

Vinhomes Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2019



Vinhomes Joint Stock Company

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Vinhomes Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group

BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman	Appointed on 28 February 2019 Ms. Nguyen Dieu Linh was appointed as the Chairperson as replacement for Mr. Pham Nhat Vuong on 28 February 2019
Mr. Pham Nhat Vuong	Member	
Mr. Nguyen Viet Quang	Member	
Ms. Cao Thi Ha An	Member	
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	

SUPERVISORY BOARD

Members of the Supervisory Board during the year and at the date of this report are:

Mr. Pham Khoi Nguyen	Head of the Supervisory Board
Ms. Doan Thi Thu Mai	Member
Ms. Le Thi Duyen	Member

Vinhomes Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Pham Thieu Hoa	Chief Executive Officer	Appointed on 18 May 2019
	Deputy Chief Executive Officer	Resigned on 18 May 2019
Ms. Luu Thi Anh Xuan	Chief Executive Officer	Appointed on 28 February 2019
		Resigned on 18 May 2019
Ms. Nguyen Dieu Linh	Chief Executive Officer	Resigned on 28 February 2019
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Dao Thi Thien Huong	Deputy Chief Executive Officer	Appointed on 10 January 2019
		Resigned on 15 July 2019

LEGAL REPRESENTATIVES

The legal representatives of the Company:

- ▶ up to 5 March 2019 are Mr. Pham Nhat Vuong, Chairman, Ms. Nguyen Dieu Linh, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- ▶ from 6 March 2019 to 19 May 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Ms. Luu Thi Anh Xuan, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer;
- ▶ from 20 May 2019 to 27 June 2019 are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer and Mr. Nguyen Van Trai, Deputy Chief Executive Officer; and
- ▶ from 28 June 2019 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer.

Ms. Le Thi Hai Yen, Chief Financial Officer, is authorised to sign the financial statements of the Company in accordance with the Letter of Authorisation No 064/2019/GUQ-TGD-VH dated 26 July 2019.

AUDITOR

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

Vinhomes Joint Stock Company

REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2019 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

Reference: 60871645/21120223-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vinhomes Joint Stock Company

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 30 March 2020 and set out on pages 6 to 81, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited




Le Vu Truong
Deputy General Director
Audit Practicing Registration
Certificate No. 1588-2018-004-1



Nguyen Hoang Linh
Auditor
Audit Practicing Registration
Certificate No. 3835-2016-004-1

Hanoi, Vietnam

30 March 2020

CONSOLIDATED BALANCE SHEET
as at 31 December 2019

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		139,555,054	91,202,544
110	I. Cash and cash equivalents	5	13,332,299	3,515,372
111	1. Cash		2,788,220	2,695,195
112	2. Cash equivalents		10,544,079	820,177
120	II. Short-term investments		360,611	1,009,405
123	1. Held-to-maturity investments	6	360,611	1,009,405
130	III. Current accounts receivable		47,467,976	43,356,144
131	1. Short-term trade receivables	7.1	8,811,344	7,144,805
132	2. Short-term advances to suppliers	7.2	8,802,736	2,552,554
135	3. Short-term loan receivables	8	16,507,454	4,527,857
136	4. Other short-term receivables	9	13,465,638	29,241,297
137	5. Provision for doubtful short-term receivables	10	(119,196)	(110,369)
140	IV. Inventories	11	60,296,848	36,858,429
141	1. Inventories		60,306,616	37,065,229
149	2. Provision for obsolete inventories		(9,768)	(206,800)
150	V. Other current assets		18,097,320	6,463,194
151	1. Short-term prepaid expenses	12	2,089,245	1,005,321
152	2. Value-added tax deductible	21	673,229	119,251
153	3. Tax and other receivables from the State	21	41,933	94,494
155	4. Other current assets	13	15,292,913	5,244,128

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		57,685,974	28,486,210
210	I. Long-term receivables		8,114,996	213,789
215	1. Long-term loan receivables	8	7,863,900	-
216	2. Other long-term receivables	9	251,096	213,789
220	II. Fixed assets		690,347	128,186
221	1. Tangible fixed assets	14	624,738	100,435
222	Cost		678,311	119,583
223	Accumulated depreciation		(53,573)	(19,148)
227	2. Intangible fixed assets		65,609	27,751
228	Cost		108,952	50,628
229	Accumulated amortisation		(43,343)	(22,877)
230	III. Investment properties	15	6,626,630	5,828,905
231	1. Cost		6,959,536	5,994,452
232	2. Accumulated depreciation		(332,906)	(165,547)
240	IV. Long-term assets in progress		28,212,527	18,363,034
242	1. Construction in progress	17	28,212,527	18,363,034
250	V. Long-term investments	18	773,312	478,312
253	1. Investments in other entities	18.1	558,632	378,632
255	2. Held-to-maturity investments	18	214,680	99,680
260	VI. Other long-term assets		13,268,162	3,473,984
261	1. Long-term prepaid expenses	12	2,511,706	508,583
262	2. Deferred tax assets	33.3	330,794	340,864
268	3. Other long-term assets	13	9,471,481	1,543,754
269	4. Goodwill	19	954,181	1,080,783
270	TOTAL ASSETS		197,241,028	119,688,754

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		132,525,985	71,543,880
310	I. Current liabilities		121,556,854	42,872,273
311	1. Short-term trade payables	20.1	6,078,324	2,504,134
312	2. Short-term advances from customers	20.2	40,245,699	14,206,623
313	3. Statutory obligations	21	2,095,296	2,543,863
315	4. Short-term accrued expenses	22	7,839,911	6,083,735
318	5. Short-term unearned revenues	23	465,696	458,115
319	6. Other short-term payables	24	46,669,574	10,672,890
320	7. Short-term loans	25	18,162,354	6,402,913
330	II. Non-current liabilities		10,969,131	28,671,607
333	1. Long-term accrued expenses	22	588,885	520,943
336	2. Long-term unearned revenues	23	1,534,550	1,718,386
337	3. Other long-term liabilities	24	90,376	114,028
338	4. Long-term loans	25	8,343,025	25,505,723
341	5. Deferred tax liabilities	33.3	270,303	623,140
342	6. Long-term provisions	26	141,992	189,387

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		64,715,043	48,144,874
410	I. Capital	27	64,715,043	48,144,874
411	1. Share capital		33,495,139	33,495,139
411a	- Shares with voting rights		33,495,139	33,495,139
412	2. Share premium		295,000	295,000
415	3. Treasury shares		(5,549,929)	-
420	4. Other funds belonging to owners' equity		1,816,269	1,816,269
421	5. Undistributed earnings		26,039,678	7,626,959
421a	- Undistributed earnings by the end of prior year		4,277,445	-
421b	- Undistributed earnings of current year		21,762,233	7,626,959
429	6. Non-controlling interests		8,618,886	4,911,507
440	TOTAL LIABILITIES AND OWNERS' EQUITY		197,241,028	119,688,754

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Le Thi Hai Yen
Chief Financial Officer



Hanoi, Vietnam

30 March 2020

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	51,626,931	38,664,328
11	4. Cost of goods sold and services rendered	29	(24,171,323)	(28,603,258)
20	5. Gross profit from sale of goods and rendering of services		27,455,608	10,061,070
21	6. Finance income	28.2	9,045,787	14,565,047
22	7. Finance expenses	30	(2,548,827)	(2,456,954)
23	In which: Interest expenses and bond issuance expenses		(2,377,698)	(2,382,622)
24	8. Shares of profit of associates	18.1	-	191
25	9. Selling expenses	31	(2,080,673)	(1,381,105)
26	10. General and administrative expenses	31	(2,156,421)	(1,062,826)
30	11. Operating profit		29,715,474	19,725,423
31	12. Other income		185,728	100,932
32	13. Other expenses		(155,508)	(107,621)
40	14. Other profit/(loss)		30,220	(6,689)
50	15. Accounting profit before tax		29,745,694	19,718,734
51	16. Current corporate income tax expense	33.1	(5,766,161)	(4,630,061)
52	17. Deferred tax income/(expense)	33.3	339,567	(312,354)
60	18. Net profit after tax		24,319,100	14,776,319

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		21,747,376	14,284,453
62	20. Net profit after tax attributable to non-controlling interests		2,571,724	491,866

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	35	6,502	4,503



Bui Tien Luc
Preparer



Nguyen Huu Thanh
Chief Accountant



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		29,745,694	19,718,734
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	38	351,846	261,532
03	Reversal of provisions		(197,023)	(28,000)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(899)	(1,414)
05	Profits from investing activities	38	(9,115,700)	(14,478,398)
06	Interest expenses and bond issuance expenses	30	2,377,698	2,382,622
08	Operating profit before changes in working capital		23,161,616	7,855,076
09	(Increase)/decrease in receivables		(3,032,812)	5,329,601
10	(Increase)/decrease in inventories		(7,354,995)	11,297,369
11	Increase/(decrease) in payables (other than interest, corporate income tax)		51,451,474	(20,385,216)
12	(Increase)/decrease in prepaid expenses		(2,885,248)	427,513
14	Interest paid		(3,309,171)	(2,579,917)
15	Corporate income tax paid	21	(6,102,455)	(3,407,626)
20	Net cash flows from/(used in) operating activities		51,928,409	(1,463,200)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(3,846,972)	(750,555)
22	Proceeds from disposals of fixed assets and other long-term assets		205,848	1,618,545
23	Loans to other entities and payments for purchase of debt instruments of other entities	38	(14,077,010)	(13,939,642)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		30,762,019	19,995,489
25	Payments for investments in other entities (net of cash hold by entity being acquired)	38	(61,164,624)	(52,277,281)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)	38	19,568,901	26,397,780
27	Interest and dividends received		1,232,061	1,113,713
30	Net cash flows used in investing activities		(27,319,777)	(17,841,951)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		-	12,240,979
32	Reacquisition of treasury shares	27.1	(5,549,929)	-
33	Drawdown of borrowings		6,847,057	100,191,076
34	Repayment of borrowings		(12,402,281)	(90,227,832)
36	Dividends paid		(3,686,552)	(945,277)
40	Net cash flows (used in)/from financing activities		(14,791,705)	21,258,946

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash for the year		9,816,927	1,953,795
60	Cash and cash equivalents at the beginning of the year		3,515,372	1,561,577
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	13,332,299	3,515,372

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant



Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 28th amendment dated 28 June 2019 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at No. 458, Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group.

The Company's normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company's normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2019: 7,116 (31 December 2018: 6,258).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 31 December 2019, the Company has 18 subsidiaries (as at 31 December 2018: 18 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	85.00	83.95	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	99.18	98.76	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	69.50	68.64	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation ("Can Gio JSC") (i)	99.89	98.56	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate LLC ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township ("Berjaya VIUT LLC") (i)	97.90	88.17	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment JSC ("Royal City JSC")	57.85	57.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment JSC ("Lang Van JSC") (i)	99.00	95.82	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
10	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC") (i)	67.50	60.78	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction JSC ("Thai Son JSC") (i)	100.00	90.06	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millenium Trading Investment and Development LLC ("Millenium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties and office leasing
13	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.89	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	96.79	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	AnThinh Trading and Commercial Development JSC ("An Thinh JSC")	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Delta JSC (i)	100.00	99.34	110 Dang Cong Binh, 6 th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Green City Development JSC ("Green City JSC")	90.00	90.00	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
18	MV Viet Nam Real Estate Trading JSC ("MV Real Estate JSC") (i)	99.82	89.84	4 th Floor, Vincom Megamall Thao Dien, 161 Ha Noi Highway, Thao Dien Ward, District 2, Ho Chi Minh City	Investing, developing and trading real estate properties

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) This company is in the process of completing dissolution procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

The Company and its subsidiaries' applied accounting documentation system is the General Journal.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2019, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

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

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

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

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an investment in other entities, the Company's investment is accounted for using the cost method. Profit/loss from this transaction is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year 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*

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

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

Inventory property

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to completion and the estimated costs to sell.

The cost of inventory property recognised in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on reasonable relative cost basis.

Construction inventory

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the financial statements.

Provision for obsolete inventories

An inventories 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 and its subsidiaries, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company and its subsidiaries are the lessors

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

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

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

Where the Company and its subsidiaries are the lessees

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.7 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	15 - 48 years
Machinery and equipment	5 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

3.8 Investment properties

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

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

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 years

No amortisation is charged on the land use rights presented as investment properties with indefinite terms.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties* (continued)

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

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 *Prepaid expenses*

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

Short-term prepaid expenses include commission fees for selling inventory properties, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

Prepaid land rental

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill

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

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evident.

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

Business combinations involving entities or businesses under common control

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for as follows:

- ▶ The assets and liabilities of the combined entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

3.12 Assets acquisitions and business combinations

The Company and its subsidiaries acquire subsidiaries that own assets and production activities. At the date of acquisition, the Company and its subsidiaries consider whether the acquisition represents the acquisition of a business. The Company and its subsidiaries account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Assets acquisitions and business combinations (continued)

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

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the parent company shall not remeasure the previously held equity interests. Instead previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

3.13 Investments

Held-for-trading securities and investments in other entities

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

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

Held-to-maturity investments

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

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

3.15 Provisions

General provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company and its subsidiaries expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions (continued)

General provision (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Warranty provision for inventory properties

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

3.16 Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

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

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

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

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

3.17 Treasury shares

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

3.18 Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders pursuant to decision of the Board of Directors (approved by General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Advances from customers buying inventory properties

Payments received from customers as deposits for purchase of inventory properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries 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:

Revenue from sale of inventory properties

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all following conditions are met:

- ▶ Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- ▶ The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- ▶ Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- ▶ Lessor must estimate the full cost of leasing activity.

Rental income

Rental income arising from operating lease of properties is recognised in the consolidated income statement on a straight-line basis over the lease term of ongoing leases.

Rendering of services

Revenue from rendering of services is recognised when the services are rendered to customers.

Interest

Income 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 and its subsidiaries' entitlement as an investor to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

Income from capital transfer

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on the date when the transaction arises being the date when the transfer contract is exercised.

Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax or profit after tax

Income from the profit before tax or profit after tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the products and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the services. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

3.21 Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the consolidated balance sheet date, as measured by reference to the work performed that has been agreed by customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

3.22 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax

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

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

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries, 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 temporary 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 consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries 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 and its subsidiaries intend either to 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.

3.23 Earnings per share

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

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

3.24 Segment information

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

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

3.25 Related parties

Parties are considered to be related parties of the Company and its subsidiaries if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and its subsidiaries 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Demerger

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

3.27 Bond issuance transaction cost

Transaction costs relating to bond issuance are charged to the consolidated income statement on a straight-line basis over the term of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

4.1 Disposal of Prime Land Real Estate Investment Joint Stock Company ("Prime Land JSC")

On 28 March 2019, under Share Transfer Agreements signed between the Company and a subsidiary with counterparties, the Company and the aforementioned subsidiary have disposed all shares in Prime Land JSC for total consideration of VND2,413 billion. Accordingly, the Company recognised a gain from this transaction in the consolidated income statement (Note 28.2).

4.2 Acquisition of group of assets

During the year, the Company and its subsidiaries have acquired shares of the following companies from counterparties. Management has reviewed and assessed that the acquisition of shares of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the Company and its subsidiaries.

Acquisition of Green City JSC, a new subsidiary

On 1 July 2019, the Company and its subsidiaries completed the acquisition of 90% shares of Green City JSC from counterparties for a total consideration of VND15,474 billion. As a result, Green City JSC became a subsidiary of the Company. At the date of acquisition, Green City JSC is the owner of a potential real estate project.

Acquisition of Delta JSC, a new subsidiary

On 8 July 2019, the Company and its subsidiaries completed the acquisition of 100% shares of Delta JSC from counterparties for a total consideration of VND4,920 billion. As a result, Delta JSC became a subsidiary of the Company. At the date of acquisition, Delta JSC is the owner of a potential real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,288	2,029
Cash at banks	2,786,932	2,693,166
Cash equivalents	10,544,079	820,177
TOTAL	13,332,299	3,515,372

Cash equivalents as at 31 December 2019 comprise bank deposits in VND with term ranging from 1 month to 3 months, earning interests at rates ranging from 3.9% to 5% per annum (as at 31 December 2018: from 3.9% to 5.5% per annum).

Details of each type of foreign currency in original currency:

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	2,622	10,475

6. HELD-TO-MATURITY INVESTMENTS

	<i>Currency: million VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Short-term bank deposits	360,611	360,611	1,009,405	1,009,405
TOTAL	360,611	360,611	1,009,405	1,009,405

Short-term bank deposits in VND as at 31 December 2019 have terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 5% to 7% per annum (as at 31 December 2018: from 6.1% to 7.1% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

Currency: million VND

	Ending balance	Beginning balance
Sale of inventory properties	7,456,476	5,258,911
Disposal of investments	694,000	939,949
Rendering construction services and related services	442,173	772,169
Rendering real estate management services and related services	115,335	79,200
Leasing activities and rendering related services	103,360	94,576
TOTAL	8,811,344	7,144,805
<i>In which:</i>		
Trade receivables from others	6,629,747	4,484,621
Trade receivables from related parties (Note 34)	2,181,597	2,660,184
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	1,628,845	-

7.2 Short-term advances to suppliers

Currency: million VND

	Ending balance	Beginning balance
Advances to other suppliers	8,788,192	2,550,405
Advances to related parties (Note 34)	14,544	2,149
TOTAL	8,802,736	2,552,554
Provision for doubtful advances to suppliers	(19,205)	(11,664)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

8. LOAN RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Loans to corporate counterparties and individuals (i)	15,852,454	4,527,857
<i>In which:</i>		
<i>Current portion of long-term loan receivables</i>	26,324	23,257
Loans to related parties (Note 34)	655,000	-
TOTAL	16,507,454	4,527,857
Provisions for doubtful loan receivables	(70,000)	(70,000)
Long-term		
Loans to corporate counterparties and individuals	1,000	-
Loans to related parties (Note 34)	7,862,900	-
TOTAL	7,863,900	-

(i) Balances as at 31 December 2019 mainly include:

- ▶ Loans to individuals amounting to VND12,001 billion, with terms of 12 months, and earning an interest rate of 10% to 10.15% per annum. These loans are secured by a number of listed shares and capital contributions in several companies.
- ▶ Loans to corporate counterparties amounting to VND3,770 billion, with terms of 12 months, and earning interest rate of 9% per annum. These loans are guaranteed by a number of shares of a listed company within the Group, a number of shares and a portion of the capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

9. OTHER RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Capital contribution for Business and Investment Co-operation Contract (i)	4,231,792	25,726,793
Receivables from payment on behalf (ii)	2,853,941	522,957
Interest income on loans, deposits and bank deposits	2,713,198	1,170,922
Declared profit receivables (iii)	2,617,025	1,294,827
Short-term deposits, mortgage	545,372	86,746
Others	504,310	439,052
TOTAL	13,465,638	29,241,297
Provision for doubtful other short-term receivables	(29,991)	(28,705)
<i>In which:</i>		
<i>Receivables from others</i>	6,765,972	16,229,553
<i>Receivables from related parties (Note 34)</i>	6,699,666	13,011,744
Long-term		
Receivable from long-term lease	127,886	125,621
Deposits for rental purpose	73,357	73,357
Interest income on long-term loans, deposits and bank deposits	39,647	-
Others	10,206	14,811
TOTAL	251,096	213,789
<i>In which:</i>		
<i>Receivables from others</i>	85,526	93,212
<i>Receivables from related parties (Note 34)</i>	165,570	120,577

- (i) Mainly includes capital contribution of VND3,890 billion to companies within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.
- (ii) Mainly includes down paymentss collected by third party on behalf of the Company and its subsidiaries.
- (iii) This represents receivables for profit declaration from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the purpose of investing in Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa, Vinhomes Skylake and Vinhomes Dragon Bay Projects. The total profit sharing from these contracts is presented in Note 28.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. BAD DEBTS

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	119,804	608	110,369	-
TOTAL	119,804	608	110,369	-

Details of overdue receivables more than 10% of ending balance:

<i>Phu Son Cement JSC</i>	82,705	-	82,705	-
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11. INVENTORIES

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	54,949,401	-	33,682,718	(201,365)
Completed inventory properties	2,612,151	(8,578)	1,287,356	-
Inventories acquired for sales (ii)	578,709	(1,190)	1,009,381	(5,435)
Work in progress related to construction services (iii)	1,845,763	-	712,409	-
Others	320,592	-	373,365	-
TOTAL	60,306,616	(9,768)	37,065,229	(206,800)

- (i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Marina and Vinhomes West Point Projects.
- (ii) Includes villas and shophouses acquired for sales of some real estate projects in Northern Vietnam.
- (iii) Includes the costs incurred related to the rendering of general constructor services to investors of real estate projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. INVENTORIES (continued)

Detail movements of provision for obsolete inventories:

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	206,800	259,110
Add: Provision made during the year	13,850	184,728
Less: Disposal of subsidiary	-	(49,258)
Less: Utilisation of provision during the year	(210,882)	(187,780)
Ending balance	<u>9,768</u>	<u>206,800</u>

12. PREPAID EXPENSES

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Commission fee related to inventory properties not yet handed over	1,509,431	834,413
Provisional corporate income tax	357,764	154,122
Guarantee fee prepaid related to inventory properties not yet handed over	97,788	-
Others	124,262	16,786
TOTAL	<u>2,089,245</u>	<u>1,005,321</u>
Long-term		
Prepaid land rental (i)	2,422,489	365,250
Tools and supplies	28,996	27,451
Prepaid villas rental	30,446	44,504
Repair and leasehold improvement	18,222	66,842
Others	11,553	4,536
TOTAL	<u>2,511,706</u>	<u>508,583</u>

- (i) These are prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

13. OTHER ASSETS

	Currency: million VND	
	Ending balance	Beginning balance
Short-term		
Deposits for investment purpose (i)	15,292,913	5,014,141
Electrical equipment systems	-	229,987
TOTAL	15,292,913	5,244,128
<i>In which:</i>		
Deposits to others	6,643,513	974,871
Deposits to related parties (Note 34)	8,649,400	4,269,257
Long-term		
Deposits for investment purpose (ii)	8,439,145	511,418
Deposits for commercial purpose (iii)	1,032,336	1,032,336
TOTAL	9,471,481	1,543,754
<i>In which:</i>		
Deposits to others	1,032,336	1,032,336
Deposits to related parties (Note 34)	8,439,145	511,418

(i) Mainly comprises:

- Deposits of VND3,063 billion to a company within the Group for acquiring additional shares of its subsidiaries that own potential real estate projects. In which, a portion of these deposits with total amount of VND1,940 billion is secured by several shares and related rights, benefit of these shares;
- A deposit of VND1,985 billion to a company within the Group for the purpose of acquiring a real estate project;
- Deposits of VND741 billion to a company within the Group for the purpose of investing in a number of real estate projects;
- A deposit of VND2,790 billion to an affiliate for the purpose of investing and constructing a project. This deposit is secured by capital contribution of this affiliate;
- Deposits of VND3,400 billion to counterparties for the purpose of acquiring shares of a company that owns a real estate project. These deposits are secured by a number of shares in this company; and
- A deposit of VND2,750 billion to a counterparty for the purpose of acquiring shares of a company that owns a potential project. This deposit is interest-free and secured by a number of shares of a non-listed company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

13. OTHER ASSETS (continued)

- (ii) Comprises deposits to a company within the Group for the purpose of acquiring a real estate project and shares of companies that own potential real estate projects; and
- (iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

14. TANGIBLE FIXED ASSETS

	Currency: million VND				
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost:					
Beginning balance	9,768	20,492	76,872	3,897	119,583
Newly purchased	92	12,862	803	6,157	20,450
Newly constructed	344,297	160,922	-	-	505,219
Acquisition of subsidiaries	28,670	45	-	665	29,380
Transfer from inventories	4,904	-	-	-	4,904
Sold, disposed	-	(218)	-	(906)	(1,225)
Ending balance	387,731	194,103	77,675	9,813	678,311
Fully depreciated	-	15,256	2,749	1,665	19,916
Accumulated depreciation:					
Beginning balance	-	6,068	8,278	800	19,148
Depreciation for the year	11,974	2,351	9,920	3,037	29,418
Acquisition of subsidiaries	4,753	24	-	590	5,367
Sold, disposed	-	(139)	-	(186)	(360)
Ending balance	16,727	8,304	18,198	4,241	53,573
Net carrying amount:					
Beginning balance	9,768	14,424	68,594	3,097	100,435
Ending balance	371,004	185,799	59,477	5,572	624,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. INVESTMENT PROPERTIES

	Currency: million VND	
	Land use rights, Buildings and structures	Machinery and equipment Total
Cost:		
Beginning balance	5,342,589	5,994,452
Newly purchased	677,136	677,136
Newly constructed	599,504	181,389
Other additions	19,849	1,272
Transfer to inventories	(31,896)	-
Sold, disposed (i)	(360,251)	(360,251)
Other decreases	(45,292)	(76,627)
Ending balance (ii)	6,201,639	757,897
Accumulated depreciation:		
Beginning balance	109,913	55,634
Depreciation for the year	132,958	38,371
Transfer to inventories	(216)	-
Sold, disposed	(3,754)	-
Ending balance (ii)	238,901	94,005
Net carrying amount:		
Beginning balance	5,232,676	5,938,818
Ending balance (ii)	5,962,738	6,626,630

(i) Investment properties sold and disposed during the year mainly include villas for lease of a real estate project in Hanoi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. INVESTMENT PROPERTIES (continued)

(ii) As at 31 December 2019, investment properties mainly include: office-for-lease component in Vinhomes Times City Project; office component of Vincom Center Dong Khoi at No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City; office component of Vinhomes Symphony Project; parking component in Vinhomes Times City, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Golden River, Vinhomes Royal City, Vinhomes Metropolis Projects, Landmark 81 SkyView; and apartments, villas, shophouses for lease in other projects.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2019 because of insufficient market information for fair value determination purpose.

16. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND700.7 billion (for the year ended 31 December 2018: VND459 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Central Park, Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.12% per annum to 10.4% per annum (for the year ended 31 December 2018: 7% per annum to 10.03% per annum).

17. CONSTRUCTION IN PROGRESS

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,453,085	12,403,704
Vinhomes Grand Park Project	4,183,547	-
Hoc Mon Urban Project	4,092,295	-
Leman Golf Course & Villa Cu Chi Project	1,688,815	1,657,779
Vinhomes Smart City Project	1,466,565	356,058
Vinhomes Ky Hoa Project	1,141,329	1,133,149
Vinhomes Ocean Park Project	1,130,702	416,685
Vinhomes Golden River Project	839,811	642,158
Other Projects	1,216,378	1,753,501
TOTAL	28,212,527	18,363,034

The balance represents construction costs, land clearance costs, land use fee, project development costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. LONG-TERM INVESTMENTS

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in other entities (Note 18.1)	558,632	-	378,632	-
Held-to-maturity investments (i)	214,680	-	99,680	-
TOTAL	773,312	-	478,312	-

(i) As at 31 December 2019, the balances represent four investments in bonds, details are as follows:

Issuer	Ending balance (million VND)	Maturity date	Interest rate
Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000	28 November 2025	Interest rate is equal to the reference interest rate plus 1.3% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000	25 November 2026	Interest rate for the first period is 7.57% per annum; the interest rate from the following years is equal to the 12-month interest paid-in-arrear VND saving rate for individual plus 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680	19 December 2028	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000	29 October 2026	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual, reference from 4 banks (Joint Stock Commercial Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Vietnam Bank for Agriculture and Rural Development)
TOTAL	214,680		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in other entities

investments in other entities

	Ending balance			Beginning balance			Amount (million VND)	
	Number of shares	Voting right (%)	Equity interest (%)	Amount (*) (million VND)	Number of shares	Voting right (%)		Equity interest (%)
SV Real Estate JSC (i)	11,000,000	4%	4%	110,000	-	-	-	-
SV West Hanoi JSC (ii)	7,000,000	4%	4%	70,000	-	-	-	-
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1%	1%	22,223	2,000,000	1%	1%	22,223
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	500,000	10%	10%	13,500	500,000	10%	10%	13,500
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iii)	(**)	-	51%	342,909	(**)	-	51%	342,909
TOTAL				558,632				378,632

(*) As at 31 December 2019, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(**) This is a limited liability company.

(i) On 1 November 2019, the Company completed the capital contribution of VND110 billion to SV Real Estate JSC. Thereby, SV Real Estate JSC became other long-term investment of the Company.

(ii) On 13 November 2019, the Company completed the capital contribution of VND70 billion in SV West Hanoi JSC. Thereby, SV West Hanoi JSC became other long-term investment of the Company.

(iii) As at 31 December 2019, the Company no longer controls or has significant influence over Phat Loc LLC. Therefore, the Company presents this investment as other long-term investment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

19. GOODWILL

Currency: million VND							
	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gia Lam LLC	Goodwill arising from acquisition of Vinhomes Management JSC (*)	Goodwill arising from acquisition of Tan Lien Phat JSC (*)	Goodwill arising from acquisition of Millennium LLC	Total
Cost:							
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	1,265,790
Accumulated amortisation:							
Beginning balance	75,443	58,814	252	10,608	30,962	8,928	185,007
Amortisation for the year	37,037	28,815	123	11,554	33,723	15,350	126,602
Ending balance	112,480	87,629	375	22,162	64,685	24,278	311,609
Net carrying amount:							
Beginning balance	294,424	229,335	983	105,120	306,805	144,116	1,080,783
Ending balance	257,387	200,520	860	93,566	273,082	128,766	954,181

(*) These companies were merged into the Company in 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

Currency: million VND

	<i>Balance (Payable amount)</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables	5,530,445	2,192,065
<i>In which:</i>		
- A corporate counterparty rendering construction service	652,470	440,897
- Others	4,877,975	1,751,168
Trade payables to related parties (Note 34)	547,879	312,069
TOTAL	6,078,324	2,504,134

20.2 Advances from customers

Currency: million VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Down payments from customers under sales and purchase agreements (i)	39,843,431	13,718,960
Advances from customers for construction services	402,268	487,663
TOTAL	40,245,699	14,206,623
<i>In which:</i>		
Advances from others	40,203,079	13,992,195
Advances from related parties (Note 34)	42,620	214,428

- (i) These mainly represent down payments to purchase inventory properties at Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Marina, Vinhomes West Point and Vinhomes Metropolis Projects from customers who signed sales and purchase agreements with the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

21. STATUTORY OBLIGATIONS

Currency: million VND				
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	2,121,043	5,854,204	(6,048,590)	1,926,657
Value added tax	412,631	1,857,228	(2,155,306)	114,553
Other taxes	10,189	7,936,822	(7,892,925)	54,086
TOTAL	2,543,863	15,648,254	(16,096,821)	2,095,296
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Offset during the year</i>	<i>Ending balance</i>
Receivables				
Value added tax	119,251	614,333	(60,355)	673,229
Corporate income tax	94,261	53,865	(106,430)	41,696
Other taxes	233	4	-	237
TOTAL	213,745	668,202	(166,785)	715,162

22. ACCRUED EXPENSES

Currency: million VND		
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Accrued costs for completed investment properties and handed over inventory properties	3,489,249	2,294,541
Accrued construction costs	1,604,205	1,413,051
Accrued commission fees and other expenses related to inventory properties	1,031,847	1,385,362
Accrued bond and loan interest expenses	655,274	833,817
Others	1,059,336	156,964
TOTAL	7,839,911	6,083,735
<i>In which:</i>		
Short-term accrual to others	7,820,481	5,732,349
Short-term accrual to related parties (Note 34)	19,430	351,386
Long-term		
Accrued loan interest expenses	588,885	520,943
TOTAL	588,885	520,943
<i>In which:</i>		
Long-term accrual to others	370,071	102,099
Long-term accrual to related parties (Note 34)	218,814	418,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

23. UNEARNED REVENUE

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Unearned revenue from real estate management service	439,862	423,489
Unearned revenue from leasing service	25,834	34,626
TOTAL	465,696	458,115
Long-term		
Unearned revenue from real estate management service	1,286,692	1,460,577
Unearned revenue from leasing service	247,858	257,809
TOTAL	1,534,550	1,718,386

24. OTHER PAYABLES

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Deposits and other agreements related to real estate projects (i)	36,356,311	4,786,478
Deposits for disposal of investments (ii)	6,719,985	-
Apartment maintenance funds held on behalf of customers (iii)	1,208,885	1,549,065
Deposits under Business and Investment Co-operation Contracts (iv)	904,000	2,562,807
Deposits from brokerage agents and tenants	219,413	322,153
Receipt on behalf payables	104,690	567,393
Others	1,156,290	884,994
TOTAL	46,669,574	10,672,890
<i>In which:</i>		
Other short-term payables to others	45,169,429	8,121,647
Other short-term payables to related parties (Note 34)	1,500,145	2,551,243
Long-term		
Other long-term deposits	86,651	99,024
Others	3,725	15,004
TOTAL	90,376	114,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

24. OTHER PAYABLES (continued)

- (i) Balance as at 31 December 2019 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.
- (ii) This represents amounts received from corporate counterparties for share transfer in certain companies.
- (iii) These pertain to maintenance fund held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.
- (iv) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall and school components of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Central Park, Vinhomes Grand Park and Vinhomes Long Beach Can Gio Projects. The deposits related to the shopping mall components are bearing interest at 10% per annum.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
	Currency: million VND					
Short-term						
Loans from banks (Note 25.1)	22,433	22,433	4,235,219	(362,837)	3,894,815	3,894,815
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	950,000	(950,000)	1,960,000	1,960,000
Current portion of long-term corporate bonds (Note 25.3)	3,037,874	3,037,874	12,407,855	(3,138,190)	12,307,539	12,307,539
Loans from related parties (Note 34)	1,382,606	1,382,606	1,087,500	(2,470,106)	-	-
	6,402,913	6,402,913	18,680,574	(6,921,133)	18,162,354	18,162,354
Long-term						
Loans from banks (Note 25.1)	1,421,098	1,421,098	-	(50,000)	1,371,098	1,371,098
Loans from counterparties (Note 25.2)	3,200,000	3,200,000	1,950,000	(1,760,000)	3,390,000	3,390,000
Corporate bonds (Note 25.3)	14,386,625	14,386,625	736,032	(12,345,730)	2,776,927	2,776,927
Loans from related parties (Note 34)	6,498,000	6,498,000	439,000	(6,132,000)	805,000	805,000
	25,505,723	25,505,723	3,125,032	(20,287,730)	8,343,025	8,343,025
TOTAL	31,908,636	31,908,636	21,805,606	(27,208,863)	26,505,379	26,505,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks

(i) Detail of short-term loans from bank is presented as below:

<i>Lender</i>	<i>Ending balance (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	3,700,000	From July 2020 to August 2020	Interest rate for the first period is 10.35% per annum. Interest rate for the following periods is calculated every 3 months on the 19 th as short-term base interest rate for large corporates/LIBOR plus 2.95% per annum but no lower than the minimum interest rate prescribed by Techcombank for each period, each type of customer corresponding to the time of interest rate adjustment. Interest is paid on a monthly basis.	Project development right, receivables, bank balance related to a Project of a subsidiary located in Ho Chi Minh city and shares in a subsidiary held by the Company, another subsidiary and an affiliate.
Military Commercial Joint Stock Bank	178,181	Principal amount is payable in full in April 2020	12-month VND saving rate for individual plus 0.7% per annum.	None
Vietnam Prosperity Joint Stock Commercial Bank ("VPBank")	16,634	Principal amount is payable in full in May 2020	9.3% per annum.	Shares of the Company and affiliates (*).
TOTAL	3,894,815			

(*) This loan is an integral part of a credit line contract signed between Vingroup JSC and VPBank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.1 Loans from banks (continued)

(ii) Detail of long-term loans from bank is presented as below :

<i>Lender</i>	<i>Ending balance (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	1,371,098	Principal amount is payable in full in January 2021.	Interest rate for the first period is 10% per annum. Interest rate for the following periods is calculated as the average of 12-month interest paid-in-arrear VND saving rate for individual from 4 state- owned banks: Vietcombank, Vietinbank, BIDV and Agribank, plus 3.33% per annum. Interest is payable in each three- month period.	Capital contribution amount of a subsidiary in another subsidiary.
TOTAL	1,371,098			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.2 Loans from counterparties

Loans from counterparties comprises:

- ▶ Short-term loans from three (03) counterparties with the principal of VND1,960 billion, bearing the interest rate at 9% per annum with maturity date from September 2020 to October 2020. These loans are unsecured; and
- ▶ Long-term loans from three (03) counterparties with total principal of VND3,390 billion, bearing the interest rate at 9% per annum with maturity date in July 2021. These loans are unsecured.

25.3 Corporate bonds

	Currency: million VND	
	Ending balance	Beginning balance
Long-term corporate bonds	15,084,466	17,424,499
<i>In which: Current portion of long-term corporate bonds</i>	<i>(12,307,539)</i>	<i>(3,037,874)</i>
TOTAL	2,776,927	14,386,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

		Currency: million VND	
Underwriter	Ending balance	Maturity date	Interest rate
Techcom Securities Joint Stock Company	5,468,373	October 2020	(i)
	1,979,167	August 2021	Interest rate for the first and second periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 6 months.
	4,963,969	September 2020	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.
	1,875,197	December 2020	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4% per annum. Interest is payable every 6 months.
KB Securities Vietnam Joint Stock Company	797,760	November 2021	(ii)
			Interest rate for the first period is 9.73% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.9% per annum. Interest is payable every 3 months.
			(iii)
			Interest rate for the first and second periods is 10.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate from Vietnam Prosperity Joint-Stock Commercial Bank in this period plus 3.3% per annum. Interest is payable every 6 months.

TOTAL

15,084,466

In which:

Long-term corporate bonds

2,776,927

Current portion of corporate bonds

(12,307,539)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

25. LOANS (continued)

25.3 Corporate bonds (continued)

- (i) Collateral of this bond includes a cultural park and eco-tourism project located in Central Vietnam.
- (ii) Collateral of this bond includes a Project of a subsidiary located in Northern Vietnam.
- (iii) Collateral of this bond includes the asset right arising from the Build-Transfer contract of overhead road project along the Ring Road 2; a part of assets and asset right of an urban functional area Project located in Northern Vietnam and a number of listed shares of a company within the Group.

26. LONG-TERM PROVISIONS

This represents provision for warranty costs for inventory properties at Vinhomes Times City, Vinhomes Royal City, Vinhomes Golden River, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Metropolis, Vinhomes Marina and Vinhomes New Center Projects in accordance with the warranty clause in sales and purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
Previous year							
Beginning balance	2,000,000	-	-	(99,118)	5,003,298	3,219,605	10,123,785
- Additional shares issued	12,000,000	-	-	-	-	-	12,000,000
- Stock dividends	10,699,024	-	-	-	(10,699,024)	-	-
- Shares issued under merger contracts	10,365,000	295,000	-	2,116,151	-	174,868	12,951,019
- Acquisition of new subsidiaries	-	-	-	(249,697)	-	2,543,421	2,293,724
- Net profit for the year	-	-	-	-	14,284,453	491,866	14,776,319
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	475	(1,452,653)	(1,452,178)
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(62,243)	62,243	-
- Disposal of subsidiaries	-	-	-	48,933	-	(82,566)	(33,633)
- Cash dividends declared	-	-	-	-	(900,000)	(45,277)	(945,277)
- Demerger	(1,568,885)	-	-	-	-	-	(1,568,885)
Ending balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
Current year							
Beginning balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
- Acquisition of new subsidiaries	-	-	-	-	-	1,719,352	1,719,352
- Net profit for the year	-	-	-	-	21,747,376	2,571,724	24,319,100
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,192	(56,192)	-
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(41,335)	41,335	-
- Disposal of subsidiaries	-	-	-	-	-	(76,094)	(76,094)
- Cash dividends declared (i)	-	-	-	-	(3,349,514)	(492,746)	(3,842,260)
- Reacquisition of treasury shares (ii)	-	-	(5,549,929)	-	-	-	(5,549,929)
Ending balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

- (i) Pursuant to the Resolution No. 01/2019/NQ-DHDCD-VH dated 27 May 2019, the General Meeting of Shareholders of the Company approved the plan on using profit after tax of 2018. Accordingly, the Company will pay cash dividends with ratio of 10% per share (which is equivalent to VND1,000 per share). On 30 July 2019, the Chairwoman approved the Decision No. 03/2019/QD-CTHDQT-VH on declaration of cash dividends to the existing shareholders with aggregate amount of approximately VND3,350 billion from accumulated retained earnings up to 31 December 2018.
- (ii) Pursuant to the Resolution No. 20/2019/NQ-HDQT-VH dated 30 October 2019, Board of Directors approved the share buyback to keep as treasury stocks. Accordingly, maximum number of shares to be bought back is 60,000,000 shares, equivalent to 1.79% of charter capital. On 12 December 2019, the Company completed the share buyback of 60,000,000 shares with the average transaction price of VND92,425 per share.

27.2 Capital transactions with owners' equity

	Currency: million VND	
	Current year	Previous year
Contributed share capital from owners		
Beginning balance	33,495,139	2,000,000
Additional shares issued	-	12,000,000
Stock dividends	-	10,699,024
Shares issued under merger contracts	-	10,365,000
Demerger	-	(1,568,885)
Ending balance	33,495,139	33,495,139

27.3 Ordinary shares and preference shares

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
Ordinary shares	3,349,513,918	3,349,513,918
Preference shares	-	-
Treasury shares	60,000,000	-
Ordinary shares	60,000,000	-
Preference shares	-	-
Shares in circulation	3,289,513,918	3,349,513,918
Ordinary shares	3,289,513,918	3,349,513,918
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2018: VND10,000 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. OWNERS' EQUITY (continued)

27.4 Dividends

	Currency: million VND	
	Current year	Previous year
Dividends declared and paid during the year		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2019: VND1,000 per share (2018: VND4,500 per share)	3,349,514	900,000
Stock dividends for 2019: 0 shares (2018: 2,000 shares per 1,000 existing shares)	-	4,000,000
Stock dividends for 2019: 0 shares (2018: 250 shares per 1,000 existing shares)	-	6,699,024
Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December	-	-

28. REVENUE

28.1 Revenue from sale of goods and rendering of services

	Currency: million VND	
	Current year	Previous year
Gross revenue	51,626,931	38,664,328
<i>In which:</i>		
Revenue from sales of inventory properties	48,161,594	35,769,365
Revenue from rendering real estate management and related services	1,483,024	960,729
Revenue from leasing activities and rendering related services	1,113,647	816,437
Revenue from rendering general contractor, construction consultancy and supervision services	708,450	985,691
Others	160,216	132,106
Deductions	-	-
Net revenue	51,626,931	38,664,328
<i>In which:</i>		
Revenue from others	50,944,507	37,635,952
Revenue from related parties	682,424	1,028,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

28. REVENUE (continued)

28.2 Finance income

	Currency: million VND	
	Current year	Previous year
Income from Business and Investment Co-operation Contracts (i)	5,174,641	9,513,096
Gains from disposal of investments (ii)	1,492,806	3,508,042
Interest income from deposits and loans	2,376,941	1,541,300
Other finance income	1,399	2,609
TOTAL	9,045,787	14,565,047

(i) Income from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects.

(ii) Gain from the transfer of shares in Prime Land JSC (Note 4.1).

28.3 Revenue and expenses relating to investment properties

	Currency: million VND	
	Current year	Previous year
Rental income from investment properties	893,535	637,694
Direct operating expenses of investment properties that generated rental income during the year	(306,923)	(282,609)

29. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: million VND	
	Current year	Previous year
Cost of inventory properties sold	21,499,616	26,242,671
Cost of rendering real estate management and related services	1,481,356	954,904
Cost of rendering general contractor, construction consultancy and supervision services	584,043	751,119
Cost of leasing activities and other related costs	510,756	572,447
Others	95,552	82,117
TOTAL	24,171,323	28,603,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. FINANCE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest and bond issuance costs	2,377,698	2,382,622
Loss from disposals of investments	-	68,281
Foreign exchange losses	-	1,195
Other finance expenses	171,129	4,856
TOTAL	2,548,827	2,456,954

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Consultancy and commission fees for handed over inventory properties	1,053,679	1,060,365
Advertising and marketing expenses	801,329	73,935
Labour costs	135,745	93,673
Rental expenses of retail outlets	76,447	63,565
Others	13,473	89,567
	2,080,673	1,381,105
General and administrative expenses		
Expenses for external services	761,329	588,428
Donation	592,545	157,890
Labour costs	244,610	130,099
Depreciation and amortisation	147,800	124,920
Others	410,137	61,489
	2,156,421	1,062,826
TOTAL	4,237,094	2,443,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. PRODUCTION AND OPERATING COSTS

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	45,139,282	24,831,551
Expenses for external services	4,850,331	3,685,141
Labour costs	1,245,474	791,207
Depreciation and amortisation	351,846	261,532
Others	984,151	199,793
TOTAL	52,571,084	29,769,224

33. CORPORATE INCOME TAX

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

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

33.1 CIT expense

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	5,766,161	4,630,061
Deferred tax (income)/expense	(339,567)	312,354
TOTAL	5,426,594	4,942,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.1 CIT expense (continued)

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	29,745,694	19,718,734
At CIT rate of 20% applicable to the Company	5,949,139	3,943,747
Losses of subsidiaries	2,238	88,010
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	(139,815)	(179,772)
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements	(45,829)	415,692
Differences arising from revaluation of net asset of subsidiaries as at acquisition date	-	601,756
Difference from recording outright sale transaction	-	32,166
CIT adjustments of subsidiaries	-	26,366
Tax losses carried forward	(265,190)	(118,667)
Shared profit from associates	-	(38)
Goodwill amortisation in the consolidated financial statements	25,320	23,424
Dividend income and shared profit under Business and Investment Co-operation Contracts	(657,047)	(3)
Non-deductible expenses	547,462	100,374
Losses ineligible for offsetting against taxable income	-	14,138
Others	10,316	(4,778)
CIT expenses	5,426,594	4,942,415

33.2 Current CIT expense

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

33.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Provision for obsolete inventories	1,622	83,607	(81,985)	83,607
Accrued expense and deferred revenue	35,334	71,566	(36,232)	63,626
Selling expenses for real estate projects	169,727	10,947	155,580	3,184
Differences from recording outright sale transaction	-	-	-	(24,041)
Differences arising from revaluation of net asset of subsidiaries at acquisition date	70,650	75,366	(4,716)	(24,837)
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	77	99,378	(99,301)	99,378
Differences arising from unrealised profit	44,614	-	44,614	-
Differences from temporarily non-deductible expenses	8,770	-	8,770	-
	330,794	340,864		
Deferred tax liabilities				
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(270,303)	(623,140)	352,837	(513,271)
	(270,303)	(623,140)		
Net deferred tax assets/(liabilities)	60,491	(282,276)		
Net deferred tax credit/(charge) to consolidated income statement			339,567	(312,354)

Currency: million VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. CORPORATE INCOME TAX (continued)

Tax losses carried forward

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND62.8 billion (31 December 2018: VND1,337.8 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH REPEATED PARTIES

34.1 Significant transactions with related parties

Significant transactions with related parties during this year and previous year were as follows:

			Currency: million VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vingroup JSC	Parent company	Deposit under project development agreements, project transfer agreements and share transfer agreements	22,790,474	15,760,946
		Collection of deposit under project development agreements, project transfer agreements and share transfer agreements	(13,272,604)	-
		Collection of contribution for Business and Investment Co-operation Contracts	(7,825,000)	-
		Contribution for Business and Investment Co-operation Contract	280,000	-
		Receivables from collection on behalf of down payments from customers under sales and purchase agreements	6,038,847	-
		Receipt of collection on behalf of down payments from customers under sales and purchase agreements	(5,950,000)	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	3,014,466	6,626,813
		Collection of shared profit from Business and Investment Co-operation Contracts	(3,302,430)	(5,331,992)
		Project transfer payables	(3,147,470)	-
		Project transfer paid	918,020	-
		Net off deposit under share transfer agreements with project transfer payables	2,229,450	-
		Management services payables	(675,356)	(194,578)
		Management services paid	389,797	159,844
		Repayment of borrowings	54,606	25,458,929
		Borrowings	-	(23,860,000)
		Payables for collection on behalf related to sale of properties	(38,654)	(623,738)
		Repayment for collection on behalf related to sale of properties	5,321	1,800,760
		Receivables from cash centralised account	15,779	65,940,871
		Receipt from cash centralised account	(15,786)	(66,017,770)
		Dividend payables	(2,333,164)	(11,545,124)
		Dividend paid in cash	2,333,164	890,100
		Dividend paid in shares	-	10,655,024
		Receivables from share transfer	-	693,000
		Receipt from share transfer	-	(10,515,252)
		Receipt from share issuance	-	(9,500,000)
		Decrease in share capital due to demerger	-	1,568,885
		Payables for share transfer	-	(4,814,154)
		Payment for share transfer	-	4,814,154
		Lending	-	1,238,891
		Collection of lending	-	(1,238,891)
		Interest payables	(107)	(377,397)
		Payment for management fees and brand name Royalty fee	-	502,875

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Xavinco JSC	Affiliate	Repayment of borrowings	258,500	966,000
		Borrowings	-	(840,000)
Xalivico LLC	Affiliate	Borrowings	(184,000)	(840,000)
		Repayment of borrowings	8,500	966,000
		Interest payables	(32,612)	-
Central Park Development LLC ("Central Park LLC")	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contracts	1,610,168	-
		Repayment of borrowings	1,435,000	1,775,000
		Borrowings	(290,000)	(1,050,000)
		Lending	800,000	-
		Collection of lending	(145,000)	-
		Capital contribution for Business and Investment Co-operation Contract	-	490,000
Vietnam Grand Prix LLC ("Grand Prix LLC")	Affiliate	Repayment of borrowings	808,000	-
		Borrowings	-	(940,000)
		Interest paid	31,007	-
		Interest payables	(6,374)	-
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Collection of disposal of assets	-	(914,441)
		Receivables from disposal of assets	-	914,441
		Repayment of borrowings	-	735,000
Vinmec International General Hospital JSC ("Vinmec JSC")	Affiliate	Receivables from share transfer	-	894,000
Vincommerce General Commercial Services JSC ("Vincommerce JSC")	Affiliate (until 30 December 2019)	Lending	1,000,000	14,550,000
		Collection of lending	(1,000,000)	(15,060,000)
		Borrowings	-	(3,560,000)
		Repayment of borrowings	-	3,560,000
		Payables for share transfer	-	(3,000,000)
		Payment for share transfer	-	3,000,000
		Payables for goods purchased	(121,391)	(2,102,622)
		Payment for goods purchased	108,548	2,519,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows:
(continued)

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Lending	19,250,000	-
		Collection of lending	(17,600,000)	-
		Repayment of borrowings	3,240,000	26,005,000
		Borrowings	-	(27,164,000)
		Interest receivables	165,186	-
		Interest received	(150,196)	-
		Interest paid	179,755	-
		Interest payables	(10,184)	(401,789)
Vinpearl JSC	Affiliate	Lending	9,127,900	-
		Collection of lending	(5,170,000)	-
		Deposit received for Business Co-operation contract	-	(2,199,807)
		Receivables from sale of inventory properties	2,276,986	-
		Repayment of borrowings	1,745,000	7,875,000
		Borrowings	-	(9,620,000)
Phu Quoc Tourism Development and Investment JSC ("Phu Quoc Tourism JSC")	Parent's associate	Refund of deposit for general contractor services	-	1,961,800
		Receipt of deposit for the general contractor services	-	(1,961,800)
Kind Heart Foundation	Under common owner	Payables for charitable purpose	(500,000)	(100,000)
		Payment for charitable purpose	100,000	-
		Receipt of advances amount for charitable purpose	-	(92,449)
Vincom Retail JSC	Affiliate	Deposit for Investment Co-operation Contract	(978,315)	(1,818,166)
		Receivables from sale of inventory properties	91,818	2,930,333
VinAcademy Education and Training LLC ("VinAcademy LLC")	Affiliate	Deposit for construction investment activities	2,790,000	-
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Lending	2,255,000	-
Southern Star JSC	Affiliate (until 20 March 2019)	Repayment of borrowings	-	510,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 Significant transactions with related parties (continued)

Terms and conditions of transactions with related parties during the year are as follows

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

The Company and its subsidiaries have entered into Business and Investment Co-operation Contracts with Vingroup JSC, parent company, and Central Park LLC, an affiliate, for the purpose of developing real estate projects. Accordingly, the Company and its subsidiaries will receive a portion of profit from these contracts.

Payables and receivables (except for some lending, borrowings and deposits for share transfer) as at 31 December 2019 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2019, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2018: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows:

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Trade receivables (Note 7.1)				
Vincom Retail JSC	Affiliate	Receivables from sale of inventory properties	1,028,007	1,356,167
		Receivables from general contractor and supervision services	14,074	199,956
		Other receivables	11,993	9,257
Vinmec JSC	Affiliate	Receivables from share transfer	694,000	694,000
		Other receivables	7,552	2,644
Vingroup JSC	Parent company	Receivables from general contractor and supervision services	153,576	100,722
		Other receivables	-	9,956
VinAcademy LLC	Affiliate	Receivables from sale of inventory properties	76,000	-
		Other receivables	1,212	-
Vinpearl JSC	Affiliate	Receivables from sale of inventory properties	76,999	-
		Other receivables	40,560	-
Kind Heart Foundation	Under common owner	Receivables from general contractor services	33,902	33,902
Vinschool LLC	Affiliate	Receivables from shared revenue from educational activity and related services	12,597	9,362
Vincommerce JSC	Affiliate (until 30 December 2019)	Receivables from general contractor and supervision services	-	113,424
		Receivables from office leasing	-	6,127
Other affiliates		Other receivables	31,125	124,667
			2,181,597	2,660,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advance to suppliers (Note 7.2)				
VinID JSC	Affiliate	Other advance to suppliers	6,804	-
Other affiliates		Other advance to suppliers	7,740	2,149
			14,544	2,149
Other short-term receivables (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract (*)	3,400,230	10,945,230
		Receivables from shared profit from Business and Investment Co-operation Contract	1,006,857	1,294,821
		Receivables from payment on behalf	100,972	11,743
Central Park LLC	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contract	1,610,168	-
		Capital contribution for Business and Investment Co-operation Contract (*)	490,000	490,000
		Other receivables	18,714	250
VinAcademy LLC	Affiliate	Receivables from payment on behalf	41,781	-
Other affiliates		Other receivables	30,944	269,700
			6,699,666	13,011,744

(*) These capital contributions for Business and Investment Co-operation Contracts are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other long-term receivables (Note 9)				
Vinsmart JSC	Affiliate	Interest receivables	18,221	-
Vinpearl JSC	Affiliate	Interest receivables	13,529	-
Vincom Retail JSC	Affiliate	Receivables from leasing	127,886	120,577
Other affiliates		Other receivables	5,934	-
			165,570	120,577
Other current assets (Note 13) (*)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	5,789,142	4,198,999
VinAcademy LLC	Affiliate	Deposit for construction investment purpose	2,790,000	-
Sai Dong JSC	Affiliate	Deposit for share transfer and investment purpose	70,258	70,258
			8,649,400	4,269,257
Other non-current assets (Note 13)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose (*)	8,439,145	511,418
			8,439,145	511,418

(*) In which, deposits to Vingroup JSC and affiliates with total amount of VND3,919 billion are unsecured.

(*) These deposits are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management service payables	487,662	202,103
		Other trade payables	28,381	50,123
Vincom Retail JSC	Affiliate	Payables for goods purchased	13,242	-
Vincommerce JSC	Affiliate (until 30 December 2019)	Payables for goods purchased	-	5,552
Other affiliates		Other trade payables	18,594	54,291
			547,879	312,069
Short-term advances from customers (Note 20.2)				
Vinschool LLC	Affiliate	Advances for construction activities	34,725	-
Vingroup JSC	Parent company	Advances for goods purchased	-	41,268
Vincommerce JSC	Affiliate (until 30 December 2019)	Advances for goods purchased	-	93,109
Vincom Retail JSC	Affiliate	Advances for goods purchased	-	48,921
Kind Heart Foundation	Under common owner	Advances for construction activities	-	14,392
Other affiliates		Other advances from customers	7,895	16,738
			42,620	214,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term accrued expenses (Note 22)				
Vincom Retail JSC	Affiliate	Deposit interest payables	10,298	19,381
VinTech JSC	Affiliate	Sponsor fee payables	8,878	-
Vingroup JSC	Parent company	Interest payables	-	186,517
Central Park LLC	Affiliate	Interest payables	-	116,758
Grand Prix LLC	Affiliate	Interest payables	-	24,633
Other affiliates		Other accrued expenses	254	4,097
			19,430	351,386
Long-term accrued expenses (Note 22)				
Xavinco JSC	Affiliate	Interest payables	151,473	106,198
Xalivico LLC	Affiliate	Interest payables	67,341	34,728
Vinfast LLC	Affiliate	Interest payables	-	169,571
Vinpearl JSC	Affiliate	Interest payables	-	103,154
Other affiliates		Other accrued expenses	-	5,193
			218,814	418,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.2 Amounts due to and due from related parties (continued)

Amounts due to and due from related parties as at 31 December 2019 and 31 December 2018 were as follows: (continued)

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term payables (Note 24)				
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	704,000	-
		Other payables	14,391	23,377
Kind Heart Foundation	Under common owner	Payables for charitable purpose	500,000	100,000
Vinschool LLC	Affiliate	Deposit received for Business Co-operation Contract	200,000	200,000
		Other payables	72,497	-
Vinpearl JSC	Affiliate	Deposit received for Business Co-operation Contract	-	2,199,807
		Other payables	2,194	1,718
Other affiliates		Other payables	7,063	26,341
			1,500,145	2,551,243

34.3 Details of lending to related parties (Note 8)

Details of short-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Central Park LLC	Affiliate	655,000	9%	December 2020	(i)
		655,000			

(i) This lending is secured by shares of an affiliate held by this borrower.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.3 Details of lending to related parties (Note 8) (continued)

Details of long-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinpearl JSC	Affiliate	3,957,900	9%	February 2021	(i)
Vinsmart JSC	Affiliate	2,255,000	9%	February 2021	(ii)
Vinfast Producing and Trading LLC	Affiliate	1,650,000	9%	February 2021	(iii)
		7,862,900			

(i) The lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.

(ii) The lending is secured by entire buildings and structures, machinery and equipment of this borrower.

(iii) The lending is secured by capital contribution of Vingroup JSC in this borrower.

The balance of lending to related parties as at 31 December 2018 is nil.

34.4 Details of borrowings from related parties (Note 25)

Details of long-term borrowings as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xalivico LLC	Affiliate	422,500	9%	July 2021	(i)
Xavinco JSC	Affiliate	382,500	9%	July 2021	(i)
		805,000			

(i) These loans are secured by shares of the Company in a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.4 Details of borrowings from related parties (Note 25) (continued)

Details of short-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Grand Prix LLC	Affiliate	808,000	9%	September 2019	None
Central Park LLC	Affiliate	520,000	9%	From January 2019 to September 2019	(ii)
Vingroup JSC	Parent company	54,606	9%	December 2019	(ii)
		1,382,606			

Details of long-term borrowings as at 31 December 2018:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinfast LLC	Affiliate	3,240,000	9%	February 2020	(ii)
Vinpearl JSC	Affiliate	1,745,000	9%	February 2020	(ii)
Xavinco JSC	Affiliate	641,000	9%	February 2020	(ii)
Central Park LLC	Affiliate	625,000	9%	From January 2020 to February 2020	(ii)
Xalivico LLC	Affiliate	247,000	9%	February 2020	(ii)
		6,498,000			

(ii) These loans are secured by listed and non-listed shares of some companies within the Group.

34.5 Other related party transactions

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	62,792	23,797
TOTAL	62,792	23,797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

35. EARNINGS PER SHARE

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

	Currency: VND	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	21,747,376,096,636	14,284,453,166,652
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	21,747,376,096,636	14,284,453,166,652
	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,344,926,936	3,171,919,955
Adjust for the effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,344,926,936	3,171,919,955

	Currency: VND	
	Current year	Previous year
Basic earnings per share	6,502	4,503

36. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2019 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

37. COMMITMENTS AND CONTINGENCIES

Commitments under operating leases where the Company and its subsidiaries are lessees

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	124,024	563,106
From 1 to 5 years	290,977	377,807
More than 5 years	3,703,184	1,300,271
TOTAL	4,118,185	2,241,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to program of management services and apartments rental

The Company provided management and leasing services to customers who bought apartments at real estate projects. Accordingly, for the first 2 to 3 years from the date of apartments being handed over, customers are guaranteed by these entities to receive the committed profit under signed agreement with customer.

Commitments under operating leases where the Company and its subsidiaries are lessors

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

Currency: million VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	610,672	165,716
From 1 to 5 years	614,070	64,755
More than 5 years	410,299	402,647
TOTAL	1,635,041	633,118

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC, a subsidiary, and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of August 2043.

Lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. At 31 December 2019, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND18 billion, VND46 billion, VND58 billion.

At 31 December 2019, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21 billion, VND85 billion, VND523 billion.

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2019 amounts to approximately VND13,161 billion (as at 31 December 2018: VND7,266 billion).

On 25 June 2019, a subsidiary of the Company has entered into a Project Transfer Agreement ("PTA") with counterparties to acquire a real estate project. The total consideration payable will be determined as the total of land use rights, assets value and other general expenses directly attributable to this real estate project incurred by counterparties up to the acquisition date. As at 31 December 2019, the remaining commitment under this agreement amounts to VND172.5 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)

Under a Business Co-operation Contract dated 23 November 2017 between Royal City JSC and a counterparty, Royal City JSC commits to contribute 100% investment capital for a potential real estate project in Hanoi. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2019 is VND782.1 billion.

On 25 May 2018, the Company and Can Gio JSC, a subsidiary, have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. As at 31 December 2019, the remaining consideration payable under this agreement is VND503.7 billion.

Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes Metropolis, Vinhomes Golden River, Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes New Center Ha Tinh and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

38. NOTES TO CASH FLOW MOVEMENT

	Currency: million VND	
	Current year	Previous year
<i>Code 02 - Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)</i>		
Depreciation and amortisation	225,244	144,413
Goodwill amortisation (Note 19)	126,602	117,119
TOTAL	351,846	261,532
<i>Code 05 - Profits from investing activities</i>		
Shared profit under Business and Investment Co-operation Contract (Note 28.2)	(5,174,641)	(9,513,096)
Gain on disposal of investments in other entities (Note 28.2 and Note 30)	(1,492,806)	(3,439,761)
Interest income (Note 28.2)	(2,376,941)	(1,541,300)
(Gain)/loss on disposal of fixed assets and investment properties	(70,812)	15,950
Dividend income (Note 28.2)	(500)	-
Share of profit from associates	-	(191)
TOTAL	(9,115,700)	(14,478,398)
<i>Code 23 - Loans to other entities and payments for purchase of debt instruments of other entities</i>		
Disbursement of loans	(11,715,930)	(13,352,891)
Term deposits with maturity over three months	(2,361,080)	(586,751)
TOTAL	(14,077,010)	(13,939,642)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

38. NOTES TO CASH FLOW MOVEMENT (continued)

	Currency: million VND	
	Current year	Previous year
<i>Code 25 - Payments for investments in other entities</i>		
Payment for acquisition of new subsidiaries, additional shares in existing subsidiaries and investment in other entities	(19,559,996)	(21,661,139)
Contribution to Business Co-operation Contracts	(11,330,000)	(18,640,000)
Deposit to acquire investments in other entities	(9,123,420)	(4,819,262)
Deposit to acquire projects	(9,186,208)	(5,229,705)
Return of deposit for purpose of investing and developing project	(6,875,000)	-
Payment of dividend declared to previous shareholders of subsidiaries prior to merger date	-	(1,109,675)
Deposit under project development agreement	(5,090,000)	(817,500)
TOTAL	(61,164,624)	(52,277,281)
<i>Code 26 - Proceeds from sales of investments in other entities</i>		
Proceeds from disposal of investments, net of cash held by entities being acquired	2,647,328	17,107,780
Redemption of contribution to Business Co-operation Contracts	7,825,088	-
Redemption of deposit to acquire shares	-	5,110,000
Proceeds from transfer of rights and obligations related to share purchase deposit agreement	-	4,180,000
Collection of deposits for purpose of transferring other long-term investments	6,719,985	-
Redemption of deposits for purpose of developing potential real estate projects	2,376,500	-
TOTAL	19,568,901	26,397,780

39. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Company and its subsidiaries also have the following events after the consolidated balance sheet date:

On 10 January 2020, a subsidiary of the Company entered into deposit contracts with individuals to acquire shares in a real estate company, with total deposit amount of VND1,800 billion.

On 10 March 2020, the Company and its subsidiaries completed the acquisition of 7,000,000 shares, equivalent to 100% equity interest in a company from Vingroup JSC, a counterparty and an affiliate with a total consideration of VND70 billion. Accordingly, this company became a subsidiary of the Company. On 16 March 2020, the Company and its subsidiaries completed the additional capital contribution to this subsidiary amounting to VND5,930 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**39. EVENTS AFTER THE BALANCE SHEET DATE (continued)**

In February 2020, the Prime Minister of the Socialist Republic of Vietnam officially announced an epidemic of acute respiratory infections caused by Coronavirus disease Pandemic ("Covid-19 Pandemic"). Since then, the complicated movements of Covid-19 Pandemic have significantly affected the production and business activities of the Company and its subsidiaries.

The Company and its subsidiaries have proposed several general solutions to cut costs and reorganise business operations during the Covid-19 Pandemic. The Company is in the progress of making assessment on the effect of Covid-19 Pandemic on business operations of the Company and its subsidiaries in 2020.

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.



Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

30 March 2020