

KinhBac City Development Holding Corporation

Interim separate 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 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 16th 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 of Supervision |
| Ms. The Thi Minh Hong | Member |
| Mr. Tran Tien Thanh | Member |

MANAGEMENT

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

| | |
|--------------------------|--|
| Ms. Nguyen Thi Thu Huong | General Director |
| Mr. Phan Anh Dung | Deputy General Director |
| Mr. Pham Phuc Hieu | Deputy General Director 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 - Chairman. In accordance with the Authorization Letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong – General Director has been authorized by Mr. Dang Thanh Tam to sign the accompanying interim separate financial statements for the six-month period ended 30 June 2019 in accordance with the Letter of Authorisation No. 2311/2012/KBC/UQ dated 23 November 2012.

AUDITORS

The auditor of the Company is Ernst & 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 separate financial statements of the Company for the six-month period ended 30 June 2019.

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

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

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

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

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

STATEMENT BY MANAGEMENT

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

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company has prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 30 June 2019 dated 29 August 2019.

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

For and on behalf of management:



Nguyễn Thị Thu Hương
General Director

Bac Ninh, Vietnam

29 August 2019

Reference: 60774739/21041563-LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the accompanying interim separate financial statements of KinhBac City Development Holding Corporation (“the Company”) as prepared on 29 August 2019 and set out on pages 6 to 50, which comprise the interim separate balance sheet as at 30 June 2019, and the interim separate income statement and interim separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnam Standards 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 separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2019, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the interim separate financial statements. The Company has prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2019 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 29 August 2019 expressed an unmodified conclusion.

Our review conclusion on the interim separate financial statements is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Bùi Anh Tuấn
Deputy General Director
Audit Practising Registration
Certificate No. 1067-2018-004-1

Hanoi, Vietnam

29 August 2019

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INTERIM SEPARATE BALANCE SHEET
as at 30 June 2019

Currency: VND

| Code | ASSETS | Notes | 30 June 2019 | 31 December 2018 |
|------------|--|----------|--------------------------|--------------------------|
| 100 | A. CURRENT ASSETS | | 3,292,563,638,460 | 4,534,173,949,692 |
| 110 | I. Cash and cash equivalents | 4 | 371,531,208,382 | 115,915,328,929 |
| 111 | 1. Cash | | 371,531,208,382 | 115,915,328,929 |
| 120 | II. Short-term investments | 5 | 961,505,160 | 955,261,620 |
| 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) |
| 130 | III. Current accounts receivable | | 1,403,827,871,719 | 2,948,180,323,667 |
| 131 | 1. Short-term trade receivables | 6.1 | 205,164,137,484 | 1,071,566,210,692 |
| 132 | 2. Short-term advances to suppliers | 6.2 | 916,338,901,448 | 929,961,584,362 |
| 135 | 3. Short-term loan receivables | 7 | 500,000,000 | 34,086,943,534 |
| 136 | 4. Other short-term receivables | 8 | 289,158,813,437 | 919,899,565,729 |
| 137 | 5. Provision for doubtful short-term receivables | 6.3 | (7,333,980,650) | (7,333,980,650) |
| 140 | IV. Inventories | 9 | 1,415,327,922,750 | 1,410,245,696,320 |
| 141 | 1. Inventories | | 1,415,327,922,750 | 1,410,245,696,320 |
| 150 | V. Other current assets | | 100,915,130,449 | 58,877,339,156 |
| 151 | 1. Short-term prepaid expenses | 14 | 59,082,891,897 | 58,851,780,787 |
| 152 | 2. Value-added tax deductible | 16 | 35,761,727,687 | 25,558,369 |
| 153 | 3. Tax and other receivables from the State | 16 | 6,070,510,865 | - |

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

Currency: VND

| Code | ASSETS | Notes | 30 June 2019 | 31 December 2018 |
|------------|---|---------------|---------------------------|---------------------------|
| 200 | B. NON-CURRENT ASSETS | | 7,742,410,241,031 | 7,669,194,409,873 |
| 210 | I. Long-term receivables | | 1,265,622,360,384 | 3,805,320,816,284 |
| 215 | 1. Long-term loan receivables | 7 | 71,839,612,162 | 1,901,832,633,533 |
| 216 | 2. Other long-term receivables | 8 | 1,193,782,748,222 | 1,903,488,182,751 |
| 220 | II. Fixed assets | | 123,830,233,140 | 121,656,937,560 |
| 221 | 1. Tangible fixed assets | 10 | 123,830,233,140 | 121,656,937,560 |
| 222 | Cost | | 251,960,670,066 | 240,277,809,776 |
| 223 | Accumulated depreciation | | (128,130,436,926) | (118,620,872,216) |
| 227 | 2. Intangible fixed assets | | - | - |
| 228 | Cost | | 36,958,000 | 36,958,000 |
| 229 | Accumulated amortisation | | (36,958,000) | (36,958,000) |
| 230 | III. Investment properties | 11 | 24,328,500,102 | 70,977,073,092 |
| 231 | 1. Cost | | 28,261,165,142 | 85,523,500,278 |
| 232 | 2. Accumulated depreciation | | (3,932,665,040) | (14,546,427,186) |
| 240 | IV. Long-term assets in progress | 12 | 13,558,315,614 | 12,229,034,723 |
| 242 | 1. Construction in progress | | 13,558,315,614 | 12,229,034,723 |
| 250 | V. Long-term investments | 13 | 6,314,005,640,237 | 3,658,305,154,187 |
| 251 | 1. Investment in subsidiaries | 13.1 | 5,494,046,314,000 | 2,859,806,314,000 |
| 252 | 2. Investments in jointly controlled entities and associates | 13.2 | 723,655,091,074 | 723,655,091,074 |
| 253 | 3. Investment in other entities | 13.3 | 448,500,200,000 | 448,500,200,000 |
| 254 | 4. Provision for diminution in value of long-term investments | 13.2, 13.3 | (352,195,964,837) | (373,656,450,887) |
| 260 | VI. Other long-term assets | | 1,065,191,554 | 705,394,027 |
| 261 | 1. Long-term prepaid expenses | 14 | 1,065,191,554 | 705,394,027 |
| 270 | TOTAL ASSETS | | 11,034,973,879,491 | 12,203,368,359,565 |

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

Currency: VND

| Code | ASSETS | Notes | 30 June 2019 | 31 December 2018 |
|------------|---|-----------|---------------------------|---------------------------|
| 300 | C. LIABILITIES | | 3,603,631,739,636 | 4,758,982,383,393 |
| 310 | i. Current liabilities | | 1,904,432,251,591 | 2,187,563,815,223 |
| 311 | 1. Short-term trade payables | 15.1 | 106,895,249,863 | 91,128,324,973 |
| 312 | 2. Short-term advances from customers | 15.2 | 28,636,379,197 | 219,398,339,281 |
| 313 | 3. Statutory obligations | 16 | 640,589,958 | 197,594,677,834 |
| 315 | 4. Short-term accrued expenses | 17 | 146,829,369,275 | 236,523,990,580 |
| 318 | 5. Short-term unearned revenues | | 2,888,452,582 | 2,908,239,932 |
| 319 | 6. Other short-term payables | 18 | 447,888,001,383 | 453,729,869,956 |
| 320 | 7. Short-term loans | 19 | 1,166,330,830,000 | 981,956,993,334 |
| 322 | 8. Bonus and welfare fund | | 4,323,379,333 | 4,323,379,333 |
| 330 | ii. Non-current liabilities | | 1,699,199,488,045 | 2,571,418,568,170 |
| 333 | 1. Long-term accrued expenses | 17 | 811,516,409,304 | 811,326,390,271 |
| 337 | 2. Other long-term liabilities | 18 | 60,276,347,328 | 63,025,083,268 |
| 338 | 3. Long-term loans | 19 | 789,572,653,632 | 1,658,816,896,350 |
| 341 | 4. Deferred tax liabilities | 26.3 | 36,882,109,819 | 37,298,230,319 |
| 342 | 5. Long-term provisions | | 951,967,962 | 951,967,962 |
| 400 | D. OWNERS' EQUITY | | 7,431,342,139,855 | 7,444,385,976,172 |
| 410 | i. Capital | 20 | 7,431,342,139,855 | 7,444,385,976,172 |
| 411 | 1. Share capital | | 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 | | 988,533,430,000 | 988,533,430,000 |
| 415 | 3. Treasury shares | | (364,466,650,000) | (364,466,650,000) |
| 418 | 4. Investment and development fund | | 2,223,693,823 | 2,223,693,823 |
| 421 | 5. Undistributed earnings | | 2,047,939,996,032 | 2,060,983,832,349 |
| 421a | - Undistributed earnings up to end of prior year | | 2,060,983,832,349 | 1,516,565,348,395 |
| 421b | - (Losses)/Undistributed earnings of current period | | (13,043,836,317) | 544,418,483,954 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 11,034,973,879,491 | 12,203,368,359,565 |

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 SEPARATE 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 | 21.1 | 332,084,415,822 | 458,390,628,146 |
| 02 | 2. Deductions | 21.1 | - | - |
| 10 | 3. Net revenue from sale of goods and rendering of services | 21.1 | 332,084,415,822 | 458,390,628,146 |
| 11 | 4. Cost of goods sold and services rendered | 22 | (188,869,214,246) | (148,804,058,758) |
| 20 | 5. Gross profit from sale of goods and rendering of services | | 143,215,201,576 | 309,586,569,388 |
| 21 | 6. Finance income | 21.2 | 28,532,334,863 | 124,231,746,374 |
| 22 | 7. Finance expenses | 24 | (87,163,143,526) | (119,913,998,920) |
| 23 | <i>In which: Interest expenses</i> | | (100,374,367,072) | (109,577,178,714) |
| 25 | 8. Selling expenses | 23 | (49,284,190,625) | (13,749,463,072) |
| 26 | 9. General and administrative expenses | 23 | (46,392,314,599) | (41,987,101,165) |
| 30 | 10. Operating (loss)/profit | | (11,092,112,311) | 258,167,752,605 |
| 31 | 11. Other income | | 220,164,531 | 200,000,000 |
| 32 | 12. Other expenses | | (2,171,888,537) | (1,081,462,000) |
| 40 | 13. Other loss | | (1,951,724,006) | (881,462,000) |
| 50 | 14. Accounting (loss)/profit before tax | | (13,043,836,317) | 257,286,290,605 |
| 51 | 15. Current corporate income tax expenses | 26.1 | (416,120,500) | (51,952,370,604) |
| 52 | 16. Deferred tax income | 26.3 | 416,120,500 | 104,030,126 |
| 60 | 17. Net (loss)/profit after tax | | (13,043,836,317) | 205,437,950,127 |


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 SEPARATE 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 |
|------|--|-------|---|---|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | (Loss)/profit before tax | | (13,043,836,317) | 257,286,290,605 |
| | <i>Adjustments for:</i> | | | |
| 02 | Depreciation of fixed assets | 10,11 | 12,032,297,450 | 11,572,228,563 |
| 03 | (Reversal of provision)/provision | | (21,466,729,590) | 10,000,000,000 |
| 05 | Profits from investing activities | | (28,399,646,263) | (124,231,746,374) |
| 06 | Interest expenses | 24 | 100,374,367,072 | 109,577,178,714 |
| 08 | Operating profit before changes in working capital | | 49,496,452,352 | 264,203,951,508 |
| 09 | Decrease/(increase) in receivables | | 1,212,871,215,978 | (129,306,271,093) |
| 10 | (Increase)/decrease in inventories | | (6,411,507,321) | 24,993,567,661 |
| 11 | (Decrease)/increase in payables (other than interest, corporate income tax) | | (84,493,173,912) | 129,032,931,417 |
| 12 | Increase in prepaid expenses | | (590,908,637) | (18,698,726,763) |
| 14 | Interest paid | | (122,747,641,302) | (90,244,613,879) |
| 15 | Corporate income tax paid | 16 | (134,406,897,606) | (140,300,000,000) |
| 20 | Net cash flows from operating activities | | 913,717,539,552 | 39,680,838,851 |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchase and construction of fixed assets and other long- term assets | | (1,257,917,000) | (29,599,449,519) |
| 23 | Loan to other entities and payment for purchase of debt instruments of other entities | | (131,139,612,162) | (10,000,000,000) |
| 24 | Collections from borrowers and proceeds from sale of debt instruments of other entities | | 91,386,943,534 | - |
| 25 | Payments for investments in other entities | | (4,240,000,000) | (1,140,000,000) |
| 26 | Proceeds from sale of investments in other entities | | 39,778,001,357 | - |
| 27 | Interest and dividends received | | 31,514,833,521 | 495,573,150 |
| 30 | Net cash flows from/(used in) investing activities | | 26,042,249,250 | (40,243,876,369) |

INTERIM SEPARATE 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 |
|-----------|---|----------|---|---|
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 33 | Drawdown of borrowings | | 674,998,778,269 | 80,174,293,785 |
| 34 | Repayment of borrowings | | (1,359,142,687,618) | (5,500,000,000) |
| 40 | Net cash flows (used in)/from financing activities | | (684,143,909,349) | 74,674,293,785 |
| 50 | Net increase in cash and cash equivalents for the period | | 255,615,879,453 | 74,111,256,267 |
| 60 | Cash and cash equivalents at beginning of period | | 115,915,328,929 | 199,497,701,139 |
| 70 | Cash and cash equivalents at end of period | 4 | 371,531,208,382 | 273,608,957,406 |



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

1. CORPORATE INFORMATION

KinhBac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest is the 16th 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 No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company’s shares were listed on 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.

The total number of employees as at 30 June 2019 was: 202 (31 December 2018: 175).

Corporate structure

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

| No | Company’s name | Voting right (%) | Effective interest rate (%) | Head office | Main activities |
|----|---|------------------|-----------------------------|--|--|
| 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 Company Limited | 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 industrial parks and real estates |
| 5 | NGD Investment One Member Company Limited | 100 | 100 | No. 100 An Trach Street, Quoc Tu Giam Ward, Dong Da District, Ha Noi | 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 SEPARATE 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, Long 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 Business 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 Business 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 Business 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 the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 1101916545 issued by do 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.

2. BASIS OF PREPARATION

2.1 Purpose of preparation of the interim separate financial statements

KinhBac City Development Holding Corporation has subsidiaries as disclosed in Note 1 and Note 13.1. The Company has prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2019 dated 29 August 2019.

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

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

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system

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

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

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

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

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 which have been built for sale in the normal course of operations of the Company, not for rent or for waiting the price to increase, 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 for sale including expenses on compensation and site restoration, construction of road and drainage system, greenery planting and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost,... and other related costs.

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

Provision for obsolete inventories

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

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

3.3 *Receivables*

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

The provision for doubtful debts represents amounts of outstanding receivables at the interim separate 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 separate income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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



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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.6 *Depreciation and amortisation*

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

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

3.7 *Investment properties*

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

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

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 years |

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 separate 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset 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 separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses (from 1 to 3 years).

3.10 *Investments*

Investment in subsidiaries

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

Distributions from accumulated profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Other distributions are considered a recovery of investment and are deducted to the cost of the investment.

Investment in associates

Investments in associates over which the Company has significant influence are carried at cost.

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

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 26 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 separate 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 separate financial statements and deducted against the value of such investments.

NOTES TO THE INTERIM SEPARATE 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 Payable and accruals

Payable and accrual are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 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 separate income statement.

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

3.13 Foreign currency transactions

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

- ▶ Transaction 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; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

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

3.14 Treasury shares

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Appropriation of net profits*

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

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

Investment and development fund

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

Bonus and welfare fund

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

3.16 *Revenue recognition*

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

Long-term lease of land and infrastructure

Revenue is recognised when the Company 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 Company 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 separate 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 SEPARATE 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 *Revenue recognition* (continued)

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.

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

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

Cost of 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;
- ▶ 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.

3.18 *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 based on the tax rates and tax laws that are enacted as at the interim separate balance sheet date.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Deferred tax

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

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

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

- ▶ either the same taxable entity; or
- ▶ when the Company 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 SEPARATE 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 Segment information

A segment is a component which can be separately identified in which the Company 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 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 Company. Thus, the Company's management assesses that the Company operates in only one business segment which is a real estate business and in one geographic region which is Vietnam.

3.20 Related parties

Parties are considered related parties of the Company 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 Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENTS

| | <i>Currency: VND</i> | |
|---------------|-------------------------------|-------------------------------|
| | <i>30 June 2019</i> | <i>31 December 2018</i> |
| Cash on hand | 7,939,926,261 | 10,583,165,613 |
| Cash at banks | <u>363,591,282,121</u> | <u>105,332,163,316</u> |
| TOTAL | <u>371,531,208,382</u> | <u>115,915,328,929</u> |

5. SHORT-TERM INVESTMENTS

| | <i>Currency: VND</i> | | | | | |
|-------------------------------------|-----------------------------|-------------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------|
| | <i>30 June 2019</i> | | | <i>31 December 2018</i> | | |
| | <i>Cost</i> | <i>Provision</i> | <i>Fair value</i> | <i>Cost</i> | <i>Provision</i> | <i>Fair value</i> |
| <i>Held-for-trading securities:</i> | | | | | | |
| Shares (*) | <u>7,490,461,369</u> | <u>(6,528,956,209)</u> | <u>961,505,160</u> | <u>7,490,461,369</u> | <u>(6,535,199,749)</u> | <u>955,261,620</u> |
| TOTAL | <u>7,490,461,369</u> | <u>(6,528,956,209)</u> | <u>961,505,160</u> | <u>7,490,461,369</u> | <u>(6,535,199,749)</u> | <u>955,261,620</u> |

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

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivables

| | <i>Currency: VND</i> | |
|--|-------------------------------|---------------------------------|
| | <i>30 June 2019</i> | <i>31 December 2018</i> |
| Short-term | | |
| Sai Gon Investment JSC (i) | 104,130,000,000 | 104,130,000,000 |
| Thien Phu Services and Trading Construction Investment JSC | 35,777,763,204 | - |
| Goldsun Packaging and Printing JSC | 4,321,728,201 | 4,453,381,555 |
| KCT Engineering Co., Ltd. | 2,121,926,400 | 218,749,608,000 |
| Goertek Vina Co., Ltd. | 283,526,084 | 581,350,024,989 |
| Receivables from land transfer at Phuc Ninh Urban Area | 25,104,484,181 | 40,965,249,991 |
| Other receivables (ii) | 33,244,709,414 | 121,737,946,157 |
| Receivables from related parties (Note 27) | 180,000,000 | 180,000,000 |
| TOTAL | <u>205,164,137,484</u> | <u>1,071,566,210,692</u> |

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

(ii) These are receivables from other customers for lease of land and other utility charges (clean water, waste water treatment supply,...) at the industrial parks of the the Group.

6.2 Short-term advances to suppliers

| | <i>Currency: VND</i> | |
|--|-------------------------------|-------------------------------|
| | <i>30 June 2019</i> | <i>31 December 2018</i> |
| Short-term | | |
| Kinh Bac Investment and Consulting JSC (i) | 592,321,598,894 | 592,321,598,894 |
| Kinh Bac Services JSC (i) | 311,641,225,325 | 326,971,824,604 |
| Cong Thanh Environment – Technology Co., Ltd | 6,040,796,700 | 6,040,796,700 |
| Others | 6,335,280,529 | 4,627,364,164 |
| TOTAL | <u>916,338,901,448</u> | <u>929,961,584,362</u> |

(i) These are the advances for the land clearance and compensation; and for construction works of certain on-going projects of the Company.

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

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.3 Provision for trade receivables

Detail of movements of provision for doubtful 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 | - | - |
| Ending balance | 7,333,980,650 | 7,333,980,650 |
| <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> |

7. OTHER LOAN RECEIVABLES

| | <i>Currency: VND</i> | |
|---|-----------------------|--------------------------|
| | <i>30 June 2019</i> | <i>31 December 2018</i> |
| Short-term | | |
| Saigon Tourism JSC | 500,000,000 | 500,000,000 |
| Kinh Bac Services JSC | - | 31,386,943,534 |
| Saigon - Tay Ninh Industrial Park JSC | - | 300,000,000 |
| Other loan receivables from related parties (Note 27) | - | 1,900,000,000 |
| TOTAL | 500,000,000 | 34,086,943,534 |
| <i>Provision for loans receivable</i> | <i>(500,000,000)</i> | <i>(500,000,000)</i> |
| Long-term | | |
| Construction Project Management Unit of Bac Ninh City (Bac Ninh City People's Committee) | 700,000,000 | 700,000,000 |
| Other loan receivables from related parties (Note 27) | 71,139,612,162 | 1,901,132,633,533 |
| TOTAL | 71,839,612,162 | 1,901,832,633,533 |

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

8. OTHER RECEIVABLES

Currency: VND

| | 30 June 2019 | | 31 December 2018 | |
|---|--------------------------|-----------|--------------------------|-----------|
| | Cost | Provision | Cost | Provision |
| Short-term | | | | |
| Advance to PVcomBank for investment acquisition | 223,040,284,000 | - | 216,840,284,000 | - |
| Receivables from Bac Ninh's People Committee relating to land rental subsidy (ii) | 19,440,000,000 | - | 19,440,000,000 | - |
| Advance to employees | 13,365,637,732 | - | 11,421,664,632 | - |
| Deposit receivables (iii) | 12,851,128,404 | - | 12,851,128,404 | - |
| Receivable from Van Duong People's Committee | 3,327,780,000 | - | 3,327,780,000 | - |
| Receivables from Kinh Bac Services JSC (i) | - | - | 638,720,513,305 | - |
| Other receivables | 17,133,983,301 | - | 13,345,177,540 | - |
| Other receivables from related parties (Note 27) | - | - | 3,953,017,848 | - |
| TOTAL | 289,158,813,437 | - | 919,899,565,729 | - |
| Long-term | | | | |
| Receivables from Kinh Bac Service JSC (i) | 590,784,157,573 | - | - | - |
| Vien Dong Vietnam Real Estate and Property JSC (iv) | 600,000,000,000 | - | 600,000,000,000 | - |
| Other long-term receivables | 60,000,000 | - | 60,000,000 | - |
| Receivable from related parties (Note 27) | 2,938,590,649 | - | 1,303,428,182,751 | - |
| TOTAL | 1,193,782,748,222 | - | 1,903,488,182,751 | - |

- (i) This is the receivables related to the transfer of 48.3 million shares in Saigon - Binh Dinh Energy JSC to Kinh Bac Services JSC according to 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.
- (ii) In accordance with the minute 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 regarding support of investment capital for enterprises No. 1951/QĐ-UBND dated 31 December 2007, the People's Committee of Bac Ninh province 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.
- (iii) This is the deposit to Hanoi Agriculture Investment and Development One member Limited Company in pursuant to the Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to cooperate to develop a mixed-use real estate project comprising of commercial center, office, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai commune, Tu Liem district, Ha Noi.
- (iv) 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.

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

9. INVENTORIES

Currency: VND

| | <i>30 June 2019</i> | | <i>31 December 2018</i> | |
|---|--------------------------|------------------|--------------------------|------------------|
| | <i>Cost</i> | <i>Provision</i> | <i>Cost</i> | <i>Provision</i> |
| Phuc Ninh Urban Area Nam Son - Hap Linh Industrial Park | 928,830,514,655 | - | 859,600,850,430 | - |
| Que Vo II Industrial Park | 401,458,963,863 | - | 359,201,707,741 | - |
| Que Vo I Industrial Park | 24,366,738,795 | - | 120,435,014,799 | - |
| Other projects | 37,288,798,159 | - | 57,860,916,072 | - |
| | 23,382,907,278 | - | 13,147,207,278 | - |
| TOTAL | 1,415,327,922,750 | - | 1,410,245,696,320 | - |

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

During the period, the Company capitalized loan interests amounting to about 11 BVND (2018: 19.63 BVND). These loan interest expenses related to loans obtained for the development of Que Vo II Industrial Zone, Nam Son Hap Linh Industrial Zone and Phuc Ninh Urban Area.

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

10. TANGIBLE FIXED ASSETS

Currency: VND

| | <i>Buildings and structures (including cost of land development and infrastructure)</i> | <i>Machinery and equipment</i> | <i>Transportations</i> | <i>Office equipment</i> | <i>Others</i> | <i>Total</i> |
|---|---|------------------------------------|------------------------|-------------------------|---------------|-----------------|
| Cost: | | | | | | |
| As at 31 December 2018 | 187,295,371,748 | 5,535,843,216 | 36,145,970,893 | 10,512,242,101 | 788,381,818 | 240,277,809,776 |
| Newly purchased | - | - | - | 11,099,000,000 | - | 11,099,000,000 |
| Transfer from construction in progress | 583,860,290 | - | - | - | - | 583,860,290 |
| As at 30 June 2019 | 187,879,232,038 | 5,535,843,216 | 36,145,970,893 | 21,611,242,101 | 788,381,818 | 251,960,670,066 |
| <i>In which:</i> | | | | | | |
| Fully depreciation | 19,547,033,714 | 2,548,434,078 | 6,985,329,004 | 4,565,158,374 | 788,381,818 | 34,434,336,988 |
| Accumulated depreciation: | | | | | | |
| As at 31 December 2018 | 87,543,148,363 | 4,994,781,768 | 19,034,919,938 | 6,259,640,329 | 788,381,818 | 118,620,872,216 |
| Depreciation for the period | 7,234,746,842 | 157,076,975 | 1,615,662,241 | 502,078,652 | - | 9,509,564,710 |
| As at 30 June 2019 | 94,777,895,205 | 5,151,858,743 | 20,650,582,179 | 6,761,718,981 | 788,381,818 | 128,130,436,926 |
| Net carrying amount: | | | | | | |
| As at 31 December 2018 | 99,752,223,385 | 541,061,448 | 17,111,050,955 | 4,252,601,772 | - | 121,656,937,560 |
| As at 30 June 2019 | 93,101,336,833 | 383,984,473 | 15,495,388,714 | 14,849,523,120 | - | 123,830,233,140 |

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

11. INVESTMENT PROPERTIES

| | <i>Currency: VND</i> |
|---|---|
| | <i>Factories (including land development and infrastructure cost)</i> |
| Cost: | |
| As at 31 December 2018 | 85,523,500,278 |
| - Disposed during the period | <u>(57,262,335,136)</u> |
| As at 30 June 2019 | <u>28,261,165,142</u> |
| Accumulated depreciation and amortisation: | |
| As at 31 December 2018 | 14,546,427,186 |
| - Depreciation during the year | 2,522,732,740 |
| - Disposed during the period | <u>(13,136,494,886)</u> |
| As at 30 June 2019 | <u>3,932,665,040</u> |
| Net carrying amount: | |
| As at 31 December 2018 | <u>70,977,073,092</u> |
| As at 30 June 2019 | <u>24,328,500,102</u> |

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

12. CONSTRUCTION IN PROGRESS

| | <i>Currency: VND</i> | |
|--------------------------------|------------------------------|------------------------------|
| | <i>30 June 2019</i> | <i>31 December 2018</i> |
| 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 |
| Hanoi Diplomatic Area | 1,355,116,818 | 1,355,116,818 |
| Other construction in progress | <u>4,570,157,256</u> | <u>3,240,876,365</u> |
| TOTAL | <u>13,558,315,614</u> | <u>12,229,034,723</u> |

13. LONG-TERM INVESTMENTS

| | | <i>Currency: VND</i> | |
|-------------------------------------|-------------|---------------------------------|---------------------------------|
| | <i>Note</i> | <i>30 June 2019</i> | <i>31 December 2018</i> |
| Investments in subsidiaries | 13.1 | 5,494,046,314,000 | 2,859,806,314,000 |
| Investments in associates | 13.2 | 723,655,091,074 | 723,655,091,074 |
| Other long-term investments | 13.3 | 448,500,200,000 | 448,500,200,000 |
| Provision for long-term investments | 13.2, 13.3 | <u>(352,195,964,837)</u> | <u>(373,656,450,887)</u> |
| TOTAL | | <u>6,314,005,640,237</u> | <u>3,658,305,154,187</u> |

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

13. LONG-TERM INVESTMENTS (continued)

13.1 Investments in subsidiaries

| | 30 June 2019 | | | 31 December 2018 | | |
|---|--------------|---------------|--------------------------|------------------|---------------|--------------------------|
| | Voting right | No. of shares | Net book value (VND) | Voting right | No. of shares | Net book value (VND) |
| Trang Cat Urban Development One Member Company Limited (i) | 100% | - | 4,130,000,000,000 | 100% | - | 1,500,000,000,000 |
| Northwest Saigon city Development Corporation | 74.3% | 30,259,574 | 662,066,314,000 | 74.30% | 30,259,574 | 662,066,314,000 |
| Saigon - Hai Phong Industrial Park Corporation | 86.54% | 3,600,000 | 468,000,000,000 | 86.54% | 3,600,000 | 468,000,000,000 |
| Saigon - Bacgiang Industrial Park Corporation | 80.8% | 1,309,000 | 119,000,000,000 | 80.80% | 1,309,000 | 119,000,000,000 |
| NGD Investment One Member Co. Ltd | 100% | - | 105,300,000,000 | 100% | - | 105,300,000,000 |
| Kinh Bac Office and Factory Business One Member Company Limited | 100% | - | 5,440,000,000 | 100% | - | 5,440,000,000 |
| Kinh Bac – Danang Investment One Member Company Limited (ii) | 100% | - | 500,000,000 | 100% | - | - |
| Tien Duong Development Holding Joint Stock Company (iii) | 51% | 25,500,000 | 3,740,000,000 | - | - | - |
| TOTAL | | | 5,494,046,314,000 | | | 2,859,806,314,000 |
| Provision for impairment of investment in subsidiaries | | | - | | | - |
| NET | | | 5,494,046,314,000 | | | 2,859,806,314,000 |

Detailed information on subsidiaries as at 30 June 2019 is presented in Note 1.

- (i) During the period, the Company contributed VND 2,630 billion to Trang Cat One Member Urban Development Company Limited, of which VND 1,903 billion was contributed by loan conversion, VND 727 billion was contributed by conversion of the interest receivable on this loan.
- (ii) Kinh Bac – Danang Investment One Member Company Limited was incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0401941371 issued by the Department of Planning and Investment of Danang on 4 December 2018 with a registered charter capital of VND 600 billion. As at 30 June 2019, the Company is in the process of finalizing the legal procedures to obtain the investment certificate for the development of Chan May Danang Industrial Park project.
- (iii) Tien Duong Development Holding Joint Stock Company was incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0108647177 issued by the Department of Planning and Investment of Hanoi on 13 March 2019 with a registered charter capital of VND 500 billion. As at 30 June 2019, the Company is in the process of finalizing the legal procedures obtain the investment certificate for the development of Tien Duong Industrial Zone Project.

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

13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates

Currency: VND

| | Note | Ownership interest | 30 June 2019 | | 31 December 2018 | |
|---|-------|--------------------|---------------|------------------------|------------------|------------------------|
| | | | No. of shares | Net book value (VND) | No. of shares | Net book value (VND) |
| Saigon Telecommunication & Technologies JSC | (i) | 21.48% | 15,896,923 | 423,492,661,074 | 15,896,923 | 423,492,661,074 |
| Saigon - Hue Investment JSC | (ii) | 28.14% | 9,849,000 | 210,627,000,000 | 9,849,000 | 210,627,000,000 |
| Saigon High-tech Park Infrastructure Development Investment JSC | (iii) | 27.44% | 8,233,083 | 82,330,830,000 | 8,233,083 | 82,330,830,000 |
| Scanviwood JSC | (iv) | 34% | 1,077,528 | 7,204,600,000 | 1,077,528 | 7,204,600,000 |
| TOTAL | | | | 723,655,091,074 | | 723,655,091,074 |
| Provision for impairment of investment in associates | | | | (332,079,415,899) | | (353,539,901,949) |
| NET VALUE | | | | 391,575,675,175 | | 370,115,189,125 |

30 June 2019 31 December 2018

Provision for impairment of investment in associates

| | | |
|---|------------------------|------------------------|
| Saigon Telecommunication & Technologies JSC | 311,419,713,924 | 332,880,199,974 |
| Saigon - Hue Investment JSC | 13,455,101,975 | 13,455,101,975 |
| Scanviwood JSC | 7,204,600,000 | 7,204,600,000 |
| TOTAL | 332,079,415,899 | 353,539,901,949 |

(i) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses, with the latest is the 13th amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND740 billion. Its principal activities include trading computer, 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 located at Lot 46, Quang Trung Software Park, Tan Chanh Hiep ward, 12 district, Ho Chi Minh city.

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

13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates (continued)

(ii) Saigon - Hue Investment JSC

Saigon - Hue Investment JSC was established in 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 third amended Business Registration Certificate No. 3300512389 on 30 May 2016 with a registered charter capital of VND350 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.

The Company is located at No. 15, Nguyen Hue Street, Hue city, Viet Nam.

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

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established in 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 subsequent Business Registration Certificate dated 2 July 2014 with a registered charter capital of VND300 billion. Its principal activities include infrastructure investment and development; leasing and selling office, trading centre 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 located at 6-1, Ree Building, 364 Cong Hoa Street, 13 ward, Tan Binh district, Ho Chi Minh city, Vietnam.

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established in 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 billion. Its principal activities include manufacturing of household products for export.

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

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

13. LONG-TERM INVESTMENTS (continued)

13.3 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 | 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 - NhonHoi 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 Investment Development Power Plant 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 |
| TOTAL | | | 448,500,200,000 | | | 448,500,200,000 |
| Provision for other long-term investments | | | (20,116,548,938) | | | (20,116,548,938) |
| NET | | | 428,383,651,062 | | | 428,383,651,062 |

(*) 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.

14. PREPAID EXPENSES

Currency: VND

| | Ending balance | Beginning balance |
|-----------------------------------|-----------------------|-----------------------|
| Short-term | | |
| Brokerage fees | 58,820,557,347 | 58,820,557,347 |
| Other short-term prepaid expenses | 262,334,550 | 31,223,440 |
| TOTAL | 59,082,891,897 | 58,851,780,787 |
| Long-term | | |
| Other long-term prepaid expenses | 1,065,191,554 | 705,394,027 |
| TOTAL | 1,065,191,554 | 705,394,027 |

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

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 |
| Trung Tien Transportation and Construction JSC | 22,801,365,994 | 22,801,365,994 | 7,635,524,264 | 7,635,524,264 |
| Hai Phat Real Estate JSC | 13,019,970,115 | 13,019,970,115 | 13,523,326,473 | 13,523,326,473 |
| Cong Thanh Technological Environment Co., Ltd | 11,896,411,000 | 11,896,411,000 | 13,896,411,000 | 13,896,411,000 |
| Huong Mai Furniture Company | 10,998,900,000 | 10,998,900,000 | - | - |
| Truong Phat Investment JSC | 5,495,543,925 | 5,495,543,925 | 5,494,106,040 | 5,494,106,040 |
| Trong Cuong Co., Ltd | 4,904,219,411 | 4,904,219,411 | 5,692,832,511 | 5,692,832,511 |
| Thien Phu Investment Trading Construction Service JSC | 2,058,089,000 | 2,058,089,000 | 7,496,662,200 | 7,496,662,200 |
| Hoa Quy Bac Ninh JSC | - | - | 2,501,118,000 | 2,501,118,000 |
| Other suppliers | 35,720,750,418 | 35,720,750,418 | 34,888,344,485 | 34,888,344,485 |
| TOTAL | 106,895,249,863 | 106,895,249,863 | 91,128,324,973 | 91,128,324,973 |

15.2 Short-term advances from customers

Currency: VND

| | 30 June 2019 | 31 December 2018 |
|---|-----------------------|------------------------|
| Truong Phat Investment JSC | 16,151,470,034 | 16,157,662,594 |
| Anyone Limited Company | 3,295,798,162 | - |
| Golden Star Investment Vietnam Co., Ltd | 1,193,969,074 | 1,193,969,074 |
| Other advances from customers | 7,995,141,927 | 202,046,707,613 |
| TOTAL | 28,636,379,197 | 219,398,339,281 |

16. STATUTORY OBLIGATIONS

Currency: VND

| | 31 December 2018 | Payable for the period | Payment/net off in the period | 30 June 2019 |
|--------------------------------|------------------------|---------------------------------------|-------------------------------|-----------------------|
| Payable | | | | |
| Value added tax | 69,093,714,396 | - | (69,093,714,396) | - |
| Corporate income tax (Note 26) | 127,920,266,241 | 416,120,500 | (128,336,386,741) | - |
| Personal income tax | 237,404,555 | 4,693,999,011 | (4,628,125,238) | 303,278,328 |
| Natural resources tax | 95,057,323 | 572,935,278 | (580,916,290) | 87,076,311 |
| Other taxes | 248,235,319 | 5,000,000 | (3,000,000) | 250,235,319 |
| TOTAL | 197,594,677,834 | 5,688,054,789 | (202,642,142,665) | 640,589,958 |
| | | Receivable/ payment for the period | Received in the period | 30 June 2019 |
| Payable | | | | |
| Corporate income tax | - | 6,070,510,865 | - | 6,070,510,865 |
| Value added tax | 25,558,369 | 35,736,169,318 | - | 35,761,727,687 |
| TOTAL | 25,558,369 | 41,806,680,183 | - | 41,832,238,552 |

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

17. ACCRUED EXPENSES

Currency: VND

| | 30 June 2019 | 31 December 2018 |
|---|-------------------------------|-------------------------------|
| Short-term | | |
| Accrued future development costs for recognised sales | 84,835,659,911 | 115,395,303,075 |
| - Que Vo II Industrial Park | 30,669,341,013 | 60,747,027,250 |
| - Que Vo I Industrial Park | 54,166,318,898 | 54,648,275,825 |
| Accrued interest expenses | 24,810,298,880 | 34,156,541,042 |
| Accrued expenses to related parties (Note 27) | 842,481,225 | 3,059,532,326 |
| Other accrued expenses | 36,340,929,259 | 83,912,614,137 |
| TOTAL | <u>146,829,369,275</u> | <u>236,523,990,580</u> |
| Long-term | | |
| Accrued interest expenses (*) | 810,452,374,793 | 805,567,717,259 |
| Accrued expenses to related parties (Note 27) | 1,064,034,511 | 5,758,673,012 |
| TOTAL | <u>811,516,409,304</u> | <u>811,326,390,271</u> |

(*) This amount mainly includes the bond interest expenses 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. The remaining original loan amount is 100 billion VND will be due on 31 October 2019 (Note 19.2).

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 |
| Other payables from related parties (Note 27) | 858,000,000 | 858,000,000 |
| Other short-term payables | 882,745,564 | 8,769,316,556 |
| TOTAL | <u>447,888,001,383</u> | <u>453,729,869,956</u> |
| Long-term | | |
| Cholimex Mechatronics Informatics JSC (ii) | 55,500,000,000 | 55,500,000,000 |
| Other long-term payables | 4,776,347,328 | 7,525,083,268 |
| TOTAL | <u>60,276,347,328</u> | <u>63,025,083,268</u> |

(i) This is deposit from customers for land transfer agreement at Phuc Ninh Urban Area of the Company.

(ii) The Group received VND 55.5 billion from Cholimex Mechatronics Informatics JSC to invest and construct Phuc Ninh Urban Project in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

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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 from banks and bonds (Note 19.1 and 19.2) | 804,000,000,000 | 804,000,000,000 | 800,000,000,000 | (550,000,000,000) | 1,054,000,000,000 | 1,054,000,000,000 |
| Loans from other lenders | - | - | 60,000,000,000 | (60,000,000,000) | - | - |
| Loans from related parties (Note 27) | 177,956,993,334 | 177,956,993,334 | 151,700,000,000 | (217,326,163,334) | 112,330,830,000 | 112,330,830,000 |
| TOTAL | 981,956,993,334 | 981,956,993,334 | 1,011,700,000,000 | (827,326,163,334) | 1,166,330,830,000 | 1,166,330,830,000 |
| Long-term | | | | | | |
| Long-term loans from bank (Note 19.1) | 291,025,946,208 | 291,025,946,208 | 58,635,966,615 | (91,269,734,982) | 258,392,177,841 | 258,392,177,841 |
| 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 |
| Loans from related parties (Note 27) | 505,672,404,690 | 505,672,404,690 | 69,788,427,042 | (505,672,404,690) | 69,788,427,042 | 69,788,427,042 |
| TOTAL | 1,658,816,896,350 | 1,658,816,896,350 | 536,252,442,408 | (1,405,496,685,126) | 789,572,653,632 | 789,572,653,632 |

Currency: VND

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

19. LOANS (continued)

19.1 Long-term loans from bank

Details of long term loans from banks are as follows:

| Banks | 30 June 2019 | Interest | Principal and interest repayment term | Collateral |
|---|-----------------|-----------------|---|--|
| Joint Stock Commercial Bank for Investment and Development of Vietnam - Bac Ninh branch | 63,013,940,300 | 10.5% per annum | Principal is repayable every 6 months, started from 1 December 2018. Interest is payable every 3 months, started from 19 September 2018 | All assets formed in the future including land use rights and assets attached with the land of Phuc Ninh Area in 22 ha area. |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch | 166,512,833,450 | 10.5% per annum | Principal repayment on 29 November 2022. Interest is payable every 3 months | 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. |
| | 82,865,404,091 | 10.5% per annum | Principal repayment on 16 November 2022. Interest is payable every 3 months on last 25th per quarter | All assets formed from 83.8 hecta area infrastructure development of Que Vo II Industrial Park. |

TOTAL **312,392,177,841**

In which:

| | |
|--------------------------------------|-----------------|
| - Current portion of long term loans | 54,000,000,000 |
| - Long-term loans | 258,392,177,841 |

Currency: VND

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

19. LOANS (continued)

19.2 Bonds

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

| Bond | Type of bond | Number of bonds | Par value VND | Amount (VND) | Interest rate per annum | Duration | Description of collateral |
|--------------------------------|---|-------------------|---------------|--------------------------|-------------------------|------------------|---|
| 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. |
| KBC Bond1-2017 | Corporate bond issued to BIDV- Saigon Northern branch | 380 | 1,000,000,000 | 380,000,000,000 | 10.33% | 21 November 2022 | Land use rights and all assets attached with land lot at Hung Vuong, Hai Chau 1 Ward, Hai Chau District, Da Nang City, which are owned by Vien Dong Real Estate and Property JSC. |
| KBC Bond2018-01 | Corporate bond issued to counterparties | 2,000,000 | 100,000 | 200,000,000,000 | 10.5% | 5 May 2020 | Shares of Saigon - Hai Phong Industrial Park JSC. |
| KBC Bond2018-02 | Corporate bond issued to counterparties | 4,000,000 | 100,000 | 400,000,000,000 | 10.625% | 14 May 2020 | |
| KBC Bond01-2019 | Corporate bond issued to counterparties | 2,000,000 | 100,000 | 200,000,000,000 | 10% | 29 January 2020 | Shares of Saigon – Bac Giang Industrial Park JSC. |
| KBC Bond05-2019 | Corporate bond issued to counterparties | 2,000,000 | 100,000 | 200,000,000,000 | 10.5% | 28 June 2021 | |
| Bond issue costs: | | | | (18,607,951,251) | | | |
| TOTAL | | 11,000,380 | | 1,461,392,048,749 | | | |
| <i>In which:</i> | | | | | | | |
| Bonds due next year | | | | 1,000,000,000,000 | | | |
| Long-term bonds | | | | 480,000,000,000 | | | |
| Issue costs of long-term bonds | | | | (18,607,951,251) | | | |

Currency: VND

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

20. OWNERS' EQUITY (continued)

20.2 Contributed charter capital

Currency: VND

| | 30 June 2019 | | | 31 December 2018 | | |
|-----------------------------|--------------------------|--------------------------|-------------------|--------------------------|--------------------------|-------------------|
| | Total | Ordinary shares | Preference shares | Total | Ordinary shares | Preference shares |
| Contributed by shareholders | 4,757,111,670,000 | 4,757,111,670,000 | - | 4,757,111,670,000 | 4,757,111,670,000 | - |
| Share premium | 988,533,430,000 | 988,533,430,000 | - | 988,533,430,000 | 988,533,430,000 | - |
| Treasury shares | (364,466,650,000) | (364,466,650,000) | - | (364,466,650,000) | (364,466,650,000) | - |
| TOTAL | 5,381,178,450,000 | 5,381,178,450,000 | - | 5,381,178,450,000 | 5,381,178,450,000 | - |

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 |
|-------------------------------|---|---|
| Contributed capital | | |
| Beginning balance | 4,757,111,670,000 | 4,757,111,670,000 |
| Increase in the period | - | - |
| Ending balance | 4,757,111,670,000 | 4,757,111,670,000 |
| Dividends, profit paid | - | - |

20.4 Shares

| | 30 June 2019 | | 31 December 2018 | |
|----------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| | Shares | Par value (VND) | Shares | Par value (VND) |
| Issued shares | 475,711,167 | 4,757,111,670,000 | 475,711,167 | 4,757,111,670,000 |
| Issued and paid-up shares | 475,711,167 | 4,757,111,670,000 | 475,711,167 | 4,757,111,670,000 |
| Ordinary shares | 475,711,167 | 4,757,111,670,000 | 475,711,167 | 4,757,111,670,000 |
| Preference shares | - | - | - | - |
| Treasury shares | 5,950,978 | 59,509,780,000 | 5,950,978 | 59,509,780,000 |
| Ordinary shares | 5,950,978 | 59,509,780,000 | 5,950,978 | 59,509,780,000 |
| Preference shares | - | - | - | - |
| Shares in circulation | 469,760,189 | 4,697,601,890,000 | 469,760,189 | 4,697,601,890,000 |
| 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: VND10,000/share (31 December 2018: VND10,000/share).

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

21. REVENUES

21.1 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> |
| Gross revenue | 332,084,415,822 | 458,390,628,146 |
| <i>Of which:</i> | | |
| Revenue from long-term lease of land and infrastructures | 159,978,531,243 | 320,739,540,884 |
| Sales of factories | 100,101,212,880 | - |
| Revenue from supply of clean water, electricity, management service, waste water treatment supply | 42,380,520,305 | 39,456,326,087 |
| Revenue from operating leases of warehouse, factories and offices | 5,834,002,912 | 7,118,493,396 |
| Revenue from real estate transfer | 1,684,009,834 | 91,076,267,779 |
| Other revenues | 22,106,138,648 | - |
| Net revenue | 332,084,415,822 | 458,390,628,146 |

21.2 Finance income

| | <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 income from deposits and loans | 8,376,059,654 | 95,159,207,142 |
| Interest income on outstanding receivables of share transfer contract (i) | 20,000,538,514 | 21,110,212,094 |
| Interest income on outstanding receivables from long-term lease of land and sale of factories | 23,048,095 | 7,962,327,138 |
| Interest income from disposal of subsidiary | 132,688,600 | - |
| TOTAL | 28,532,334,863 | 124,231,746,374 |

(i) This mainly pertains to interest income on receivables from Kinh Bac Service JSC under the contract to transfer the shares in Sai Gon - Binh Dinh Energy JSC.

22. COST OF GOODS SOLD AND SERVICES RENDERED

| | <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> |
| Cost of long-term lease of land and infrastructures | 119,006,157,967 | 85,506,188,498 |
| Cost of factories sold | 31,610,662,759 | - |
| Cost of supplying of clean water, electricity, management service, waste water treatment supply | 33,432,688,682 | 16,967,327,918 |
| Cost of warehouses, factories and offices for operating lease | 2,522,732,740 | 3,505,087,796 |
| Cost of real estate transferred | 2,296,972,098 | 42,825,454,546 |
| TOTAL | 188,869,214,246 | 148,804,058,758 |

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

23. GENERAL AND ADMINISTRATIVE EXPENSES AND SELLINGS 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> |
| Selling expenses | | |
| Legal consultation and brokerage expenses | 43,506,648,683 | 12,593,322,072 |
| Labour cost | 2,016,893,000 | 1,156,141,000 |
| Others | 3,760,648,942 | - |
| TOTAL | <u>49,284,190,625</u> | <u>13,749,463,072</u> |
| General and administrative expenses | | |
| Labour costs | 21,943,342,622 | 22,001,656,757 |
| Depreciation of fixed assets | 2,482,113,805 | 2,455,217,656 |
| Expenses of external services | 11,456,773,718 | 15,639,373,304 |
| Others | 10,510,084,454 | 1,890,853,448 |
| TOTAL | <u>46,392,314,599</u> | <u>41,987,101,165</u> |

24. 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 | 100,374,367,072 | 109,577,178,714 |
| (Reversal of provision)/provision for long-term investments | (21,466,729,590) | 10,000,000,000 |
| Other finance expenses | 8,255,506,044 | 336,820,206 |
| TOTAL | <u>87,163,143,526</u> | <u>119,913,998,920</u> |

25. 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> |
| Expenses of developing land, building infrastructures, factories and rendering services | 172,618,022,031 | 153,710,536,160 |
| Labour costs | 25,507,770,622 | 24,310,765,567 |
| Depreciation of fixed assets | 12,032,297,450 | 11,572,228,563 |
| Expenses for external services | 54,963,422,401 | 35,374,983,393 |
| Other expenses | 14,270,733,396 | 9,351,002,428 |
| TOTAL | <u>279,392,245,900</u> | <u>234,319,516,111</u> |

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

26. CORPORATE INCOME TAX

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

The tax returns filed by Company 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 separate financial statements could change at a later date upon final determination by the tax authorities.

26.1 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 | 416,120,500 | 51,952,370,604 |
| Deferred CIT income | <u>(416,120,500)</u> | <u>(104,030,126)</u> |
| TOTAL | - | <u>51,848,340,478</u> |

The reconciliation between CIT expense and the accounting profit multiplied by CIT rate 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> |
| Accounting profit before tax | (13,043,836,317) | 257,286,290,605 |
| CIT expenses at rate applicable of 20% | (2,608,767,264) | 51,457,258,121 |
| <i>Adjustments for:</i> | | |
| Non-deductible expenses | 1,709,701,070 | 376,731,969 |
| Adjustment for under accrual of tax from prior year | <u>899,066,194</u> | <u>14,350,388</u> |
| CIT expenses | - | <u>51,848,340,478</u> |

26.2 Current CIT

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

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

26. CORPORATE INCOME TAX (continued)

26.3 *Deferred CIT*

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

Currency: VND

| | <i>Interim separate balance sheet</i> | | <i>Interim separate 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> |
| <i>Deferred tax liabilities</i> | | | | |
| Deferred tax liabilities arising from allocation of CIT over the leased term of the Company's Industrial Parks | 36,882,109,819 | 37,298,230,319 | 416,120,500 | 104,030,126 |
| | <u>36,882,109,819</u> | <u>37,298,230,319</u> | | |
| Net deferred income tax credit to the interim separate income statement | | | <u>416,120,500</u> | <u>104,030,126</u> |

26.4 *Unrecognized deferred tax assets*

Tax losses carried forward

The Company is entitled to carry the tax loss forward to offset with the taxable income arising within 5 years subsequent to the year in which the loss was incurred. As at 30 June 2019, the Company has accumulated losses with total amount of VND 4,640,049,234 (as at 31 December 2018: VND 144,718,264) which are available for offset against future taxable income. Details are as follows:

| <i>Originating year</i> | <i>Can be utilized up to</i> | | <i>Tax loss amount</i> | <i>Utilized up to 30 June 2019</i> | <i>Forfeited</i> | <i>Unutilized at 30 June 2019</i> |
|-------------------------|------------------------------|------|-----------------------------|------------------------------------|------------------|-----------------------------------|
| 2014 | 2019 | (i) | 18,003,240 | 18,003,240 | - | 18,003,240 |
| 2015 | 2020 | (i) | 40,779,832 | 40,779,832 | - | 40,779,832 |
| 2016 | 2021 | (i) | 7,252,824 | 7,252,824 | - | 7,252,824 |
| 2017 | 2022 | (i) | 9,364,593 | 9,364,593 | - | 9,364,593 |
| 2018 | 2023 | (i) | 69,317,775 | 69,317,775 | - | 69,317,775 |
| Current period | 2024 | (ii) | 4,495,330,968 | - | - | 4,495,330,968 |
| TOTAL | | | <u>4,640,049,232</u> | <u>144,718,264</u> | <u>-</u> | <u>4,640,049,232</u> |

(i) These are tax losses according to tax finalization records

(ii) These are estimated tax losses as per Company's corporate income tax declarations which have not been audited by the local tax authorities as of the date of these interim separate financial statements.

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

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

27. TRANSACTIONS WITH RELATED PARTIES

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

| <i>No.</i> | <i>Related party</i> | <i>Relationship</i> |
|------------|---|-------------------------|
| 1 | Saigon - Bacgiang Industrial Park Corporation | Subsidiary |
| 2 | Saigon - Hai Phong Industrial Park Corporation | Subsidiary |
| 3 | Trang Cat One Member Urban Development Limited Company | Subsidiary |
| 4 | Tien Duong Development Holding Joint Stock Company | Subsidiary |
| 5 | Kinh Bac – Da Nang Investment One Member Company Limited | Subsidiary |
| 6 | Saigon High-tech Park Infrastructure Development Investment Joint Stock Company | Associate |
| 7 | Ms Nguyen Thi Thu Huong | General Director |
| 8 | Mr Phan Anh Dung | Deputy General Director |

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 Company 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions between the Company and its related parties in the period are follows:

| | | | <i>Currency: VND</i> | |
|--|---------------------|--|--|--|
| <i>Related party</i> | <i>Relationship</i> | <i>Description</i> | <i>For the six-month period ended 30 June 2019</i> | <i>For the six-month period ended 30 June 2018</i> |
| Saigon - Hai Phong Industrial Park Corporation | Subsidiary | Loan repayment | 200,000,000,000 | - |
| | | Interest expenses | 7,987,602,045 | 1,588,053,975 |
| | | Income from business cooperation | 6,616,438,356 | - |
| | | Interest capitalized into loan principal | 4,662,811,654 | 7,887,780,820 |
| | | Payment of car rental | - | 1,700,000,000 |
| | | Offset rental fee and car purchasing | - | 2,000,000,000 |
| Saigon - Bacgiang Industrial Park Corporation | Subsidiary | Collection of loan principal and loan interest from business cooperation contract | 546,209,397,260 | - |
| | | Lending | 131,139,612,162 | 10,000,000,000 |
| | | Repayment of borrowings | 305,672,404,690 | - |
| | | Income from business cooperation | 15,209,397,260 | - |
| | | Interest expenses | 8,509,392,327 | - |
| | | Principal and interest receivables of KBC Bond 005 | 2,938,590,649 | 3,091,971,873 |
| Trang Cat One Member Urban Development Limited Company | Subsidiary | Capital contribution | 2,630,000,000,000 | - |
| | | Interest receivable | 4,185,377,688 | 90,594,780,931 |
| Kinh Bac Office and Factory Business One Member Company Limited | Subsidiary | Capital contribution | - | 1,140,000,000 |
| Tien Duong Development Holding Joint Stock Company | Subsidiary | Capital contribution | 3,740,000,000 | - |
| Kinh Bac – Da Nang Investment One Member Company Limited | Subsidiary | Capital contribution | 500,000,000 | - |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2019 and for the six-month period then ended**27. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

| | | | <i>Currency: VND</i> | |
|--|-------------------------|---------------------------------------|-----------------------|--------------------------|
| <i>Related party</i> | <i>Relationship</i> | <i>Description</i> | <i>30 June 2019</i> | <i>31 December 2018</i> |
| <i>Short-term trade receivables (Note 6.1)</i> | | | | |
| Mr Phan Anh Dung | Deputy General Director | Receivable from lease of land | 180,000,000 | 180,000,000 |
| | | | 180,000,000 | 180,000,000 |
| <i>Other short-term receivables (Note 7)</i> | | | | |
| Trang Cat One Member Urban Development Limited Company | Subsidiary | Loan receivable | - | 1,900,000,000 |
| | | | - | 1,900,000,000 |
| <i>Long-term loan receivables (Note 7)</i> | | | | |
| Trang Cat One Member Urban Development Limited Company (i) | Subsidiary | Loan receivable | - | 1,901,132,633,533 |
| Saigon- Bac Giang Industrial Park Corporation (ii) | Subsidiary | Loan receivable | 71,139,612,162 | - |
| | | | 71,139,612,162 | 1,901,132,633,533 |
| <i>Other short-term receivables (Note 8)</i> | | | | |
| Trang Cat One Member Development Company Limited | Subsidiary | Loan interest receivable | - | 353,806,028 |
| Ms Nguyen Thi Thu Huong | General Director | Advance | - | 3,489,211,820 |
| Mr Phan Anh Dung | Deputy General Director | Advance | - | 110,000,000 |
| | | | - | 3,953,017,848 |
| <i>Other long-term receivables (Note 8)</i> | | | | |
| Trang Cat One Member Development Company Limited (i) | Subsidiary | Loan interest receivable | - | 722,428,182,751 |
| Saigon - Bac Giang Industrial Park Corporation | Subsidiary | Receivables from business cooperation | - | 381,000,000,000 |
| | | Loan interest receivable | 2,938,590,649 | - |
| Saigon - Hai Phong Industrial Park JSC | Subsidiary | Receivables from business cooperation | - | 200,000,000,000 |
| | | | 2,938,590,649 | 1,303,428,182,751 |

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

- (i) On 9 January 2019, the Company increased its contributed capital in Trang Cat One Member Development Company Limited from VND 1,500,000,000,000 to VND 4,130,000,000,000 in accordance to the Resolution No. 0901/2019/KBC/NQ-HĐQT dated 9 January 2019 by converting the outstanding balance due by Trang Cat LLC (including loan and interest receivables), amounting to VND 2,630,000,000,000, to share capital.
- (ii) This is the unsecured loan, with interest rate of 10.5% per annum, and will be due on 22 March 2021.

Currency: VND

| <i>Related party</i> | <i>Description</i> | <i>30 June 2019</i> | <i>31 December 2018</i> |
|---|---|------------------------|-------------------------|
| <i>Short-term accrued expenses (Note 17)</i> | | | |
| Saigon - Hai Phong Industrial Park Corporation | Subsidiary Short-term loan interest payable | - | 2,284,449,599 |
| Saigon High-tech Park Infrastructure Development Investment Joint Stock Company | Associate Short-term loan interest payable | 842,481,225 | 775,082,727 |
| | | 842,481,225 | 3,059,532,326 |
| <i>Long-term accrued expenses (Note 17)</i> | | | |
| Saigon - Hai Phong Industrial Park Corporation | Subsidiary Long-term loan interest payable | 1,064,034,511 | 1,570,684,931 |
| Saigon High-tech Park Infrastructure Development Investment Joint Stock Company | Associate Long-term loan interest payable | - | 4,187,988,081 |
| | | 1,064,034,511 | 5,758,673,012 |
| <i>Other long-term payables (Note 18)</i> | | | |
| Saigon - Bac Giang Industrial Park Corporation | Subsidiary Other payable | 858,000,000 | 858,000,000 |
| | | 858,000,000 | 858,000,000 |
| <i>Short-term loan (Note 19)</i> | | | |
| Saigon - Hai Phong Industrial Park Corporation | Subsidiary Short-term loans | - | 65,626,163,334 |
| Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (i) | Associate Short-term loans | 112,330,830,000 | 112,330,830,000 |
| | | 112,330,830,000 | 177,956,993,334 |
| <i>Long-term loan (Note 19)</i> | | | |
| Saigon - Hai Phong Industrial Park Corporation (ii) | Subsidiary Long-term loans | 69,788,427,042 | 200,000,000,000 |
| Saigon High-tech Park Infrastructure Development Investment Joint Stock Company | Associate Long-term loans | - | 305,672,404,690 |
| | | 69,788,427,042 | 505,672,404,690 |

(i) These are the unsecured loans with interest of 10.5% per annum and will be matured on 1 July 2019.

(ii) These are the unsecured loans with interest of 10.5% per annum and will be matured on 9 May 2021.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued):

Transactions with other related parties

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

| | <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 |
| | <u>7,388,545,000</u> | <u>5,703,912,000</u> |

28. COMMITMENTS AND CONTINGENCIES

28.1 Commitments relating to real estate investment projects

Commitments relating to the State

- (i) According to Decision No. 1526/QD-CT 17 December 2003 and Decision No. 971/QD-UBND dated 15 July 2009 of the People's Committee of Bac Ninh Province 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 is under an obligation to pay land use fees and other charges for the residential land area, commercial and public areas in the Phuc Ninh New Urban Area Project. 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 the People's Committee of Bac Ninh province and paid the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT of People's Committee of Bac Ninh province dated 23 December 2004 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 still in the process of completing the land use fee with the People's Committee of Bac Ninh province for the above assigned land area.
- (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 m² (up to 2052) and 1,652,779 m² (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) As at 10 June 2015, the Company signed land lease agreement with the People's Committee of Bac Ninh Province for the assigned land area of 766,858.9 m² at Nam Son - Hap Linh Industrial Park. As at 30 June 2019, the Company is still in the process of working with the authority to determine land lease obligation.

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

28. COMMITMENTS AND CONTINGENCIES (continued)

28.1 Commitments relating to real estate investment projects (continued)

Capital expenditure commitments

As at 30 June 2019, the Company has entered into contractual agreements related to the construction and development of the Que Vo I Industrial Park, Que Vo II Industrial Park and Phuc Ninh Urban area, Nam Son- Hap Linh Industrial Park with total outstanding contractual commitment amounts to approximately VND 466 billion.

28.2 Capital commitments

As at 30 June 2019, the Company has commitments to contribute capital in the subsidiaries as presented in Note 1 and 13.1.

28.3 Disputes

Disputes with VTC Wireless Telecommunications Company

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 Company'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.

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

29. EVENTS AFTER THE BALANCE SHEET DATE

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



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Deputy General Director
and Chief Accountant




Nguyễn Thị Thu Hương
General Director

Bac Ninh, Vietnam

29 August 2019