

KinhBac City Development Holding Corporation

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND
QUARTER OF 2023**

KinhBac City Development Holding Corporation

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CONSOLIDATED BALANCE SHEET
At June 30, 2023

Currency: VND

Code	ASSETS	Notes	June 30, 2023	December 31, 2022
100	A. CURRENT ASSETS		26,107,798,208,297	27,674,080,297,628
110	I. Cash and cash equivalents	4	1,367,182,396,093	1,683,149,405,060
111	1. Cash		934,601,317,550	1,401,510,923,666
112	2. Cash equivalents		432,581,078,543	281,638,481,394
120	II. Short-term investment		2,580,516,415,909	2,441,801,461,721
121	1. Held-for-trading securities	5.1	1,862,358,461,369	1,862,358,461,369
122	2. Provisions for held-for-trading securities	5.1	(5,764,122,559)	(6,226,144,519)
123	3. Held-to-maturity investments	5.2	723,922,077,099	585,669,144,871
130	III. Current accounts receivable		9,855,959,064,905	10,895,901,944,840
131	1. Short-term trade receivables	6.1	748,614,033,950	957,696,732,765
132	2. Short-term advances to suppliers	6.2	2,726,289,160,268	3,564,526,371,175
135	3. Short-term loan receivables	7	2,447,778,740,790	2,762,411,740,790
136	4. Other short-term receivables	8	4,040,061,497,847	3,654,794,506,950
137	5. Provision for doubtful short-term receivables	6.1,7	(106,784,367,950)	(43,527,406,840)
140	IV. Inventories	9	11,897,782,117,542	12,330,243,270,680
141	1. Inventories		11,897,782,117,542	12,330,243,270,680
150	V. Other current assets		406,358,213,848	322,984,215,327
151	1. Short-term prepaid expenses		69,583,503,055	61,178,577,357
152	2. Value-added tax deductible		280,717,514,903	207,965,514,065
153	3. Tax and other receivables from State	10	56,039,205,890	53,764,932,028
155	4. Other short-term assets		17,990,000	75,191,877

CONSOLIDATED BALANCE SHEET (continued)
At June 30, 2023

Currency: VND

Code	ASSETS	Notes	June 30, 2023	December 31, 2022
200	B. NON-CURRENT ASSETS		7,508,676,332,015	7,232,432,899,384
210	I. Long-term receivables		807,489,719,077	820,573,700,263
215	1. Long-term loan receivables	7	368,896,703,957	148,423,703,957
216	2. Other long-term receivables	8	438,593,015,120	672,149,996,306
220	II. Fixed assets		372,402,533,837	365,388,358,290
221	1. Tangible fixed assets	11	372,351,392,182	365,333,606,633
222	Cost		757,909,874,648	722,494,036,438
223	Accumulated depreciation		(385,558,482,466)	(357,160,429,805)
227	2. Intangible fixed assets		51,141,655	54,751,657
228	Cost		448,175,500	448,175,500
229	Accumulated amortisation		(397,033,845)	(393,423,843)
230	III. Investment properties	12	1,040,833,057,259	167,567,010,562
231	1. Cost		1,163,299,090,818	255,584,291,494
232	2. Accumulated depreciation		(122,466,033,559)	(88,017,280,932)
240	IV. Long-term assets in progress		513,903,102,180	1,169,797,985,814
242	1. Construction in progress	13	513,903,102,180	1,169,797,985,814
250	V. Long-term investments	15	4,759,346,453,508	4,697,431,764,453
252	1. Investments in associates	15.1	4,385,864,418,293	4,323,949,729,238
253	2. Investment in other entities	15.2	399,500,200,000	399,500,200,000
254	3. Provision for diminution in value of long-term investments		(26,018,164,785)	(26,018,164,785)
260	VI. Other long-term assets		14,701,466,154	11,674,080,002
261	1. Long-term prepaid expenses		11,618,582,547	10,398,267,573
262	2. Deferred income tax assets		3,082,883,607	1,275,812,429
270	TOTAL ASSETS		33,616,474,540,312	34,906,513,197,012

CONSOLIDATED BALANCE SHEET (continued)
At June 30, 2023

Currency: VND

Code	RESOURCES	Notes	June 30, 2023	December 31, 2022
300	A. LIABILITIES		13,837,443,219,219	17,060,993,904,926
310	I. Current liabilities		7,331,801,475,138	10,684,165,020,680
311	1. Short-term trade payables	16	382,472,942,169	453,108,410,168
312	2. Short-term advances from customers	17	858,728,204,738	877,928,026,040
313	3. Statutory obligations	18	321,709,666,416	145,333,576,572
314	4. Payables to employees		21,670,683	105,757,133
315	5. Short-term accrued expenses	19	1,769,138,882,266	1,418,514,234,584
318	6. Short-term unearned revenues		3,754,091,163	1,069,455,000
319	7. Other short-term payables	20	3,084,921,136,324	3,829,774,766,541
320	8. Short-term loans	21	904,078,305,070	3,951,376,578,333
322	9. Bonus and welfare fund		6,976,576,309	6,954,216,309
330	II. Non-current liabilities		6,505,641,744,081	6,376,828,884,246
333	1. Long-term accrued expenses	22	2,079,922,114,556	1,760,346,557,414
336	2. Long-term unearned revenue		4,345,053,501	4,408,865,613
337	3. Other long-term liabilities	23	18,502,035,652	18,427,188,430
338	4. Long-term loans	21	3,262,282,732,241	3,687,089,342,314
341	5. Deferred tax liabilities	29.3	1,139,637,840,169	905,604,962,513
342	6. Long-term provisions		951,967,962	951,967,962
400	B. OWNERS' EQUITY		19,779,031,321,093	17,845,519,292,086
410	I. Capital	24	19,779,031,321,093	17,845,519,292,086
411	1. Share capital		7,676,047,590,000	7,676,047,590,000
411a	- Shares with voting rights		7,676,047,590,000	7,676,047,590,000
411b	- Preference shares		-	-
412	2. Share premium		2,743,529,570,000	2,743,529,570,000
418	3. Investment and development fund		2,223,693,823	2,223,693,823
421	4. Undistributed earning		7,298,194,859,792	5,646,308,490,449
421a	- Undistributed earnings by the end of prior year		5,646,308,490,449	4,119,957,410,625
421b	- Undistributed earnings of current period		1,651,886,369,343	1,526,351,079,824
429	6. Non-controlling interests		2,059,035,607,478	1,777,409,947,814
440	TOTAL LIABILITIES AND OWNERS' EQUITY		33,616,474,540,312	34,906,513,197,012

CONSOLIDATED BALANCE SHEET (continued)
At June 30, 2023

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

July 29, 2023

CONSOLIDATED INCOME STATEMENT

For the six-month financial period ended June 30, 2023

Currency: VND

Code	ITEMS	Notes	Quarter II/ 2023	Quarter II/ 20232	For the six-month period ended at June 30, 2023	For the six-month period ended at June 30, 2022
01	1. Revenue from sale of goods and rendering of services	25.1	2,051,205,244,698	393,668,358,015	4,274,266,027,514	1,085,295,145,727
02	2. Deductions	25.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	25.1	2,051,205,244,698	393,668,358,015	4,274,266,027,514	1,085,295,145,727
11	4. Cost of goods sold and services rendered	26	558,668,960,178	209,700,737,800	1,230,538,816,490	622,236,296,115
20	5. Gross profit from sale of goods and rendering of services		1,492,536,284,520	183,967,620,215	3,043,727,211,024	463,058,849,612
21	6. Finance income	25.2	138,335,771,823	84,729,655,423	293,809,664,155	154,555,096,829
22	7. Finance expense	27	152,435,318,632	155,198,342,347	284,625,752,344	299,742,489,083
23	<i>In which: Interest expenses</i>		<i>145,106,178,601</i>	<i>137,474,492,360</i>	<i>241,702,964,810</i>	<i>265,392,131,424</i>
24	8. Profit/(loss) from associates	15.1	3,826,268,446	199,691,421,005	(585,310,945)	210,370,872,939
25	9. Selling expenses	28	151,949,213,471	8,650,876,607	302,613,904,524	37,250,412,673
26	10. General and administrative expenses	28	299,574,754,160	95,349,789,939	404,382,827,496	210,412,174,172
30	11. Operating Profit		1,030,739,038,526	209,189,687,750	2,345,329,079,870	280,579,743,452
31	12. Other income		540,131,373	(479,300,179,382)	685,266,127	19,684,315,809
32	13. Other expenses		4,022,279,243	5,928,728,913	5,004,290,800	5,947,695,542
40	14. Other (loss)/profit		(3,482,147,870)	(485,228,908,295)	(4,319,024,673)	13,736,620,267
50	15. Accounting profit/(loss) before tax		1,027,256,890,656	(276,039,220,545)	2,341,010,055,197	294,316,363,719
51	16. Current corporate income tax expenses	29.2	256,281,303,497	63,109,916,766	305,622,219,712	118,776,376,231
52	17. Deferred tax (expense)/income	29.3	(24,172,364,592)	16,129,669,471	(232,225,806,478)	24,741,057,277

CONSOLIDATED INCOME STATEMENT (continued)
For the six-month financial period ended June 30, 2023

Currency: VND

Code	ITEMS	Notes	Quarter II/ 2023	Quarter II/ 20232	For the six-month period ended at June 30, 2023	For the six-month period ended at June 30, 2022
60	18. Profit/(loss) after tax (60=50-51+52)		746,803,222,567	(323,019,467,840)	1,803,162,029,007	200,281,044,765
61	- 18.1. Profit/(loss) after tax attributable to shareholders of the parent	24.1	711,149,106,204	(365,601,574,730)	1,651,886,369,343	115,004,953,665
62	- 18.2. Profit after tax attributable to non-controlling interests	24.1	35,654,116,363	42,582,106,890	151,275,659,664	85,276,091,100
70	19. Earnings/(loss) per share					
	- Basic earnings/(loss) per share		926	(480)	2,152	150
	- Diluted earnings/(loss) per share		926	(480)	2,152	150

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

July 29, 2023

CONSOLIDATED CASH FLOW STATEMENT
for the six-month financial period ended June 30, 2023

Currency: VND

Code	ITEMS	Notes	For the six-month period ended June 30, 2023	For the six-month period ended June 30, 2022
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		2,341,010,055,197	294,316,363,719
	<i>Adjustments for</i>			
02	Depreciation		62,850,415,290	37,784,639,249
03	Provision		62,794,939,150	2,800,227,690
05	Profit from investing activities		(62,731,771,021)	(362,468,455,654)
06	Interest expenses and bond issuance expenses	27	284,335,505,987	295,445,515,258
08	Operating profit before changes in working capital		2,688,259,144,603	267,878,290,262
09	Increase in receivables		(1,161,074,735,075)	(754,505,055,593)
10	Decrease/(Increase) in inventories		432,461,153,139	(39,425,488,462)
11	Increase/(decrease) in payables		897,900,049,558	(21,744,490,392)
12	(Increase)/decrease in prepaid expenses		(9,625,240,674)	21,912,237,003
14	Interest paid		(237,858,668,509)	(276,330,122,845)
15	Corporate income tax paid		(101,452,757,585)	(111,217,535,273)
20	Net cash flows from/(used in) operating activities		2,508,608,945,457	(913,432,165,300)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long term assets		(246,583,123,407)	(95,325,404,546)
22	Proceeds from disposals of fixed assets and other long-term assets		-	336,363,636
23	Loans to other entities and payments for purchase of debt instruments of other entities		(841,291,286,648)	(814,525,643,418)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		948,313,601,097	154,997,693,287
25	Payments for investments in other entities		(292,440,279,185)	(79,204,332,379)
26	Proceed from sale of investments in other entities		1,084,996,251,422	-
27	Interest and dividends received		22,566,306,810	131,796,800,164
30	Net cash flows from/(used in) investing activities		675,561,470,089	(701,924,523,256)

CONSOLIDATED CASH FLOW STATEMENT
for the six-month financial period ended June 30, 2023

Currency: VND

Code	ITEMS	Notes	For the six-month period ended June 30, 2023	For the six-month period ended June 30, 2022
	III. CASH FLOW FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		-	334,718,570,000
33	Drawdown of borrowings		678,365,393,101	902,553,906,850
34	Repayment of borrowings		(4,178,502,817,614)	(1,077,725,634,808)
36	Dividends paid, benefit distributed		-	(1,350,000)
40	Net cash flows (used in)/from financing activities		(3,500,137,424,513)	159,545,492,042
50	Net cash flows for the period		(315,967,008,967)	(1,455,811,196,514)
60	Cash and cash equivalents at the beginning of the period		1,683,149,405,060	2,562,478,285,805
70	Cash and cash equivalents at the end of the period	4	1,367,182,396,093	1,106,667,089,291

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

July 29, 2023

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
at and for the six-month financial period ended June 30, 2023

1. CORPORATE INFORMATION

CORPORATE

KinhBac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh Province on March 27, 2002, and the subsequent admendments, with the 19th amendment No. 2300233993 issued by the Department of Planning and Investment of Bac Ninh Province on April 21, 2023 as the latest.

The Company has the following subsidiaries:

- ▶ Saigon – Bac Giang Industrial Park Corporation;
- ▶ Saigon – Hai Phong Industrial Park Corporation;
- ▶ Northwest Saigon City Development Corporation;
- ▶ Trang Cat Urban Development One Member Company Limited;
- ▶ NGD Investment One Member Company Limited;
- ▶ Kinh Bac Office and Factory Business One Member Company Limited;
- ▶ Tien Duong Development Holding Joint Stock Company;
- ▶ Hung Yen Investment and Development Corporation;
- ▶ Tan Phu Trung – Long An Industrial Park One Member Company Limited;
- ▶ Bac Giang – Long An Industrial Park One Member Company Limited;
- ▶ Tan Tap Industrial Infrastructure Developemnt Limited Company;
- ▶ Long An Development Invest Joint Stock Company;
- ▶ Vung Tau Investment Group Joint Stock Company;
- ▶ Bao Lac Spiritual Park Joint Stock Company;
- ▶ Quang Yen Electronics Company Limited; and
- ▶ Quang Yen Manufacturing Industry Company Limited.

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

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

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

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

The number of the Company’s employees as at June 30,2023 is 561 (December 31, 2022: 554).

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

1. CORPORATE INFORMATION (continued)

BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Ms. Dang Nguyen Quynh Anh	Member
Mr. Nguyen Hoang Lan	Member
Mr. Huynh Phat	Independent Member

BOARD OF SUPERVISION

Member of Board of supervision during the period and at the date of this report are:

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

BOARD OF MANAGEMENT

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

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

LEGAL REPRESENTATIVE

The legal representative of the company during the period at the date of this report is Mr. Dang Thanh Tam - Chairman. Ms. Nguyen Thi Thu Huong – General Director has been authorized by Mr. Dang Thanh Tam to sign the accompanying consolidated financial statements for the six-month financial period ended June 30, 2023 in accordance with the Authorisation Letter No. 2506/2022/KBC/UQ dated June 25, 2022.

CORPORATE STRUCTURE

At June 30, 2023, the Company has the following subsidiaries:

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%)</i> <i>(*)</i>	<i>Effective interest rate (%)</i>	<i>Head office</i>	<i>Main activities</i>
1	Saigon – Bac Giang Industrial Park Corporation	92.5	88.06	Quang Chau Industrial Park, Quang Chau commune, Viet Yen District, Bac Giang Province	Real estate investment, construction and trading
2	Saigon – Hai Phong Industrial Park Corporation	89.26	89.26	Trang Due Industrial Park, Le Loi Commune, An Duong District, Hai Phong City	Real estate investment, construction and trading
3	Northwest Saigon City Development Corporation	74.3	72.44	Tram Bom Hamlet, National Road No. 22, Tan Phu Trung Commune, Cu Chi District, Ho Chi Minh City	Real estate investment, construction and trading

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

1. CORPORATE INFORMATION (continued)

COPORATE STRUCTURE (continued)

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%) (*)</i>	<i>Effective interest rate (%)</i>	<i>Head office</i>	<i>Main activities</i>
4	Trang Cat Urban Development One Member Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, Dinh Vu - Cat Hai Economical Zone, Hai Phong City	Real estate investment, construction and trading
5	NGD Investment One Member Company Limited	100	100	No. 10 Hang Bot Lane, Cat Linh Ward, Dong Da District, Hanoi	Real estate investment, construction and trading
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Ward, Que Vo District, Bac Ninh Province	Real estate investment, construction and trading
7	Tien Duong Development Holding Joint Stock Company	51	51	100 An Trach, Cat Linh Ward, Dong Da District, Hanoi	Real estate investment, construction and trading
8	Tan Phu Trung – Long An Industrial Park One Member Company Limited	100	72.44	88 Tran Phong Sac, Ward 4, Tan An City, Long An Province	Real estate consultation, construction and trading
9	Bac Giang – Long An Industrial Park One Member Company Limited	100	88.06	489E/Road 824, Zone 5, Duc Hoa Town, Duc Hoa District, Long An Province	Real estate investment, construction and trading
10	Tan Tap Industrial Infrastructure Development Company Limited	100	89.26	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Real estate consultation and trading
11	Hung Yen Investment and Development Corporation	95	93.65	537 Nguyen Van Linh Street, Le Loi Ward, Hung Yen City, Hung Yen Province	Real estate construction and trading
12	Long An Development Invest Joint Stock Company	60	56.77	Lot 6A, Road 3, Tan Duc Industrial Park, Duc Hoa Ha Commune, Duc Hoa District, Long An Province	Real estate construction and trading
13	Vung Tau Investment Group Joint Stock Company	74.52	74.52	LK 28 Hang Dieu 1 Street, Ward 10, Vung Tau City, Ba Ria - Vung Tau Province	Real estate construction and trading
14	Bao Lac Spiritual Park Joint Stock Company	65	56.25	Ngo Xa Village, Long Chau Commune, Yen Phong District, Bac Ninh Province	Funeral services
15	Quang Yen Electronics Company Limited	100	89.26	Lot NA8-2, High-class factory complex project at Dam Nha Mac Area, Lien Vi Commune, Quang Yen Town, Quang Ninh Province, Vietnam	Manufacturing of communication equipment, electronic components and consumer electronic products
16	Quang Yen Manufacturing Industry Company Limited	100	86.54	Lot NA8-2, High-class factory complex project at Dam Nha Mac Area, Lien Vi Commune, Quang Yen Town, Quang Ninh Province, Vietnam	Manufacturing of engines and turbines (except for aircraft, automobile, motorbike and motorcycle engines)

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries (“the Group”) expressed in Vietnam dong (“VND”), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the six-month financial period ended June 30, 2023.

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 subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

Industrial and residential real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises expenses on land use fees, land rentals, land compensation and clearance costs, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost and other related costs.

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

Provision for obsolete inventories

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

Increases and 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 and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statements.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred. When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal is included in the consolidated income statement.

3.5 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred. When intangible assets are sold or retired, any gain or loss resulting from their disposal is included in the consolidated income statement.

3.6 *Depreciation and amortisation*

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

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

3.7 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation.

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

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

Factories	8 years
Land and infrastructure development cost	40 years

Investment properties are derecognised in the consolidated balance sheet 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 period of retirement or disposal.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Investment properties* (continued)

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

3.8 *Borrowing costs*

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

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

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

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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 recognized as long-term prepaid expenses to amortize into the consolidated income statement:

- ▶ Prepaid rental expenses that are amortized over the prepaid lease term; and
- ▶ Prepaid long-term expenses that are amortized over the period from 1 to 3 years.

3.10 *Business combinations and goodwill*

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments

Investments in associates

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

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

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

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

Held-for-trading securities and investments in other entities

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

Provision for diminution in value of trading securities and contribution investments

Provision for diminution in value of trading securities and contribution investments at the balance sheet date are in accordance with Circular No. 228/2009/TT-BTC issued by Ministry of Finance, dated December 7, 2009 and Circular No 89/2013/TT-BTC issued by Ministry of Finance, dated June 26, 2013. Increase or decrease in the provision balance is charged to financial expense in the consolidated income statement.

Held-to-maturity investments

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

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.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Accrual for severance pay*

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

3.14 *Foreign currency transactions*

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

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

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

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

All foreign exchange differences incurred are taken to the consolidated income statement.

3.15 *Treasury shares*

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

3.16 *Appropriation of net profits*

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

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Appropriation of net profits (continued)

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.

3.17 Revenue recognition

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

Long-term lease of land and infrastructure

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

Real estate transfer

Revenue is recognised when the Group has transferred significant risks and rewards associated with the real estates' ownership to the buyer.

Sale of factories

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

Lease of factories

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

Rendering of services

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

Gain from transfer of investment, trading of securities and capital

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

Interest

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

Dividends

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

3.19 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated 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 off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

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

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

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

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated 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 by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.20 *Segment information*

A segment is a component which can be separately identified in which the Group takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and returns that are different from those of other segments. Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business and in one geographic region which is Vietnam.

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Cash	12,727,591,703	11,502,517,483
Cash at banks	921,873,725,847	1,390,008,406,183
Cash equivalents (*)	432,581,078,543	281,638,481,394
TOTAL	<u>1,367,182,396,093</u>	<u>1,683,149,405,060</u>

(*) Cash equivalents as at June 30, 2023 mainly include short-term deposits in VND at banks which earn interest ranging from 3.1% per year to 5.5 % per year and have maturity term from 1 month to 3 months.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

5. SHORT-TERM INVESTMENTS

5.1 Held-for-trading securities

	<i>June 30, 2023</i>		<i>December 31, 2022</i>	
	<i>No. of shares</i>	<i>Cost (VND)</i>	<i>No. of shares</i>	<i>Cost (VND)</i>
Short-term invest at Lotus Hotel Development Sole Member Company Limited		1,854,868,000,000		1,854,868,000,000
Invest on listed shares (*)	312,177	7,490,461,369	312,177	7,490,461,369
Total		1,862,358,461,369		1,862,358,461,369
Provision for diminution in value of short-term investment		(5,764,122,559)		(6,226,144,519)

(*) At June 30, 2023, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

5.2 Held-to-maturity investments

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Short-term deposits at banks	723,922,077,099	585,669,144,871
TOTAL	723,922,077,099	585,669,144,871

6. RECEIVABLES

6.1 Short-term receivables from customers

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Short-term receivables	748,614,033,950	957,696,732,765
TOTAL	748,614,033,950	957,696,732,765
Provision for doubtful short-term receivables	(106,284,367,950)	(43,027,406,840)
TOTAL	642,329,666,000	914,669,325,925

6.2 Advances to suppliers

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Kinh Bac Investment and Consulting JSC	1,596,100,947,215	1,527,466,518,915
Kinh Bac Service Joint Stock Company	787,720,587,082	1,531,154,412,162
Viet Yen Industrial Cluster Land Fund Development Center	237,943,021,796	198,943,021,796
Saigontel Real Estate Investment JSC	29,650,000,000	29,650,000,000
Vinh Hung Long An JSC	-	150,000,000,000
Cu Chi District Compensation and Site Clearance Board	17,756,702,523	21,071,084,665
Other advances to suppliers	55,843,303,081	105,137,038,667
Advances to related parties	1,274,598,571	1,104,294,970
TOTAL	2,726,289,160,268	3,564,526,371,175

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

7. OTHER LOAN RECEIVABLES

Currency: VND

	June 30, 2023	December 31, 2022
Short-term		
Receivables from related parties (Note 30)	1,025,308,888,922	951,048,888,922
Receivables from other companies	<u>1,422,469,851,868</u>	<u>1,811,362,851,868</u>
TOTAL	<u>2,447,778,740,790</u>	<u>2,762,411,740,790</u>
Provision for other doubtful loan receivables	(500,000,000)	(500,000,000)
Long-term		
Kinh Bac Service Joint Stock Company	177,473,000,000	23,400,000,000
Loan receivables from other related parties (Note 30)	124,723,703,957	124,723,703,957
Others	<u>66,700,000,000</u>	<u>300,000,000</u>
TOTAL	<u>368,896,703,957</u>	<u>148,423,703,957</u>

8. OTHER RECEIVABLES

Currency: VND

	June 30, 2023		December 31, 2022	
	Cost	Provision	Cost	Provision
Short-term				
Kinh Bac Service Joint Stock Company	321,038,834,485	-	300,000,000,000	-
Advance to PVcomBank	242,049,763,870	-	242,049,763,870	-
Department of Planning and Investment of Long An Province	51,267,000,000	-	51,267,000,000	-
Kinh Bac Investment and Consulting JSC	188,970,175,347	-	-	-
Interest receivables	111,243,971,631	-	150,631,910,842	-
Receivables from the People's Committee of Bac Ninh Province to support the sublease price of land with infrastructure	19,440,000,000	-	19,440,000,000	-
Deposit receivables	13,051,128,404	-	12,851,128,403	-
Other receivables from related parties (Note 30)	779,902,862,302	-	724,453,704,557	-
Advance to employees	1,922,610,640,511	-	1,999,133,777,130	-
Other receivables	<u>390,487,121,297</u>	-	<u>154,967,222,148</u>	-
	<u>4,040,061,497,847</u>	-	<u>3,654,794,506,950</u>	-
Long-term				
Other receivables from related parties (Note 30)	23,706,909,439	-	8,572,342,521	-
Other long-term receivables	<u>414,886,105,681</u>	-	<u>663,577,653,785</u>	-
	<u>438,593,015,120</u>	-	<u>672,149,996,306</u>	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

9. INVENTORIES

Currency: VND

	June 30, 2023	December 31, 2022
<i>Production and business expenses in progress</i>		
Trang Cat Industrial Park and Urban Area Project	7,984,288,318,195	7,841,171,755,280
Tan Phu Trung Industrial Park Project	1,119,775,642,655	1,174,564,856,717
Phuc Ninh Urban Area Project	1,113,258,780,642	1,107,252,456,826
Loc Giang Industrial Park Project	44,585,984,496	-
Quang Chau Industrial Park Project	26,087,551,659	306,349,463,041
Nam Son – Hap Linh Industrial Park Project	609,211,714,382	1,001,910,372,476
Trang Due Urban Area Project	359,284,819,461	355,937,318,898
Trang Due Industrial Park Project	22,452,085,377	16,956,739,743
Tan Tap Industrial Park Project	86,640,908,869	86,079,556,630
Social Housing Project in Nenh town	450,142,250,972	348,588,852,980
Others	82,054,060,834	91,431,898,089
TOTAL	<u>11,897,782,117,542</u>	<u>12,330,243,270,680</u>

10. TAX AND OTHER RECEIVABLES FROM STATE

Currency: VND

	June 30, 2023	December 31, 2022
Corporate income tax (Note 29.2)	54,589,552,872	53,764,932,028
Other	1,449,653,018	-
TOTAL	<u>56,039,205,890</u>	<u>53,764,932,028</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

11. TANGIBLE FIXED ASSETS

Currency: VND

	<i>Buildings and structures (including cost of land development and infrastructure)</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
At the beginning of the period	462,126,967,930	89,951,123,476	133,850,627,841	35,098,708,101	1,466,609,090	722,494,036,438
- New purchase	8,109,572,820	-	27,129,839,026	1,436,690,000	-	36,676,101,846
- Deduction due to sale of its subsidiary	-	-	(1,151,263,636)	-	(109,000,000)	(1,260,263,636)
At the end of the period	<u>470,236,540,750</u>	<u>89,951,123,476</u>	<u>159,829,203,231</u>	<u>36,535,398,101</u>	<u>1,357,609,090</u>	<u>757,909,874,648</u>
<i>In which:</i>						
<i>Fully depreciated fixed tangible assets</i>	<i>108,182,490,568</i>	<i>30,411,868,367</i>	<i>18,333,107,778</i>	<i>6,718,796,307</i>	<i>1,072,881,818</i>	<i>164,719,144,838</i>
Accumulated depreciation:						
At the beginning of the period	231,329,577,634	45,122,700,422	61,632,102,254	17,774,504,911	1,301,544,584	357,160,429,805
- Depreciation in the period	16,705,640,238	2,858,836,494	7,750,118,172	1,493,617,131	22,443,538	28,830,655,573
- Deduction due to sale of its subsidiary	-	-	(431,723,880)	-	(879,032)	(432,602,912)
At the end of the period	<u>248,035,217,872</u>	<u>47,981,536,916</u>	<u>68,950,496,546</u>	<u>19,268,122,042</u>	<u>1,323,109,090</u>	<u>385,558,482,466</u>
Net carrying amount:						
At the beginning of the period	<u>230,797,390,296</u>	<u>44,828,423,054</u>	<u>72,218,525,587</u>	<u>17,324,203,190</u>	<u>165,064,506</u>	<u>365,333,606,633</u>
At the end of the period	<u>222,201,322,878</u>	<u>41,969,586,560</u>	<u>90,878,706,685</u>	<u>17,267,276,059</u>	<u>34,500,000</u>	<u>372,351,392,182</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

12. INVESTMENT PROPERTIES

Currency: VND

*Factories (including
land development
expense and
infrastructure expense)*

Cost

At the beginning of the period	255,584,291,494
- Increase in the period	907,714,799,324
At the end of the period	<u>1,163,299,090,818</u>

Accumulated depreciation

At the beginning of the period	88,017,280,932
- Increase in the period	34,448,752,627
At the end of the period	<u>122,466,033,559</u>

Net carrying amount

At the beginning of the period	<u>167,567,010,562</u>
At the end of the period	<u>1,040,833,057,259</u>

13. CONSTRUCTION IN PROGRESS

Currency: VND

	June 30, 2023	December 31, 2022
Vien Dong Meridian Towers Project	-	744,491,019,748
Diplomatic Complex in Hanoi	106,455,116,818	106,555,116,818
Water supply and wastewater treatment system in Nam Son - Hap Linh Industrial Park	118,072,932,293	110,470,318,853
Wastewater plant Phase 3 in Quang Chau Industrial Park	58,361,116,901	58,361,116,901
Quang Yen Manufacturing Factory	41,559,184,000	41,559,184,000
Quang Yen Electronic Factory	27,266,787,029	27,266,787,029
Warehouse and offices in Trang Due Industrial Park	32,572,787,136	-
Clean water supply factory in Quang Chau Industrial Park	41,932,427,729	23,747,883,336
Expanded wastewater factory in Expanded Que Vo Industrial Park	27,761,295,851	27,761,295,851
Others	59,921,454,423	29,585,263,278
TOTAL	<u>513,903,102,180</u>	<u>1,169,797,985,814</u>

14. CAPITALISED BORROWING EXPENSES

During the year, the Group has capitalized on borrowing expenses with the amount of VND 149.2 billion. These expenses are related to the loans which are to invest for developments of Nam Son - Hap Linh Industrial Park, Phuc Ninh Urban Area, Trang Due Industrial Park, Trang Due Urban Area, Trang Cat Urban Area and other construction investment projects of the Group.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

15. LONG-TERM INVESTMENTS

	Notes	June 30, 2023	December 31, 2022
Investments in associates	15.1	4,385,864,418,293	4,323,949,729,238
Other long-term investments	15.2	399,500,200,000	399,500,200,000
Provision for diminution in value of long-term investments		(26,018,164,785)	(26,018,164,785)
TOTAL		4,759,346,453,508	4,697,431,764,453

Currency: VND

15.1 Investments in associates

	Note	Ownership interest	June 30, 2023		December 31, 2022	
			No. of shares	Net book value (VND)	No. of shares	Net book value (VND)
Le Minh Xuan 2 Industrial Park Investment Corporation	(i)	22.02%	11,660,000	582,766,458,507	11,660,000	582,766,458,507
Saigon – Nhon Hoi Industrial Park Corporation	(ii)	35.35%	54,000,000	941,715,907,157	54,000,000	936,921,973,761
Saigontel Long An Company Limited	(iii)	21.63%	45,000,000	174,412,447,221	45,000,000	111,912,447,221
Saigon Telecommunication & Technologies Corporation	(iv)	21.48%	31,793,846	425,423,460,223	31,793,846	425,484,008,289
Saigon – Da Nang Investment JSC	(v)	48%	9,600,000	2,256,948,549,054	9,600,000	2,262,267,245,329
Scanviwood Joint Stock Company	(vi)	34%	1,077,528	4,597,596,131	1,077,528	4,597,596,131
TOTAL				4,385,864,418,293		4,323,949,729,238

Currency: VND

(i) Le Minh Xuan 2 Industrial Park Investment Corporation

Le Minh Xuan 2 Industrial Park Investment Corporation was founded under the 1st Business Registration Certificate no.0311757628 issued by Ho Chi Minh Department of Planning and Investment dated April 27, 2012 and re-issued dated March 16, 2015, with the charter capital of 458,125,000,000 VND. Its main activities under Business Registration Certificate is real estate trading, land use rights belonging to owner, user or collection of the land.

Its registered office is located at 20 Phung Khac Khoan, Dakao ward, District 1, Hochiminh City, Vietnam.

(ii) Saigon – Nhon Hoi Industrial Park Joint Stock Company

Saigon – Nhon Hoi Industrial Park Joint Stock Company was established under the first Business Registration Certificate No. 3503000070 issued by Department of Planning and Investment of Binh Dinh Province dated October 24, 2005 and the Business Registration Certificate with the 11st amendment, dated December 13, 2021 with a registered capital of 1,200 billion VND. Its principle activities include industrial parks, industrial clusters, urban and residential areas, tourist areas and amusement parks, offices.

Its registered office is located at Lot A2-01, N3 street, Nhon Hoi Industrial Park - Zone A, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province, Vietnam

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in associates (continued)

(iii) Saigontel Long An Company Limited

Saigontel Long An Company Limited was established under Business Registration Certificate No. 1101977241 issued by Department of Planning and Investment of Long An Province, dated February 18, 2021 with a registered capital of 450 billion VND. Its principal activities include investment, construction and business of industrial park infrastructure

Its registered office is located at Lot 6A, the 3rd street, Tan Duc Industrial Park, Hoa Ha Ward, Duc Hoa District, Long An Province, Vietnam.

(iv) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses with the latest is the 16th dated December 20, 2022 with a registered charter capital of 1,480 billion VND. Its principal activities are trading for computer, electronic equipment, materials, post equipment; trading and installation transmission equipment, connection, security equipment for communication; technical consulting for information: designing and installation for computer system; constructing IP, residential area, traffic, bridge, irrigation.

Its registered office is located at Lot 46, Quang Trung Software Park, Tan Chanh Hiep ward, 12 district, Ho Chi Minh city, Vietnam.

(v) Saigon - Da Nang Investment Joint Stock Company

Saigon - Da Nang Investment Joint Stock Company was established in pursuant to the First Business Registration Certificate No. 3203000719 by the Department of Planning and Investment of Da Nang City on 3 August 2005 and the Business Registration Certificate, the 10th Amendment No. 0400503777 dated June 16, 2022 with a registered capital of VND 200 billion. Its principal activities include: investment and construction in industrial parks, industrial clusters, urban and residential areas, tourist areas and amusement parks, infrastructure construction for information technology.

Its registered office is located at 61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City, Vietnam.

(vi) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established in pursuant to the Business Registration Certificate No. 411031000006 by the Department of Planning and Investment of Ho Chi Minh City on June 10, 2015 and the 1st Amendment dated February 29, 2016 with the registered capital of 31.69 billion VND. Its principal activities include manufacturing of household products for export.

Its registered office is located at 565 An Duong Vuong, An Lac ward, Binh Thanh district, Ho Chi Minh city, Vietnam.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

15. LONG-TERM INVESTMENTS (continued)

15.1 Investment in associates (continued)

Investments in associates as June 30, 2023 are as below:

Currency: VND

	Saigon Telecommunication Technologies Corporation	Saigontel Long An Limited Company	Scanviwood JSC	Saigon-Nhon Hoi Industrial Park JSC(*)	Le Minh Xuan 2 Industrial Park Investment Corporation	Saigon - Da Nang Investment Joint Stock Company	Total
Cost of investment:							
At the beginning of the period	582,461,891,074	112,500,000,000	7,204,600,000	540,000,000,000	583,000,000,000	96,000,000,000	1,921,166,491,074
- Increase	-	62,500,000,000	-	-	-	-	62,500,000,000
At the end of the period	<u>582,461,891,074</u>	<u>175,000,000,000</u>	<u>7,204,600,000</u>	<u>540,000,000,000</u>	<u>583,000,000,000</u>	<u>96,000,000,000</u>	<u>1,983,666,491,074</u>
Accumulated profit /(loss) post-acquisition:							
At the beginning of the period	3,249,843,601	(587,552,779)	(2,607,003,869)	396,921,973,761	(233,541,493)	2,166,267,245,329	2,563,010,964,550
- Income from bargain purchase	(60,548,066)	-	-	4,793,933,396	-	(5,318,696,275)	(585,310,945)
At the end of the period	<u>3,189,295,535</u>	<u>(587,552,779)</u>	<u>(2,607,003,869)</u>	<u>401,715,907,157</u>	<u>(233,541,493)</u>	<u>2,160,948,549,054</u>	<u>2,562,425,653,605</u>
Accumulated amortization of goodwill:							
At the beginning of the period	(160,227,726,386)	-	-	-	-	-	(160,227,726,386)
At the end of the period	<u>(160,227,726,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,227,726,386)</u>
Net carrying amount:							
At the beginning of the period	<u>425,484,008,289</u>	<u>111,912,447,221</u>	<u>4,597,596,131</u>	<u>936,921,973,761</u>	<u>582,766,458,507</u>	<u>2,262,267,245,329</u>	<u>4,323,949,729,238</u>
At the end of the period	<u>425,423,460,223</u>	<u>174,412,447,221</u>	<u>4,597,596,131</u>	<u>941,715,907,157</u>	<u>582,766,458,507</u>	<u>2,256,948,549,054</u>	<u>4,385,864,418,293</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

15. LONG-TERM INVESTMENT (continued)

15.2 Investment in other entities

	June 30, 2023		December 31, 2022	
	No. of shares	Cost (VND)	No. of shares	Cost (VND)
Saigon - Quy Nhon Mineral JSC	6,900,000	339,000,000,000	6,900,000	339,000,000,000
VTC-Saigontel Media JSC	3,070,020	30,700,200,000	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	190,000	19,000,000,000	190,000	19,000,000,000
Saigon - Ham Tan Tourism JSC	70,000	7,000,000,000	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	350,000	3,500,000,000	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	30,000	300,000,000	30,000	300,000,000
TOTAL		399,500,200,000		399,500,200,000
Provision for devaluation		(26,018,164,785)		(26,018,164,785)
NET CARRYING VALUE		373,482,035,215		373,482,035,215

16. SHORT-TERM TRADE PAYABLES

	Currency: VND	
	June 30, 2023	December 31, 2022
Trade payables	382,472,942,169	453,108,410,168
TOTAL	382,472,942,169	453,108,410,168

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	Currency: VND	
	June 30, 2023	December 31, 2022
Advances from customers for purchasing and land use rights at Phuc Ninh, Trang Due, Quang Chau UA, Nenh social house project	836,890,222,271	201,335,333,873
Advances from customers for leasing land with infrastructure at industrial parks	-	611,864,161,075
Others	21,837,982,467	64,728,531,092
TOTAL	858,728,204,738	877,928,026,040

18. TAX AND STATUTORY OBLIGATIONS

	Currency: VND	
	June 30, 2023	December 31, 2022
Value added tax	-	29,863,996,010
Corporate income tax (Note 29.2)	314,648,598,982	107,889,276,026
Personal income tax	1,169,522,475	1,646,477,129
Fees, charges and other payables	5,891,544,959	5,933,827,407
TOTAL	321,709,666,416	145,333,576,572

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

19. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Accrued infrastructure development expenses for revenue recognized	1,688,802,805,973	1,296,359,898,602
Loan interest payables	13,538,329,970	50,367,835,542
Loan interest payables to related parties (<i>Note 30</i>)	535,879,723	5,083,690,677
Other payables	66,261,866,600	66,702,809,763
TOTAL	<u>1,769,138,882,266</u>	<u>1,418,514,234,584</u>

20. OTHER SHORT – TERM PAYABLES

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Deposits	1,104,897,105,170	1,501,332,830,446
Other short-term payables	1,980,024,031,154	2,326,841,936,095
Payables to related parties	-	1,600,000,000
TOTAL	<u>3,084,921,136,324</u>	<u>3,829,774,766,541</u>

21. LOANS

	<i>Currency: VND</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Short-term loans		
Other loans	242,020,000,000	273,880,000,000
Current-portion of long-term loans	632,058,305,070	3,527,196,578,333
Short-term loans to related parties (<i>Note 30</i>)	30,000,000,000	150,300,000,000
	<u>904,078,305,070</u>	<u>3,951,376,578,333</u>
Long-term loan		
Long-term loans from banks (*)	3,252,782,732,241	2,712,419,749,648
Other long-term loans	9,500,000,000	-
Bonds (**)	-	974,669,592,666
TOTAL	<u>3,262,282,732,241</u>	<u>3,687,089,342,314</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

21. LOANS (continued)

Long-term loans

(*) Details of long-term loans at June 30, 2023 as follows:

<i>Banks</i>	<i>June 30, 2023 (VND)</i>	<i>Interest rate (% per annum)</i>	<i>Principal and interest payment term</i>	<i>Collateral</i>
Vietnam Public Joint Stock Commercial Bank	2,194,700,000,000	11.5	Up to 10 years from the first disbursement in December 2020	All assets related to Trang Cat Project
Tien Phong Commercial Joint Stock Bank	67,754,003,900	11.95	Up to 6 years from the first disbursement in July 2020. The grace period is 12 months since the first disbursement. Loan interest is paid on the 26 th every month.	Land using rights and assets formed in the unsold plots under the construction investment project for Trang Due residential areas and commercial services and housing for workers.
Bank for Investment and Development of Vietnam	529,680,157,930	11.5	Up to 96 months since the first disbursement on January 19, 2023	Factories at Quang Chau Industrial park and Dai Dong Hoan Son Industrial park
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ngo Quyen branch	306,761,408,819	14	Up to 60 months since the first disbursement on December 15, 2022	5 apartment blocks at Trang Due UA and factories at existing Que Vo Industrial park and expanded Que Vo Industrial park.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	55,046,345,736	14	Principal will be paid every 6 month, interest will ve paid every 3 month on the 25th	All assets attached to land, fixed tangible assets (including but not limited to machineries, equipments, tools, etc), compensastion costs, land clearance, levelling expenses, other expenses paid; all rights and interests attached or incurred from project (including but not limited to rights to get insurance amount, right to collect debts, the rights and interests, etc of the mortgagor) of Nam Son Hop Linh phase 2.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

21. LOANS (continued)

Long-term loans (continued)

(*) Details of long-term loans at June 30, 2023 as follows: (continued)

<i>Banks</i>	<i>June 30, 2023</i>	<i>Interest rate (% per annum)</i>	<i>Principal and interest payment term</i>	<i>Collateral</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	21,840,815,856	11.3	Principal will be paid every 6 month, interest will be paid every 3 month on the 25 th	All machinaries, equipments, tools, moveable assets, means of transportation and other machinaries formed in the future for clean water treatment factory with capacity of 19,000m3 at Nam Son Hap Linh IP, Bac Ninh province and all benefits, receivables from doing business, use land right, assets, ect attached to land or from investing, extracting, fee management, development for clean water treatment factory with capacity of 19,000 m3.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	60,000,000,000	10.8	Principal will be paid on December 22, 2023. Interest will be paid every month on the 25 th	Assets attached land formed in the future at 90 ha expanded IP
	17,000,000,000	10.8	Principal is paid on June 21, 2023. Interest will be paid every 3 month on the 25 th	Receivables from doing business for Quang Chau IP phase 3
TOTAL	<u>3,252,782,732,241</u>			

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

22. LONG-TERM ACCRUED EXPENSES

This is mainly loan interest expense payable to PVcomBank.

23. OTHER SHORT – TERM PAYABLES

	Currency: VND	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>
Long-term deposits	18,502,035,652	18,427,188,430
	<u>18,502,035,652</u>	<u>18,427,188,430</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

24. OWNER'S EQUITY

24.1 Increase and decrease in owner's equity

Currency: VND

	<i>Contributed charter capital</i>	<i>Share premium</i>	<i>Treasury share</i>	<i>Development and Investment Fund</i>	<i>Undistributed earnings</i>	<i>Interest of uncontrolled shareholders</i>	<i>Total</i>
Previous period							
At the beginning of the period	5,757,111,670,000	3,397,344,430,000	(364,466,650,000)	2,223,693,823	5,098,791,537,715	2,280,354,450,021	16,171,359,131,559
- Net profit in the period	-	-	-	-	115,004,953,665	85,276,091,100	200,281,044,765
- Sale of treasury shares	-	(29,748,080,000)	364,466,650,000	-	-	-	334,718,570,000
- Dividends by shares	1,918,935,920,000	(624,066,780,000)	-	-	(1,294,869,140,000)	-	-
At the end of the period	<u>7,676,047,590,000</u>	<u>2,743,529,570,000</u>	<u>-</u>	<u>2,223,693,823</u>	<u>3,918,927,351,380</u>	<u>2,365,630,541,121</u>	<u>16,706,358,746,324</u>
Current period							
At the beginning of the period	7,676,047,590,000	2,743,529,570,000	-	2,223,693,823	5,646,308,490,449	1,777,409,947,814	17,845,519,292,086
- Profit in the period	-	-	-	-	1,651,886,369,343	151,275,659,664	1,803,162,029,007
- Other increase	-	-	-	-	-	130,350,000,000	130,350,000,000
At the end of the period	<u>7,676,047,590,000</u>	<u>2,743,529,570,000</u>	<u>-</u>	<u>2,223,693,823</u>	<u>7,298,194,859,792</u>	<u>2,059,035,607,478</u>	<u>19,779,031,321,093</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

24. OWNER'S EQUITY (continued)

24.2 Contributed charter capital

Currency: VND

	June 30, 2023			December 31, 2022		
	Total	Ordinary share	Preference shares	Total	Ordinary share	Preference shares
Contributed by shareholders	7,676,047,590,000	7,676,047,590,000	-	7,676,047,590,000	7,676,047,590,000	-
Share premium	2,743,529,570,000	2,743,529,570,000	-	2,743,529,570,000	2,743,529,570,000	-
TOTAL	10,419,577,160,000	10,419,577,160,000	-	10,419,577,160,000	10,419,577,160,000	-

24.3 Capital transactions with owner and distribution of dividends, profits

Currency: VND

	Current period	Previous period
Contributed capital		
At the beginning of the period	7,676,047,590,000	5,757,111,670,000
Increase in the period	-	1,918,935,920,000
Decrease in the period	-	-
At the end of the period	<u>7,676,047,590,000</u>	<u>7,676,047,590,000</u>
Dividends, profit paid	-	-

24.4 Shares

	June 30, 2023		31 December, 2022	
	No. of shares	Value in VND	No. of shares	Value in VND
Registered shares	767,604,759	7,676,047,590,000	767,604,759	7,676,047,590,000
Shares sold to the public	767,604,759	7,676,047,590,000	767,604,759	7,676,047,590,000
Common shares	767,604,759	7,676,047,590,000	767,604,759	7,676,047,590,000
Preference shares	-	-	-	-
Treasury shares	-	-	-	-
Common shares	-	-	-	-
Preference shares	-	-	-	-
Shares in circulation	767,604,759	7,676,047,590,000	767,604,759	7,676,047,590,000
Common shares	767,604,759	7,676,047,590,000	767,604,759	7,676,047,590,000
Preference shares	-	-	-	-

Par value of shares in circulation: VND 10,000 per share (2022: VND 10,000 per share).

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

25. REVENUE

25.1 Revenue from sale of good and rendering of services

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Gross revenue	4,274,266,027,514	1,085,295,145,727
<i>In which:</i>		
<i>Revenue from long-term lease of land and infrastructure</i>	4,024,591,317,593	585,742,212,121
<i>Revenue from real estate transfer</i>	29,487,681,371	322,054,558,166
<i>Revenue from providing clean water, electricity, service fee, waste water treatment supply</i>	172,599,338,155	151,532,056,376
<i>Revenue from operating leases of warehouses, factories and offices</i>	47,587,690,395	25,021,909,064
<i>Other revenues</i>	-	944,410,000
Deductions	-	-
Net revenue	<u>4,274,266,027,514</u>	<u>1,085,295,145,727</u>

25.2 Finance income

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Interest income from deposits, lending and business cooperation	178,887,188,054	151,761,219,079
Profit from subsidiary transfer	108,580,319,182	-
Others	6,342,156,919	2,793,877,750
TOTAL	<u>293,809,664,155</u>	<u>154,555,096,829</u>

26. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Cost of long-term lease of land and infrastructure	1,098,101,772,397	308,186,300,643
Cost of real estates transferred	13,216,808,031	223,012,472,511
Cost of clean water, electricity, waste water treatment supply	82,647,078,481	79,309,554,037
Cost of operating leases, warehouse, factories and offices for rent	36,573,157,581	11,727,968,924
TOTAL	<u>1,230,538,816,490</u>	<u>622,236,296,115</u>

27. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Interest expense	241,702,964,810	265,392,131,424
Bond issuance costs	42,632,541,177	30,053,383,834
(Reversal of provision)/provision for investments	(488,773,351)	2,800,227,690
Others	779,019,708	1,496,746,135
TOTAL	<u>284,625,752,344</u>	<u>299,742,489,083</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

28. GENERAL AND ADMINISTRATIVE EXPENSES AND SELLING EXPENSES

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Selling expenses in the period		
Legal consultation and brokerage expenses	291,277,022,434	31,930,266,313
Labour costs	5,869,453,000	3,744,233,000
Others	5,467,429,090	1,575,913,360
TOTAL	<u>302,613,904,524</u>	<u>37,250,412,673</u>
General and administrative in the period		
Labour costs	121,387,480,508	86,414,282,024
Expenses for external service	32,558,731,927	32,292,046,079
Depreciation expenses	16,621,750,414	8,753,235,120
Funding costs	-	53,184,943,821
Others	233,814,864,647	29,767,667,128
TOTAL	<u>404,382,827,496</u>	<u>210,412,174,172</u>

29. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of profit after tax except for the followings:

- ▶ For land leasing activities in Existing Que Vo Industrial park, the Company is obliged to pay CIT at the rate 10% for 15 years from the date of commencement of business and at 20% for the following years. The Company was exempt from CIT for 4 years from 2005 to 2008 and was entitled to 50% reduction of payable tax for the next 9 years to 2017. CIT rate for 6-month financial period ended June 30, 2023 is 20%.
- ▶ For land leasing activities in Expanded Que Vo Industrial park, the Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation, production and business and at 20% for the following years. The Company was exempt from CIT for 3 years from 2008 to 2010, and was entitled to 50% for the next 7 years from 2011 to 2017. CIT rate for 6-month financial period ended June 30, 2023 is 20%.
- ▶ For land leasing activities in Quang Chau Industrial Park, Saigon - Bac Giang Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation, production and business and at 20% for the following years. The Company was exempt from CIT for 4 years from 2008 to 2011, and was entitled 50% for the next 7 years. CIT rate for 6-month financial period ended June 30, 2023 is 10%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement, put into production and business and equal 20% for the following years. The company is exempt from CIT for 4 years from 2009 to 2012 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for 6-month financial period ended June 30, 2023 is 10%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 2, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement, enter into production and business activities. The company is exempt from CIT for 4 years from 2015 to 2018 and is entitled to a 50% reduction of payable tax for the next 9 years to 2027. The tax rate for 6-month financial period ended June 30, 2023 is 10% and exempted 50%.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

29. CORPORATE INCOME TAX (continued)

- ▶ For land leasing activities in Tan Phu Trung Industrial Park, Saigon - Northwest Urban Development Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation, production and business activities (2007) and equal to 20% for the following years. The company was exempt from CIT for 4 years from 2007 to 2010. The tax rate for 6-month financial period ended June 30, 2023 is 10%.
- ▶ For land leasing activities in Trang Cat Urban Area and Services, Trang Cat Urban Development One Member Limited Liability Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of business, in production and business activities and equal to 20% for the following years. The company is exempt from CIT for 4 years from 2012 to 2015 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for 6-month financial period ended June 30, 2023 is 10% and exempted 50%.
- ▶ The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities

29.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Current CIT expense	305,622,219,712	118,776,376,231
Deferred CIT expense/(income)	232,225,806,478	(24,741,057,277)
TOTAL	<u>537,848,026,190</u>	<u>94,035,318,954</u>

29.2 Current CIT

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

29. CORPORATE INCOME TAX (continued)

29.2 Current CIT (continued)

Below are comparison between net profit before tax and taxabel income.

	<i>Currency: VND</i>	
	<i>Current period</i>	<i>Previous period</i>
Net profit before tax	2,341,010,055,197	294,316,363,719
Adjustments to increase/(decrease) accounting profit	(623,167,383,818)	(50,442,416,939)
Adjustment to increase	710,464,537,201	147,662,891,355
Non-deductible expenses	563,779,808,004	4,350,621,257
Unrealized profit in inventories	90,567,822,421	49,095,863,013
Taxable income for leasing activities from previous years that is taxable this year	34,783,297,899	31,865,977,652
Allocation of the difference in re-valuation of assets	20,748,297,932	62,350,429,433
Loss from associates	585,310,945	-
Adjustment to decrease	(1,333,631,921,019)	(198,105,308,294)
Difference between the ownership in net assets of the party that is acquired and the fee for business consolidation	-	(146,383,214,108)
Taxable income from land lease of current period transferred to the following periods	(1,244,078,389,246)	-
Difference between consolidated profit from the sale of its subsidiary	(19,580,319,182)	-
Provision for investments in associates	(69,973,212,591)	(10,172,663,074)
Profit from associates	-	(41,549,431,112)
Adjusted profit before tax before excluding the loss from previous years	1,717,842,671,381	243,873,946,780
<i>In which</i>		
Profit before tax of parent company	1,386,274,570,187	(290,780,710,786)
Loss before tax of parent company (Ho Chi Minh branch)	(916,170,148)	(1,448,753,522)
Profit before tax of its subsidiaries	487,130,377,684	523,271,587,336
Loss of its subsidiaries	(189,429,404,241)	(19,034,153,900)
Taxable income of lease activities from previous years	34,783,297,899	31,865,977,652
Loss transferred from previous years	(414,231,160,290)	-
Estimated taxable income for current period	1,303,611,511,091	243,873,946,780
Estimated CIT payable for current period	305,622,219,712	118,776,376,231
CIT payable at the beginning of the period	54,124,343,998	103,257,556,096
Adjust to withholding tax	1,765,239,985	-
CIT paid during the period	(101,452,757,585)	(111,217,535,273)
CIT payable at the end of period	260,059,046,110	110,816,397,054
<i>In which:</i>		
CIT payables (Note 18)	314,648,598,982	110,816,397,054
Prepaid CIT (Note 10)	(54,589,552,872)	-

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

29. CORPORATE INCOME TAX (continued)

29.3 *Deferred CIT*

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

Currency: VND

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>June 30, 2023</i>	<i>December 31, 2022</i>	<i>Current period</i>	<i>Previous period</i>
<i>Deferred tax assets</i>				
Deferred tax assets from proceed collection of Trang Due urban area	3,082,883,607		(3,082,883,607)	
Loss from difference in exchange rate unrealized	-	1,275,812,429	1,275,812,429	-
	<u>3,082,883,607</u>	<u>1,275,812,429</u>		
<i>Deferred tax liabilities</i>				
Deferred tax liabilities from fair value adjustment on the acquisition of Northwest Saigon City Development JSC	105,530,558,080	109,109,639,473	(3,579,081,393)	(21,234,791,015)
Deferred tax liabilities from fair value adjustment on the acquisition of Sai Gon - Hai Phong Industrial Park JSC	457,334,950	457,334,950	-	-
Deferred tax liabilities from allocation of CIT over the the periods	1,033,649,947,139	796,037,988,090	237,611,959,049	(3,506,266,262)
	<u>1,139,637,840,169</u>	<u>905,604,962,513</u>		
<i>Net deferred tax credit to the consolidated income statement</i>			<u>232,225,806,478</u>	<u>(24,741,057,277)</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

29. CORPORATE INCOME TAX (continued)

29.4 Unrecognised deferred income (continued)

Tax losses carried forward

The Group is entitled to carry each individual tax loss forward to offset against the taxable income arising within 5 subsequent years to the year in which the loss was incurred. At the ending date of accounting year, the Group has aggregated accumulated losses with the amount of VND 779,691,431,752 (December 31, 2022: VND 710,582,867,086) available to offset against future taxable income.

The Group has not recognized deferred tax assets for the accumulated losses because future taxable income cannot be ascertained at this stage.

30. TRANSACTIONS TO RELATED PARTIES

List of related parties which had transactions and/or receivables/payables balances in the period with the Group is as follows:

<i>No</i>	<i>Related parties</i>	<i>Relations</i>
1	Saigon Telecommunications & Technology JSC	Associate
2	Le Minh Xuan 2 Industrial Park Investment JSC	Associate
3	Saigontel Long An Co., Ltd	Associate
4	Saigon – Nhon Hoi Industrial Park JSC	Associate
5	Saigon - Da Nang Investment JSC	Associate
6	Saigon Hi-tech Park Infrastructure Development and Investment JSC	Common key management member
7	Saigon – Lam Dong Investment and Tourist Corporation	Common key management member
8	Mr. Dang Thanh Tam	Chairman
9	Ms. Nguyen Thi Thu Huong	General Director
10	Mr. Phan Anh Dung	Deputy General Director
11	Ms. Nguyen My Ngoc	Deputy General Director

Terms and conditions for the transactions with related parties

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

The balance of accounts receivable, payable, borrowing and lending as of June 30, 2023 are unsecured and will be settled in cash. For the 6-month period ended June 30, 2023, the Group has not made any provision for bad debts relating to amounts owed to the Group by related parties. This assessment is made for each year through an examination of the financial position of the related party and the markets in which the related party operates.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Details are receivables to related parties at June 30, 2023:

Currency: VND

<i>Related parties</i>	<i>Description</i>	<i>Amount</i>
Short-term loan receivables (Note 7)		
Saigon Telecommunication & Technology JSC	Short-term loan	563,108,109,224
Saigon – Da Nang Investment JSC	Short-term loan	197,521,929,895
Le Minh Xuan 2 Industrial Park Investment JSC	Short-term loan	1,700,000,000
Saigon – Nhon Hoi Industrial Park JSC	Short-term loan	120,000,000,000
Saigon – Lam Dong Investment and Tourist JSC	Short-term loan	20,636,189,803
Saigontel – Long An Co., Ltd	Short-term loan	122,342,660,000
		<u>1,025,308,888,922</u>
Long-term loan receivables (Note 7)		
Saigon Telecommunication & Technologies JSC	Long-term loan	124,723,703,957
		<u>124,723,703,957</u>
Other short-term receivables (Note 8)		
Ms. Nguyen Thi Thu Huong	Advance	3,489,211,820
Ms. Nguyen My Ngoc	Advance	309,777,000
Mr. Phan Anh Dung	Advance	110,000,000
Mr. Dang Thanh Tam	Other receivables	6,944,000,000
Saigon – Da Nang Investment JSC	Loan interest receivables	22,688,046,153
Saigontel – Long An Co., Ltd	Loan interest receivables	9,004,291,854
Saigon – Nhon Hoi Industrial Park JSC	Loan interest receivables	614,934,429,220
Saigon – Lam Dong Investment and Tourism JSC	Loan interest receivables	3,406,843,394
Le Minh Xuan 2 Industrial Park Investment JSC	Loan interest receivables	268,273,972
Saigon Telecommunication & Technology JSC	Business cooperation receivables	41,711,068,493
Saigon Telecommunication & Technology JSC	Loan interest receivables	77,036,920,396
		<u>779,902,862,302</u>
Long-term receivables (Note 8)		
Saigon Telecommunication & Technologies Corporation	Loan interest receivables	10,572,231,356
Saigon-Lam Dong Investment and Tourism JSC	Loan interest receivables	13,134,678,083
		<u>23,706,909,439</u>
Short-term payables (Note 19)		
Saigon Hi-tech Park Infrastructure Development and Investment JSC	Loan interest	535,879,723
		<u>535,879,723</u>

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

30. TRANSACTIONS WITH RELATED PARTIES (continued)

		<i>Currency: VND</i>
<i>Related parties</i>	<i>Description</i>	<i>Amount</i>
Short-term loan (Note 21)		
Saigon Hi-tech park Infrastructure Development and Investment JSC	Short-term loan	30,000,000,000
		<u>30,000,000,000</u>

31. EARNING PER SHARE

Basic earnings per share is calculated by dividing profit or loss after tax that distributed to shareholders holding ordinary shares of the Group by weighted average number of ordinary shares in circulation in the year.

Diluted earnings per share is calculated by dividing profit or loss after tax that distributed to shareholders holding ordinary shares of the Group by weighted average number of ordinary shares in circulation in the year and the weighted average number of ordinary shares that shall be issued in the event that all dilutive potential ordinary shares are converted to ordinary shares.

Earnings per share is calculated by using the following information:

		<i>Currency: VND</i>	
		<i>Current period</i>	<i>Previous period</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	1,651,886,369,343	115,004,953,665	
<i>Effect of dilution</i>			
Interest of convertible bonds	-	-	
Net profit after tax attributable to shareholders owning ordinary shares	<u>1,651,886,369,343</u>	<u>115,004,953,665</u>	
Weighted average number of ordinary shares (excluded treasury shares), adjusted to calculate earnings per share	767,604,759	764,316,969	
<i>Effect of dilution</i>			
Convertible bonds	-	-	
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	<u>767,604,759</u>	<u>764,316,969</u>	
Basic earnings per share	2,152	150	
Diluted earnings per share	2,152	150	

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

32. COMMITMENTS AND CONTINGENCIES

32.1 Commitments related to real estate investment

Commitments related to obligations to the State:

- (i) According to Decision No. 1526/QD-CT dated December 17, 2003 and Decision No. 971/QD-UBND dated July 15, 2009 of the People's Committee of Bac Ninh Province on the allocation of land to the Company for project implementation to build Phuc Ninh new urban area, Bac Ninh town, Bac Ninh province. The company must pay land use levy, fees and charges as prescribed by law for the residential land plots, commercial land and public works assigned to use for the purpose of building Phuc Ninh New Urban Area. according to planning. Accordingly, the Company handed over 49.53 hectares in 2010, completed marking the land area of 47.2 hectares in 2013 with the People's Committee of Bac Ninh province and paid the amount of VND 175,735,431,000 for the use fee land according to Decision 2229/QD-CT of the People's Committee of Bac Ninh province dated December 23, 2004 approving the land use levy collection price (phase 1) and the notices on assignment of land use levy payment quotas of the Bac Ninh Province Tax Department. As at June 30, 2023, the Company is still in the process of working with People's Committee of Bac Ninh province for the remaining area of the project.
- (ii) From 2003 to 2014, the Company signed a number of land rental contracts with Bac Ninh Provincial People's Committee for the land area at Existing Que Vo Industrial Park and Expanded Que Vo Industrial Park, which is 2,268,388.8 m² and 1,652,779 m² respectively. According to the Official Letter No. 323/BTC-QLCS dated January 12, 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. At June 30, 2023, the Company is in process of working with the People's Committee of Bac Ninh province for the land area that were handed over in accordance with Land Law No. 45/2013/QH2013 dated July 1, 2014 issued by National Assembly, and Circular No 135/2016/ND-CP issued by the Government dated September 9, 2016, be effective from November 15, 2016 and regulations related to collect fees in use and lease land.
- (iii) On June 10, 2015, the Company signed a land lease contract to People's Committee of Bac Ninh province for 766,858.9 m² land that was handed over at Nam Son Hap Linh Industrial Park. As at June 30, 2023, the Company is still in process of working with the authorities to determined land fees payables of the Company.
- (iv) On March 20, 2013, the Department of Finance of Hochiminh City sent a notice to Nowest Saigon City Development Corporation ("SCD") on increasing land rental rate at Tan Phu Trung Industrial Park to 5,940 VND per squaremeter for the year of 2011 and 2012. However, Decision No 2093/QD-BTC dated November 23, 2011 and Circular No 16/2013/TT-BTC on removal of difficulties for enterprises, land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, the land rental rate from 2011 to 2014 was at 500 VND per square meter, equivalent to two times of 2010 land rental fee which was approved by Ho Chi Minh City People's Committee under the land lease contract No. 2516/HD-TNMT-QHSDD on 5 April 2007. At the same time, SCD sent the documentation on request to decrease land rental lease not exceed two times of the applicable for 2010. As at June 30, 2023, SCD is still in process of working with the People's Committe of Hochiminh City for above mentioned land area.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

32. COMMITMENTS AND CONTINGENCIES (continued)

32.1 Commitments related to real estate investments (continued)

- (i) From 2011 to 2014, Saigon – Hai Phong Industrial Park Corporation (“SHP”) signed land lease agreements with the People’s Committee of Haiphong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m². Details of these land lease contracts include: Contract No. 04/HĐTD dated January 17, 2011 (for 1,363,473.2 m² land area), contract No.179/HĐTD dated December 31, 2013 (for 84,871.8 m² land area) and contract No.13/HĐTD dated February 17, 2014 (for 93,303.7 m² land area). On December 12, 2014, the General Department of Taxation of Haiphong City issued Decision No. 4274/QĐ-CT on land rental exemption for Saigon-Hai Phong Industrial Park Corporation. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the Land Lease Contracts No. 04, No.13 and No.179. However, in the Investment Registration Certification No. 02221000009 issued by Haiphong Economic Zone Management Board, dated November 29, 2013, SHP was exempt from land rent with the handed over above land. Thus, SHP is in process of working with related parties to clarify the differences between above documentations.
- (ii) From 2008 to 2010, Saigon - Bac Giang Industrial Park Corporation (“SBG”) signed land lease agreements with the People’s Committee of Bac Giang Province for a total land area of 3,900,015.2 m² at Quang Chau Industrial Park. At June 30, 2023, SBG is still in process of working with authorities to clarify lease land obligations payable. According to the 2nd Investment Certificate dated September 12, 2014, Quang Chau Industrial Park is entitled to land rental fee exemption for 6 years during the development of the Industrial Park và the next 11 years from the completion date of the project and put into operations under document No 5403/BTC-QLNS dated April 23, 2015, issued by Department of Agriculture and Fisheries.

32.2 Collaterals and guarantees

Potential debts of the Group related to collateral and guarantees as at June 30, 2023 are as follows:

Collaterals and guarantees relating to the Agreement on debt structuring, funding and debt repayment with PVcomBank

As at December 30, 2020, the Company and Trang Cat LLC, which is its subsidiary and Vietnam Public Joint Stock Commercial Bank signed agreement on on debt structuring, funding and debt repayment No. 3012/2020/BBTT/PVB-KB-TCC (“Debt Structuring Agreement”). Accordingly, the Company and Trang Cat LLC have agreed to use Trang Cat project to secure for the loans and debts of a group of companies and individuals (including Kinh Bac City Development, a subsidiary of the Company and other companies/individuals) with Pvcombank.

Dispute with VTC Wireless Telecommunications Corporation

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

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
at and for the six-month financial period ended June 30, 2023

33. EVENTS AFTER THE BALANCE SHEET DATE

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements for quarter 2/2023 of the Group.

34. EXPLANATION FOR CONSOLIDATED BUSINESS RESULT FOR QUARTER 2/2023

The consolidated profit of Quarter 2/ 2023 is VND 746.8 billion, increase by VND 1,069.8 billion VND compared to quarter 2/2022 with the loss of VND 323 billion. The main reason is that in this period, the Company increased the revenue recognised from industrial park activities compared to same period of previous year.

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

July 29, 2023