Vinhomes Joint Stock Company

Interim consolidated financial statements

Quarter II 2020

Vinhomes Joint Stock Company

CONTENTS

THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law of 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 subsequently also received amended Enterprise Registration Certificates with the 30^{th} amendment dated 12 June 2020 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 Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

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

BOARD OF DIRECTORS

Members of the Board of Directors at the date of this report are:

Ms. Nguyen Dieu Linh	Chairwoman	
Mr. Pham Nhat Vuong	Member	
Mr. Pham Thieu Hoa	Member	appointed on 8 July 2020
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	
Mr. Richard Hoang Quan	Independent member	appointed on 8 July 2020
Mr. Ashish Jaiprakash Shastry	Member	appointed on 8 July 2020
Ms. Cao Thi Ha An	Member	
Mr. Tran Kien Cuong	Member	appointed on 8 July 2020

SUPERVISORY BOARD

Members of the Supervisory Board 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

MANAGEMENT

Members of the Management at the date of this report are:

Mr. Pham Thieu Hoa	Chief Executive Officer
Mr. Douglas John Farrell	Deputy Chief Executive Officer
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer
Mr. Pham Van Khuong	Deputy Chief Executive Officer
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer

LEGAL REPRESENTATIVES

The legal representatives of the Company:

- up to 19 April 2020 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;
- from 20 April 2020 to the date of this report are Ms. Nguyen Dieu Linh – Chairwoman, Mr. Pham Thieu Hoa – Chief Executive Officer, Mr. Nguyen Vu Hung – Deputy Chief Executive Officer and Mr. Pham Van Khuong – Deputy Chief Executive Officer;

Vinhomes Joint Stock Company

REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- prepare the interim consolidated financial statement 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 interim 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 interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Company as at 30 June 2020 and of the interim consolidated results of its operations and its interim consolidated cash flows for six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:

CÔNG TY CỔ PHẦN VINHOMES
MSDN: 0102671977

Pham Thieu Hoa
Chief Executive Officer

Hanoi, Vietnam

25 July 2020

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

Currency: Million VND

Code	*ASSETS*	*Notes*	*30 June 2020*	*31 December 2019*
100	**A. CURRENT ASSETS**		**144,808,666**	**139,555,054**
110	***I. Cash and cash equivalents***	***4***	***12,076,753***	***13,332,299***
111	1. Cash		2,458,360	2,788,220
112	2. Cash equivalents		9,618,393	10,544,079
120	***II. Short-term investments***	***5***	***286,749***	***360,611***
123	1. Held-to-maturity investments		286,749	360,611
130	***III. Current accounts receivable***		***51,290,106***	***47,467,976***
131	1. Short-term trade receivables	6.1	9,978,945	8,811,344
132	2. Short-term advances to suppliers	6.2	8,430,958	8,802,736
135	3. Short-term loan receivables	7	15,104,643	16,507,454
136	4. Other short-term receivables	8	17,895,059	13,465,638
137	5. Provision for doubtful short-term receivables	9	(119,499)	(119,196)
140	***IV. Inventories***		***61,529,326***	***60,296,848***
141	1. Inventories	10	61,540,270	60,306,616
149	2. Provision for obsolete inventories	10	(10,944)	(9,768)
150	***V. Other current assets***		***19,625,732***	***18,097,320***
151	1. Short-term prepaid expenses	11	3,587,653	2,089,245
152	2. Value-added tax deductible	20	456,317	673,229
153	3. Tax and other receivables from the State	20	9,124	41,933
155	4. Other current assets	12	15,572,638	15,292,913

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

Currency: Million VND

Code	*ASSETS*	*Notes*	*30 June 2020*	*31 December 2019*
200	**B. NON-CURRENT ASSETS**		**80,769,072**	**57,685,974**
210	***I. Long-term receivables***		***9,299,130***	***8,114,996***
215	1. Long-term loan receivables	7	9,033,620	7,863,900
216	2. Other long-term receivables	8	265,510	251,096
220	***II. Fixed assets***		***2,602,809***	***690,347***
221	1. Tangible fixed assets	13	2,528,657	624,738
222	Cost		2,680,164	678,311
223	Accumulated depreciation		(151,507)	(53,573)
227	2. Intangible fixed assets		74,152	65,609
228	Cost		132,340	108,952
229	Accumulated amortisation		(58,188)	(43,343)
230	***III. Investment properties***	***14***	***6,578,645***	***6,626,630***
231	1. Cost		6,998,077	6,959,536
232	2. Accumulated depreciation		(419,432)	(332,906)
240	***IV. Long-term assets in progress***	***16***	***29,923,465***	***28,212,527***
242	1. Construction in progress		29,923,465	28,212,527
250	***V. Long-term investments***	***17***	***2,952,950***	***773,312***
253	1. Investments in other entities	17.1	2,738,270	558,632
255	2. Held-to-maturity investments	17	214,680	214,680
260	***VI. Other long-term assets***		***29,412,073***	***13,268,162***
261	1. Long-term prepaid expenses	11	2,451,582	2,511,706
262	2. Deferred tax assets		172,569	330,794
268	3. Other long-term assets	12	25,822,131	9,471,481
269	4. Goodwill	18	965,791	954,181
270	**TOTAL ASSETS**		**225,577,738**	**197,241,028**

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

Currency: Million VND

Code	*RESOURCES*	*Notes*	*30 June 2020*	*31 December 2019*
300	**C. LIABILITIES**		**149,424,305**	**132,525,985**
310	***I. Current liabilities***		***125,228,224***	***121,556,854***
311	1. Short-term trade payables	19.1	9,373,953	6,078,324
312	2. Short-term advances from customers	19.2	38,142,843	40,245,699
313	3. Statutory obligations	20	4,108,007	2,095,296
315	4. Short-term accrued expenses	21	9,593,809	7,839,911
318	5. Short-term unearned revenue	22	494,193	465,696
319	6. Other short-term payables	23	43,390,731	46,669,574
320	7. Short-term loans and debts	24	20,124,688	18,162,354
330	***II. Non-current liabilities***		***24,196,081***	***10,969,131***
333	1. Long-term accrued expenses	21	1,094,299	588,885
336	2. Long-term unearned revenue	22	1,358,919	1,534,550
337	3. Other long-term liabilities		74,255	90,376
338	4. Long-term loans and debts	24	21,257,206	8,343,025
341	5. Long-term deffered tax liabilities		270,304	270,303
342	6. Long-term provisions	25	141,098	141,992

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

Currency: Million VND

Code	*RESOURCES*	*Notes*	*30 June 2020*	*31 December 2019*
400	**D. OWNERS' EQUITY**		**76,153,433**	**64,715,043**
410	***I. Capital***	***26***	***76,153,433***	***64,715,043***
411	1. Share capital	26.1	33,495,139	33,495,139
411a	*- Shares with voting rights*		*33,495,139*	*33,495,139*
412	2. Share premium	26.1	295,000	295,000
415	3. Treasury shares	26.1	(5,549,929)	(5,549,929)
420	4. Other funds belonging to owners' equity	26.1	1,799,328	1,816,269
421	5. Undistributed earnings	26.1	38,566,722	26,039,678
421a	*- Undistributed earnings by the end of prior year*		*27,964,411*	*4,277,445*
421b	*- Undistributed earnings of the period*		*10,602,311*	*21,762,233*
429	6. Non-controlling interests	26.1	7,547,173	8,618,886
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**225,577,738**	**197,241,028**

CÔNG TY CỔ PHẦN VINHOMES
MSDN: 0102671977

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Pham Thieu Hoa
Chief Executive Officer

Hanoi, Vietnam

25 July 2020

INTERIM CONSOLIDATED INCOME STATEMENT
Quarter II 2020

Currency: Million VND

Code	*Items*	*Notes*	*Quarter II 2020*	*Quarter II 2019*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
01	1. Revenue from sale of goods and rendering of services	27.1	16,377,455	20,883,170	22,896,678	26,735,775
02	2. Deductions	27.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	27.1	16,377,455	20,883,170	22,896,678	26,735,775
11	4. Cost of goods sold and services rendered	28	(9,922,859)	(11,635,895)	(13,493,201)	(16,159,806)
20	5. Gross profit from sale of goods and rendering of services		6,454,596	9,247,275	9,403,477	10,575,969
21	6. Finance income	27.2	1,007,198	2,377,988	9,598,162	5,317,902
22	7. Finance expenses	29	(701,164)	(659,293)	(1,335,298)	(1,166,101)
23	*In which: Interest and bond issuance expenses*		*(701,164)*	*(509,669)*	*(1,331,269)*	*(1,005,097)*
25	9. Selling expenses	30	(581,071)	(323,016)	(825,931)	(555,910)
26	10. General and administrative expenses	30	(260,739)	(620,573)	(794,020)	(814,448)
30	11. Operating profit		5,918,820	10,022,381	16,046,390	13,357,412
31	12. Other income		40,847	52,552	64,834	84,320
32	13. Other expenses		(929,253)	(45,856)	(957,263)	(54,450)

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
Quarter II 2020

Currency: Million VND

Code	Items	Notes	Quarter II 2020	Quarter II 2019	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
40	14. Other (loss)/profit		(888,406)	6,696	(892,429)	29,870
50	15. Accounting profit before tax		5,030,414	10,029,077	15,153,961	13,387,282
51	16. Current coporate income tax expenses	31	(1,212,516)	(2,213,208)	(3,549,911)	(2,787,073)
52	17. Deferred tax (expenses)/income	31	(17,135)	703,144	(158,222)	605,853
60	18. Net profit after tax		3,800,763	8,519,013	11,445,828	11,206,062
61	19. Net profit after tax attributable to shareholders of the parent		3,758,480	7,312,786	10,602,311	9,852,967
62	20. Net profit after tax attributable to non-controlling interests		42,283	1,206,227	843,517	1,353,095

Currency: VND

Code	Items	Notes	Quarter II 2020	Quarter II 2019	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
70	21. Basic earnings per share	33	1,143	2,183	3,223	2,942

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

CÔNG TY CỔ PHẦN VINHOMES
MSDN: 0102671977

Pham Thieu Hoa
Chief Executive Officer

Hanoi, Vietnam

25 July 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT
Quarter II 2020

Currency: Million VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**15,153,961**	**13,387,282**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)		202,543	165,561
03	Provisions/(reversal of provisions)		588	(137,120)
04	Foreign exchange loss arisen from revaluation of monetary accounts denominated in foreign currency		-	174
05	Profits from investing activities		(8,974,693)	(5,330,279)
06	Interest and bond issuance expenses		1,331,269	1,005,097
08	**Operating profit before changes in working capital**		**7,713,668**	**9,090,715**
09	Decrease/(increase) in receivables		165,752	(963,505)
10	(Increase)/decrease in inventories		(4,130,850)	7,210,290
11	Increase in payables (other than interest, corporate income tax)		4,361,497	14,248,882
12	(Increase)/decrease in prepaid expenses		(1,435,812)	192,707
14	Interest paid		(1,069,047)	(1,564,355)
15	Corporate income tax paid	20	(1,620,190)	(3,011,569)
20	**Net cash flows from operating activities**		**3,985,018**	**25,203,165**

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter II 2020

Currency: Million VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(2,480,204)	(646,490)
22	Proceeds from disposals of fixed assets and other long-term assets		137,853	105,054
23	Loans to other entities and payments for purchase of debt instruments of other entities		(10,325,047)	(4,010,244)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		11,591,042	4,476,086
25	Payments for investments in other entities (net of cash held by entity being acquired)		(20,481,297)	(19,710,387)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		1,074,758	11,033,328
27	Interest and dividends received		638,646	10,881
30	**Net cash flows used in investing activities**		**(19,844,249)**	**(8,741,772)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		15,875,901	2,927,255
34	Repayment of borrowings		(1,272,216)	(8,868,294)
40	**Net cash flows from/(used in) financing activities**		**14,603,685**	**(5,941,039)**

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter II 2020

Currency: Million VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2020*	*For the six-month period ended 30 June 2019*
50	**Net (decrease)/increase in cash and cash equivalents for the period**		**(1,255,546)**	**10,520,354**
60	**Cash and cash equivalents at the beginning of the period**		**13,332,299**	**3,515,372**
70	**Cash and cash equivalents at the end of the period**	4	**12,076,753**	**14,035,726**

CÔNG TY CỔ PHẦN VINHOMES
MSDN: 0102671977

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Pham Thieu Hoa
Chief Executive Officer

Hanoi, Vietnam

25 July 2020

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law of 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 subsequently also received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 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 Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

The Company and its subsidiaries' normal course of business cycle of real estate development activity begins when the Company and its subsidiaries receive 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 and its subsidiaries' normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 30 June 2020: 8,847 (31 December 2019: 7,116).

1. **CORPORATE INFORMATION** (continued)

Corporate structure

As at 30 June 2020, the Company has 22 subsidiaries (as at 31 December 2019: 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*
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	99.39	98.16	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi
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
3	Ecology Development and Trading Joint Stock Company ("Ecology Trading JSC") (i)	99.18	98.76	Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.
4	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
5	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
6	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
7	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
8	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
9	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
10	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Nam Tu Liem District, Hanoi
11	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC") (i)	67.50	60.78	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
12	Thai Son Investment and Construction JSC ("Thai Son JSC") (i)	100.00	90.06	No. 290, Nam Ky Khoi Nghia Street, Ward 8, District 3, Ho Chi Minh City

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

No.	*Company*	*Voting rights (%)*	*Equity interest (%)*	*Registered office's address*
13	Millenium Trading Investment and Development LLC ("Millenium LLC")	100.00	100.00	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
14	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.99	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
15	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
16	An Thinh Trading and Commercial Development JSC ("An Thinh JSC")	85.00	85.00	20A Floor, Dong Khoi Vincom Center, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City
17	Green City Development JSC ("Green City JSC")	90.00	90.00	No.72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City
18	Delta JSC (i)	100.00	97.85	No. 110, Dang Cong Binh Street, Xuan Thoi Thuong Commune, Hooc Mon District, Ho Chi Minh City
19	Vinhomes Industrial Zone JSC (i)	100.00	95.10	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi
20	S-VIN Vietnam Real Estate Trading Joint Stock Company ("S-Vin JSC")	98,06	98,06	Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.
21	VINITIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company ("VINITIS JSC")	61,00	61,00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi
22	Dai An Investment Construction Joint Stock Company ("Dai An JSC") (i)	99,00	89,10	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province

(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.

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim consolidated financial statements of the Company and its subsidiaries, which are expressed in million Vietnam dong ("million 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 interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim consolidated 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 interim consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the interim consolidated financial statements as at 30 June 2020, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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 obtain temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

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

All intra-company balances, income and expenses and unrealised gains or losses 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 interim consolidated income statement and within equity in the interim consolidated balance sheet.

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

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 interim 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 interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and short-term, highly liquid investments with an original maturity of not longer 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 and leasehold and development rights for land;
- Amounts payable/paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site clearance and 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 of sale.

The cost of inventory property recognised in the interim 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 according to appropriate criteria.

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 interim financial statements.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company 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 interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables*

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

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

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

3.5 *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 interim consolidated balance sheet. The interest amount of the leased payments are recognised in the interim 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 interim consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated income statement as incurred.

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

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 interim 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 interim 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 - 15 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 are calculated on a straight-line basis over the estimated useful life of each asset as follows:

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

The Company and its subsidiaries do not amortise indefinite land use rights presented as investment properties.

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

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 period 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 interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Short-term prepaid expenses include commission fees for selling apartments, villas and shophouses, provisional corporate income tax for downpayments from customers for the purchase of apartments, villas and shophouses 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 pre-operation expenditure, tools and supplies, long-term prepaid land rental 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 interim 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the 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 interim 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 interim consolidated income statement.

Business combinations involving entities or businesses under common control

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

- The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- No goodwill is recognised from the business combination;
- The interim 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 interim 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 accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

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 interim 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 were allocated to the assets and liabilities acquired based on their relative fair values on acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the held-for-trading securities and investments in entities

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are initially stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the interim consolidated income statements 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 provision

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 expects 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 interim consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax 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 apartments and villas

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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; 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 or at the average of buying and selling exchange rates of the commercial bank where the Company and its subsidiaries make payment regularly.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the 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 or at the average of buying and selling exchange rates of the commercial bank where the Company and its subsidiaries make payment regularly.

All foreign exchange differences incurred during the period and arisen from the translation of monetary accounts denominated in foreign currency at period-end are taken to the interim 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 negative goodwill arising from a bargain purchase) is available for appropriation to shareholders persuant to decision of the Board of Directors (approved by the General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.19 Advances from customers purchasing apartments, villas and shophouses

Payments received from customers as deposits for purchasing apartments, villas and shophouses 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 interim consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advance from customers" which are not qualified to be recognised as revenue for the period.

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:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Revenue recognition (continued)

Revenue from sale of inventory property

Revenue from sale of inventory property 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 property 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.

Rendering services

Revenue from rendering service is recognised when service is rendered for customers.

Interest income

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.

Income from securities trading and capital transfer

Income from securities trading and capital transfer is determined as the excess of selling prices against the cost of securities sold. This income is recognised on date when the transaction arises, that is when the transfer contract is exercised.

Income from Business Cooperation Contracts in which the Company is 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 Cooperation Contracts is recognised as finance income in the interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 period 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 interim consolidated balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the 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.

Deferred tax

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 *Taxation* (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at 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 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 interim balance sheet date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the 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 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 period 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 period.

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 period 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), 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 on segment for business. In addition, management defines the Company and subsidiaries's geographical segments to be based on the location of the assets which is in Vietnam.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.26 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. CASH AND CASH EQUIVALENTS

Currency: Million VND

	30 June 2020	*31 December 2019*
Cash on hand	2,428	1,288
Cash at banks	2,455,932	2,786,932
Cash equivalents	9,618,393	10,544,079
TOTAL	**12,076,753**	**13,332,299**

Cash equivalents as at 30 June 2020 comprise bank deposits in VND with term ranging from 1 month to 3 months, earning interests at rates ranging from 3.9% to 5.5% per annum.

5. HELD TO MATURITY INVESTMENTS

Currency: Million VND

	30 June 2020		*31 December 2019*	
	Cost	*Carrying value*	*Cost*	*Carrying value*
Short-term bank deposits (i)	286,749	286,749	360,611	360,611
TOTAL	**286,749**	**286,749**	**360,611**	**360,611**

(i) Short-term bank deposits in VND as at 30 June 2020 have terms ranging from 7 months to 12 months and earning interest rates ranging from 6% to 6.5% per annum.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 *Short-term trade receivables*

Currency: Million VND

	30 June 2020	*31 December 2019*
Sale of inventory properties	6,615,306	7,456,476
Disposal of investments	2,639,565	694,000
Rendering construction services and related services	441,670	442,173
Rendering real estate management and other services	128,325	115,335
Leasing activities and rendering related services	105,590	103,360
Other short-term trade receivables	48,489	-
TOTAL	**9,978,945**	**8,811,344**
In which:		
Trade receivables from related parties (Note 32)	*1,508,795*	*2,181,597*
Trade receivables from other parties	*8,470,150*	*6,629,747*

6.2 *Short-term advances to suppliers*

Currency: Million VND

	30 June 2020	*31 December 2019*
Advances to other suppliers	8,420,825	8,788,192
Advances to related parties	10,133	14,544
TOTAL	**8,430,958**	**8,802,736**
Provision for doubtful advances to suppliers	(19,205)	(19,205)

7. LOAN RECEIVABLES

Currency: Million VND

Short-term	*30 June 2020*	*31 December 2019*
Loans to corporate counterpaties	13,964,080	15,826,130
Current portion of long-term loan receivables	18,663	26,324
Loans to related parties (Note 32)	1,121,900	655,000
TOTAL	**15,104,643**	**16,507,454**
Provisions for doubtful loan receivables	(70,000)	(70,000)
Long-term		
Loans to related parties (Note 32)	9,012,000	7,862,900
Loans to corporate counterpaties	21,620	1,000
TOTAL	**9,033,620**	**7,863,900**

8. OTHER SHORT-TERM RECEIVABLES

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Capital contribution for Business and Investment Co-operation Contract (i)	4,531,705	4,231,792
Interest income on loans, deposits	3,718,150	2,713,198
Declared profit receivables from Business Co-operation Contracts (ii)	3,229,345	2,617,025
Receivables from payment, receipt on behalf	3,021,053	2,853,941
Advance for land clearance	2,336,299	427,590
Short-term deposits, mortgage	554,026	545,372
Others	504,481	76,720
TOTAL	**17,895,059**	**13,465,638**
In which:		
Receivables from other parties	*9,757,674*	*6,765,972*
Receivables from related parties (Note 32)	*8,137,385*	*6,699,666*
Provision for doubtful other short-term receivables	*(30,294)*	*(29,991)*
Long-term		
Receivable from long-term lease	129,019	127,886
Deposits for rental purpose	85,879	73,357
Interest income on long-term loans, deposits and bank deposits	50,612	39,647
Others	-	10,206
TOTAL	**265,510**	**251,096**
In which:		
Receivables from others	*76,353*	*85,526*
Receivables from related parties	*189,157*	*165,570*

(i) Balance as at 30 June 2020 includes mainly capital contribution of VND 3,890 billion to Vingroup JSC and its subsidiary for the purpose of investing in some real estate projects under Business and Investment Co-operation Contracts.

(ii) Balance as at 30 June 2020 represents receivables for profit sharing from Business and Investment Co-operation Contracts with Vingroup JSC and its subsidiary for the purpose of investing in real estate projects. The profit sharing from these contracts is presented in Note 27.2.

9. BAD DEBTS

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

Currency: Million VND

	30 June 2020		*31 December 2019*	
Debtor	*Cost*	*Recoverable amount*	*Cost*	*Recoverable amount*
Corporate counterparties	119,804	305	119,804	608
TOTAL	**119,804**	**305**	**119,804**	**608**

10. INVENTORIES

Currency: Million VND

	30 June 2020		*31 December 2019*	
	Cost	*Provision*	*Cost*	*Provision*
Inventory properties under construction (i)	56,964,229	-	54,949,401	-
Completed inventory properties	1,006,549	(9,754)	2,612,151	(8,578)
Inventories acquired for sales	483,142	(1,190)	578,709	(1,190)
Work in progress (ii)	2,675,411	-	1,845,763	-
Others	410,939	-	320,592	-
TOTAL	61,540,270	(10,944)	60,306,616	(9,768)

(i) Mainly includes construction and development costs for apartments, villas and office for sale of Vinhomes Grand Park, Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Westpoint, Vinhomes Metropolis, Vinhomes Marina, Vinhomes Symphony projects.

(ii) Includes the costs incurred related to the rendering of general constructor services to investors of real estate projects.

11. PREPAID EXPENSES

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Selling expenses related to inventory properties not yet handed over	2,953,791	1,509,431
Provisional corporate income tax	381,737	357,764
Prepaid guarantee fee related to inventory properties not yet handed over	92,223	97,788
Others	159,902	124,262
TOTAL	**3,587,653**	**2,089,245**
Long-term		
Prepaid land rental expenses (i)	2,362,247	2,422,489
Prepaid villas rental	21,496	30,446
Tools and supplies	35,342	28,996
Others	32,497	29,775
TOTAL	**2,451,582**	**2,511,706**

(i) These are mainly prepaid land rental fees for Vinhomes Ocean Park and Vinhomes Smart City projects.

12. OTHER ASSETS

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Deposits for investment purpose (i)	15,572,638	15,292,913
TOTAL	**15,572,638**	**15,292,913**
In which:		
Deposits to others	*6,926,739*	*6,643,513*
Deposits to related parties (Note 32)	*8,645,899*	*8,649,400*
Long-term		
Deposits for investment purpose (i)	24,789,794	8,439,145
Deposits for trading purpose (ii)	1,032,337	1,032,336
TOTAL	**25,822,131**	**9,471,481**
In which:		
Deposits to others	*1,032,336*	*1,032,336*
Deposits to related parties (Note 32)	*24,789,795*	*8,439,145*

(i) Comprises deposits to counterparties, Vingroup JSC and its subsidiaries for acquisition of shares, capital or cooperation in development of real estate projects.

(ii) Deposits to a counterparty earning interest rate which is determined by saving rate. 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.

13. TANGIBLE FIXED ASSETS

Currency: Million VND

	Buildings and structures	*Machinery and equipment*	*Means of transportation*	*Office equipment*	*Others*	*Total*
Cost:						
Beginning balance	387,731	194,103	77,675	9,813	8,989	678,311
Newly purchased, transferred from construction in progress and reclassification	1,538,528	375,167	486	5,222	-	1,919,403
Acquisition of a new subsidiary	-	155,731	-	44	-	155,775
Sold, disposal	-	(2,181)	(71,144)	-	-	(73,325)
Ending balance	1,926,259	722,820	7,017	15,079	8,989	2,680,164
Accumulated depreciation:						
Beginning balance	16,727	8,304	18,198	4,241	6,103	53,573
Depreciation for the period	16,740	6,763	8,435	1,639	1,086	34,663
Acquisition of a new subsidiary	-	85,133	-	10	-	85,143
Sold, disposal	-	(751)	(21,121)	-	-	(21,872)
Ending balance	33,467	99,449	5,512	5,890	7,189	151,507
Net carrying amount:						
Beginning balance	371,004	185,799	59,477	5,572	2,886	624,738
Ending balance	1,892,792	623,371	1,505	9,189	1,800	2,528,657

14. INVESTMENT PROPERTIES

Currency: Million VND

	Land use rights, Buildings and structures	*Machinery and equipment*	*TOTAL*
Cost:			
Beginning balance	6,201,639	757,897	6,959,536
Newly purchased and transferred from construction in progress	303,511	32,775	336,286
Sold, disposal	(120,071)	-	(120,071)
Other decrease	(147,222)	(30,452)	(177,674)
Ending balance	6,237,857	760,220	6,998,077
Accumulated depreciation:			
Beginning balance	238,901	94,005	332,906
Depreciation for the period	67,594	20,463	88,057
Sold, disposal	(1,531)	-	(1,531)
Ending balance	304,964	114,468	419,432
Net carrying amount:			
Beginning balance	5,962,738	663,892	6,626,630
Ending balance	5,932,893	645,752	6,578,645

15. CAPITALISED BORROWING COSTS

During the period, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND247 billion. These borrowing costs are mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park, and Vinhomes Grand Park Project. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.95% to 10.13% per annum.

16. CONSTRUCTION IN PROGRESS

Currency: Million VND

	30 June 2020	*31 December 2019*
Vinhomes Long Beach Can Gio Project	12,470,080	12,453,085
Hoc Mon Urban Project	4,098,969	4,092,295
Hung Yen Project	3,439,083	-
Vinhomes Grand Park Project	2,151,921	4,183,547
Vinhomes Smart City Project	2,041,181	1,466,565
Leman Golf Course & Villa Cu Chi Project	1,692,684	1,688,815
Vinhomes Ocean Park Project	1,221,493	1,130,702
Vinhomes Ky Hoa Project	1,147,231	1,141,329
Vinhomes Golden River Project	295,399	839,811
Other Projects	1,365,424	1,216,378
TOTAL	**29,923,465**	**28,212,527**

17. LONG-TERM INVESTMENTS

Currency: Million VND

	30 June 2020		*31 December 2019*	
	Cost	*Provision*	*Cost*	*Provision*
Investments in other entities (Notes 17.1)	2,738,270	-	558,632	-
Held-to-maturity investments (i)	214,680	-	214,680	-
TOTAL	**2,952,950**	-	**773,312**	-

17. LONG-TERM INVESTMENTS (continued)

(i) Represents investments in bonds of banks as below:

Underwriter	*Ending balance (Million VND)*	*Maturity*	*Interest*
Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000	November 2025	The average of 12-month interest paid-in-arrear VND saving rate for individual from four reference banks plus 1.3% per annum.
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000	November 2026	Interest rate of 7.57% per annum for the first year. The interest rate from the following years is equal to the 12-month interest VND saving rate for individual plus 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680	December 2028	The average of 12-month interest VND saving rate for individual plus 1% per annum.
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000	October 2026	The average of 12-month interest paid-in-arrear VND saving rate for individual from four reference banks plus 1% per annum.
TOTAL	**214,680**		

17. LONG-TERM INVESTMENTS (continued)

17.1 *Investments in other entities*

	30 June 2020				*31 December 2019*			
	Number of shares	*Voting right (%)*	*Equity interest (%)*	*Amount (*) (Million VND)*	*Number of shares*	*Voting right (%)*	*Equity interest (%)*	*Amount (Million VND)*
MV Vietnam Real Estate Trading JSC	217,963,747	19.82%	19.82%	2,179,638				
Thang Long Real Estate Trading Investment JSC	500,000	10%	10%	13,500	500,000	10%	10%	13,500
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1%	1%	22,223	2,000,000	1%	1%	22,223
Phat Loc LLC	(**)	-	51%	342,909	(**)	-	51%	342,909
SV Real Estate JSC	11,000,000	4%	4%	110,000	11,000,000	4%	4%	110,000
SV West Hanoi Real Estate JSC	7,000,000	4%	4%	70,000	7,000,000	4%	4%	70,000
TOTAL				**2,738,270**				**558,632**

(*) As at 30 June 2020, the Company did not determine fair value of these investments because shares of these companies are not listed on the stock market.

(**) These are limited liability companies. As at 30 June 2020, the Company no longer controls or has significant influence over Phat Loc LLC. Therefore, the Company presented this investment as other long-term investment.

18. GOODWILL

Currency: Million VND

	Goodwill arising from acquisition of							
	Ecology JSC	*Vietnam Investment JSC*	*Gia Lam LLC*	*Vinhomes Management JSC (*)*	*Tan Lien Phat JSC (*)*	*Millenium LLC*	*Vinltis JSC*	*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	76,637	1,342,427
Accumulated amortisation:								
Beginning balance	112,480	87,629	375	22,162	64,685	24,278	-	311,609
Amortisation for the period	18,443	14,368	62	5,771	16,842	7,631	1,910	65,027
Ending balance	130,923	101,997	437	27,933	81,527	31,909	1,910	376,636
Net carrying amount:								
Beginning balance	257,387	200,520	860	93,566	273,082	128,766	-	954,181
Ending balance	238,944	186,152	798	87,795	256,240	121,135	74,727	965,791

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

19. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

19.1 Short-term trade payables

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term trade payables	8,717,214	5,530,445
- A corporate counterparty rendering construction service	*901,832*	*652,470*
- Others	*7,815,382*	*4,877,975*
Trade payables to related parties (Note 32)	656,739	547,879
TOTAL	**9,373,953**	**6,078,324**

19.2 Advances from customers

Currency: Million VND

	30 June 2020	*31 December 2019*
Advances from customers under sales and purchase agreements (i)	37,801,996	39,843,431
Advances from customers for construction services	340,847	402,268
TOTAL	**38,142,843**	**40,245,699**
In which:		
Advances from others	*38,065,646*	*40,203,079*
Advances from related parties	*77,197*	*42,620*

(i) This mainly represents advances to purchase apartments, villas and shophouses in Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park, Vinhomes West Point and Vinhomes Metropolis projects from customers.

20. STATUTORY OBLIGATIONS

Currency: Million VND

	Beginning balance	*Payable for the period*	*Payment made in the period*	*Ending balance*
Payables				
Corporate income tax	1,926,657	3,543,620	(1,620,190)	3,850,087
Value added tax	114,553	324,324	(201,716)	237,161
Other taxes	54,086	76,686	(110,013)	20,759
TOTAL	**2,095,296**	**3,944,630**	**(1,931,919)**	**4,108,007**

	Beginning balance	*Receivable for the period*	*Offset during the period*	*Ending balance*
Receivables				
Value added tax	673,229	240,885	(457,797)	456,317
Corporate income tax	41,696	-	(32,839)	8,857
Other taxes	237	30	-	267
TOTAL	**715,162**	**240,915**	**(490,636)**	**465,441**

21. ACCRUED EXPENSES

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Accrued costs for completed investment properties and handed over inventories properties	5,254,515	3,489,249
Accrued construction costs	1,128,541	1,604,205
Accrued interest expenses	699,148	655,274
Accrued commission fees and other expenses related to inventory properties	1,183,365	1,031,847
Others	1,328,240	1,059,336
TOTAL	**9,593,809**	**7,839,911**
In which:		
Short- term accrual to others	*9,534,623*	*7,820,481*
Short-term accrual to related parties	*59,186*	*19,430*
Long-term		
Accrued interest expenses to others	839,867	370,071
Accrued interest expenses to related parties	254,432	218,814
TOTAL	**1,094,299**	**588,885**

22. DEFERRED REVENUE

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Deferred revenue from real estate management service	438,352	439,862
Deferred revenue from leasing service	55,841	25,834
	494,193	**465,696**
Long-term		
Deferred revenue from real estate management service	1,135,445	1,286,692
Deferred revenue from leasing service	223,474	247,858
	1,358,919	**1,534,550**
TOTAL	**1,853,112**	**2,000,246**

23. OTHER PAYABLES

Currency: Million VND

	30 June 2020	*31 December 2019*
Short-term		
Deposits and other agreements related to real estate projects	37,724,915	36,356,311
Apartment maintenance funds (i)	1,260,005	1,208,885
Payables for shares acquisition	1,008,000	-
Deposits under Business and Investment Co-operation Contracts (ii)	1,582,592	904,000
Deposits for shares transfer	888,258	6,719,985
Deposits from brokerage agents and tenants	160,625	219,413
Dividend payables	62,637	156,657
Receipt on behalf payables	35,388	104,690
Others	668,311	999,633
TOTAL	**43,390,731**	**46,669,574**
In which:		
Other short-term payable to others	*41,431,868*	*45,169,429*
Other short-term payables to related parties (Note 32)	*1,958,863*	*1,500,145*

(i) This pertains to maintenance fund held on behalf of customers, which will be transferred to Building Management Boards.

(ii) These pertain to deposits from some entities within the Group to the Company pursuant to Business and Investment Co-operation Contracts of shopping mall and school components.

24. LOANS AND DEBTS

Currency: Million VND

	30 June 2020		*31 December 2019*	
	Cost	*Payable amount*	*Cost*	*Payable amount*
Short- term				
Loans from banks (Note 24.1) (i)	7,173,936	7,173,936	3,894,815	3,894,815
Loans from counterparties (Note 24.2)	581,000	581,000	1,960,000	1,960,000
Corporate bonds (Note 24.3) (i)	12,369,752	12,369,752	12,307,539	12,307,539
	20,124,688	**20,124,688**	**18,162,354**	**18,162,354**
Long-term				
Corporate bonds (Note 24.3) (ii)	15,729,706	15,729,706	2,776,927	2,776,927
Loans from banks (Note 24.1) (ii)	-	-	1,371,098	1,371,098
Loans from counterparties (Note 24.2)	4,746,000	4,746,000	3,390,000	3,390,000
Loans from related parties (Note 32)	781,500	781,500	805,000	805,000
	21,257,206	**21,257,206**	**8,343,025**	**8,343,025**
TOTAL	**41,381,894**	**41,381,894**	**26,505,379**	**26,505,379**

24. LOANS AND DEBTS (continued)

24.1 *Loans from banks*

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

Lender	*Ending balance (Million VND)*	*Principal repayment term*	*Interest rate*	*Collateral*
Vietnam Technology and Commercial Joint Stock Bank	3,700,000	July and August 2020	8,95% per annum	Project development right, receivables, bank balance related to a project and other collaterals
Vietnam Technology and Commercial Joint Stock Bank	1,371,098	January 2021	Interest rate for the first installment is 10%/per annum. The interest rate for the following installments is calculated by VND saving rate plus a margin	The contributed capital of one subsidiary and other collaterals
Joint Stock Commercial Bank for Foreign Trade of Vietnam	908,000	January 2021 and March 2021	6.8% per annum	None
Military Commercial Joint Stock Bank	700,000	December 2020	6.8% per annum	None
Vietnam Prosperity Joint Stock Commercial Bank	300,000	February 2021	9% per annum	None
Other banks	194,838	Loans are due from July 2020 to May 2021	From 8.5% to 9.31%	None
TOTAL	**7,173,936**			

24. LOANS AND DEBTS (continued)

24.2 *Loans from corporate counterparties*

Loans from corporate counterparties mainly comprises:

- Short-term loans from counterparties with total principal of VND580 billion, bearing the interest rate 9% per annum with maturity date in October 2020.
- Long-term loans from counterparties with total principal of VND4,746 billion, bearing the interest rate of 9% per annum with maturity date in July 2021 and April 2022.

24.3 *Corporate bonds*

(i) Current portion of long-term corporate bonds

Underwriter	*Ending balance*	*Maturity*	*Interest rate*	*Collateral*
Techcom Securities Joint Stock Company	5,489,458	October 2020	Interest rate for the two first periods is 9.2% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	(*)
	4,989,594	September 2020	Interest rate for the two first periods is 10% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	None
	1,890,700	December 2020	Interest rate for the first period is 9.73% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	(**)
TOTAL	**12,369,752**			

24. LOANS AND DEBTS (continued)

24.3 *Corporate bonds* (continued)

(ii) Long-term corporate bonds

Underwriter	*Ending balance*	*Maturity*	*Interest rate*	*Collateral*
Techcom Securities Joint Stock Company	1,987,917	August 2021	Interest rate for first and second period is 10% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	None
	11,742,989	Maturity is in November 2021 and May 2023, respectively	Interest rate for first period is from 9% to 10% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	(***)
KB Securities Vietnam Joint Stock Company	1,998,800	May 2023	Interest rate for first and second period is 9.5% per annum. Interest rate for the following periods is calculated by VND saving rate plus a margin.	(**)
TOTAL	**15,729,706**			

(*) Collateral of this bond includes an ecotourism project.
(**) Collateral of this bond includes a real estate project.
(***) Collateral of this bond includes a part of commercial, hospitality projects and listed shares.

25. PROVISIONS

This repesents provision for repairing costs for inventory properties in accordance with the warranty clause in sales and purchase agreements.

26. OWNERS' EQUITY

26.1 Increase and decrease in owners' equity

Currency: Million VND

	Attributable to shareholders of the parent						
	Issued share capital	*Treasury shares*	*Share premium*	*Other funds belonging to owners' equity*	*Undistributed earnings*	*Non-controlling interests*	*Total*
For the six-month period ended 30 June 2019							
As at 1 January 2019	33,495,139	-	295,000	1,816,269	7,626,959	4,911,507	48,144,874
- Net profit for the period	-	-	-	-	9,852,967	1,353,095	11,206,062
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,191	(56,191)	-
- Disposal of a subsidiary	-	-	-	-	-	(76,093)	(76,093)
- Cash dividends paid	-	-	-	-	-	(301,950)	(301,950)
As at 30 June 2019	33,495,139	-	295,000	1,816,269	17,536,117	5,830,368	58,972,893
For the six-month period ended 30 June 2020							
As at 1 January 2020	33,495,139	(5,549,929)	295,000	1,816,269	26,039,678	8,618,886	64,715,043
- Net profit for the period	-	-	-	-	10,602,311	843,517	11,445,828
- New acquisition and increase of equity interest in subsidiaries	-	-	-	(16,941)	1,924,733	(1,851,515)	56,277
- Cash dividends paid	-	-	-	-	-	(63,715)	(63,715)
As at 30 June 2020	33,495,139	(5,549,929)	295,000	1,799,328	38,566,722	7,547,173	76,153,433

26. OWNERS' EQUITY (continued)

26.2 Ordinary shares and preference shares

Unit: Share

	30 June 2020	*31 December 2019*
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 acquired	60,000,000	60,000,000
Ordinary shares	*60,000,000*	*60,000,000*
Preference shares	-	-
Shares in circulation	3,289,513,918	3,289,513,918
Ordinary shares	*3,289,513,918*	*3,289,513,918*
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share.

27. REVENUES

27.1 Revenue from sale of goods and rendering of services

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Gross revenue	**16,377,455**	**20,883,170**
In which:		
Revenue from sales of inventory properties	15,608,048	20,022,320
Revenue from rendering real estate management and related services	437,862	396,609
Revenue from leasing activities and rendering related services	216,015	274,587
Revenue from general contractor services, construction supervision and designing services	50,520	159,047
Others	65,010	30,607
Deductions	-	-
Net revenue	**16,377,455**	**20,883,170**

27.2 Finance income

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Income from Business and Investment Co-operation Contracts (i)	204,770	1,710,170
Interest income from deposits, loans, others	674,603	667,818
Other incomes	127,825	-
TOTAL	**1,007,198**	**2,377,988**

(i) Income from Business and Investment Co-operation Contract with Vingroup JSC and its subsidiaries for the purpose of developing real estate projects.

28. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Cost of inventory properties sold	9,327,329	11,018,896
Cost of rendering real estate management and related services	429,545	388,676
Cost of leasing activities and other related costs	109,360	134,548
Cost of general contractor services, construction supervision and designing services	16,109	78,725
Others	40,516	15,050
TOTAL	**9,922,859**	**11,635,895**

29. FINANCE EXPENSES

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Loan interest and bond issuance costs	701,164	509,669
Other finance expenses	-	149,624
TOTAL	**701,164**	**659,293**

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Selling expenses		
Commission, advertising and marketing fees	416,298	171,238
Labour costs	74,945	53,252
Others	89,828	98,526
	581,071	**323,016**
General and administrative expenses		
Labour costs	63,676	63,193
Depreciation and goodwill amortization	42,008	35,931
Expenses for external services	17,303	12,554
Other expenses	137,752	508,895
	260,739	**620,573**
TOTAL	**841,810**	**943,589**

31. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits (2019: 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 interim consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

Tax expenses

Currency: Million VND

	Quarter II 2020	*Quarter II 2019*
Current tax expense	1,212,516	2,213,208
Deferred tax expense/(income)	17,135	(703,144)
TOTAL	**1,229,651**	**1,510,064**

32. BALANCES WITH RELATED PARTIES

Amounts due to and due from related parties as at 30 June 2020 and 31 December 2019 were as follows:

Currency: Million VND

Related parties	*Relationship*	*Transactions*	*30 June 2020*	*31 December 2019*
Trade receivables (Note 6.1)				
Vincom Retail JSC	Affiliate	Receivables from sale of inventory properties	999,563	1,028,007
		Other receivables	15,149	26,067
Other affiliates		Other receivables	494,083	1,127,523
			1,508,795	**2,181,597**
Other short-term receivables (Note 8)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract ("BCC")	3,400,318	3,400,230
		Receivables from shared profit under the BCC	1,578,353	1,006,857
		Other receivables	195,490	100,972
Central Park LLC	Affiliate	Capital contribution for BCC	490,000	490,000
		Receivables from shared profit under the BCC	1,651,077	1,610,168
		Other receivables	4,333	18,714
Other affiliates		Other receivables	817,814	72,725
			8,137,385	**6,699,666**

32. BALANCES WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 June 2020 and 31 December 2019 were as follows (continued):

Currency: Million VND

Related parties	*Relationship*	*Transactions*	*30 June 2020*	*31 December 2019*
Other current assets (Note 12)				
Vingroup JSC	Parent company	Deposits for share transfer and investment purpose	5,785,641	5,789,142
Other affiliates		Deposits for investment purpose	2,860,258	2,860,258
			8,645,899	**8,649,400**
Other non-current assets (Note 12)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	18,889,795	8,439,145
Vinfast LLC	Affiliate	Deposit for investment purpose	5,900,000	-
			24,789,795	**8,439,145**
Trade payables (Note 19.1)				
Vingroup JSC	Parent company	Management fee payables	429,381	487,662
		Other trade payables	178,811	28,381
Other affiliates		Other trade payables	48,547	31,836
			656,739	**547,879**

32. BALANCES WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 June 2020 and 31 December 2019 were as follows (continued):

Currency: Million VND

Related parties	*Relationship*	*Transactions*	*30 June 2020*	*31 December 2019*
Other short-term payables (Note 23)				
Vincom Retail JSC	Affiliate	Deposit for BCC	1,323,368	704,000
		Other payables	45,189	14,391
Other affiliates		Other payables	590,306	781,754
			1,958,863	**1,500,145**

Details of lendings to related parties

Details of short-term lendings as at 30 June 2020 (Note 7):

Related parties	*Relationship*	*Amount (million VND)*	*Interest rate per annum*	*Maturity*
Central Park LLC	Affiliate	24,000	10%	June 2021
Vingroup JSC	Parent company	80,000	10%	June 2021
Vinpearl JSC	Affiliate	1,017,900	10%	May 2021
		1,121,900		

32. BALANCES WITH RELATED PARTIES (continued)

Details of lendings to related parties (continued)

Details of long-term lendings as at 30 June 2020 (Note 7):

Related parties	*Relationship*	*Amount (million VND)*	*Interest rate per annum*	*Maturity*
Vingroup JSC and its subsidiaries	Affiliate	9,012,000	10%	July and August 2021
		9,012,000		

Details of borrowings to related parties

Details of long-term borrowings as at 30 June 2020 (Note 24):

Related parties	*Relationship*	*Amount (million VND)*	*Interest rate per annum*	*Maturity*
Xalivico LLC	Affiliate	419,000	10%	July 2021
Xavinco JSC	Affiliate	362,500	10%	July 2021
		781,500		

33. EARNINGS PER SHARE

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

Currency: VND

	Quarter II 2020	*Quarter II 2019*
Net profit after tax attributable to ordinary shareholders	3,758,479,934,967	7,312,785,569,150
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	**3,758,479,934,967**	7,312,785,569,150
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,289,513,918	3,349,513,918
Adjust for effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	**3,289,513,918**	**3,349,513,918**
Basic earnings per share	1,143	2,183

34. EVENTS AFTER THE BALANCE SHEET DATE

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

CÔNG TY CỔ PHẦN VINHOMES
MSDN: 0102671977

Bui Tien Luc	Nguyen Huu Thanh	Pham Thieu Hoa
Preparer	Chief Accountant	Chief Executive Officer

Hanoi, Vietnam

25 July 2020