

# **KinhBac City Development Holding Corporation**

Interim consolidated financial statements

For the six-month period ended 30 June 2019



# KinhBac City Development Holding Corporation

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# KinhBac City Development Holding Corporation

## GENERAL INFORMATION

### THE COMPANY

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

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

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

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

### BOARD OF DIRECTORS

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

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

### BOARD OF SUPERVISION

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

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

### MANAGEMENT

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

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

# KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the period and at the date of this report is Mr. Dang Thanh Tam. In accordance with the Authorization Letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong has been authorized by Mr. Dang Thanh Tam to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2019.

## **AUDITORS**

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

# KinhBac City Development Holding Corporation

## REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation (“the Company”) is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2019.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2019 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



The stamp is circular and red, containing the following text: 'SỞ KHOA VÀ QUẢN LÝ KT 2300231993 CTCP', 'TỔNG CÔNG TY PHÁT TRIỂN ĐÔ THỊ KINH BẮC CTCP', and 'H. QUẾ VŨNG - BẮC KINH'. A blue ink signature is written over the stamp.

Nguyễn Thị Thu Hương  
General Director

Bac Ninh, Vietnam

29 August 2019



Ernst & Young Vietnam Limited  
8th Floor, CornerStone Building  
16 Phan Chu Trinh Street  
Hoan Kiem District  
Hanoi, S.R. of Vietnam

Tel: +84 24 3831 5100  
Fax: +84 24 3831 5090  
ey.com

Reference: 60774739/21041563-HN-LR

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: **The Shareholders of KinhBac City Development Holding Corporation**

We have reviewed the accompanying interim consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 29 August 2019 and set out on pages 6 to 57, which comprise the interim consolidated balance sheet as at 30 June 2019, and the interim consolidated income statement and interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

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

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

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

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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



### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2019, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim consolidated financial statements.

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



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

Hanoi, Vietnam

29 August 2019



INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2019

Currency: VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>14,121,898,233,471</b>	<b>14,862,290,720,411</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>810,440,956,445</b>	<b>224,080,823,490</b>
111	1. Cash		639,099,618,063	219,037,572,851
112	2. Cash equivalents		171,341,338,382	5,043,250,639
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>2,961,505,160</b>	<b>2,955,261,620</b>
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(6,528,956,209)	(6,535,199,749)
123	3. Held-to-maturity investments		2,000,000,000	2,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>4,841,636,626,186</b>	<b>5,842,379,074,106</b>
131	1. Short-term trade receivables	6.1	1,277,486,545,986	1,767,072,395,482
132	2. Short-term advances to suppliers	6.2	2,255,782,189,129	2,081,854,507,943
135	3. Short-term loan receivables	7	154,275,987,097	180,662,930,631
136	4. Other short-term receivables	8	1,161,425,884,624	1,820,123,220,700
137	5. Provision for doubtful short-term receivables	6.3	(7,333,980,650)	(7,333,980,650)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>8,220,589,825,425</b>	<b>8,592,831,569,175</b>
141	1. Inventories		8,220,589,825,425	8,592,831,569,175
<b>150</b>	<b>V. Other current assets</b>		<b>246,269,320,255</b>	<b>200,043,992,020</b>
151	1. Short-term prepaid expenses	10	62,513,335,873	58,851,780,787
152	2. Value-added tax deductible	16	100,128,652,640	54,195,425,437
153	3. Tax and other receivables from the State	16	83,627,331,742	86,996,785,796



INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2019

Currency: VND

Code	ASSETS	Notes	30 June 2019	31 December 2018
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>2,615,492,359,717</b>	<b>2,047,441,497,367</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>1,191,753,157,575</b>	<b>600,969,000,000</b>
215	1. Long-term loan receivables	7	700,000,000	700,000,000
216	2. Other long-term receivables	8	1,191,053,157,575	600,269,000,000
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>183,558,378,299</b>	<b>157,072,716,796</b>
221	1. Tangible fixed assets	11	183,357,657,680	156,823,493,258
222	Cost		395,870,350,169	353,091,930,379
223	Accumulated depreciation		(212,512,692,489)	(196,268,437,121)
227	2. Intangible fixed assets		200,720,619	249,223,538
228	Cost		327,975,500	327,975,500
229	Accumulated amortisation		(127,254,881)	(78,751,962)
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>12</b>	<b>83,715,025,605</b>	<b>134,161,149,871</b>
231	1. Cost		116,356,115,735	173,618,450,871
232	2. Accumulated depreciation		(32,641,090,130)	(39,457,301,000)
<b>240</b>	<b><i>IV. Long-term assets in progress</i></b>		<b>185,777,690,997</b>	<b>194,108,847,448</b>
242	1. Construction in progress	13	185,777,690,997	194,108,847,448
<b>250</b>	<b><i>V. Long-term investments</i></b>	<b>14</b>	<b>951,958,348,755</b>	<b>947,733,067,355</b>
252	1. Investments in associates, jointly controlled entities	14.1	521,166,550,718	516,941,269,318
253	2. Investment in other entities	14.2	448,500,200,000	448,500,200,000
254	3. Provision for diminution in value of long-term investments		(17,708,401,963)	(17,708,401,963)
<b>260</b>	<b><i>VI. Other long-term assets</i></b>		<b>18,729,758,486</b>	<b>13,396,715,897</b>
261	1. Long-term prepaid expenses	10	18,729,758,486	13,396,715,897
<b>270</b>	<b>TOTAL ASSETS</b>		<b>16,737,390,593,188</b>	<b>16,909,732,217,778</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2019

Currency: VND

Code	RESOURCES	Notes	30 June 2019	31 December 2018
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,387,192,946,672</b>	<b>7,072,374,423,221</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>3,640,683,762,660</b>	<b>3,932,877,663,286</b>
311	1. Short-term trade payables	15.1	227,611,688,062	226,117,852,340
312	2. Short-term advances from customers	15.2	351,898,830,262	447,181,815,119
313	3. Statutory obligations	16	148,816,166,394	301,989,007,085
314	4. Payables to employees		17,270,450	17,270,450
315	5. Short-term accrued expenses	17	1,020,910,339,960	1,244,817,157,545
318	6. Short-term unearned revenues		2,888,452,581	2,908,239,931
319	7. Other short-term payables	18	489,169,447,075	498,434,960,926
320	8. Short-term loans	19	1,392,266,208,567	1,204,306,000,581
322	9. Bonus and welfare fund		7,105,359,309	7,105,359,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>2,746,509,184,012</b>	<b>3,139,496,759,935</b>
333	1. Long-term accrued expenses	17	1,065,482,572,587	1,051,174,838,754
336	2. Long-term unearned revenue		4,855,550,396	4,919,362,408
337	3. Other long-term liabilities	18	118,251,798,838	135,158,057,007
338	4. Long-term loans	19	829,510,343,402	1,282,864,916,172
341	5. Deferred tax liabilities	27.3	727,456,950,827	664,427,617,632
342	6. Long-term provisions		951,967,962	951,967,962

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2019

Currency: VND

Code	RESOURCES	Notes	30 June 2019	31 December 2018
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>10,350,197,646,516</b>	<b>9,837,357,794,557</b>
<b>410</b>	<b>I. Capital</b>		<b>10,350,197,646,516</b>	<b>9,837,357,794,557</b>
411	1. Share capital	20.1	4,757,111,670,000	4,757,111,670,000
411a	- Shares with voting rights		4,697,601,890,000	4,697,601,890,000
	- Treasury shares		59,509,780,000	59,509,780,000
412	2. Share premium	20.1	989,064,430,000	989,064,430,000
415	3. Treasury shares	20.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	20.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings	20.1	4,041,242,184,830	3,650,661,947,305
421a	- Undistributed earnings up to end of prior year		3,650,661,947,305	2,904,506,892,048
421b	- Undistributed earnings of current period		390,580,237,525	746,155,055,257
429	6. Non-controlling interests	21	925,022,317,863	802,762,703,429
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>16,737,390,593,188</b>	<b>16,909,732,217,778</b>


Luu Phuong Mai  
Preparer

Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant
  
 Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

29 August 2019

INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
01	1. Revenue from sale of goods and rendering of services	22.1	1,569,931,202,152	1,003,765,405,893
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	1,569,931,202,152	1,003,765,405,893
11	4. Cost of goods sold and services rendered	23	(701,834,411,562)	(462,096,299,612)
20	5. Gross profit from sale of goods and rendering of services		868,096,790,590	541,669,106,281
21	6. Finance income	22.2	29,614,621,187	38,330,102,220
22	7. Finance expenses	24	(106,384,569,727)	(111,280,636,845)
23	<i>In which: Interest expenses</i>		<i>(97,765,842,968)</i>	<i>(110,907,198,768)</i>
24	8. Shares of profit of associates, joint-ventures	14.1	4,225,281,400	4,670,089,369
25	9. Selling expenses	25	(56,985,289,417)	(18,443,229,896)
26	10. General and administrative expenses	25	(84,280,027,421)	(80,208,485,348)
30	11. Operating profit		654,286,806,612	374,736,945,781
31	12. Other income		2,309,377,139	1,017,077,158
32	13. Other expenses		(9,212,838,532)	(1,502,689,201)
40	14. Other loss		(6,903,461,393)	(485,612,043)
50	15. Accounting profit before tax		647,383,345,219	374,251,333,738
51	16. Current corporate income tax expenses	27.1	(71,436,911,942)	(72,864,821,105)
52	17. Deferred tax expenses	27.3	(63,029,333,195)	(10,281,977,473)
60	18. Net profit after tax		512,917,100,082	291,104,535,160
61	19. Net profit after tax attributable to shareholders of the parent		390,580,237,525	269,294,718,417
62	20. Net profit after tax attributable to non-controlling interests		122,336,862,557	21,809,816,743
70	21. Basic earnings per share	29	831	573
71	22. Diluted earnings per share	29	831	573

Luu Phuong Mai  
Preparer

Bac Ninh, Vietnam

29 August 2019

Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant

Nguyen Thi Thu Huong  
General Director



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INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2019

Currency: VND

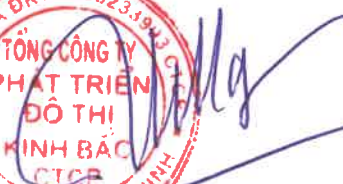
Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>647,383,345,219</b>	<b>374,251,333,738</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties	11,12	22,613,042,303	17,903,017,367
03	Reversal of provisions		(6,243,540)	-
05	Profits from investing activities		(29,457,957,760)	(38,330,102,220)
06	Interest expenses	24	97,765,842,968	110,907,198,768
08	<b>Operating profit before changes in working capital</b>		<b>738,298,029,190</b>	<b>464,731,447,653</b>
09	Decrease/(increase) in receivables		294,618,887,959	(144,411,852,860)
10	Decrease in inventories		372,241,743,750	49,587,250,776
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(348,159,753,346)	135,402,329,358
12	Increase in prepaid expenses		(8,994,597,676)	(22,320,242,037)
14	Interest paid		(108,119,898,888)	(100,953,845,183)
15	Corporate income tax paid	16	(165,251,351,535)	(150,594,545,479)
20	<b>Net cash flows from operating activities</b>		<b>774,633,059,454</b>	<b>231,440,542,228</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long- term assets		(21,458,867,773)	(14,386,923,204)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(30,000,000,000)	(103,371,491,668)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		56,386,943,534	-
26	Proceeds from sale of investments in other entities		39,778,001,357	-
27	Interest and dividends received		31,766,112,585	3,348,110,277
30	<b>Net cash flows from/(used in) investing activities</b>		<b>76,472,189,703</b>	<b>(114,410,304,595)</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2019

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		518,635,966,615	72,286,512,964
34	Repayment of borrowings		(783,303,834,696)	(90,891,072,676)
36	Dividend paid		(77,248,121)	-
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(264,745,116,202)</b>	<b>(18,604,559,712)</b>
<b>50</b>	<b>Net increase in cash and cash equivalents for the period</b>		<b>586,360,132,955</b>	<b>98,425,677,921</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of the period</b>		<b>224,080,823,490</b>	<b>504,567,507,480</b>
<b>70</b>	<b>Cash and cash equivalents at end of the period</b>	<b>4</b>	<b>810,440,956,445</b>	<b>602,993,185,401</b>


Luu Phuong Mai  
Preparer

Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant

Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

29 August 2019

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2019 and for the six-month period then ended

## 1. CORPORATE INFORMATION

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

The current principal activities of the Company are to invest, construct and trade infrastructure inside and outside the industrial parks; leasing out and selling the factories 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 construction of industrial parks and urban areas until the time of completion and land is handed over to customers. As a result, the business cycle of the Company may extend over 12 months. Ordinary business cycle for other business activities is 12 months.

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

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

The total number of employees as at 30 June 2019 is 500 (31 December 2018: 473).

### **Corporate structure**

At 30 June 2019, the Company has the following subsidiaries:

<i>No.</i>	<i>Company’s name</i>	<i>Voting right (%)</i>	<i>Effective interest (%)</i>	<i>Head office</i>	<i>Main activities</i>
1	Saigon – Bac Giang Industrial Park Corporation	80.8	77.93	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading industrial parks and real estates
2	Saigon - Hai Phong Industrial Park Corporation	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading industrial parks and real estates
3	Northwest Saigon City Development Corporation	74.3	72.44	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh city	Investment, building and trading industrial parks and real estates
4	Trang Cat One Member Urban Development Limited Company	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong city	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach Street, Quoc Tu Giam Ward, Dong Da District, Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province	Investment, building and trading real estates

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

At 30 June 2019, the Company has the following subsidiaries (continued):

<i>No</i>	<i>Company's name</i>	<i>Voting right (%)</i>	<i>Interest right (%)</i>	<i>Head office</i>	<i>Main activities</i>
7	Kinh Bac – Da Nang Investment One Member Company Limited	100	100	61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City	Investment, building and trading real estates
8	Tien Duong Development Holding Joint Stock Company (i)	51	51	100 An Trach, Cat Linh Ward, Dong Da District, Hanoi	Investment, building and trading real estates
9	Tan Phu Trung – Long An Industrial Park One Member Company Limited (ii)	100	72.44	88 Tran Phong Sac, No. 4 Ward, Tan An City, Tan An Province, Vietnam	Architectural activities and related technical consultancy
10	Bac Giang – Long An Industrial Park One Member Company Limited (iii)	100	77.93	489E/Road 824, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural activities and related technical consultancy
11	Tan Tap Industrial Infrastructure Development Limited Company (iv)	100	86.54	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural activities and related technical consultancy

- (i) This subsidiary was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0108647177 issued by the Department of Planning and Investment of Hanoi on 13 March 2019;
- (ii) This subsidiary was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1101916111 issued by Department of Planning and Investment of Long An province on 26 April 2019. This subsidiary is held indirectly by the Company through Northwest Saigon City Development Corporation;
- (iii) This subsidiary was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1101916513 issued by Department of Planning and Investment of Long An province on 6 May 2019. This subsidiary is held indirectly by the Company through Saigon – Bac Giang Industrial Park Corporation;
- (iv) This subsidiary was incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1101916545 issued by Department of Planning and Investment of Long An province on 6 May 2019. This subsidiary is held indirectly by the Company through Saigon - Hai Phong Industrial Park Corporation.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

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

### 2.2 *Applied accounting documentation system*

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

### 2.3 *Fiscal year*

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

### 2.4 *Accounting currency*

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

### 2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2019.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5 *Basis of consolidation* (continued)

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

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of 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 urban 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 compensation, site restoration, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, etc. 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 interim consolidated balance sheet date.

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

### 3.3 *Receivables*

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

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

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 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 interim consolidated income statement as incurred.

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

#### 3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

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

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

#### 3.6 *Depreciation and amortisation*

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

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

#### 3.7 *Investment properties*

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

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

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

Factories	10 years
Land and infrastructure development cost	40 - 45 years

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

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

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

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

#### 3.8 *Borrowing costs*

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

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

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

#### 3.9 *Prepaid expenses*

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

Expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement are amortized 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 interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

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

##### *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 held-for-trading securities and other investments*

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the interim balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 and Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

##### *Held-to-maturity investments*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### 3.12 *Payables and accruals*

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

#### 3.13 *Accrual for severance pay*

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

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

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

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

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

#### 3.15 *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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### 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:

##### *Investment and development fund*

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

##### *Bonus and welfare fund*

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

#### 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.

##### *Sale of factories*

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

##### *Lease of factories*

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

##### *Rendering of services*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### 3.17 Revenue recognition

##### *Income from transfer of investment and trading of securities*

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

##### *Revenue from project transfer*

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

##### *Revenue from transfer of real estate properties*

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

##### *Interest*

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

##### *Dividends*

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

#### 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 project such as common infrastructure, mandatory land reserve for public facilities, etc.

#### 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 interim consolidated balance sheet date.

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

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### 3.19 Taxation (continued)

##### *Deferred tax*

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

#### 3.20 Earnings per share

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

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

#### 3.21 Segment information

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

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

#### 3.22 Related parties

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

### 4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Cash on hand	10,465,660,605	13,110,049,337
Cash at banks	628,633,957,458	205,927,523,514
Cash equivalents (*)	171,341,338,382	5,043,250,639
<b>TOTAL</b>	<b>810,440,956,445</b>	<b>224,080,823,490</b>

(\*) Cash equivalents at 30 June 2019 mainly include short-term deposits in VND at banks which earn interest ranging from 4.7% to 5.2% per annum and have maturity term from 1 month to 3 months. (2018: ranging from 4.3% to 5.2% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 5. SHORT-TERM INVESTMENTS

Currency: VND

	30 June 2019			31 December 2018		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Shares (*)	7,490,461,369	(6,528,956,209)	961,505,160	7,490,461,369	(6,535,199,749)	955,261,620
Held-to-maturity investment (**)	2,000,000,000	-	2,000,000,000	2,000,000,000	-	2,000,000,000
<b>TOTAL</b>	<b>9,490,461,369</b>	<b>(6,528,956,209)</b>	<b>2,961,505,160</b>	<b>9,490,461,369</b>	<b>(6,535,199,749)</b>	<b>2,955,261,620</b>

(\*) As at 30 June 2019, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

(\*\*) Held-to-maturity investment at 30 June 2019 represents deposit at Vietnam Joint Stock Commercial Bank for Industry and Trade which earn interest at 6% per annum and will mature on 29 December 2019 (2018: 6% per annum).

## 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 6.1 Trade receivables

Currency: VND

30 June 2019 31 December 2018

#### Short-term

Trade receivables from customers

<i>Fuhong Precision Component Company Limited (iv)</i>	214,399,296,576	-
<i>Kinh Bac Services JSC (i)</i>	182,291,134,480	182,291,134,480
<i>Jungfeng New Materials Vietnam Company Limited (iv)</i>	136,435,229,300	-
<i>Sai Gon Investment JSC (ii)</i>	104,130,000,000	104,130,000,000
<i>Tay Ninh Infrastructure Development JSC (iii)</i>	59,125,000,000	161,444,065,000
<i>KCT Engineering Ltd</i>	2,121,926,400	218,749,608,000
<i>Goertek Vina Co., Ltd.</i>	283,526,084	581,350,024,989
<i>Other receivables (iv)</i>	578,520,433,146	518,927,563,013
Receivables from related parties (Note 28)	180,000,000	180,000,000
	<b>1,277,486,545,986</b>	<b>1,767,072,395,482</b>

Provision for doubtful debts	6,833,980,650	6,833,980,650
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(i) These are short-term receivables from Kinh Bac Services JSC related to the sale of factories in Quang Chau Industrial Park;

(ii) This is the receivable from Saigon Investment JSC related to the transfer of land at Phuc Ninh Urban Area Project;

(iii) This is the receivable from Tay Ninh Infrastructure Development Co., Ltd related to long-term lease of land and infrastructure in Trang Due Industrial Zone; and

(iv) These are receivables from other customers for long-term lease of land and infrastructure at the industrial parks of the Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)**

**6.2 Advances to suppliers**

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Kinh Bac Investment and Consulting JSC (i)	1,531,795,775,620	1,343,475,990,105
Kinh Bac Services JSC (i)	516,539,335,325	554,274,094,604
Land and industrial zone development center of Viet Yen District (ii)	128,592,971,992	128,142,971,992
Land clearance and compensation committee of Cu Chi District (iii)	30,652,661,421	30,652,661,421
Other advance to suppliers	48,201,444,771	25,308,789,821
<b>TOTAL</b>	<b><u>2,255,782,189,129</u></b>	<b><u>2,081,854,507,943</u></b>

- (i) This is the advance for the site clearance and compensation and construction works of certain on-going projects of the Group.
- (ii) This is the advance to land and industrial zone development center of Viet Yen District for land clearance of Saigon - Bacgiang Industrial Park JSC's on-going projects.
- (iii) This is the advance to land clearance and compensation committee of Cu Chi District related to clearance and compensation for Tan Phu Trung project.

**6.3 Provision for trade receivables**

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Beginning balance	7,333,980,650	7,333,980,650
Provision/(reversal) in the period	-	-
<b>Ending balance</b>	<b><u>7,333,980,650</u></b>	<b><u>7,333,980,650</u></b>
<i>In which:</i>		
<i>Provision for short-term receivables</i>	<i>6,833,980,650</i>	<i>6,833,980,650</i>
<i>Provision for loan receivables</i>	<i>500,000,000</i>	<i>500,000,000</i>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 7. OTHER LOAN RECEIVABLES

	Currency: VND	
	30 June 2019	31 December 2018
<b>Short-term</b>		
- Kinh Bac Investment and Consulting JSC (i)	134,100,000,000	134,100,000,000
- Vien Dong Real Estate and Property JSC	638,758,333	300,000,000
- Saigon Tourism JSC	500,000,000	500,000,000
- Kinh Bac Services JSC	-	31,386,943,534
- Other loan receivables	2,544,541,667	2,883,300,000
- Other loan receivables from related parties (Note 28)	16,492,687,097	11,492,687,097
<b>TOTAL</b>	<b>154,275,987,097</b>	<b>180,662,930,631</b>
<b>Long-term</b>		
- Construction project management unit of Bac Ninh City (Bac Ninh City People's Committee)	700,000,000	700,000,000
<b>TOTAL</b>	<b>700,000,000</b>	<b>700,000,000</b>

(i) These are loan receivables with interest ranging from 10.5% to 12% per annum and will be due in March and November 2019 (2018: from 10.5% to 12% per annum).

## 8. OTHER RECEIVABLES

	Currency: VND			
	30 June 2019		31 December 2018	
	Cost	Provision	Cost	Provision
<b>Short-term</b>				
Saigon Investment JSC (i)	583,000,000,000	-	583,000,000,000	-
Advance to PVcomBank for investment acquisition	223,040,284,000	-	216,840,284,000	-
Kum-Ba JSC (ii)	43,577,296,000	-	43,577,296,000	-
Advances to employees	49,168,534,219	-	56,588,207,482	-
Receivables from Bac Ninh's People Committee relating to land rental subsidy (iii)	19,440,000,000	-	19,440,000,000	-
Kinh Bac Investment and Consulting JSC	17,850,000,001	-	12,541,181,749	-
Kinh Bac Services JSC	-	-	638,720,513,305	-
Deposit receivables (iv)	12,851,128,404	-	12,851,128,404	-
Other receivables	26,840,395,000	-	35,045,576,461	-
Other receivables from related parties (Note 28)	185,658,247,000	-	201,519,033,299	-
	<b>1,161,425,884,624</b>	<b>-</b>	<b>1,820,123,220,700</b>	<b>-</b>
<b>Long-term</b>				
Vien Dong Real Estate and Property JSC (v)	600,000,000,000	-	600,000,000,000	-
Kinh Bac Services JSC (vi)	590,784,157,575	-	-	-
Other long-term receivables	269,000,000	-	269,000,000	-
	<b>1,191,053,157,575</b>	<b>-</b>	<b>600,269,000,000</b>	<b>-</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended**8. OTHER RECEIVABLES (continued)**

- (i) This is the advance to Saigon Investment JSC relating to the purchase of shares in Le Minh Xuan 2 Industrial Park Investment JSC. As at 30 June 2019, the share transfer procedures have not been completed;
- (ii) This is the receivable from Kum-Ba JSC related to the transfer of shares of Lang Ha Investment JSC;
- (iii) In accordance with the minutes of interdisciplinary meeting between the Finance Department of Bac Ninh Province, the Department of Planning and Investment of Bac Ninh Province, the Department of Natural Resources and Environment of Bac Ninh Province, the Management Board of Industrial Parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QD-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province is committed to support land rental for Que Vo Industrial Park project. Accordingly, the subsidy available to the Company is VND 19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park;
- (iv) This is the deposit to Hanoi Agriculture Investment and Development One Member Co., Ltd. in accordance with Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to co-operate to develop a mixed-use real estate project comprising of commercial center, offices, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Commune, Tu Liem District, Ha Noi;
- (v) This is the investment in Vien Dong Meridian project in Danang City, which is a mixed-used project comprising of commercial center, office, hotel and apartment, in accordance with the business co-operation contract dated 18 July 2017 signed with Vien Dong Vietnam Real Estate and Property JSC; and
- (vi) This is the receivables related to the transfer of 48.3 million shares in Saigon-Binh Dinh Energy JSC to Kinh Bac Services JSC in accordance with the contracts dated 22 June 2015 and 15 December 2015 and the late payment interest on these receivables. As at 30 June 2019, the Company has reclassified these receivables to long-term in accordance with the Appendix No. 02-PL/02/HDCNCP/2015, where the due date has been extended to 1 January 2021.

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as at 30 June 2019 and for the six-month period then ended

## 9. INVENTORIES

*Currency: VND*

	30 June 2019		31 December 2018	
	Cost	Provision	Cost	Provision
Trang Cat Industrial and Residential Park (i)	3,507,522,626,254	-	3,505,529,857,431	-
Tan Phu Trung Industrial Park (ii)	2,122,570,204,970	-	2,377,277,112,343	-
Phuc Ninh Urban Area	928,830,514,655	-	859,600,850,430	-
Trang Due Residential Park	514,249,154,352	-	476,157,929,228	-
Nam Son - Hap Linh Industrial Park	401,458,963,863	-	359,201,707,741	-
Quang Chau Industrial Park and Urban area	593,763,670,229	-	685,721,457,549	-
Trang Due Industrial Park - stage 2	56,858,474,312	-	130,182,980,040	-
Que Vo I Industrial Park	37,288,798,159	-	57,860,916,072	-
Que Vo II Industrial Park	24,366,738,795	-	120,435,014,799	-
Trang Due Industrial Park - stage 1 (iii)	9,208,859,981	-	7,255,853,913	-
Merchandise for marketing activities	10,551,935,334	-	316,235,334	-
Other projects	13,919,884,521	-	13,291,654,295	-
<b>TOTAL</b>	<b>8,220,589,825,425</b>	<b>-</b>	<b>8,592,831,569,175</b>	<b>-</b>

Inventories as at 30 June 2019 comprise land compensation and infrastructure development costs, capitalized borrowing costs and other overheads which incurred for the development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh Urban Area, Nam Son - Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Quang Chau Industrial Park, Trang Due Industrial Park, Trang Cat Industrial and Residential Park, and other real estate projects which are developed for sale. Majority of the Group's inventories are used as collaterals for long-term loans as disclosed in Note 19.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

9. **INVENTORIES** (continued)

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

- ▶ obligations of Saigon - Binh Thuan Power Investment and Development JSC ("Saigon - Binh Thuan Company") arising from the acquisition of an investment portfolio from PVcomBank according to the transfer agreement dated 1 August 2012 between the Bank and Saigon - Binh Thuan Company;
- ▶ loans, trust investment and bonds due by the Company and its associates (including the Saigon Telecommunication & Technologies Corporation - SGT) to PVcomBank with a total value of VND 2,429 billion; and
- ▶ loans, trust investment and bonds due by other companies (including Saigon Construction JSC, Saigon Investment JSC, Saigon – Can Tho Industrial Park Corporation, SGI Fund Management JSC, Saigon Construction JSC, NAVI Securities JSC and Asian Securities JSC) to PVcomBank with a total value of VND 1,095 billion.

(ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area which have been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park as developed by Northwest Saigon City Development Corporation, which have been revalued at the date the Group acquired and assumed control over this subsidiary.

(iii) Work in progress in Trang Due Industrial Park - phase 1 includes the fair value of the land area which have been cleared and granted with land assignment decision of Trang Due Industrial Park as developed by Saigon - Hai Phong Industrial Park JSC, which have been revalued at the date the Group acquired and assumed control over this subsidiary.

During the year, the Group capitalized borrowing costs amounting to VND 16.4 billion (2018: VND 70 billion). These costs relate to borrowings taken to finance the construction of Que Vo II Industrial Park, Phuc Ninh Urban area, Quang Chau Industrial Park, Tan Phu Trung Industrial Park, Trang Due II Industrial Park, Trang Cat Industrial and Residential Park, Nam Son Hap Linh Industrial Park and other development projects of the Group.

10. **PREPAID EXPENSES**

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
<b>Short-term</b>		
Real estate brokerage fees	61,980,421,889	58,820,557,347
Other expenses	532,913,984	31,223,440
<b>TOTAL</b>	<b><u>62,513,335,873</u></b>	<b><u>58,851,780,787</u></b>
<b>Long-term</b>		
Car rental fees	-	3,223,484,849
Legal consulting expenses	5,570,000,000	5,540,000,000
Other expenses	13,159,758,486	4,633,231,048
<b>TOTAL</b>	<b><u>18,729,758,486</u></b>	<b><u>13,396,715,897</u></b>



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#### 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>
<b>Cost:</b>						
As at 31 December 2018	235,669,420,095	35,591,154,909	66,573,495,768	14,081,750,517	1,176,109,090	353,091,930,379
- Newly purchased	415,904,320	177,500,000	800,900,000	11,132,417,000	-	12,526,721,320
- Transfer from construction in progress	30,251,698,470	-	-	-	-	30,251,698,470
As at 30 June 2019	266,337,022,885	35,768,654,909	67,374,395,768	25,214,167,517	1,176,109,090	395,870,350,169
<i>In which:</i>						
Fully depreciated	30,688,163,898	3,618,835,891	12,268,717,251	4,891,109,216	894,109,090	52,360,935,346
<b>Accumulated depreciation:</b>						
As at 31 December 2018	129,459,200,874	26,641,347,042	31,719,460,687	7,354,944,428	1,093,484,090	196,268,437,121
- Depreciation for the period	10,676,471,984	1,539,524,153	3,240,368,592	746,640,639	41,250,000	16,244,255,368
As at 30 June 2019	140,135,672,858	28,180,871,195	34,959,829,279	8,101,585,067	1,134,734,090	212,512,692,489
<b>Net carrying amount:</b>						
As at 31 December 2018	106,210,219,221	8,949,807,867	34,854,035,081	6,726,806,089	82,625,000	156,823,493,258
As at 30 June 2019	126,201,350,027	7,587,783,714	32,414,566,489	17,112,582,450	41,375,000	183,357,657,680

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 12. INVESTMENT PROPERTIES

	<i>Currency: VND</i>
	<i>Factories (including cost of land development and infrastructure)</i>
<b>Cost:</b>	
As at 31 December 2018	173,618,450,871
- Disposed in the period	<u>(57,262,335,136)</u>
As at 30 June 2019	<u>116,356,115,735</u>
<b>Depreciation:</b>	
As at 31 December 2018	39,457,301,000
- Depreciation for the period	6,320,284,016
- Disposed in the period	<u>(13,136,494,886)</u>
As at 30 June 2019	<u>32,641,090,130</u>
<b>Net carrying amount</b>	
As at 31 December 2018	<u>134,161,149,871</u>
As at 30 June 2019	<u>83,715,025,605</u>

Investment properties comprise factories at Que Vo Industrial Park, Trang Due Industrial Park, Quang Chau Industrial Park, Tan Phu Trung Industrial Park, which are held for operating leases.

As at 30 June 2019, the Group has not been able to determine the fair value of these investment properties because there is no active market for these properties.

## 13. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>
Hanoi Diplomat Area (i)	106,555,116,818	106,555,116,818
Factories at Quang Chau Industrial Park	62,779,375,383	47,139,529,090
Que Vo I Industrial Park	4,516,537,647	4,516,537,647
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Factories at Trang Due Industrial Park	-	29,540,283,635
Other construction in progress	8,810,157,256	3,240,876,365
<b>TOTAL</b>	<u><b>185,777,690,997</b></u>	<u><b>194,108,847,448</b></u>

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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#### 14. LONG-TERM INVESTMENTS

		Currency: VND	
	Note	30 June 2019	31 December 2018
Investment in associates	14.1	521,166,550,718	516,941,269,318
Other long-term investments	14.2	448,500,200,000	448,500,200,000
Provision for long-term investments	14.2	<u>(17,708,401,963)</u>	<u>(17,708,401,963)</u>
<b>TOTAL</b>		<b><u>951,958,348,755</u></b>	<b><u>947,733,067,355</u></b>

##### 14.1 Investment in associates

		Currency: VND				
		30 June 2019		31 December 2018		
Note	% of voting right	Number of shares	Amount VND	Number of shares	Amount VND	
Saigon Telecommunication & Technologies JSC	(i)	21,48%	15,896,923	230,078,036,771	15,896,923	224,861,575,161
Saigon - Hue Investment JSC	(ii)	28,14%	9,849,000	203,013,744,186	9,849,000	203,850,278,194
Saigon High-tech Park Infrastructure Development Investment JSC	(iii)	27,44%	8,233,083	82,431,285,536	8,233,083	82,436,515,135
Scanviwood JSC	(iv)	34%	1,077,528	<u>5,643,484,225</u>	1,077,528	<u>5,792,900,828</u>
<b>TOTAL</b>				<b><u>521,166,550,718</u></b>		<b><u>516,941,269,318</u></b>

##### (i) Saigon Telecommunication & Technologies JSC

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

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

##### (ii) Saigon - Hue Investment JSC

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

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

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

**14.1 Investment in associates** (continued)

*(iii) Saigon High-tech Park Infrastructure Development Investment Joint Stock Company*

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established pursuant to the Business Registration Certificate No. 4103006017 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 January 2007 and the first amended Business Registration Certificate dated 2 July 2009 with a registered charter capital of VND 300 billion. Its principal activities include infrastructure investment and development; leasing and selling offices, trading centres and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

Its registered office is at 6-1, Ree Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh city, Vietnam.

*(iv) Scanviwood Joint Stock Company*

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**14 LONG-TERM INVESTMENTS (continued)**

**14.1 Investment in associates (continued)**

Investments in associates as at 30 June 2019 are as below:

	Saigon Telecommunication & Technologies JSC	Saigon - Hue Investment JSC	Saigon High-tech Park Infrastructure Development Investment JSC	Scanviwood JSC	Total
<b>Cost of investment:</b>					
As at 31 December 2018	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
As at 30 June 2019	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
<b>Accumulated share in post-acquisition profit/(loss) of the associates</b>					
As at 31 December 2018	(38,403,359,527)	(6,776,721,806)	105,685,135	(1,411,699,172)	(46,486,095,370)
- Share in profit/(loss) of the associates for the period	5,216,461,610	(836,534,008)	(5,229,599)	(149,416,603)	4,225,281,400
As at 30 June 2019	(33,186,897,917)	(7,613,255,814)	100,455,536	(1,561,115,775)	(42,260,813,970)
<b>Amortization of goodwill:</b>					
As at 31 December 2018	160,227,726,386	-	-	-	160,227,726,386
As at 30 June 2019	160,227,726,386	-	-	-	160,227,726,386
<b>Net carrying amount:</b>					
As at 31 December 2018	224,861,575,161	203,850,278,194	82,436,515,135	5,792,900,828	516,941,269,318
As at 30 June 2019	230,078,036,771	203,013,744,186	82,431,285,536	5,643,484,225	521,166,550,718

Currency: VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.2 Other long-term investments

Currency: VND

	30 June 2019			31 December 2018		
	% of voting right	Number of shares	Cost (*)	% of voting right	Number of shares	Cost (*)
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC - Saigontel Media JSC (Note 30.3)	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - Nhon Hoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Ham Tan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
<b>TOTAL</b>			<b>448,500,200,000</b>			<b>448,500,200,000</b>
Provision for other long-term investments			(17,708,401,963)			(17,708,401,963)
<b>NET</b>			<b>430,791,798,037</b>			<b>430,791,798,037</b>

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

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## 15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 15.1 Short-term trade payables

Currency: VND

	30 June 2019		31 December 2018	
	Amount	Amount payable	Amount	Amount payable
Trade payables to suppliers				
- Truong Phat Investment JSC	41,885,717,375	41,885,717,375	5,494,106,040	5,494,106,040
- Kumba JSC	24,197,260,274	24,197,260,274	24,197,260,274	24,197,260,274
- Trung Tien Transportation and Construction JSC	22,801,365,994	22,801,365,994	7,635,524,264	7,635,524,264
- Cong Thanh Technological Environment Co., Ltd	21,863,608,047	21,863,608,047	13,896,411,000	13,896,411,000
- Hai Phat Real Estate JSC	13,019,970,115	13,019,970,115	13,523,326,473	13,523,326,473
- Bao Nam Mineral Trading Import and Export JSC	9,228,274,600	9,228,274,600	12,406,252,400	12,406,252,400
- BlueScope Buildings Vietnam Co., Ltd	2,000,000,000	2,000,000,000	7,335,599,999	7,335,599,999
- Mai Tuan Anh Trading and Transportation Co., Ltd	-	-	11,618,947,600	11,618,947,600
- Kinh Bac Services JSC	-	-	22,197,890,000	22,197,890,000
- Others	92,615,491,657	92,615,491,657	107,812,534,290	107,812,534,290
<b>TOTAL</b>	<b>227,611,688,062</b>	<b>227,611,688,062</b>	<b>226,117,852,340</b>	<b>226,117,852,340</b>

### 15.2 Short-term advances from customers

Currency: VND

	30 June 2019	31 December 2018
Advances for long-term lease of land at Trang Due Industrial Park and Urban Project	169,911,257,552	61,624,603,637
Advances for long-term lease of land at Tan Phu Trung Industrial Park	93,364,391,563	96,449,599,019
Deposits for purchase of houses and land use rights at Quang Chau Urban Project	59,986,801,950	57,394,622,400
Deposits for purchase of houses and land use rights in other real estate projects and low-income housing projects	-	196,232,491,700
Other advances from customers	28,636,379,197	35,480,498,363
<b>TOTAL</b>	<b>351,898,830,262</b>	<b>447,181,815,119</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**16. STATUTORY OBLIGATIONS**

	Currency: VND			
	31 December 2018	Payable for the period	Payment/net-off in the period	30 June 2019
<b>Payables</b>				
Value added tax	87,518,096,545	27,741,291,374	(82,119,980,846)	33,139,407,073
Corporate income tax	194,021,522,426	66,327,610,259	(158,764,720,170)	101,584,412,515
Personal income tax	640,413,536	6,567,299,251	(6,414,426,512)	793,286,275
Other taxes	19,808,974,578	1,880,672,611	(8,390,586,658)	13,299,060,531
<b>TOTAL</b>	<b>301,989,007,085</b>	<b>102,516,873,495</b>	<b>(255,689,714,186)</b>	<b>148,816,166,394</b>
	31 December 2018	Increase for the period	Net-off in the period	30 June 2019
<b>Receivables</b>				
Corporate income tax	86,978,850,743	6,070,510,865	(9,858,609,900)	83,190,751,710
Value added tax	54,195,425,437	53,875,819,080	(7,942,591,877)	100,128,652,640
Other taxes	17,935,053	504,156,033	(85,511,052)	436,580,032
<b>TOTAL</b>	<b>141,192,211,233</b>	<b>60,450,485,978</b>	<b>(17,886,712,829)</b>	<b>183,755,984,382</b>
<i>In which</i>				
Tax receivables	86,996,785,796			83,627,331,742

**17. ACCRUED EXPENSES**

	Currency: VND	
	30 June 2019	31 December 2018
<b>Short-term</b>		
Accrued future development costs for recognised sales	810,612,305,187	986,494,828,986
- Tan Phu Trung Industrial Park	309,545,711,031	337,790,756,801
- Quang Chau Industrial Park	257,525,730,104	368,404,589,673
- Trang Due Industrial Park	158,705,204,141	164,904,179,437
- Que Vo I Industrial Park	54,166,318,898	54,648,275,825
- Que Vo II Industrial Park	30,669,341,013	60,747,027,250
Accrued interest expenses	150,501,417,200	166,715,419,803
Brokerage expenses	29,230,027,107	79,364,021,440
Other accrued expenses	29,724,109,241	11,467,804,589
Accrued interest expenses to related parties (Note 28)	842,481,225	775,082,727
<b>TOTAL</b>	<b>1,020,910,339,960</b>	<b>1,244,817,157,545</b>
<b>Long-term</b>		
Accrued interest expenses (*)	1,065,482,572,587	1,051,174,838,754
<b>TOTAL</b>	<b>1,065,482,572,587</b>	<b>1,051,174,838,754</b>

(\*) This amount mainly includes the bond interest expense payable to PVcomBank. PVcomBank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be due on 31 December 2020 (Note 19.2).



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**18. OTHER PAYABLES**

Currency: VND

30 June 2019 31 December 2018

**Short-term**

Deposit of land transfer agreement at Phuc Ninh Urban Area (i)	446,147,255,819	444,102,553,400
Kinh Bac Services JSC	13,315,640,182	11,948,989,816
Other short-term payables	29,706,551,074	42,383,417,710
<b>TOTAL</b>	<b>489,169,447,075</b>	<b>498,434,960,926</b>

**Long-term**

Cholimex Mechatronics Informatics JSC (ii)	55,500,000,000	55,500,000,000
Other deposits (iii)	55,219,304,826	65,065,727,944
Other long-term payables	7,532,494,012	14,592,329,063
<b>TOTAL</b>	<b>118,251,798,838</b>	<b>135,158,057,007</b>

- (i) This is deposit to the Company for land transfer agreement at Phuc Ninh Urban Area.
- (ii) In 2014, the Company received VND 55.5 billion from Cholimex Mechatronics Informatics JSC for the development of Phuc Ninh Urban Project in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.
- (iii) These mainly pertain to deposits from long-term lease of land and infrastructure at industrial parks of the Group.

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## 19. LOANS

	31 December 2018		Movement during the period		30 June 2019	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Current portion of long-term loans (Note 19.1 and 19.2)	1,016,039,792,014	1,016,039,792,014	800,000,000,000	(572,039,792,014)	1,244,000,000,000	1,244,000,000,000
Loans from related parties (Note 28)	152,330,830,000	152,330,830,000	-	(30,000,000,000)	122,330,830,000	122,330,830,000
Loans from others (*)	35,935,378,567	35,935,378,567	60,000,000,000	(70,000,000,000)	25,935,378,567	25,935,378,567
	<b>1,204,306,000,581</b>	<b>1,204,306,000,581</b>	<b>860,000,000,000</b>	<b>(672,039,792,014)</b>	<b>1,392,266,208,567</b>	<b>1,392,266,208,567</b>
Long-term						
Long-term loans from banks (Note 19.1)	420,746,370,720	420,746,370,720	58,635,966,615	(111,264,042,682)	368,118,294,653	368,118,294,653
Bonds (Note 19.2)	862,118,545,452	862,118,545,452	407,828,048,751	(808,554,545,454)	461,392,048,749	461,392,048,749
<b>TOTAL</b>	<b>1,282,864,916,172</b>	<b>1,282,864,916,172</b>	<b>466,464,015,366</b>	<b>(919,818,588,136)</b>	<b>829,510,343,402</b>	<b>829,510,343,402</b>

(\*) These include unsecured, interest free loans from Saigon Investment JSC and Kinh Bac Services JSC.

Currency: VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**19. LOANS (continued)**

**19.1 Long-term loans**

As at 30 June 2019, details of long-term loans from banks are as follows:

Currency: VND

Banks	Ending balance	Interest rate	Principal and interest payment term	Description of collateral
Vietnam Public Joint Stock Commercial Bank	190,000,000,000	9.9% per anum	Loan principal and interest are due on 31 December 2019. Interest is payable after principal repayment and before 31 December 2020	Assets formed in the future of 120 hecta area in Quang Chau Industrial Park
Joint Stock Commercial Bank for Investment and Development of Vietnam – Bac Ninh Branch	63,013,940,299	10.5% per anum	Principal is repayable every 6 months, started from 1 December 2018. Interest is payable every 3 months, started from 19 September 2018	All the assets formed in the future include the land use right and assets attached with the land of 22 hecta in Phuc Ninh Urban Area.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo Industrial Park branch	109,726,116,812	10.5% per anum	Principal repayment on 6 February 2020. Interest payment on the last 25 <sup>th</sup> per quarter	Infrastructure and other assets which will be formed in the future at Trang Due II Industrial Park. Estimated asset value is VND 1,000 billion.
	167,512,833,451	10.5% per anum	Principal repayment on 29 November 2022. Interest payment on last 25 <sup>th</sup> day per quarter	All the assets formed in the future of the 100 hecta project in Phase 1 of Nam Son - Hap Linh Industrial park; along with the property rights arising from the economic contracts for trading of infrastructure, land and other attached properties of 100 hecta land area of stage 1 in Nam Son – Hap Linh Industrial Park.
	81,865,404,091	10.5% per anum	Principal repayment on 16 November 2022. Principal is repayable every 6 months. Interest is payable every 3 months, started from 25 August 2017	All assets formed from 83.8 hecta land area infrastructure development of Que Vo II Industrial Park.

<b>TOTAL</b>	<b>612,118,294,653</b>
<i>In which:</i>	
Current portion of long-term loans	244,000,000,000
Long-term loans	368,118,294,653

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**19. LOANS (continued)**

**19.2 Bonds**

As at 30 June 2019, bonds issued by the Group are as follows:

<i>Bond</i>	<i>Type of bond</i>	<i>Number of bonds</i>	<i>Par value VND</i>	<i>Amount (VND)</i>	<i>Interest rate per annum</i>	<i>Duration</i>	<i>Description of collaterals</i>
KBC Bond 004	Corporate bond issued to PVcomBank	1,000,000	100,000	100,000,000,000	9.9%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
KBCbond1-2017	Corporate bond issued to BIDV- Saigon Northern branch	380	1,000,000,000	380,000,000,000	10.33%	21 November 2022	Contributed capital in Commercial Center, Office, Hotel and Apartment - Vien Dong Meridian in Danang City
KBC Bond2018 -01	Corporate bond	2,000,000	100,000	200,000,000,000	10.5%	5 May 2020	Shares of Sai Gon- Hai Phong Industrial Park Corporation
KBC Bond2018 -02	Corporate bond	4,000,000	100,000	400,000,000,000	10.625%	14 May 2020	Shares of Sai Gon- Hai Phong Industrial Park Corporation
KBCbond01-2019	Corporate bond	2,000,000	100,000	200,000,000,000	10.0%	29 January 2020	Shares of Sai Gon- Bac Giang Industrial Park Corporation
KBCbond05-2019	Corporate bond	2,000,000	100,000	200,000,000,000	10.5%	28 June 2021	Shares of Sai Gon- Bac Giang Industrial Park Corporation
Bond issue costs:				(18,607,951,251)			
<b>TOTAL</b>		<b>11,000,380</b>		<b>1,461,392,048,749</b>			
<i>In which:</i>							
<i>Bonds due in the next year</i>				1,000,000,000,000			
<i>Long-term bonds</i>				480,000,000,000			
<i>Bond issue costs of long-term bonds</i>				(18,607,951,251)			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 20. OWNERS' EQUITY

### 20.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
<b>For the six-month period ended 30 June 2018</b>							
As at 31 December 2017	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	2,904,506,892,048	749,667,313,428	9,038,107,349,299
- Net profit for the period	-	-	-	-	269,294,718,417	21,809,816,743	291,104,535,160
- Other decrease	-	-	-	-	-	(50,000,000)	(50,000,000)
As at 30 June 2018	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	3,173,801,610,465	771,427,130,171	9,329,161,884,459
<b>For the six-month period ended 30 June 2019</b>							
As at 31 December 2018	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	3,650,661,947,305	802,762,703,429	9,837,357,794,557
- Net profit for the period	-	-	-	-	390,580,237,525	122,336,862,557	512,917,100,082
- Other decrease	-	-	-	-	-	(77,248,123)	(77,248,123)
As at 30 June 2019	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,041,242,184,830	925,022,317,863	10,350,197,646,516

Currency: VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 20. OWNERS' EQUITY (continued)

### 20.2 Shares

Currency: VND

	30 June 2019			31 December 2018		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contribution by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000	4,757,111,670,000	-
Share premium	989,064,430,000	989,064,430,000	-	989,064,430,000	989,064,430,000	-
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
<b>TOTAL</b>	<b>5,381,709,450,000</b>	<b>5,381,709,450,000</b>	<b>-</b>	<b>5,381,709,450,000</b>	<b>5,381,709,450,000</b>	<b>-</b>

### 20.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
<b>Contributed capital</b>		
Beginning balance	4,757,111,670,000	4,757,111,670,000
Increase in the period	-	-
Decrease in the period	-	-
Ending balance	4,757,111,670,000	4,757,111,670,000
<b>Dividends/profit paid</b>	-	-

### 20.4 Shares

	30 June 2019		31 December 2018	
	Shares	Par value (VND)	Shares	Par value (VND)
<b>Issued shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
<b>Issued and paid-up shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
Ordinary shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Preference shares	-	-	-	-
<b>Treasury shares</b>	<b>5,950,978</b>	<b>59,509,780,000</b>	<b>5,950,978</b>	<b>59,509,780,000</b>
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preference shares	-	-	-	-
<b>Shares in circulation</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>
Ordinary shares	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND 10,000/share (31 December 2018: VND10,000/share).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**21. NON-CONTROLLING INTEREST**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Beginning balance	802,762,703,429	749,667,313,428
Profit attributable to non-controlling interest	122,336,862,557	21,809,816,743
Other decreases	(77,248,123)	(50,000,000)
<b>Ending balance</b>	<b><u>925,022,317,863</u></b>	<b><u>771,427,130,171</u></b>

**22. REVENUES****22.1 Revenue from sales of goods and rendering of services**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Gross revenue</b>	<b>1,569,931,202,152</b>	<b>1,003,765,405,893</b>
<i>Of which:</i>		
Revenue from long-term lease of land and infrastructures (*)	1,351,661,930,698	823,764,001,301
Sales of factories	105,615,846,960	-
Revenue from supply of clean water, electricity, management service, waste water treatment supply	94,083,765,263	71,812,133,925
Revenue from operating leases of warehouse, factories and offices	12,483,384,454	17,113,002,888
Revenue from real estate transfer	1,684,009,834	91,076,267,779
Other revenue	4,402,264,943	-
<b>Less</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b><u>1,569,931,202,152</u></b>	<b><u>1,003,765,405,893</u></b>
<i>Of which:</i>		
<i>Sales to others</i>	<i>1,569,931,202,152</i>	<i>1,003,765,405,893</i>
<i>Sales to related parties</i>	<i>-</i>	<i>-</i>

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

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## 22. REVENUES (continued)

### 22.1 Revenue from sales of goods and rendering of services (continued)

	Currency: VND	
	<i>Revenue recognized in full at the hand-over date</i>	<i>Revenue is amortized over the lease term</i>
Revenues from goods and rendering services	1,569,931,202,152	251,833,934,845
<i>Of which:</i>		
<i>Revenue from long-term lease of land and     infrastructures</i>	<i>1,351,661,930,698</i>	<i>32,745,197,521</i>
Cost of goods sold and services rendered	<u>(701,834,411,562)</u>	<u>(113,753,079,234)</u>
Gross profit of goods sold and services rendered	<b><u>868,096,790,590</u></b>	<b><u>138,080,855,611</u></b>

### 22.2 Finance income

	Currency: VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest income from outstanding receivables of share transfer contract (*)	20,000,538,514	21,110,212,094
Interest income from term deposits and loans	9,434,371,151	8,774,258,880
Interest income on outstanding receivables from long-term lease of land and sale of factories	23,048,095	7,962,327,138
Other finance income	<u>156,663,427</u>	<u>483,304,108</u>
<b>TOTAL</b>	<b><u>29,614,621,187</u></b>	<b><u>38,330,102,220</u></b>

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

## 23. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Cost of long-term lease of land and infrastructures	600,661,431,765	370,585,756,439
Cost of supplying of clean water, electricity, management service, waste water treatment supply	59,094,601,509	41,285,721,943
Cost of factories sold	32,877,938,899	-
Cost of warehouses, factories and offices for operating lease	6,903,467,291	7,399,366,684
Cost of real estate transferred	<u>2,296,972,098</u>	<u>42,825,454,546</u>
<b>TOTAL</b>	<b><u>701,834,411,562</u></b>	<b><u>462,096,299,612</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**25. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Interest expenses	97,765,842,968	110,907,198,768
Others	8,618,726,759	373,438,077
<b>TOTAL</b>	<b><u>106,384,569,727</u></b>	<b><u>111,280,636,845</u></b>

**25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Selling expenses</b>		
Consultation and brokerage expenses	49,788,791,532	14,968,162,567
Labour costs	2,016,893,000	1,156,141,000
Others	5,179,604,885	2,318,926,329
<b>TOTAL</b>	<b><u>56,985,289,417</u></b>	<b><u>18,443,229,896</u></b>
<b>Administrative expenses</b>		
Depreciation	5,320,004,612	3,167,302,705
Labour costs	47,832,889,900	46,735,582,281
External services	16,977,967,033	14,419,887,540
Others	14,149,165,776	15,885,712,822
<b>TOTAL</b>	<b><u>84,280,027,421</u></b>	<b><u>80,208,485,348</u></b>

**26. PRODUCTION AND OPERATING COSTS**

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Land, infrastructure, factories development and services rendering expenses	279,339,574,439	350,880,988,722
Labour costs	51,254,841,923	46,878,705,921
Depreciation of fixed assets, amortisation of goodwill and allocation of prepaid expenses	22,613,042,303	17,903,017,367
Expenses for external services	79,608,583,194	61,123,873,412
Other expenses	27,806,242,690	18,101,963,773
<b>TOTAL</b>	<b><u>460,622,284,549</u></b>	<b><u>494,888,549,195</u></b>

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## 27. CORPORATE INCOME TAX

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

- ▶ For the industrial park development activities at Quang Chau Industrial Park, Saigon - Bacgiang Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2019 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2019 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 2, Sai Gon - Hai Phong Industrial Park JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations. The subsidiary is entitled to an exemption from CIT for 4 years from 2015 to 2018, and a 50% reduction of the applicable CIT rate for the following 9 years up to 2027. The statutory CIT rate applicable for the six-month period ended 30 June 2019 is 10%.
- ▶ For the industrial park development activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development JSC is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2007 to 2010, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2019 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Limited Company is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2012 to 2015, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the six-month period ended 30 June 2019 is 10% with a 50% reduction.

The tax returns filed by the Group and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

### 27.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Current CIT expenses	71,436,911,942	72,864,821,105
Deferred CIT expenses	63,029,333,195	10,281,977,473
<b>TOTAL</b>	<b>134,466,245,137</b>	<b>83,146,798,578</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 27. CORPORATE INCOME TAX (continued)

### 27.1 CIT expenses (continued)

The reconciliation between the profit before tax and taxable income is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Profit before tax</b>	<b>647,383,345,219</b>	<b>374,251,333,738</b>
CIT expense at rates applicable to companies in the Group	128,168,834,317	81,692,367,257
<i>In which:</i>		
<i>5% tax rate applied to long-term lease of land     activities</i>	3,683,082,419	1,018,496,321
<i>10% tax rate applied to long-term lease of     land activities</i>	2,446,695,171	1,381,896,763
<i>20% tax rate to other activities</i>	122,039,056,727	79,291,974,173
<i>Adjustments to increase</i>		
Non-deductible expenses	3,688,643,557	1,440,080,932
Loss incurred by branch and subsidiary	2,608,767,263	14,350,389
<b>CIT expenses</b>	<b><u>134,466,245,137</u></b>	<b><u>83,146,798,578</u></b>

### 27.2 Current CIT

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

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

**27.3 Deferred tax**

The followings are the deferred tax liabilities recognized by the Group, and the movements thereon, during the current and previous periods:

Currency: VND

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2019</i>	<i>31 December 2018</i>	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Deferred tax liabilities</b>				
Deferred tax liabilities arising from fair value adjustment on acquisition date at Northwest Saigon City Development Corporation	185,636,576,889	203,154,284,559	(17,517,707,670)	(10,985,256,625)
Deferred tax liabilities arising from fair value adjustment on acquisition date at Sai Gon - Hai Phong Industrial Park Corporation	457,334,951	457,334,951	-	-
Deferred tax liabilities arising from allocation of CIT over the lease term	541,363,038,987	460,815,998,122	80,547,040,865	21,267,234,098
	<b><u>727,456,950,827</u></b>	<b><u>664,427,617,632</u></b>		
<b>Net deferred tax debit to interim consolidated income statement</b>			<b><u>63,029,333,195</u></b>	<b><u>10,281,977,473</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

**27. CORPORATE INCOME TAX** (continued):

**27.4 Unrecognised deferred tax assets**

***Tax losses carried forward***

The Group is entitled to carry each individual tax loss forward to offset against the taxable income arising within 5 subsequent years to the year in which the loss was incurred. At the interim consolidated balance sheet date, the Group had aggregated accumulated tax losses of VND 24,577,514,838 (31 December 2018: VND 17,373,291,502) available for offset against future taxable. Details are as follows:

Currency: VND

Originating year	Can be utilized up to		Tax loss amount	Utilized up to 30 June 2019	Forfeited	Unutilized at 30 June 2019
2014	2019	(i)	89,268,404,637	(7,353,480,794)	(79,913,253,003)	2,001,670,840
2015	2020	(i)	71,200,307,244	-	(68,847,932,661)	2,352,374,583
2016	2021	(i)	3,008,882,395	-	-	3,008,882,395
2017	2022	(i)	4,433,878,613	-	-	4,433,878,613
2018	2023	(ii)	5,476,455,673	-	-	5,476,455,673
Current period	2024	(ii)	7,304,252,734	-	-	7,304,252,734
<b>TOTAL</b>			<b>180,692,181,296</b>	<b>(7,353,480,794)</b>	<b>(148,761,185,664)</b>	<b>24,577,514,838</b>

- (i) These are estimated tax losses of the Company's branch which has been audited by the local tax authorities, and estimated tax losses of Trang Cat One Member Development Company Limited which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.
- (ii) These are estimated tax losses as per the Company and Trang Cat One Member Development Company Limited's corporate income tax declarations which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 28. TRANSACTIONS WITH RELATED PARTIES

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

<i>No</i>	<i>Related party</i>	<i>Relationship</i>
1	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate
2	Saigon Telecommunication & Technologies Corporation	Associate
3	Saigon - Da Nang Investment JSC	Common investor
4	Mr. Dang Thanh Tam	Chairman
5	Ms. Nguyen Thi Thu Huong	General Director
6	Mr. Phan Anh Dung	Deputy General Director
7	Ms. Nguyen My Ngoc	Deputy General Director

Significant transactions with related parties for the six-month period ended 30 June 2019 and 30 June 2018 were as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Currency: VND</i>	
		<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
Mr. Dang Thanh Tam	Saigon - Hai Phong Industrial Park Corporation received reimbursement	10,329,509,000	88,761,201,000
Sai Gon- Da Nang Investment JSC	Saigon - Hai Phong Industrial Park Corporation repaid loan principal	30,000,000,000	-
Saigon Telecommunication & Technologies Corporation	Northwest Saigon City Development Corporation lending	5,000,000,000	-

### *Terms and conditions of transactions with related parties*

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

Outstanding balances at 30 June 2019 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2019, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2018: 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 28. TRANSACTIONS WITH RELATED PARTIES (continued)

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

		<i>Currency: VND</i>	
<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2019</i>	<i>31 December 2018</i>
<b>Short-term trade receivables (Note 6)</b>			
Mr. Phan Anh Dung	Receivable from sale of land	180,000,000	180,000,000
		<b>180,000,000</b>	<b>180,000,000</b>
<b>Short-term loan receivables (Note 7)</b>			
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Short-term loan receivables	6,292,687,097	6,292,687,097
Saigon Telecommunication & Technologies Corporation	Short-term loan receivables	10,200,000,000	5,200,000,000
		<b>16,492,687,097</b>	<b>11,492,687,097</b>
<b>Other short-term receivables (Note 8)</b>			
Mr. Dang Thanh Tam	Advances	185,484,800,000	195,814,309,000
Ms. Nguyen My Ngoc	Advances	173,447,000	173,447,000
Ms. Nguyen Thi Thu Huong	Advances	-	3,489,211,820
Mr. Phan Anh Dung	Advances	-	110,000,000
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Deposit	-	1,932,065,479
		<b>185,658,247,000</b>	<b>201,519,033,299</b>
<b>Accrued expenses (Note 17)</b>			
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Interest payable	842,481,225	775,082,727
		<b>842,481,225</b>	<b>775,082,727</b>
<b>Short-term loans (Note 19)</b>			
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (*)	Short-term loans	112,330,830,000	112,330,830,000
Saigon - Da Nang Investment JSC (**)	Short-term loans	10,000,000,000	40,000,000,000
		<b>122,330,830,000</b>	<b>152,330,830,000</b>

(\*) This is the short-term, unsecured loan which bears interest at 0.01% per month and will be matured on 1 July 2019.

(\*\*) This is the short-term, unsecured loan which bears interest at 12% per annum and will be matured on 26 February 2019.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

## 28. TRANSACTIONS WITH RELATED PARTIES (continued)

### *Transactions with other related parties*

Remuneration to General Director, Deputy General Directors and Chief Accountant:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
General Director	4,205,533,000	3,237,133,000
Deputy General Directors and Chief Accountant	3,183,012,000	2,466,779,000
	<b><u>7,388,545,000</u></b>	<b><u>5,703,912,000</u></b>

## 29. EARNINGS PER SHARE

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2019</i>	<i>For the six-month period ended 30 June 2018</i>
<b>Net profit after tax attributable to ordinary equity holders for basic earnings</b>	<b>390,580,237,525</b>	<b>269,294,718,417</b>
<i>Effect of dilution:</i>	-	-
<b>Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b><u>390,580,237,525</u></b>	<b><u>269,294,718,417</u></b>
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>469,760,189</b>	<b>469,760,189</b>
<i>Effect of dilution:</i>	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b><u>469,760,189</u></b>	<b><u>469,760,189</u></b>
Basic earnings per share	831	573
Diluted earnings per share	831	573

There is no ordinary shares transaction or preference share transaction since 30 June 2019 until the date of this interim consolidated financial statements.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 30. COMMITMENTS AND CONTINGENCIES

#### 30.1 Commitments relating to real estate investment projects

*Commitments relating to the State:*

- (i) According to Decision No. 1526/QD-CT dated 17 December 2003 and Decision No. 971/QD-UBND dated 15 July 2009 by Bac Ninh Provincial People's Committee regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh Town, Bac Ninh Province, the Company has an obligation to pay land use fees and other charges for the residential land area, commercial and public areas in the Phuc Ninh Residential Area. Accordingly, the Company was handed over 49.53 ha of land in 2010, completed the land marking for 47.2 ha of land in 2013 with Bac Ninh Provincial People's Committee and paid the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT dated 23 December 2004 by Bac Ninh Provincial People's Committee on the land use fee (phase 1) and the notices of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2019, the Company is in the process of finalizing the land use fee with Bac Ninh Provincial People's Committee for the above assigned land.
- (ii) From 2003 to 2014, the Company signed a number of land rental contracts with Bac Ninh Provincial People's Committee for the land area at Que Vo I Industrial Park and Que Vo II Industrial Park, which is 2,268,388.8 m<sup>2</sup> (up to 2052) and 1,652,779 m<sup>2</sup> (up to 2057), respectively. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. As at 30 June 2019, the Company is still in the process of finalizing land use payments with Bac Ninh Provincial People's Committee for the above-mentioned land areas under the Land Law No. 45/2013/QH2013 dated 1 July 2014 by the National Assembly and Decree 135/2016/ND-CP dated 9 September 2016 by the Government with effect from 15 November 2016 and relevant regulations on collection of land use right and rental fees.
- (iii) On 10 June 2015, the Company signed a land rental contract with Bac Ninh Provincial People's Committee for 766,858.9 m<sup>2</sup> land area assigned at Nam Son Hap Linh Industrial Park (up to 2058). As at 30 June 2019, the Company is still in the process of finalizing with the authorities to determine land rental obligations.
- (iv) On 20 March 2013, the Department of Finance of Ho Chi Minh City sent a notice to Northwest Saigon City Development JSC ("SCD") advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square meter for 2011 and 2012. However, according to Decision No. 2093/QD-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC on removal of difficulties for enterprises, land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, SCD currently accrues the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014 based on the land rental rate of VND 500/m<sup>2</sup>, equivalent to two times of 2010 land rental fee which was approved by Ho Chi Minh City People's Committee under the land lease contract No. 2516/HD-TNMT-QHSDD on 5 April 2007. At the same time, SCD sent a letter to the Ho Chi Minh City People's Committee to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 pursuant to the above regulations. On 5 October 2017, Ho Chi Minh city Tax department issued Notice No. 9726/CT-KTTĐ on land rental for the change in land use purpose in Tan Phu Trung Industrial Park, Cu Chi District. According to which, the land rental fee of 12 tenants from 1 January 2016 to 16 December 2054 is VND 10,158,341,700; and late payment penalty has been calculated to 30 June 2017 is VND 12,219,236,070. The Company has paid such land rental fee and late payment penalty in 2018 in accordance with above notice.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 30. COMMITMENTS AND CONTINGENCIES (continued)

#### 30.1 Commitments relating to real estate investment projects (continued)

*Commitments relating to the State: (continued)*

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

*Capital expenditure commitments*

As at 30 June 2019, the Company and its subsidiaries have entered into contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Quang Chau urban area, Trang Due Industrial Park and Trang Cat urban area with total outstanding contractual commitment amounts to approximately VND 663 billion.

#### 30.2 Guarantee and security

The Group has the following contingent liabilities related to guarantees as at 30 June 2019:

*Guarantee under the mortgage contract with PVcomBank:*

As disclosed in Note 9, Trang Cat One Member Urban Development Limited Company ("Trang Cat LLC") signed mortgage contract No. 0202/2013/HDTG-DN dated 22 February 2013 with PVcomBank to guarantee for payment obligations of third parties. Accordingly, Trang Cat LLC has agreed to pledge part of its assets related to the Trang Cat Urban and Service Zone Project ("the Project") to guarantee for the loans, trust investment, corporate bonds and other contractual obligations of the Group, its subsidiaries, associates and other companies.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2019 and for the six-month period then ended

### 30. COMMITMENTS AND CONTINGENCIES (continued)

#### 30.3 Disputes

##### *Disputes with VTC Wireless Telecommunications Corporation*

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

### 31. EVENTS AFTER THE BALANCE SHEET DATE

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



Luu Phuong Mai  
Preparer



Pham Phuc Hieu  
Chief Accountant and  
Deputy General Director



Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

29 August 2019