

# **KinhBac City Development Holding Corporation**

Interim separate financial statements

For the six-month period ended 30 June 2020



# 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 16<sup>th</sup> amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

The current principal activities of the Company are to invest, construct and trade infrastructure inside and outside the industrial parks; to lease and sell factory plants constructed by the Company in the industrial parks, and residential – urban areas, to carry out 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 Stock Exchange in accordance with the Decision No. 153/QD-SGDHCM issued by Ho Chi Minh City 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 the Board
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. 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 2020 in accordance with the Authorisation Letter 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 2020.

### 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 2020, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

The Company has subsidiaries as disclosed in the interim separate financial statements. The Company 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 period ended 30 June 2020 (“the interim consolidated financial statements”) dated 27 August 2020.

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

For and on behalf of management:

  
  
Nguyen Thi Thu Huong  
General Director  
Bac Ninh, Vietnam

27 August 2020

Reference: 60774739/21880793-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 27 August 2020 and set out on pages 6 to 53, which comprise the interim separate balance sheet as at 30 June 2020, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

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

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 2020, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim separate financial statements.

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



Bur Anh Tuan  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 1067-2018-004-1

Hanoi, Vietnam

27 August 2020

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INTERIM SEPARATE BALANCE SHEET  
as at 30 June 2020

Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>5,328,090,715,119</b>	<b>3,265,042,785,800</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>152,797,284,555</b>	<b>116,967,051,978</b>
111	1. Cash		152,288,436,330	116,967,051,978
112	2. Cash equivalent		508,848,225	-
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>1,856,835,335,260</b>	<b>874,095,600</b>
121	1. Held-for-trading securities	5.1	1,862,358,461,369	7,490,461,369
122	2. Provision for held-for-trading securities	5.1	(6,123,126,109)	(6,616,365,769)
123	3. Held- to-maturity investments	5.2	600,000,000	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,608,688,677,828</b>	<b>1,548,146,375,014</b>
131	1. Short-term trade receivables	6.1	143,992,222,540	177,347,056,851
132	2. Short-term advances to suppliers	6.2	953,524,253,810	825,421,258,717
135	3. Short-term loan receivables	7	500,000,000	500,000,000
136	4. Other short-term receivables	8	518,006,182,128	552,212,040,096
137	5. Provision for doubtful short-term receivables	6.3	(7,333,980,650)	(7,333,980,650)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>1,565,832,763,986</b>	<b>1,468,814,380,404</b>
141	1. Inventories		1,565,832,763,986	1,468,814,380,404
<b>150</b>	<b>V. Other current assets</b>		<b>143,936,653,490</b>	<b>130,240,882,804</b>
151	1. Short-term prepaid expenses	10	60,672,055,967	59,082,558,565
152	2. Value-added tax deductible	16	78,781,356,612	70,726,605,151
153	3. Tax and other receivables from the State	16	4,483,240,911	431,719,088



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


Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>7,582,918,575,511</b>	<b>7,327,985,419,572</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>373,105,362,442</b>	<b>131,643,712,249</b>
215	1. Long-term loan receivables	7	10,000,000,000	5,000,000,000
216	2. Other long-term receivables	8	363,105,362,442	126,643,712,249
<b>220</b>	<b>II. Fixed assets</b>		<b>143,762,817,654</b>	<b>133,788,188,953</b>
221	1. Tangible fixed assets	11	143,762,817,654	133,788,188,953
222	Cost		292,779,949,720	272,048,615,463
223	Accumulated depreciation		(149,017,132,066)	(138,260,426,510)
227	2. Intangible fixed assets		-	-
228	Cost		36,958,000	36,958,000
229	Accumulated amortisation		(36,958,000)	(36,958,000)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>238,055,502,463</b>	<b>250,204,466,655</b>
231	1. Cost		257,787,300,142	257,787,300,142
232	2. Accumulated depreciation		(19,731,797,679)	(7,582,833,487)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>12</b>	<b>16,169,122,881</b>	<b>12,570,791,903</b>
242	1. Construction in progress		16,169,122,881	12,570,791,903
<b>250</b>	<b>V. Long-term investments</b>	<b>14</b>	<b>6,801,755,963,707</b>	<b>6,789,104,491,771</b>
251	1. Investment in subsidiaries	14.1	6,093,546,314,000	6,093,546,314,000
252	2. Investments in jointly controlled entities and associates	14.2	641,324,261,074	641,324,261,074
253	3. Investment in other entities	14.3	448,500,200,000	448,500,200,000
254	4. Provision for diminution in value of long-term investments	14.2, 14.3	(381,614,811,367)	(394,266,283,303)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>10,069,806,364</b>	<b>10,673,768,041</b>
261	1. Long-term prepaid expenses	10	10,069,806,364	10,673,768,041
<b>270</b>	<b>TOTAL ASSETS</b>		<b>12,911,009,290,630</b>	<b>10,593,028,205,372</b>

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


Currency: VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,008,566,574,888</b>	<b>3,577,547,073,361</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,400,891,943,479</b>	<b>2,308,011,234,211</b>
311	1. Short-term trade payables	15.1	66,322,164,497	87,619,770,237
312	2. Short-term advances from customers	15.2	7,247,942,295	8,002,801,873
313	3. Statutory obligations	16	445,843,352	2,978,892,699
314	4. Payables to employees		65,257,418	65,257,418
315	5. Short-term accrued expenses	17	931,557,364,821	932,738,180,619
318	6. Short-term unearned revenues		4,491,899,842	4,718,340,908
319	7. Other short-term payables	18	2,268,229,910,103	471,529,305,374
320	8. Short-term loans	19	1,118,208,181,818	796,035,305,750
322	9. Bonus and welfare fund		4,323,379,333	4,323,379,333
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,607,674,631,409</b>	<b>1,269,535,839,150</b>
333	1. Long-term accrued expenses	17	26,474,048,930	6,471,268,746
337	2. Other long-term liabilities	18	9,225,250,271	9,225,250,271
338	3. Long-term loans	19	1,534,973,495,426	1,216,421,362,851
341	4. Deferred tax liabilities	26.3	36,049,868,820	36,465,989,320
342	5. Long-term provisions		951,967,962	951,967,962
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>6,902,442,715,742</b>	<b>7,015,481,132,011</b>
<b>410</b>	<b>I. Capital</b>	<b>20</b>	<b>6,902,442,715,742</b>	<b>7,015,481,132,011</b>
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		1,519,040,571,919	1,632,078,988,188
421a	- Undistributed earnings by the end of prior period		1,632,078,988,188	1,591,223,643,349
421b	- (Losses)/Undistributed earnings of current period		(113,038,416,269)	40,855,344,839
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>12,911,009,290,630</b>	<b>10,593,028,205,372</b>

  
Luu Phuong Mai  
Preparer

Bac Ninh, Vietnam

27 August 2020

  
Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant

  
Nguyen Thi Thu Huong  
General Director




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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	21.1	79,733,075,357	332,084,415,822
02	2. Deductions	21.1	-	-
10	3. Net revenue from sale of goods and rendering of services	21.1	79,733,075,357	332,084,415,822
11	4. Cost of goods sold and services rendered	22	(46,627,401,611)	(188,869,214,246)
20	5. Gross profit from sale of goods and rendering of services		33,105,673,746	143,215,201,576
21	6. Finance income	21.2	13,641,133,060	28,532,334,863
22	7. Finance expenses	24	(103,398,600,065)	(87,163,143,526)
23	<i>In which: Interest expenses</i>		(102,540,918,342)	(100,374,367,072)
25	8. Selling expenses	23	(2,420,671,257)	(49,284,190,625)
26	9. General and administrative expenses	23	(54,571,014,255)	(46,392,314,599)
30	10. Operating loss		(113,643,478,771)	(11,092,112,311)
31	11. Other income		605,072,503	220,164,531
32	12. Other expenses		(10,001)	(2,171,888,537)
40	13. Other profit/(loss)		605,062,502	(1,951,724,006)
50	14. Accounting loss before tax		(113,038,416,269)	(13,043,836,317)
51	15. Current corporate income tax expenses	26.1	(416,120,500)	(416,120,500)
52	16. Deferred tax income	26.3	416,120,500	416,120,500
60	17. Net loss after tax		(113,038,416,269)	(13,043,836,317)

  
Luu Phuong Mai  
Preparer

  
Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant

  
Nguyen Thi Thu Huong  
General Director



Bac Ninh, Vietnam

27 August 2020



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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Loss before tax</b>		<b>(113,038,416,269)</b>	<b>(13,043,836,317)</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets	11,13	22,905,669,748	12,032,297,450
03	Reversal of provision		(13,144,711,596)	(21,466,729,590)
05	Profits from investing activities		(13,641,133,060)	(28,399,646,263)
06	Interest expenses	24	102,540,918,342	100,374,367,072
08	<b>Operating (loss)/profit before changes in working capital</b>		<b>(14,377,672,835)</b>	<b>49,496,452,352</b>
09	(Increase)/decrease in receivables		(364,237,578,837)	1,212,871,215,978
10	Increase in inventories		(100,616,714,560)	(6,411,507,321)
11	Decrease in payables (other than interest, corporate income tax)		(6,913,422,732)	(84,493,173,912)
12	Increase in prepaid expenses		(985,535,725)	(590,908,637)
13	Increase in held-for-trading securities		(50,000,000,000)	-
14	Interest paid		(104,287,393,005)	(122,747,641,302)
15	Corporate income tax paid	16	(6,736,000,000)	(134,406,897,606)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(648,154,317,694)</b>	<b>913,717,539,552</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long- term assets		(12,340,779,800)	(1,257,917,000)
23	Loan to other entities and payment for purchase of debt instruments of other entities		(5,600,000,000)	(131,139,612,162)
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)
26	Proceeds from sale of investments in other entities		68,500,000,000	39,778,001,357
27	Interest and dividends received		268,485,606	31,514,833,521
30	<b>Net cash flows from investing activities</b>		<b>50,827,705,806</b>	<b>26,042,249,250</b>

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

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		1,125,125,594,465	674,998,778,269
34	Repayment of borrowings		(468,100,000,000)	(1,359,142,687,618)
36	Dividends paid		(23,868,750,000)	-
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>633,156,844,465</b>	<b>(684,143,909,349)</b>
<b>50</b>	<b>Net increase in cash and cash equivalents for the period</b>		<b>35,830,232,577</b>	<b>255,615,879,453</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>		<b>116,967,051,978</b>	<b>115,915,328,929</b>
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>4</b>	<b>152,797,284,555</b>	<b>371,531,208,382</b>



Luu Phuong Mai  
Preparer



Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant



Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

27 August 2020

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

## 1. CORPORATE INFORMATION

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 16<sup>th</sup> amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

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

The business cycle of the Company starts from the acquisition of investment license, land clearance, infrastructure development of industrial parks and urban areas until the time of completion and land is handed over to customers. As a result, the business cycle of the Company may extend over 12 months. 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 Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh City Stock Exchange on 7 December 2009.

The total number of employees as at 30 June 2020 was: 198 (31 December 2019: 198).

### *Corporate structure*

At 30 June 2020, the Company has the following 11 subsidiaries:

No.	Company’s name	Voting right (%)	Effective interest rate (%)	Head office	Main activities
1	Saigon – Bac Giang Industrial Park Corporation	92.5	88.06	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

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

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

At 30 June 2020, 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>
5	NGD Investment One Member Company Limited	100	100	No. 100 An Trach Street, Quoc Tu Giam Ward, Dong Da District, Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh province	Investment, building and trading real estates
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	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 (**)	100	72.44	88 Tran Phong Sac, No. 4 Ward, Tan An City, Long An Province	Architectural activities and related technical consultancy
10	Bac Giang – Long An Industrial Park One Member Company Limited (**)	100	88.06	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 (**)	100	86.54	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural activities and related technical consultancy

(\*) The voting right is also the ownership rates.

(\*\*) The percentage of interest and voting rates in these subsidiaries differ because the Company controls these subsidiaries indirectly through other subsidiaries.



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

## **2. BASIS OF PREPARATION**

### **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 14.1. 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 2020 dated 27 August 2020.

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

### **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 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 2020 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.

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

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

#### 3.4 *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.

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

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

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

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

#### 3.7 *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 costs	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.

#### 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).

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

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

#### 3.10 *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.

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

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

##### *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. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

#### 3.11 *Payables 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.



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

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

#### 3.12 *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 period, 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 2020 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 2020 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.

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

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

##### *Interest*

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

##### *Dividends*

Income is recognised when the 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.



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

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

#### 3.18 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.

##### *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.

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

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

#### 3.18 *Taxation* (continued)

##### *Deferred tax* (continued)

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.

#### 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.



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

#### 4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Cash on hand	5,642,827,146	5,602,564,009
Cash at banks	146,645,609,184	111,364,487,969
Cash equivalent (*)	508,848,225	-
<b>TOTAL</b>	<b>152,797,284,555</b>	<b>116,967,051,978</b>

(\*) Cash equivalent as at 30 June 2020 is 1-month term deposit in VND at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Bac Ninh Branch which earn interest at 4.1% per annum.

#### 5. SHORT-TERM INVESTMENTS

##### 5.1 *Held-for-trading securities*

	<i>Currency: VND</i>			
	<i>30 June 2020</i>		<i>31 December 2019</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
<i>Held-for-trading securities:</i>				
Shares (i)	7,490,461,369	(6,123,126,109)	7,490,461,369	(6,616,365,769)
Other investment (ii)	1,854,868,000,000	-	-	-
<b>TOTAL</b>	<b>1,862,358,461,369</b>	<b>(6,123,126,109)</b>	<b>7,490,461,369</b>	<b>(6,616,365,769)</b>

(\*) As at 30 June 2020, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

(\*) During the period, the Company acquired 100% equity capital of Hoa Sen Hotel Development Company Limited. The Company classifies this investment as held-for-trading security because there is a plan to transfer this investment in the near future.

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

Held-to-maturity investment as at 30 June 2020 represents 12-month term deposit at Joint Stock Commercial Bank for Foreign Trade of Vietnam which earns interest at 6.5% per annum and matures on 21 January 2021.

#### 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

##### 6.1 *Trade receivables*

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>		
Saigon Investment JSC (i)	104,130,000,000	104,130,000,000
Receivables from sale of inventory properties at Phuc Ninh Urban Area	21,341,404,181	21,504,484,181
Other customers (ii)	18,520,818,359	51,712,572,670
<b>TOTAL</b>	<b>143,992,222,540</b>	<b>177,347,056,851</b>
<i>Provision for doubtful receivables</i>	6,833,980,650	6,833,980,650



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

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

### 6.2 Advances to suppliers

Currency: VND

30 June 2020 31 December 2019

#### Short-term

Kinh Bac Investment and Consulting JSC (i)	487,082,119,976	465,787,908,894
Kinh Bac Services JSC (i)	450,708,154,677	353,848,234,640
Vinh Tuong Trade and Construction JSC	10,992,570,197	-
Other advances to suppliers	4,741,408,960	5,785,115,183
<b>TOTAL</b>	<b>953,524,253,810</b>	<b>825,421,258,717</b>

(i) This balance represents advances for land clearance and compensation, and for construction works of certain on-going projects of the Company.

### 6.3 Provision for doubtful receivables

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

Currency: VND

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	7,333,980,650	7,333,980,650
Provision in the period	-	-
<b>Ending balance</b>	<b>7,333,980,650</b>	<b>7,333,980,650</b>
<i>In which:</i>		
Provision for short-term receivables	6,833,980,650	6,833,980,650
Provision for loan receivables	500,000,000	500,000,000

### 6.4 Bad debts

Currency: VND

	As at 30 June 2020		As at 31 December 2019	
	Cost	Recoverable	Cost	Recoverable
Short-term trade receivables	6,833,980,650	-	6,833,980,650	-
<i>Viet Nhat JSC</i>	6,833,980,650	-	6,833,980,650	-
Loan receivables	500,000,000	-	500,000,000	-
<i>Saigon Tour Corporation</i>	500,000,000	-	500,000,000	-
<b>TOTAL</b>	<b>7,333,980,650</b>	<b>-</b>	<b>7,333,980,650</b>	<b>-</b>

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

## 7. LOAN RECEIVABLES

	Currency: VND	
	30 June 2020	31 December 2019
<b>Short-term</b>		
Saigon Tour Corporation	500,000,000	500,000,000
<b>TOTAL</b>	<b>500,000,000</b>	<b>500,000,000</b>
<i>Provision for loan receivables</i>	<i>(500,000,000)</i>	<i>(500,000,000)</i>
<b>Long-term</b>		
Construction Project Management Unit of Bac Ninh City (People's Committee of Bac Ninh)	700,000,000	700,000,000
Saigon – Tay Ninh Industrial Park JSC	300,000,000	300,000,000
Receivables from related parties (Note 27)	9,000,000,000	4,000,000,000
<b>TOTAL</b>	<b>10,000,000,000</b>	<b>5,000,000,000</b>

## 8. OTHER RECEIVABLES

	Currency: VND			
	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
<b>Short-term</b>				
Advance to PVcomBank for investment acquisition (i)	228,040,284,000	-	223,040,284,000	-
Kinh Bac Services JSC (ii)	165,006,720,919	-	233,506,720,919	-
Lang Ha Corporation	52,521,608,482	-	26,200,890,711	-
Receivables from People's Committee of Bac Ninh relating to land rental subsidy (iii)	19,440,000,000	-	19,440,000,000	-
Advances to employees	14,371,604,612	-	12,318,997,612	-
Deposit receivables (iv)	12,851,128,404	-	12,851,128,404	-
Receivables from Van Duong Commune People's Committee	3,327,780,000	-	3,327,780,000	-
Other short-term receivables	18,711,513,891	-	17,790,696,630	-
Receivables from related parties (Note 27)	3,735,541,820	-	3,735,541,820	-
<b>TOTAL</b>	<b>518,006,182,128</b>	<b>-</b>	<b>552,212,040,096</b>	<b>-</b>
<b>Long-term</b>				
Kinh Bac Services JSC (v)	134,954,376,142	-	126,035,136,906	-
Vien Dong Vietnam Real Estate and Property JSC	500,000,000	-	500,000,000	-
Other long-term receivables	103,808,218	-	88,849,315	-
Receivables from related parties (Note 27)	227,547,178,082	-	19,726,028	-
<b>TOTAL</b>	<b>363,105,362,442</b>	<b>-</b>	<b>126,643,712,249</b>	<b>-</b>

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

## 8. OTHER RECEIVABLES (continued)

- (i) This is the advance for Vietnam Public Joint Stock Commercial bank ("PVcomBank") related to the acquisition of a real estate project.
- (ii) This is the receivables related to the transfer of 48.3 million shares in Saigon – Binh Dinh Energy JSC to Kinh Bac Services JSC in accordance with the contract dated 15 December 2015.
- (iii) 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.
- (iv) 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, Hanoi.
- (v) This mainly includes interest receivable on the deferred payment balance at the rate of 10% per annum from the transfer of 48.3 million shares of Sai Gon - Binh Dinh Energy JSC to Kinh Bac Services JSC in accordance with the contracts dated 22 June 2015 and 15 December 2015.

## 9. INVENTORIES

*Currency: VND*

	30 June 2020		31 December 2019	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Phuc Ninh Urban Area	1,014,944,015,746	-	985,923,800,098	-
Nam Son - Hap Linh Industrial Park	525,507,455,029	-	457,741,605,095	-
Que Vo II Industrial Park	1,872,460,933	-	1,640,142,933	-
Merchandise for marketing activities	10,361,625,000	-	10,913,011,266	-
Other projects	13,147,207,278	-	12,595,821,012	-
<b>TOTAL</b>	<b><u>1,565,832,763,986</u></b>	<b>-</b>	<b><u>1,468,814,380,404</u></b>	<b>-</b>

Inventories as at 30 June 2020 comprise land compensation, infrastructure development cost, capitalized borrowing costs and other overheads which incurred in the development of industrial parks and other real estate projects of the Company which are developed for sale. The inventories are mainly used as collateral for long-term loans as disclosed in Note 19.

During the period, the Company capitalized loan interests amounting to about VND17.81 billion (for the six-month period ended 30 June 2019: VND11 billion). These interest expenses are related to loans used for the development of industrial parks and other real estate projects of the Company.



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

#### 10. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>		
Brokerage fees of un-completed real-estate transfer contracts	58,820,557,347	58,820,557,347
Other short-term prepaid expenses	<u>1,851,498,620</u>	<u>262,001,218</u>
<b>TOTAL</b>	<b><u>60,672,055,967</u></b>	<b><u>59,082,558,565</u></b>
<b>Long-term</b>		
Infrastructure repair costs	9,435,797,304	10,253,332,425
Tools and equipment	<u>634,009,060</u>	<u>420,435,616</u>
<b>TOTAL</b>	<b><u>10,069,806,364</u></b>	<b><u>10,673,768,041</u></b>

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

## 11. TANGIBLE FIXED ASSETS

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>
<b>Cost:</b>						
As at 31 December 2019	206,388,898,611	6,846,822,040	36,413,270,893	21,611,242,101	788,381,818	272,048,615,463
Transfer from construction in progress	20,731,334,257	-	-	-	-	20,731,334,257
As at 30 June 2020	227,120,232,868	6,846,822,040	36,413,270,893	21,611,242,101	788,381,818	292,779,949,720
<i>In which:</i>						
Fully depreciated	20,808,200,054	4,464,057,852	9,660,683,448	5,915,703,374	788,381,818	41,637,026,546
<b>Accumulated depreciation:</b>						
As at 31 December 2019	102,019,534,344	5,249,923,040	22,323,249,891	7,879,337,417	788,381,818	138,260,426,510
Depreciation for the period	8,025,373,589	128,653,628	1,597,605,313	1,005,073,026	-	10,756,705,556
As at 30 June 2020	110,044,907,933	5,378,576,668	23,920,855,204	8,884,410,443	788,381,818	149,017,132,066
<b>Net carrying amount:</b>						
As at 31 December 2019	104,369,364,267	1,596,899,000	14,090,021,002	13,731,904,684	-	133,788,188,953
As at 30 June 2020	117,075,324,935	1,468,245,372	12,492,415,689	12,726,831,658	-	143,762,817,654

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

## 12. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Que Vo II Industrial Park	4,721,134,625	-
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	6,976,367,545	8,099,171,192
<b>TOTAL</b>	<b><u>16,169,122,881</u></b>	<b><u>12,570,791,903</u></b>

## 13. INVESTMENT PROPERTIES

	<i>Currency: VND</i>	
	<i>Factories (including land development and infrastructure cost)</i>	
<b>Cost:</b>		
As at 31 December 2019		<u>257,787,300,142</u>
As at 30 June 2020		<u>257,787,300,142</u>
<b>Accumulated depreciation and amortisation:</b>		
As at 31 December 2019		7,582,833,487
- Depreciation during the period		<u>12,148,964,192</u>
As at 30 June 2020		<u>19,731,797,679</u>
<b>Net carrying amount:</b>		
As at 31 December 2019		<u>250,204,466,655</u>
As at 30 June 2020		<u>238,055,502,463</u>

Investment properties are factories in industrial zones which are held for operating leases.

As at 30 June 2020, the Company has not been able to determine the fair value of these investment properties because there is no active market for these properties.



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

#### 14. LONG-TERM INVESTMENTS

		Currency: VND	
	Note	30 June 2020	31 December 2019
Investments in subsidiaries	14.1	6,093,546,314,000	6,093,546,314,000
Investments in associates	14.2	641,324,261,074	641,324,261,074
Other long-term investments	14.3	448,500,200,000	448,500,200,000
Provision for long-term investments	14.2, 14.3	<u>(381,614,811,367)</u>	<u>(394,266,283,303)</u>
<b>TOTAL</b>		<b><u>6,801,755,963,707</u></b>	<b><u>6,789,104,491,771</u></b>

##### 14.1 Investments in subsidiaries

	30 June 2020			31 December 2019		
	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	100%	-	4,130,000,000,000	100%	-	4,130,000,000,000
Saigon – Tay Bac City Development JSC	74.3%	30,259,574	662,066,314,000	74.3%	30,259,574	662,066,314,000
Saigon - Hai Phong Industrial Park JSC	86.54%	3,600,000	468,000,000,000	86.54%	3,600,000	468,000,000,000
Saigon - Bacgiang Industrial Park JSC	92.5%	1,309,000	119,000,000,000	92.5%	1,309,000	119,000,000,000
NGD Investment One Member Company Limited	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	100%	-	600,000,000,000	100%	-	600,000,000,000
Tien Duong Development Holding Joint Stock Company	51%	25,500,000	<u>3,740,000,000</u>	51%	25,500,000	<u>3,740,000,000</u>
<b>TOTAL</b>			<b><u>6,093,546,314,000</u></b>			<b><u>6,093,546,314,000</u></b>

Detailed information on subsidiaries as at 30 June 2020 is presented in Note 1.

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

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

##### 14.2 Investments in associates

Currency: VND

	Note	Ownership interest	30 June 2020		31 December 2019	
			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
Scanviwood JSC	(iii)	34%	1,077,528	7,204,600,000	1,077,528	7,204,600,000
<b>TOTAL</b>				<b>641,324,261,074</b>		<b>641,324,261,074</b>
Provision for impairment of investment in associates				(358,726,893,217)		(371,921,339,307)
<b>NET VALUE</b>				<b>282,597,367,857</b>		<b>269,402,921,767</b>

Details of provision for impairment of investment in associates:

	30 June 2020	31 December 2019
<b>Provision for impairment of investment in associates</b>		
Saigon Telecommunication & Technologies JSC	332,562,621,514	345,757,067,604
Saigon - Hue Investment JSC	18,959,671,703	18,959,671,703
Scanviwood JSC	7,204,600,000	7,204,600,000
<b>TOTAL</b>	<b>358,726,893,217</b>	<b>371,921,339,307</b>

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

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

**14.2 Investments in associates** (continued)

(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 13<sup>th</sup> 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, Vietnam.

(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, Vietnam.

(iii) *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 2020 and for the six-month period then ended

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

**14.3 Other long-term investments**

Currency: VND

	30 June 2020			31 December 2019		
	% 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 - Nhon Hoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon - Ham Tan Tourism JSC	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
<b>TOTAL</b>			<b>448,500,200,000</b>			<b>448,500,200,000</b>
Provision for other long-term investments			(22,887,918,150)			(22,344,943,996)
<b>NET CARRYING VALUE</b>			<b>425,612,281,850</b>			<b>426,155,256,004</b>

(\*) The Company is collecting 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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 2020		31 December 2019	
	Amount	Amount payable	Amount	Amount payable
Hai Phat Real Estate JSC	13,019,970,115	13,019,970,115	13,019,970,115	13,019,970,115
Van Loc Construction Development and Investment JSC	9,791,953,754	9,791,953,754	13,569,718,000	13,569,718,000
Cong Thanh Environment – Technology Company Limited	7,453,776,572	7,453,776,572	5,918,523,300	5,918,523,300
Trong Cuong Limited Company	2,664,419,845	2,664,419,845	4,370,439,033	4,370,439,033
Truong Phat Investment JSC	1,955,281,650	1,955,281,650	8,667,795,225	8,667,795,225
Construction No. 478 JSC	1,164,094,700	1,164,094,700	5,962,236,700	5,962,236,700
Other suppliers	30,272,667,861	30,272,667,861	36,111,087,864	36,111,087,864
<b>TOTAL</b>	<b>66,322,164,497</b>	<b>66,322,164,497</b>	<b>87,619,770,237</b>	<b>87,619,770,237</b>

### 15.2 Short-term advances from customers

Currency: VND

	30 June 2020	31 December 2019
Truong Phat Investment JSC	798,915,111	798,915,111
Other advances from customers	6,449,027,184	7,203,886,762
<b>TOTAL</b>	<b>7,247,942,295</b>	<b>8,002,801,873</b>

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

**16. STATUTORY OBLIGATIONS**

	31 December 2019	Payable for the period	Payment in the period	30 June 2020
<b>Payable</b>				
Corporate income tax	2,000,734,634	416,120,500	(2,416,855,134)	-
Personal income tax	729,922,746	4,092,382,506	(4,624,697,219)	197,608,033
Other taxes	248,235,319	3,765,413,068	(3,765,413,068)	248,235,319
<b>TOTAL</b>	<b>2,978,892,699</b>	<b>8,273,916,074</b>	<b>(10,806,965,421)</b>	<b>445,843,352</b>
			Net off/received in the period	
<b>Receivable</b>				
Value added tax	70,726,605,151	12,700,276,534	(4,645,525,073)	78,781,356,612
Corporate income tax	-	4,319,144,866	-	4,319,144,866
Other taxes	431,719,088	172,536,058	(440,159,101)	164,096,045
<b>TOTAL</b>	<b>71,158,324,239</b>	<b>17,191,957,458</b>	<b>(5,085,684,174)</b>	<b>83,264,597,523</b>

Currency: VND



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

## 17. ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>		
Accrued future development costs for recognised sales	80,510,325,000	79,871,805,658
- Que Vo II Industrial Zone	19,250,743,371	19,250,743,371
- Que Vo I Industrial Zone	55,102,164,592	56,504,290,047
- Phuc Ninh Urban Area	6,157,417,037	4,116,772,240
Accrued interest expenses (*)	840,968,416,028	849,420,772,627
Accrued external service expenses	2,911,957,126	2,212,269,001
Accrued expenses to related parties (Note 27)	7,166,666,667	1,233,333,333
<b>TOTAL</b>	<b><u>931,557,364,821</u></b>	<b><u>932,738,180,619</u></b>
<b>Long-term</b>		
Accrued expenses to related parties (Note 27)	26,474,048,930	6,471,268,746
<b>TOTAL</b>	<b><u>26,474,048,930</u></b>	<b><u>6,471,268,746</u></b>

(\*) 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 bonds will be due on 31 December 2020 (Note 19.2).

## 18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
<b>Short-term</b>		
Tan Hoang Minh Hotel Service Trading Company Limited (i)	1,804,868,000,000	-
Deposit for land transfer agreement at Phuc Ninh Urban Area (ii)	444,534,322,652	439,934,046,609
Other payables	16,394,954,501	5,293,875,815
Dividend payables	1,574,632,950	25,443,382,950
Other payables to related parties (Note 27)	858,000,000	858,000,000
<b>TOTAL</b>	<b><u>2,268,229,910,103</u></b>	<b><u>471,529,305,374</u></b>
<b>Long-term</b>		
Other long-term payables	9,225,250,271	9,225,250,271
<b>TOTAL</b>	<b><u>9,225,250,271</u></b>	<b><u>9,225,250,271</u></b>

(i) This is payable to Tan Hoang Minh Hotel Service Trading Company Limited in connection with the transfer of all equity capital of Hoa Sen Hotel Development Company Limited as described in Note 5.1.

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

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

## 19. LOANS

Currency: VND

	31 December 2019		Movement during the period		30 June 2020	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
<b>Short-term</b>						
Current portion of long-term loans and bonds (Note 19.1 and 19.2)	696,035,305,750	696,035,305,750	787,208,181,818	(515,035,305,750)	968,208,181,818	968,208,181,818
Other short-term loans (*)	-	-	50,000,000,000	-	50,000,000,000	50,000,000,000
Short-term loans from related parties (Note 27)	100,000,000,000	100,000,000,000	-	-	100,000,000,000	100,000,000,000
<b>TOTAL</b>	<b>796,035,305,750</b>	<b>796,035,305,750</b>	<b>837,208,181,818</b>	<b>(515,035,305,750)</b>	<b>1,118,208,181,818</b>	<b>1,118,208,181,818</b>
<b>Long-term</b>						
Long-term loans from bank (Note 19.1)	220,400,340,180	220,400,340,180	99,186,174,737	(11,000,000,000)	308,586,514,917	308,586,514,917
Bonds (Note 19.2)	805,861,885,377	805,861,885,377	569,996,136,066	(818,630,178,228)	557,227,843,215	557,227,843,215
Loans from related parties (Note 27)	190,159,137,294	190,159,137,294	479,000,000,000	-	669,159,137,294	669,159,137,294
<b>TOTAL</b>	<b>1,216,421,362,851</b>	<b>1,216,421,362,851</b>	<b>1,148,182,310,803</b>	<b>(829,630,178,228)</b>	<b>1,534,973,495,426</b>	<b>1,534,973,495,426</b>

(\*) The balance represents the unsecured loan from an individual with no interest rate and will be matured on 15 January 2021.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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 2020 (VND)	Interest rate	Principal and interest payment term	Collateral
Joint Stock Commercial Bank for Investment and Development of Vietnam - Bac Ninh branch	111,751,470,720	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	224,969,640,107	10% per annum	Principal repayment on 29 November 2022. Interest is payable every 3 months on last 25 <sup>th</sup> day each quarter	All 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 ha land area of stage 1 in Nam Son – Hap Linh Industrial Park.
	52,865,404,090	10% per annum	Principal repayment on 16 November 2022. Interest is payable every 3 months on last 25 <sup>th</sup> day each quarter	All assets formed from 83.8 ha area infrastructure development of Que Vo II Industrial Park.

**TOTAL**

**389,586,514,917**

*In which:*

- Current portion of long-term loans	81,000,000,000
- Long-term loans	308,586,514,917



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

19. LOANS (continued)

19.2 Bonds

As at 30 June 2020, 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
KBCbond1-2017	Corporate bond issued to BIDV- Saigon Northern branch	280	1,000,000,000	280,000,000,000	10.23%	21 November 2022	Total shares of Kinh – Da Nang Investment Company Limited
KBC bond2019-02	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.50%	15 April 2021	26,000,000 shares of Kinh Bac City Development Holding Corporation.
KBC bond2019-05	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.50%	28 June 2021	800,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBCbond2019-03	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.50%	05 January 2021	700,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBC bond2019-06	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.80%	06 June 2021	420,000 Shares of Saigon - Hai Phong Industrial Park JSC.
KBCbond2020-200	Corporate bond issued to counterparties	200,000	1,000,000	200,000,000,000	10.50%	08 May 2022	1,309,000 Shares of Saigon – Bac Giang Industrial Park JSC.
KBCbond2020-VB	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.80%	23 June 2022	Land attach asset (including factories, offices), infrastructure investment value in QueVo I, QueVo II, Quang Chau industrial park.
Bond issuance costs:				(35,563,974,967)			
<b>TOTAL</b>				<b>1,444,436,025,033</b>			
In which:							
Bonds due next year				900,000,000,000			
Long-term bonds				580,000,000,000			
Issue costs of short-term bonds				(12,791,818,182)			
Issue costs of long-term bonds				(22,772,156,785)			

# KinhBac City Development Holding Corporation

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

## 20. OWNERS' EQUITY

### 20.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>For the six-month period ended 30 June 2019</b>						
As at 31 December 2018	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	2,060,983,832,349	7,444,385,976,172
Loss for the period	-	-	-	-	(13,043,836,317)	(13,043,836,317)
As at 30 June 2019	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	2,047,939,996,032	7,431,342,139,855
<b>For the six-month period ended 30 June 2020</b>						
As at 31 December 2019	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	1,632,078,988,188	7,015,481,132,011
Loss for the period	-	-	-	-	(113,038,416,269)	(113,038,416,269)
As at 30 June 2020	4,757,111,670,000	988,533,430,000	(364,466,650,000)	2,223,693,823	1,519,040,571,919	6,902,442,715,742

Currency: VND

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

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

**20.2 Contributed charter capital**

Currency: VND

	30 June 2020			31 December 2019		
	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)	-
<b>TOTAL</b>	<b>5,381,178,450,000</b>	<b>5,381,178,450,000</b>	<b>-</b>	<b>5,381,178,450,000</b>	<b>5,381,178,450,000</b>	<b>-</b>

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

Currency: VND

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
<b>Contributed capital</b>		
Beginning balance	4,757,111,670,000	4,757,111,670,000
Increase in the period	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>4,757,111,670,000</u>
<b>Dividends, profit paid</b>	-	-

**20.4 Dividend**

Currency: VND

	30 June 2020	30 June 2019
<b>Dividends declared during the period</b>		
Interim dividends during the period:	-	-
<b>Dividends paid during the period</b>		
Interim dividends during the period:	23,868,750,000	-



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

20. OWNERS' EQUITY (continued)

20.5 Shares

	30 June 2020		31 December 2019	
	Shares	Par value (VND)	Shares	Par value (VND)
<b>Issued shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
<b>Issued and paid-up shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
Ordinary shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Preference shares	-	-	-	-
<b>Treasury shares</b>	<b>5,950,978</b>	<b>59,509,780,000</b>	<b>5,950,978</b>	<b>59,509,780,000</b>
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preference shares	-	-	-	-
<b>Shares in circulation</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>
Ordinary shares	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND10,000/share (31 December 2019: VND10,000/share).

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Gross revenue</b>	<b>79,733,075,357</b>	<b>332,084,415,822</b>
<i>Of which:</i>		
Revenue from supply of clean water, electricity, management services, waste water treatment supply	53,128,375,136	42,380,520,305
Revenue from operating leases of warehouses, factories and offices	19,786,714,394	5,834,002,912
Revenue from real estate transfers	6,360,000,000	1,684,009,834
Revenue from long-term lease of land and infrastructures	-	159,978,531,243
Sales of factories	-	100,101,212,880
Other revenues	457,985,827	22,106,138,648
<b>Net revenue</b>	<b><u>79,733,075,357</u></b>	<b><u>332,084,415,822</u></b>

### 21.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest income from deposits, loans and business corporation	4,698,826,300	8,376,059,654
Interest income on outstanding receivables of share transfer contract (i)	8,919,239,236	20,000,538,514
Other finance income	23,067,524	155,736,695
<b>TOTAL</b>	<b><u>13,641,133,060</u></b>	<b><u>28,532,334,863</u></b>

(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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of services provided	32,152,707,899	33,432,688,682
Cost of warehouses, factories and offices for operating lease	12,148,964,192	2,522,732,740
Cost of real estate transferred	2,325,729,520	2,296,972,098
Cost of long-term leases of land and infrastructures	-	119,006,157,967
Cost of factories sold	-	31,610,662,759
<b>TOTAL</b>	<b><u>46,627,401,611</u></b>	<b><u>188,869,214,246</u></b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Selling expenses</b>		
Labour costs	2,420,671,257	2,016,893,000
Legal consultation and brokerage expenses	-	47,267,297,625
<b>TOTAL</b>	<b><u>2,420,671,257</u></b>	<b><u>49,284,190,625</u></b>
<b>General and administrative expenses</b>		
Labour costs	32,479,141,317	21,943,342,622
Depreciation of fixed assets	3,646,167,213	2,482,113,805
Expenses of external services	12,673,660,127	11,456,773,718
Others	5,772,045,598	10,510,084,454
<b>TOTAL</b>	<b><u>54,571,014,255</u></b>	<b><u>46,392,314,599</u></b>

### 24. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest expenses	102,540,918,342	100,374,367,072
Reversal of provision for investments	(13,144,711,596)	(21,466,729,590)
Other finance expenses	14,002,393,319	8,255,506,044
<b>TOTAL</b>	<b><u>103,398,600,065</u></b>	<b><u>87,163,143,526</u></b>

### 25. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Expenses of developing land, building infrastructures, factories and rendering services	121,660,934,839	172,618,022,031
Labour costs	36,986,641,051	25,507,770,622
Depreciation of fixed assets	22,905,669,748	12,032,297,450
Expenses for external services	12,673,660,127	54,963,422,401
Other expenses	5,772,045,598	14,270,733,396
<b>TOTAL</b>	<b><u>199,998,951,363</u></b>	<b><u>279,392,245,900</u></b>



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

## 26. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company for the six-month period ended 30 June 2020 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 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Current CIT expenses	416,120,500	416,120,500
Deferred CIT income	<u>(416,120,500)</u>	<u>(416,120,500)</u>
<b>TOTAL</b>	<u>-</u>	<u>-</u>

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Accounting profit before tax</b>	<b>(113,038,416,269)</b>	<b>(13,043,836,317)</b>
CIT expenses at rate applicable of 20%	(22,607,683,254)	(2,608,767,264)
<i>Adjustments for:</i>		
Non-deductible expenses	1,028,852,083	1,709,701,070
Interest expenses in excess of 30% EBITDA according to Decree 68/2020/ND-CP	19,141,953,608	-
Losses from other activities which are not allowed to be offset against profits from real estate trading	2,638,710,676	899,066,194
Adjustment for under accrual of tax from prior year	<u>(201,833,113)</u>	<u>-</u>
<b>CIT expenses</b>	<u>-</u>	<u>-</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 2020 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 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Deferred tax liabilities</b>				
Deferred tax liabilities arising from allocation of CIT over the lease term of the Company's industrial parks	36,049,868,820	36,465,989,320	(416,120,500)	(416,120,500)
	<b>36,049,868,820</b>	<b>36,465,989,320</b>		
<b>Net deferred income tax credit to the interim separate income statement</b>			<b>(416,120,500)</b>	<b>(416,120,500)</b>

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 2020, the Company has accumulated losses with total amount of VND 145,805,925,851 (as at 31 December 2019: VND 34,420,692,832) which are available for offset against future taxable income. Details are as follows:

Currency: VND

<i>Originating year</i>	<i>Can be utilized up to</i>		<i>Tax loss amount</i>	<i>Utilized up to 30 June 2020</i>	<i>Forfeited</i>	<i>Unutilized at 30 June 2020</i>
2015	2020	(i)	40,779,832	-	-	40,779,832
2016	2021	(i)	7,252,824	-	-	7,252,824
2017	2022	(i)	9,364,593	-	-	9,364,593
2018	2023	(i)	69,317,775	-	-	69,317,775
2019	2024	(ii)	35,303,143,363	(1,009,165,555)	-	34,293,977,808
Current period	2025	(ii)	111,385,233,019	-	-	111,385,233,019
<b>TOTAL</b>			<b>146,815,091,406</b>	<b>(1,009,165,555)</b>	<b>-</b>	<b>145,805,925,851</b>

(i) These are estimated 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 2020 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 period with the Company:

No.	Related party	Relationship
1	Saigon – Bacgiang Industrial Park Corporation	Subsidiary
2	Saigon – Hai Phong Industrial Park Corporation	Subsidiary
3	Kinh Bac – Da Nang Investment One Member Company Limited	Subsidiary
4	Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Other related party
5	Vinatex Tan Tao Investment JSC	Other related party
6	Ms Nguyen Thi Thu Huong	General Director
7	Mr Phan Anh Dung	Deputy General Director
8	Ms Nguyen My Ngoc	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 of receivables, payables, loans at 30 June 2020 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2020, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2019: 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.

Significant transactions between the Company and its related parties during the current and previous period were as follows:

Related party	Relationship	Description	Currency: VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Saigon - Hai Phong Industrial Park Corporation	Subsidiary	Repayments of borrowings	3,554,377,646	7,987,602,045
Saigon - Bacgiang Industrial Park Corporation	Subsidiary	Interest receivables from business cooperation contract	3,286,356,164	15,209,397,260
		Interest payables	16,430,402,538	8,509,392,327
		Transfer cash for business cooperation contract	224,000,000,000	-
		Borrowings	479,000,000,000	-
Kinh Bac – Da Nang Investment One Member Company Limited	Subsidiary	Lending	5,000,000,000	-
Vinatex – Tan Tao Investment Corporation	Other related party	Interest payables	5,933,333,334	-



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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:

Currency: VND

Related party	Relationship	Description	30 June 2020	31 December 2019
<b>Long term loan receivables (Note 7)</b>				
Kinh Bac – Da Nang Investment One Member Company Limited	Subsidiary	Loan receivable (i)	9,000,000,000	4,000,000,000
			<b>9,000,000,000</b>	<b>4,000,000,000</b>
<b>Other short-term receivables (Note 8)</b>				
Ms Nguyen Thi Thu Huong	General Director	Advance	3,489,211,820	3,489,211,820
Mr Phan Anh Dũng	Deputy General Director	Advance	110,000,000	110,000,000
Ms Nguyen My Ngoc	Deputy General Director	Advance	136,330,000	136,330,000
			<b>3,735,541,820</b>	<b>3,735,541,820</b>
<b>Other long-term receivables (Note 8)</b>				
Kinh Bac – Da Nang Investment One Member Company Limited	Subsidiary	Interest receivables	260,821,918	19,726,028
Saigon - Bacgiang Industrial Park Corporation	Subsidiary	Capital contribution and income receivables from BCC	227,286,356,164	-
			<b>227,547,178,082</b>	<b>19,726,028</b>

(i) This is un-secured loan, earning interest at 10% per annum and will be matured in December 2022.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at 30 June 2020 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: (continued)

Related party	Relationship	Description	Currency: VND	
			30 June 2020	31 December 2019
<b>Short-term accrued expenses (Note 17)</b>				
Vinatex – Tan Tao Investment Corporation	Other related party	Short-term loan interest payable	7,166,666,667	1,233,333,333
			<b>7,166,666,667</b>	<b>1,233,333,333</b>
<b>Long-term accrued expenses (Note 17)</b>				
Saigon - Hai Phong Industrial Park JSC	Subsidiary	Interest expenses	8,230,979,036	4,676,601,390
Saigon - Bac Giang Industrial Park Corporation	Subsidiary	Interest expenses	17,315,190,171	884,787,633
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Other related party	Interest expenses	927,879,723	909,879,723
			<b>26,474,048,930</b>	<b>6,471,268,746</b>
<b>Other short-term payables (Note 18)</b>				
Saigon - Bac Giang Industrial Park Corporation	Subsidiary	Other payables	858,000,000	858,000,000
			<b>858,000,000</b>	<b>858,000,000</b>
<b>Short-term loan (Note 19)</b>				
Vinatex – Tan Tao Investment Corporation (i)	Other related party	Short-term loan	100,000,000,000	100,000,000,000
			<b>100,000,000,000</b>	<b>100,000,000,000</b>
<b>Long-term loan (Note 19)</b>				
Saigon - Bac Giang Industrial Park Corporation (ii)	Subsidiary	Long-term loan	297,270,710,252	92,270,710,252
Saigon - Hai Phong Industrial Park JSC (iii)	Subsidiary	Long-term loan	274,000,000,000	-
Saigon - Hai Phong Industrial Park JSC (iii)	Subsidiary	Long-term loan	67,888,427,042	67,888,427,042
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC (iv)	Other related party	Long-term loan	30,000,000,000	30,000,000,000
			<b>669,159,137,294</b>	<b>190,159,137,294</b>

(i) This is an unsecured loan with interest at 1% per month and will be matured in July 2020.

(ii) These are the unsecured loans with interest at 10% per annum and 10.5% per annum, respectively, and will be matured on 27 November 2021 and 11 May 2022, correspondingly.

(iii) This is an unsecured loan with interest at 10.5% per annum, and will be matured on 9 May 2022.

(iv) This is an unsecured loan with interest at 10.5% per annum, and will be matured on 31 December 2022.

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

**27. TRANSACTIONS WITH RELATED PARTIES** (continued):

**Transactions with other related parties**

*Remuneration to members of the Management:*

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
General Director	5,328,184,000	4,205,533,000
Deputy General Directors and Chief Accountant	4,478,878,000	3,183,012,000
<b>TOTAL</b>	<b><u>9,807,062,000</u></b>	<b><u>7,388,545,000</u></b>

01/06/2020



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

## 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 2020, 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 m<sup>2</sup> (up to 2052) and 2,234,012.9 m<sup>2</sup> (up to 2057), respectively. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. As at 30 June 2020, 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/QH12 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 1,046,858.9 m<sup>2</sup> at Nam Son - Hap Linh Industrial Park. As at 30 June 2020, 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 2020 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 2020, 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 44.8 billion.

### 28.2 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.

## 29. EVENTS AFTER THE BALANCE SHEET DATE

According to Board of Directors Resolution No. 2807/2020/KBC/NQ-HDQT dated 28 July 2020, the Company has contributed additional capital of VND 120,000,000,000 to Kinh Bac - Da Nang Investment Company Limited – Company's subsidiary.

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	_____ Nguyen Thi Thu Huong General Director



Bac Ninh, Vietnam

27 August 2020