOANS

	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Reclassification</i>	<i>VND'000</i> <i>Ending balance</i>
<b>Short-term</b>	<b>377,291,025</b>	<b>141,905,322</b>	<b>(377,291,027)</b>	<b>645,010,440</b>	<b>786,915,760</b>
Bonds (Note 23.1)	224,952,671	-	(224,952,671)	282,897,500	282,897,500
Loans from banks (Note 23.2)	-	49,047,321	-	-	49,047,321
Current portion of long-term loans (Note 23.3)	152,338,354	92,858,001	(152,338,356)	362,112,940	454,970,939
<b>Long-term</b>	<b>405,200,418</b>	<b>1,877,659,681</b>	<b>(579,614,125)</b>	<b>(645,010,440)</b>	<b>1,058,235,534</b>
Bonds (Note 23.1)	224,952,671	239,820,000	(57,895,171)	(282,897,500)	123,980,000
Loans from banks (Note 23.3)	180,247,747	1,637,839,681	(521,718,954)	(362,112,940)	934,255,534
<b>TOTAL</b>	<b>782,491,443</b>	<b>2,019,565,003</b>	<b>(956,905,152)</b>	<b>-</b>	<b>1,845,151,294</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

23. LOANS (continued)

23.1 Bonds

Details of bonds issued are as follows:

	<i>Ending balance</i> VND'000	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i> % p.a.	<i>Description of collateral</i>
Bonds issued at par value	<u>406,877,500</u>	21 May 2021 and 26 June 2022	To finance working capital	12	Unsecured
<i>In which:</i>					
<i>Short-term</i>	282,897,500				
<i>Long-term</i>	123,980,000				

23.2 Short-term loans from banks

Details of short-term loan from banks are as follows:

<i>Bank</i>	<i>Ending balance</i> VND'000	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i> % p.a.	<i>Description of collateral</i>
<b><i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ky Dong Branch</i></b>					
Loan 1	<u>49,047,321</u>	From 17 June 2021 to 25 June 2021	To finance working capital	8	Unsecured

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**23. LOANS** (continued)

**23.3 Long-term loans from banks**

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

<i>Bank</i>	<i>Ending balance</i> VND'000	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i> % p.a.	<i>Description of collateral</i>
<b><i>Orient Commercial Joint Stock Bank – District 4 Branch</i></b>					
Loan 1	650,000,000	From 25 December 2021 to 25 June 2023	To finance Le Minh Xuan expansion and Hamlet 2 Tan Tao projects	11.9	Land use rights and associated assets belongs to Le Minh Xuan expansion project
Loan 2	127,839,260	From 15 September 2021 to 14 December 2022	To finance Verosa project	12	Certain villas with aggregated 2,146 m <sup>2</sup> belongs to Verosa project
Loan 3	81,211,059	From 4 March 2023 to 10 March 2023	To finance Verosa project	12	Certain villas with aggregated 1,002 m <sup>2</sup> belongs to Verosa project
<b><i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 11</i></b>					
Loan 1	527,347,939	12 August 2022	To finance Lovera Vista project	11.5	Land use rights of 43,452 m <sup>2</sup> and associated assets at Phu Huu Ward, District 9, Ho Chi Minh City
Loan 2	2,828,215	25 December 2024	To finance project at Tan Tao A Ward, Binh Tan District	10.5	Land use right and associated assets at Tan Tao A Ward, Binh Tan District, Ho Chi Minh City
<b>TOTAL</b>	<b><u>1,389,226,473</u></b>				
<i>In which:</i>					
<i>Current portion</i>	454,970,939				
<i>Long-term</i>	934,255,534				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 24. OWNERS' EQUITY

### 24.1 Movements in owners' equity

	VND'000					
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>Previous year</b>						
Beginning balance	4,140,233,530	1,724,205,883	-	93,173,953	906,630,515	6,864,243,881
Issuance of new shares	1,097,052,720	(1,004,052,720)	-	-	-	93,000,000
Net profit for the year	-	-	-	-	915,232,845	915,232,845
Appropriation of net profit	-	-	-	40,403,910	(40,403,910)	-
Transfer to bonus and welfare fund	-	-	-	-	(40,403,910)	(40,403,910)
Dividend share	207,004,840	-	-	-	(207,004,840)	-
Dividend paid	-	-	-	-	(207,011,676)	(207,011,676)
Ending balance	<u>5,444,291,090</u>	<u>720,153,163</u>	<u>-</u>	<u>133,577,863</u>	<u>1,327,039,024</u>	<u>7,625,061,140</u>
<b>Current year</b>						
Beginning balance	5,444,291,090	720,153,163	-	133,577,863	1,327,039,024	7,625,061,140
Issuance of new shares (*)	80,000,000	24,000,000	-	-	-	104,000,000
Net profit for the year	-	-	-	-	1,152,765,513	1,152,765,513
Appropriation of net profit	-	-	-	45,761,642	(45,761,642)	-
Transfer to bonus and welfare fund	-	-	-	-	(45,761,642)	(45,761,642)
Remuneration of the Board of Directors and Supervision	-	-	-	-	(27,456,985)	(27,456,985)
Acquisition of non-controlling interests	-	-	-	-	202,426	202,426
Dividend shares (*)	262,281,100	-	-	-	(262,281,100)	-
Dividend paid	-	-	-	-	(262,289,235)	(262,289,235)
Repurchase of issued shares	-	-	(419,064,794)	-	-	(419,064,794)
Ending balance	<u>5,786,572,190</u>	<u>744,153,163</u>	<u>(419,064,794)</u>	<u>179,339,505</u>	<u>1,836,456,359</u>	<u>8,127,456,423</u>

(\*) On 26 August 2020, the Company completed the issuance of 26,228,110 ordinary shares to pay dividends to existing shareholders at par value of VND 10,000/share and the issuance of 8,000,000 ordinary shares to employees under the ESOP with the price of VND 13,000/share in accordance with the Resolution No. 01/2020/NQ-DHDCD dated 19 June 2020. On 7 September 2020, the Company received the 26<sup>th</sup> amended ERC issued by the DPI of Ho Chi Minh City, approving the increase in charter capital from VND 5,444,291,090,000 to VND 5,786,572,190,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

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

	Current year	VND'000 Previous year
<b>Contributed share capital</b>		
Beginning balance	5,444,291,090	4,140,233,530
Increase	342,281,100	1,304,057,560
Ending balance	<u>5,786,572,190</u>	<u>5,444,291,090</u>
<b>Dividends</b>		
Dividends on ordinary shares	524,570,335	414,016,516
<i>Dividends by cash for 2019: VND 500 per share (2018: VND 500 per share)</i>	262,289,235	207,011,676
<i>Dividends by shares for 2019: 5 shares per 100 existing shares (2018: 5 shares per 100 existing shares)</i>	262,281,100	207,004,840

**24.3 Share capital**

	Quantity	
	Ending balance	Beginning balance
Authorised shares	578,657,219	544,429,109
Issued and paid-up shares		
<i>Ordinary shares</i>	578,657,219	544,429,109
Treasury shares		
<i>Ordinary shares</i>	(19,850,640)	-
Shares in circulation		
<i>Ordinary shares</i>	558,806,579	544,429,109
Pair value of outstanding share: VND 10,000/share (31 December 2019: VND 10,000/share).		

**25. NON-CONTROLLING INTERESTS**

	Ending balance	VND'000 Beginning balance
Contributed charter capital	27,397,444	35,977,444
Undistributed earnings	2,980,314	3,055,792
Increase from asset acquisitions	265,568	265,568
Investment and development fund	418	418
<b>TOTAL</b>	<u><b>30,643,744</b></u>	<u><b>39,299,222</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**26. REVENUES**

**26.1 Revenue from sale of goods and rendering of services**

	Current year	VND'000 Previous year
<b>Gross revenue</b>	<b>4,616,848,433</b>	<b>2,844,774,366</b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	4,546,772,389	2,745,247,150
<i>Rendering of services</i>	47,322,143	42,628,314
<i>Sale of land use right and related infrastructure (*)</i>	20,438,430	52,829,156
<i>Operating lease</i>	2,315,471	4,069,746
<b>Less</b>	<b>(84,779,914)</b>	<b>(31,420,938)</b>
Sale returns	(79,944,814)	(29,528,487)
Trade discounts	(4,835,100)	(1,892,451)
<b>Net revenue</b>	<b>4,532,068,519</b>	<b>2,813,353,428</b>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	4,461,992,475	2,713,826,212
<i>Rendering of services</i>	47,322,143	42,628,314
<i>Sale of land use right and related infrastructure (*)</i>	20,438,430	52,829,156
<i>Operating lease</i>	2,315,471	4,069,746

(\*) During the year, the Group recognised revenue from Le Minh Xuan industrial land and related infrastructure in accordance with accounting policy as described in Note 3.15. If this revenue is recognised on a straight-line basis over the lease terms, the impact of revenue, cost of sales and gross profit of the Group for the current year are presented below:

	Outright revenue recognition	VND'000 Revenue recognition on a straight-line basis
Revenue	20,438,430	547,547
Cost of sales	(6,372,864)	(170,729)
Gross profit	<u>14,065,566</u>	<u>376,818</u>

**26.2 Finance income**

	Current year	VND'000 Previous year
Interest income	34,994,379	38,460,133
Others	-	3,000,000
<b>TOTAL</b>	<b>34,994,379</b>	<b>41,460,133</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**27. COSTS OF GOODS SOLD AND SERVICES RENDERED**

	<i>VND'000</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of residential land properties sold	2,507,426,241	1,243,255,306
Cost of services rendered	53,879,427	51,448,373
Cost of land use right and related infrastructure	6,372,864	17,524,899
Cost of operating lease	772,680	695,744
<b>TOTAL</b>	<b><u>2,568,451,212</u></b>	<b><u>1,312,924,322</u></b>

**28. FINANCE EXPENSES**

	<i>VND'000</i>	
	<i>Current year</i>	<i>Previous year</i>
Discounts for early payments	77,901,929	28,684,068
Finance support for customers	6,774,287	11,345,565
Loan interest	-	1,519,427
Others	15,838	68,674
<b>TOTAL</b>	<b><u>84,692,054</u></b>	<b><u>41,617,734</u></b>

**29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>VND'000</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>246,995,212</b>	<b>115,390,554</b>
Commission fees	224,071,804	59,966,545
Advertising expenses	11,259,170	23,948,009
Labour costs	9,843,948	7,540,701
Others	1,820,290	23,935,299
<b>General and administrative expenses</b>	<b>169,410,471</b>	<b>162,284,584</b>
Labour costs	95,423,018	92,074,429
Expenses for external services	49,489,842	45,731,559
Others	24,497,611	24,478,596
<b>TOTAL</b>	<b><u>416,405,683</u></b>	<b><u>277,675,138</u></b>

**30. OTHER INCOME AND OTHER EXPENSES**

	<i>VND'000</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>33,228,706</b>	<b>32,910,340</b>
Management services	20,721,859	22,971,811
Penalties on violation of contracts	9,482,924	6,794,869
Others	3,023,923	3,143,660
<b>Other expenses</b>	<b>(72,334,521)</b>	<b>(65,666,550)</b>
Management services	(57,620,031)	(47,129,757)
Penalties on violation of contracts	(7,410,650)	(14,197,140)
Others	(7,303,840)	(4,339,653)
<b>OTHER LOSS</b>	<b><u>(39,105,815)</u></b>	<b><u>(32,756,210)</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**31. CORPORATE INCOME TAX**

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

The Company and its subsidiaries 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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

**31.1 CIT expense**

	VND'000	
	Current year	Previous year
Current CIT expense	318,075,984	269,296,721
Adjustment for under accrual of tax from prior years	3,123,146	14,871,746
Deferred tax income	<u>(17,258,458)</u>	<u>(11,204,972)</u>
<b>TOTAL</b>	<b><u>303,940,672</u></b>	<b><u>272,963,495</u></b>

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

	VND'000	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b><u>1,458,408,134</u></b>	<b><u>1,189,840,157</u></b>
At CIT rate of 20%	291,681,627	237,968,029
<i>Adjustments:</i>		
Non-deductible expenses	3,091,153	4,288,178
Losses in subsidiaries not yet recognised as deferred tax asset	(1,312,850)	13,654,507
Consolidation adjustments	14,752,022	(3,784,567)
Tax losses carried forward	(6,264,757)	(517,919)
Adjustment for under accrual of tax from prior years	3,123,146	14,871,746
Tax exempted (*)	(1,129,669)	-
Adjustment of tax loss under tax authorities' decision	-	6,483,521
<b>CIT expense</b>	<b><u>303,940,672</u></b>	<b><u>272,963,495</u></b>

(\*) In accordance with the Decree No. 114/2020/ND-CP dated 25 September 2020 by the Government providing guidance on 30% reduction of CIT expense in 2020 for entities with annual total revenue not exceeding of VND'000 200,000,000 with effectiveness for the tax year 2020, CIT expense was decreased by VND'000 1,129,669.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**31. CORPORATE INCOME TAX (continued)**

**31.2 Current tax (continued)**

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Company and its subsidiaries for the year differs from the profit as reported in the consolidated 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. The Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

**31.3 Deferred tax**

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

	VND'000			
	<u>Consolidated balance sheet</u>		<u>Consolidated income statement</u>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>				
Accrued expenses	9,192,917	8,805,871	387,046	5,028,105
Provisions	400,000	400,000	-	-
Accrual for severance pay	153,872	173,029	(19,157)	16,013
Accrued interest income	(278,877)	(155,668)	(123,209)	(18,905)
Adjustment due to consolidation of subsidiaries	302,347	339,812	(37,465)	(28,142)
<b>TOTAL</b>	<b>9,770,259</b>	<b>9,563,044</b>	<b>207,215</b>	<b>4,997,071</b>
<b>Deferred tax liabilities</b>				
Tax loss	40,688,654	25,966,594	14,722,060	1,529,699
Accrual for severance pay	111,200	111,200	-	-
Accrued expenses	658,912	358,502	300,410	358,502
Accrued interest income	(27,072,292)	(10,588,847)	(16,483,445)	(7,087,861)
Profit from sale of properties but not yet taxable	(32,131,215)	(33,235,179)	1,103,964	-
Adjustment due to consolidation of subsidiaries	(17,704,296)	(35,112,549)	17,408,253	11,407,561
<b>TOTAL</b>	<b>(35,449,037)</b>	<b>(52,500,279)</b>	<b>17,051,242</b>	<b>6,207,901</b>
<b>Net deferred tax income</b>			<b>17,258,457</b>	<b>11,204,972</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**32. TRANSACTIONS WITH RELATED PARTIES**

Remuneration to members of the Board of Directors ("BOD"), the Board of Supervision and Management:

<i>Individuals</i>	<i>Position</i>	<i>VND'000</i>	
		<i>Current year</i>	<i>Previous year</i>
Ms Mai Tran Thanh Trang	Chairwoman	2,468,728	2,106,228
Mr Ly Dien Son	Deputy Chairman	489,485	120,000
Ms Nguyen Thi Cam Van	BOD's independent member	217,500	-
Mr Vuong Van Minh	General Director	1,263,000	-
Mr Le Quang Minh	BOD's member cum General Director (resigned)	1,838,301	-
Ms Ngo Thi Mai Chi	BOD's member cum General Director (resigned)	1,379,601	1,660,321
Ms Nguyen Thuy Trang	Deputy General Director	1,323,820	936,106
Mr Truong Minh Duy	Deputy General Director	2,398,400	2,108,400
Mr Bui Quang Huy	Deputy General Director	1,929,445	1,235,548
Mr Le Hoang Son	Deputy General Director (resigned)	-	461,872
Ms Pham Thi Thu Thuy	Chief Accountant	247,991	-
Ms Nguyen Tran Cam Hien	Chief Accountant (resigned)	730,534	1,093,521
Mr Nguyen Phuong Nam	Head of Board of Supervision	63,182	-
Ms Pham Kim Thoa	Head of Board of Supervision (resigned)	56,818	322,357
Ms Vuong Hoang Thao Linh	Member of Board of Supervision	60,000	60,000
Ms Luu Thi Xuan Lai	Member of Board of Supervision	60,000	319,093
<b>TOTAL</b>		<b>14,526,805</b>	<b>10,423,446</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 33. EARNINGS PER SHARE

The Group used following data to calculate the basic and diluted earnings per share:

	<i>Current year</i>	<i>Previous year (adjusted)</i>
Net profit after tax attributable to ordinary equity holders of the Company	1,152,765,513	915,232,845
Less: BOD's allowance and bonus (*)	-	(27,456,985)
Bonus and welfare fund (*)	-	(45,761,642)
Net profit attributable to ordinary equity holders of the Company (VND'000)	1,152,765,513	842,014,217
Weighted average number of ordinary shares (shares) (**)	560,877,773	567,548,726
Earnings per share		
- <i>Basic (VND'000/share)</i>	2.06	1.48
- <i>Diluted (VND'000/share)</i>	2.06	1.48

(\*) Profit used to compute earnings per share for the year ended 31 December 2019 have been restated to the amounts reported in the consolidated financial statements for the year ended 31 December 2019 to reflect the actual appropriation of bonus and welfare fund and BOD's allowance and bonus from undistributed net income of 2019 in accordance with the Resolution of Shareholders at annual general meeting dated 19 June 2020.

Bonus and welfare fund and BOD's allowance and bonus for the year ended 31 December 2020 is not approved by Shareholders as at the date of these consolidated financial statements.

(\*\*) The weighted average number of ordinary shares for the year ended 31 December 2019 has been retrospectively adjusted for the dividend shares issued on 26 August 2020.

There have been no dilutive potential ordinary shares during the year and up to the dates of these consolidated financial statements.

### 34. OPERATING LEASE COMMITMENTS

The Group leases office premises under operating lease arrangements with future minimum lease payables were as follows:

	<i>VND'000</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	25,258,306	11,457,995
From 1 to 5 years	48,537,386	-
<b>TOTAL</b>	<b>73,795,692</b>	<b>11,457,995</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**35. EVENT AFTER THE BALANCE SHEET DATE**

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

  
Luu Thi Minh Hieu  
Preparer

  
Pham Thi Thu Thuy  
Chief Accountant

  
Vuong Van Minh  
General Director



19 March 2021