Vinhomes Joint Stock Company

Interim consolidated financial statements

For the six-month period ended 30 June 2019

Building a better working world

Vinhomes Joint Stock Company

Interim consolidated financial statements

For the six-month period ended 30 June 2019

Vinhomes Joint Stock Company

CONTENTS

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 period and at the date of this report are:

Ms. Nguyen Dieu Linh	Chairwoman	Appointed on 28 February 2019
Mr. Pham Nhat Vuong	Chairman	Resigned on 28 February 2019
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 period 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

MANAGEMENT

Members of the Management during the period 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 Ms. Nguyen Dieu Linh, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Nhat Vuong, Chairman;
- 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 interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2019.

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

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the 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 and its subsidiaries as at 30 June 2019 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:

CÔNG TY CỔ PHẦN VINHOMES

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

29 August 2019

Building a better working world

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

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

Reference: 60871645/21046868-HN/LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of Vinhomes Joint Stock Company

We have reviewed the accompanying interim 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 29 August 2019 and set out on pages 6 to 82, which comprise the interim consolidated balance sheet as at 30 June 2019, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these interim 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 interim consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

Building a better
working world

Conclusion

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

Ernst & Young Vietnam Limited

CÔNG TY TNHH ERNST & YOUNG VIỆT NAM CHI NHÁNH HÀ NỘI

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

Hanoi, Vietnam

29 August 2019

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2019

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2019*	*31 December 2018*
100	**A. CURRENT ASSETS**		**103,263,325,121,450**	**91,202,543,545,647**
110	***I. Cash and cash equivalents***	***5***	***14,035,726,372,516***	***3,515,372,453,072***
111	1. Cash		6,738,642,779,317	2,695,195,180,365
112	2. Cash equivalents		7,297,083,593,199	820,177,272,707
120	***II. Short-term investments***		***576,495,062,487***	***1,009,404,569,232***
123	1. Held-to-maturity investments	6	576,495,062,487	1,009,404,569,232
130	***III. Current accounts receivable***		***49,900,229,202,921***	***43,356,143,612,198***
131	1. Short-term trade receivables	7.1	7,669,664,719,122	7,144,805,092,954
132	2. Short-term advances to suppliers	7.2	4,724,788,395,321	2,552,553,752,942
135	3. Short-term loan receivables	8	2,845,924,106,330	4,527,857,439,663
136	4. Other short-term receivables	9	34,776,632,262,181	29,241,296,067,036
137	5. Provision for doubtful short-term receivables	10	(116,780,280,033)	(110,368,740,397)
140	***IV. Inventories***	***11***	***27,629,827,279,959***	***36,858,428,958,296***
141	1. Inventories		27,675,868,329,847	37,065,228,524,079
149	2. Provision for obsolete inventories		(46,041,049,888)	(206,799,565,783)
150	***V. Other current assets***		***11,121,047,203,567***	***6,463,193,952,849***
151	1. Short-term prepaid expenses	12	812,613,673,769	1,005,320,832,545
152	2. Value-added tax deductible	21	232,844,345,627	119,251,028,829
153	3. Tax and other receivables from the State	21	241,556,014,236	94,493,903,683
155	4. Other current assets	13	9,834,033,169,935	5,244,128,187,792

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

Currency: VND

Code	*ASSETS*	*Notes*	*30 June 2019*	*31 December 2018*
200	**B. NON-CURRENT ASSETS**		**35,672,019,794,984**	**28,486,212,922,051**
210	***I. Long-term receivables***		***1,511,729,344,242***	***213,789,123,875***
215	1. Long-term loan receivables	8	1,302,000,000,000	-
216	2. Other long-term receivables	9	209,729,344,242	213,789,123,875
220	***II. Fixed assets***		***280,620,111,680***	***128,187,004,268***
221	1. Tangible fixed assets	14	238,430,857,453	100,435,383,996
222	Cost		272,454,522,275	119,582,952,985
223	Accumulated depreciation		(34,023,664,822)	(19,147,568,989)
227	2. Intangible fixed assets		42,189,254,227	27,751,620,272
228	Cost		73,049,924,074	50,628,208,058
229	Accumulated amortisation		(30,860,669,847)	(22,876,587,786)
230	***III. Investment properties***	***15***	***6,020,703,693,196***	***5,828,905,860,211***
231	1. Cost		6,264,041,559,417	5,994,452,370,082
232	2. Accumulated depreciation		(243,337,866,221)	(165,546,509,871)
240	***IV. Long-term assets in progress***		***18,524,416,623,500***	***18,363,034,037,803***
242	1. Construction in progress	17	18,524,416,623,500	18,363,034,037,803
250	***V. Long-term investments***	***18***	***478,312,164,507***	***478,312,164,507***
253	1. Investments in other entities	18.1	378,632,164,507	378,632,164,507
255	2. Held-to-maturity investments	18	99,680,000,000	99,680,000,000
260	***VI. Other long-term assets***		***8,856,237,857,859***	***3,473,984,731,387***
261	1. Long-term prepaid expenses	12	2,133,148,079,181	508,583,153,143
262	2. Deferred tax assets	33.3	600,849,473,248	340,864,044,729
268	3. Other long-term assets	13	5,104,249,448,736	1,543,754,158,486
269	4. Goodwill	19	1,017,990,856,694	1,080,783,375,029
270	**TOTAL ASSETS**		**138,935,344,916,434**	**119,688,756,467,698**

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

Currency: VND

Code	*RESOURCES*	*Notes*	*30 June 2019*	*31 December 2018*
300	**C. LIABILITIES**		**79,962,451,164,023**	**71,543,881,480,730**
310	***I. Current liabilities***		***57,473,636,326,673***	***42,872,273,594,509***
311	1. Short-term trade payables	20.1	3,232,111,209,349	2,504,134,374,954
312	2. Short-term advances from customers	20.2	17,839,751,594,073	14,206,623,474,438
313	3. Statutory obligations	21	2,434,384,784,886	2,543,862,616,184
315	4. Short-term accrued expenses	22	6,144,391,931,035	6,083,734,652,114
318	5 Short-term unearned revenue	23	521,795,688,644	458,115,463,386
319	6. Other short-term payables	24	21,139,809,397,482	10,672,889,629,674
320	7. Short-term loans	25	6,161,391,721,204	6,402,913,383,759
330	***II. Non-current liabilities***		***22,488,814,837,350***	***28,671,607,886,221***
333	1. Long-term accrued expenses	22	401,639,975,270	520,943,001,214
336	2. Long-term unearned revenue	23	1,620,278,451,689	1,718,385,689,622
337	3. Other long-term liabilities	24	107,118,835,314	114,028,026,191
338	4. Long-term loans	25	19,900,515,001,654	25,505,722,594,751
341	5. Deferred tax liabilities	33.3	277,272,461,679	623,140,392,739
342	6. Long-term provisions	26	181,990,111,744	189,388,181,704

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

Currency: VND

Code	*RESOURCES*	*Notes*	*30 June 2019*	*31 December 2018*
400	**D. OWNERS' EQUITY**		**58,972,893,752,411**	**48,144,874,986,968**
410	***I. Capital***	***27***	***58,972,893,752,411***	***48,144,874,986,968***
411	1. Share capital	27.1	33,495,139,180,000	33,495,139,180,000
411a	- *Shares with voting rights*		*33,495,139,180,000*	*33,495,139,180,000*
412	2. Share premium		295,000,000,000	295,000,000,000
420	3. Other funds belonging to owners' equity	27.1	1,816,269,367,634	1,816,269,367,634
421	4. Undistributed earnings		17,536,117,689,180	7,626,959,265,966
421a	- *Undistributed earnings by the end of prior period*		*7,626,959,265,966*	-
421b	- *Undistributed earnings of current period*		*9,909,158,423,214*	*7,626,959,265,966*
429	5. Non-controlling interests	27.1	5,830,367,515,597	4,911,507,173,368
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**138,935,344,916,434**	**119,688,756,467,698**

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

29 August 2019

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018 (Restated)*
01	**1. Revenue from sale of goods and rendering of services**	**28.1**	**26,735,774,856,328**	**15,527,119,314,594**
02	**2. Deductions**	**28.1**	**-**	**-**
10	**3. Net revenue from sale of goods and rendering of services**	**28.1**	**26,735,774,856,328**	**15,527,119,314,594**
11	**4. Cost of goods sold and services rendered**	**29**	**(16,159,806,119,413)**	**(11,400,486,237,546)**
20	**5. Gross profit from sale of goods and rendering of services**		**10,575,968,736,915**	**4,126,633,077,048**
21	**6. Finance income**	**28.2**	**5,317,901,754,691**	**7,351,096,646,226**
22	**7. Finance expenses**	**30**	**(1,166,100,510,323)**	**(924,880,247,152)**
23	*In which: Interest and bond issuance expenses*		*(1,005,097,288,366)*	*(885,829,037,529)*
24	**8. Shares of profit of associates**		**-**	**191,238,076**
25	**9. Selling expenses**	**31**	**(555,909,797,164)**	**(538,032,102,501)**
26	**10. General and administrative expenses**	**31**	**(814,447,771,477)**	**(324,082,248,283)**
30	**11. Operating profit**		**13,357,412,412,642**	**9,690,926,363,414**
31	**12. Other income**		**84,319,453,986**	**93,925,467,696**
32	**13. Other expenses**		**(54,449,586,023)**	**(54,796,341,521)**
40	**14. Other profit**		**29,869,867,963**	**39,129,126,175**
50	**15. Accounting profit before tax**		**13,387,282,280,605**	**9,730,055,489,589**
51	**16. Current corporate income tax expenses**	**33.1**	**(2,787,073,212,058)**	**(2,041,130,232,627)**
52	**17. Deferred tax income**	**33.3**	**605,853,359,580**	**287,825,389,390**
60	**18. Net profit after tax**		**11,206,062,428,127**	**7,976,750,646,352**

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018 (Restated)*
61	**19. Net profit after tax attributable to shareholders of the parent**		**9,852,967,021,537**	**7,858,485,761,145**
62	**20. Net profit after tax attributable to non-controlling interests**		**1,353,095,406,590**	**118,264,885,207**
70	**21. Basic earnings per share**	**35**	**2,942**	**2,627**

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

29 August 2019

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018 (Restated)*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**13,387,282,280,605**	**9,730,055,489,589**
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	38	165,561,181,763	139,383,190,585
03	Reversal of provisions		(137,120,157,008)	(176,946,702,911)
04	Foreign exchange losses/(gains) arisen from revaluation of monetary accounts denominated in foreign currency		174,372,944	(45,377,691)
05	Profits from investing activities	38	(5,330,278,721,634)	(7,338,916,760,949)
06	Interest and bond issuance expenses	30	1,005,097,288,366	885,829,037,529
08	**Operating profit before changes in working capital**		**9,090,716,245,036**	**3,239,358,876,152**
09	(Increase)/decrease in receivables		(963,505,668,529)	946,032,522,138
10	Decrease in inventories		7,210,289,673,064	6,889,394,908,721
11	Increase/(decrease) in payables (other than interest, corporate income tax)		14,248,881,843,673	(14,297,211,640,922)
12	Decrease in prepaid expenses		192,707,158,776	308,115,768,362
14	Interest paid		(1,564,355,278,437)	(1,274,910,040,445)
15	Corporate income tax paid	21	(3,011,569,120,524)	(1,295,151,803,670)
20	**Net cash flows from/(used in) operating activities**		**25,203,164,853,059**	**(5,484,371,409,664)**

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(646,489,518,364)	(382,166,351,435)
22	Proceeds from disposals of fixed assets and other long-term assets		105,053,657,599	1,123,606,877,415
23	Loans to other entities and payments for purchase of debt instruments of other entities	38	(4,010,243,596,840)	(12,831,015,539,540)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		4,476,086,436,918	19,027,108,783,729
25	Payments for investments in other entities (net of cash held by entity being acquired)	38	(19,710,387,375,046)	(41,727,524,911,707)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)	38	11,033,327,901,870	22,224,154,300,144
27	Interest received		10,881,137,724	741,334,169,092
30	**Net cash flows used in investing activities**		**(8,741,771,356,139)**	**(11,824,502,672,302)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares	27.1	-	12,000,000,000,000
33	Drawdown of borrowings		2,927,254,691,622	40,796,176,601,431
34	Repayment of borrowings		(8,868,294,269,098)	(31,423,004,581,833)
36	Dividends paid		-	(907,276,675,000)
40	**Net cash flows (used in)/from financing activities**		**(5,941,039,577,476)**	**20,465,895,344,598**

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

Currency: VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
50	**Net increase in cash for the period**		**10,520,353,919,444**	**3,157,021,262,632**
60	**Cash and cash equivalents at the beginning of the period**		**3,515,372,453,072**	**1,561,577,770,818**
61	Impact of exchange rate fluctuation		-	854,072
70	**Cash and cash equivalents at the end of the period**	**5**	**14,035,726,372,516**	**4,718,599,887,522**

Bui Tien Luc
Preparer

Nguyen Huu Thanh
Chief Accountant

Le Thi Hai Yen
Chief Financial Officer

Hanoi, Vietnam

29 August 2019

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 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 2019 is 6,353 (31 December 2018: 6,258).

Seasonality of interim consolidated operations

Due to the nature of real estate business, revenue from rental income and render real estate management service is expected to be stable throughout the period except when the Company and its subsidiaries introduce new investment properties into the market. On the other hand, revenue from sale of residential properties is dependent on the completion of the Company and its subsidiaries' properties projects and on the market conditions at the time these projects are on offering.

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 30 June 2018, the Company has 15 subsidiaries (31 December 2018: 18 subsidiaries). The information on these subsidiaries, along with the Company's voting rights and equity interest in each subsidiary are as below:

No.	*Company*	*Voting right (%)*	*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")	99.89	99.89	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")	97.90	97.90	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
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

1. **CORPORATE INFORMATION** (continued)

Corporate structure (continued)

No.	*Company*	*Voting right (%)*	*Equity interest (%)*	*Registered office's address*	*Principal activities*
10	Berjaya Vietnam Financial Center LLC ("Berjaya VFC LLC")	67.50	67.50	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")	100.00	100.00	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 Invesment 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 leasing of offices
13	GS Cu Chi Development JSC ("GS Cu Chi JSC") (i)	100.00	99.90	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	An Thinh Trading and Commercial Development JSC ("An Thinh JSC") (iii)	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

(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.

(iii) The Company is in the process of completing capital contribution procedures for establishment of this company pursuant to Resolution No. 43/2018/NQ-HDQT-VINHOMES dated 29 October 2018.

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 Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting 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 and its subsidiaries' accounting currency.

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the 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 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 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 NRV.

Cost of inventory property 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 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 based on reasonable allocation 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 consolidated 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 interim 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 interim 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 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	44 - 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 rights	45 - 48 years
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 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 inventory properties, provisional corporate income tax for down payments from customers for the purchases 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 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.

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 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.

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 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.

3.13 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 other entities

Provision is made for any diminution in value of the held-for-trading securities and investments in other entities at the interim consolidated balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Foreign currency transactions* (continued)

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.

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 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders pursuant 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.

3.18 *Advances from customers*

Payments received from customers as deposits for purchasing 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 interim 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 period.

3.19 *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)

3.19 ***Revenue recognition*** (continued)

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.

Revenue from leasing of properties

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

Rendering of services

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

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 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 interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

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 product 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 service. Payments from customers under contracts corresponding to the unfulfilled obligations will be recognised in advance from customers/unearned revenues in the interim consolidated balance sheet.

3.20 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 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.

3.21 Taxation

Current income tax

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

Deferred tax

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 *Taxation* (continued)

Deferred tax (continued)

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.

3.22 *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.

3.23 *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's geographical segments to be based on the location of the assets which is in Vietnam.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 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.

3.25 Demerger

Demerger transactions where the Company is the demerged company is conducted as follows:

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

3.26 Bond issuance transaction cost

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

4. DISPOSALS DURING THE PERIOD

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 an individual and a corporate counterparty, 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 interim consolidated income statement (Note 28.2).

5. CASH AND CASH EQUIVALENTS

Currency: VND

	30 June 2019	*31 December 2018*
Cash on hand	1,729,607,183	2,029,217,761
Cash at banks	6,736,913,172,134	2,693,165,962,604
Cash equivalents	7,297,083,593,199	820,177,272,707
TOTAL	**14,035,726,372,516**	**3,515,372,453,072**

Cash equivalents as at 30 June 2019 comprise bank deposits in VND with term ranging from 1 month to 3 months, earning interests ranging from 4.5% to 5.5% 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:

	30 June 2019	*31 December 2018*
Foreign currency:		
- United States dollar (USD)	6,482	10,475

6. HELD-TO-MATURITY INVESTMENTS

Currency: VND

	30 June 2019		*31 December 2018*	
	Cost	*Carrying value*	*Cost*	*Carrying value*
Short-term bank deposits	576,495,062,487	576,495,062,487	1,009,404,569,232	1,009,404,569,232
TOTAL	**576,495,062,487**	**576,495,062,487**	**1,009,404,569,232**	**1,009,404,569,232**

Short-term bank deposits in VND as at 30 June 2019 have terms ranging from 6 months to 12 months, earning interest at rates ranging from 5% to 7% per annum (as at 31 December 2018: from 6.1% to 7.1% per annum).

7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 *Short-term trade receivables*

Currency: VND

	30 June 2019	*31 December 2018*
Sale of inventory properties	6,234,683,874,055	5,258,910,762,253
Disposal of investments	694,000,000,000	939,948,510,204
Rendering construction services and related services	509,371,612,614	772,169,347,808
Rendering real estate management services	153,951,949,816	79,200,426,099
Leasing activities and rendering related services	77,657,282,637	94,576,046,590
TOTAL	**7,669,664,719,122**	**7,144,805,092,954**
In which:		
Trade receivables from other parties	*5,290,629,398,473*	*4,484,620,674,249*
Trade receivables from related parties (Note 34)	*2,379,035,320,649*	*2,660,184,418,705*

7.2 *Short-term advances to suppliers*

Currency: VND

	30 June 2019	*31 December 2018*
Advances to other suppliers	4,717,592,143,995	2,550,405,329,416
- *A corporate counterparty rendering construction services*	*566,390,586,528*	*161,914,728,777*
- *Others*	*4,151,201,557,467*	*2,388,490,600,639*
Advances to related parties (Note 34)	7,196,251,326	2,148,423,526
TOTAL	**4,724,788,395,321**	**2,552,553,752,942**
Provision for doubtful advances to suppliers	(18,075,338,033)	(11,663,798,397)

8. LOAN RECEIVABLES

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Loans to corporate counterparties (i)	2,824,600,000,000	4,504,600,000,000
Current portion of long-term loan receivables	21,324,106,330	23,257,439,663
TOTAL	**2,845,924,106,330**	**4,527,857,439,663**
Provisions for doubtful loan receivables	(69,999,942,000)	(69,999,942,000)
Long-term		
Loans to related parties (Note 34)	1,302,000,000,000	-
TOTAL	**1,302,000,000,000**	**-**

(i) Balance as at 30 June 2019 mainly comprises loans to corporate counterparties with terms ranging from 6 to 12 months, earning interest rate at 9% per annum, guaranteed by a number of shares and a portion of the capital contributed by the borrowers.

9. OTHER RECEIVABLES

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Capital contribution for Business and Investment Co-operation Contracts (i)	29,231,792,718,200	25,726,792,718,200
Declared profit receivables (ii)	1,591,609,989,000	1,294,826,718,000
Interest income on loans, deposits and bank deposits	2,223,199,892,007	1,170,922,494,287
Customers' advances collected by third party on behalf of the Company and its subsidiaries	635,144,121,463	366,854,238,105
Receivables from payment on behalf	461,662,089,369	156,102,087,765
Short-term deposits, mortgage	121,720,742,818	86,745,650,000
Others	511,502,709,324	439,052,160,679
TOTAL	**34,776,632,262,181**	**29,241,296,067,036**
Provision for doubtful other short-term receivables	(28,705,000,000)	(28,705,000,000)
In which:		
Receivables from other parties	*29,263,054,946,038*	*16,229,552,025,718*
Receivables from related parties (Note 34)	*5,513,577,316,143*	*13,011,744,041,318*
Long-term		
Deposits for rental purpose	207,681,325,907	211,636,421,096
Others	2,048,018,335	2,152,702,779
TOTAL	**209,729,344,242**	**213,789,123,875**
In which:		
Receivables from others	*88,131,326,504*	*93,211,758,708*
Receivables from related parties (Note 34)	*121,598,017,738*	*120,577,365,167*

(i) Mainly includes:

- A deposit of VND25,000 billion to a corporate counterparty for the purpose of investing in a real estate project under a Business Co-operation Contract. This deposit is guaranteed by a number of shares in this corporate counterparty owned by shareholders and all the rights and benefits related to these shares. This Business Co-operation Contract has been liquidated in July 2019.
- Unsecured capital contribution of VND3,890 billion to Vingroup JSC and an affiliate for the purpose of investing in some real estate projects under Business and Investment Co-operation Contracts.

(ii) This mainly 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 Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects. The total profit sharing from these contracts is presented in Note 28.2.

10. BAD DEBTS

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

Currency: VND

	30 June 2019		*31 December 2018*	
Debtor	*Cost*	*Recoverable amount*	*Cost*	*Recoverable amount*
Corporate counterparties	127,917,002,905	11,136,722,872	110,368,740,397	-
TOTAL	**127,917,002,905**	**11,136,722,872**	**110,368,740,397**	**-**

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

Phu Son Cement JSC	*82,705,000,000*	-	*82,705,000,000*	-

11. INVENTORIES

Currency: VND

	30 June 2019		*31 December 2018*	
	Cost	*Provision*	*Cost*	*Provision*
Inventory properties under construction (i)	24,288,421,050,122	(44,094,731,289)	33,682,717,668,022	(201,364,698,774)
Completed inventory properties	1,372,459,425,594	-	1,287,355,691,140	-
Inventories acquired for sales (ii)	695,294,890,435	(1,946,318,599)	1,009,380,814,368	(5,434,867,009)
Work in progress (iii)	921,000,482,891	-	712,409,415,691	-
Others	398,692,480,805	-	373,364,934,858	-
TOTAL	**27,675,868,329,847**	**(46,041,049,888)**	**37,065,228,524,079**	**(206,799,565,783)**

(i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes New Center Ha Tinh, Vinhomes Green Bay, Vinhomes Central Park, Vinhomes Ocean Park, Vinhomes West Point, Vinhomes Smart City, Vinhomes Golden River and Vinhomes Metropolis Projects.

(ii) Includes villas acquired for sales of Vinhomes Riverside and Vinhomes Thang Long Projects.

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

11. INVENTORIES (continued)

Detail movements of provision for obsolete inventories:

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Beginning balance	206,799,565,783	259,109,878,987
Add: Provision made during the period	13,850,375,433	55,014,496,967
Add: Increase from merger during the period	-	160,416,097,560
Less: Disposal of subsidiary	-	(49,258,453,411)
Less: Utilisation of provision during the period	(174,608,891,328)	(212,581,090,032)
Ending balance	46,041,049,888	212,700,930,071

12. PREPAID EXPENSES

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Selling expenses related to inventory properties not yet handed over	606,800,256,037	834,412,632,265
Provisional corporate income tax	152,049,486,068	154,122,283,012
Others	53,763,931,664	16,785,917,268
TOTAL	**812,613,673,769**	**1,005,320,832,545**
Long-term		
Prepaid land rental (i)	2,007,248,497,418	365,250,409,071
Repair and leashold improvement	48,614,251,692	66,841,795,867
Prepaid villas rental	31,945,957,390	44,504,531,796
Tools and supplies	29,560,673,058	27,450,577,099
Others	15,778,699,623	4,535,839,310
TOTAL	**2,133,148,079,181**	**508,583,153,143**

(i) These pertain to land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contract and prepaid land rental fee of Vinhomes Ocean Park Project.

13. OTHER ASSETS

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Deposits for investment purpose (i)	9,834,033,169,935	5,014,141,085,139
Electrical equipment systems	-	229,987,102,653
TOTAL	**9,834,033,169,935**	**5,244,128,187,792**
In which:		
Deposits to other parties	*1,859,884,500,000*	*974,871,602,653*
Deposits to related parties (Note 34)	*7,974,148,669,935*	*4,269,256,585,139*
Long-term		
Deposits for investment purpose (ii)	4,071,912,920,950	511,417,630,700
Deposits for commercial purpose (iii)	1,032,336,527,786	1,032,336,527,786
TOTAL	**5,104,249,448,736**	**1,543,754,158,486**
In which:		
Deposits to other parties	*1,032,336,527,786*	*1,032,336,527,786*
Deposits to related parties (Note 34)	*4,071,912,920,950*	*511,417,630,700*

(i) Mainly comprises:

- Deposits of VND2,271 billion to Vingroup JSC for acquiring additional shares of its subsidiaries that own a potential real estate project. These deposits are secured by entire shares and related rights, benefits of Vingroup JSC in these companies;
- Unsecured deposits of VND5,633 billion to Vingroup JSC and VND694 billion to a corporate counterparty for the purpose of investing and developing a number of real estate projects under project transfer agreements and project development agreements; and
- A deposit of VND1,000 billion to individuals for acquiring shares of Green City Development Joint Stock Company. This transaction has been completed after the interim consolidated balance sheet date (Note 40).

(ii) Comprises:

- An unsecured deposit of VND2,201 billion to Vingroup JSC for the purpose of acquiring a real estate project; and
- Deposits of VND1,870 billion to Vingroup JSC for acquiring shares of its subsidiaries that own potential real estate projects. These deposits are secured by certain shares and related rights, benefit of Vingroup JSC in other affiliates.

(iii) An unsecured deposit to a corporate 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 this corporate counterparty.

14. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures	*Machinery and equipment*	*Means of transportation*	*Office equipment*	*Others*	*Total*
Cost:						
As at 31 December 2018	9,768,053,972	20,491,920,111	76,872,252,253	3,896,628,743	8,554,097,906	119,582,952,985
Newly purchased	-	76,843,790,666	-	84,704,545	541,047,551	77,469,542,762
Newly constructed	-	1,072,757,318	74,713,396,480	-	-	75,786,153,798
Sold, disposal	-	(187,002,824)	-	(96,543,636)	(100,580,810)	(384,127,270)
As at 30 June 2019	9,768,053,972	98,221,465,271	151,585,648,733	3,884,789,652	8,994,564,647	272,454,522,275
Fully depreciated	-	*15,278,544,416*	*4,922,571,634*	*1,298,850,385*	*246,244,978*	*21,746,211,413*
Accumulated depreciation:						
As at 31 December 2018	-	6,068,072,266	8,277,713,742	799,613,529	4,002,169,452	19,147,568,989
Depreciation for the period	130,286,092	3,834,116,190	10,336,344,554	468,655,824	356,017,373	15,125,420,033
Sold, disposal	-	(138,415,399)	-	(75,875,454)	(35,033,347)	(249,324,200)
As at 30 June 2019	130,286,092	9,763,773,057	18,614,058,296	1,192,393,899	4,323,153,478	34,023,664,822
Net carrying amount:						
As at 31 December 2018	9,768,053,972	14,423,847,845	68,594,538,511	3,097,015,214	4,551,928,454	100,435,383,996
As at 30 June 2019	9,637,767,880	88,457,692,214	132,971,590,437	2,692,395,753	4,671,411,169	238,430,857,453

15. INVESTMENT PROPERTIES

Currency: VND

	Land use rights	*Buildings and structures*	*Machinery and equipment*	*Total*
Cost:				
As at 31 December 2018	1,970,131,946,372	3,372,457,776,859	651,862,646,851	5,994,452,370,082
Newly constructed	17,906,670,378	275,580,999,110	90,231,847,410	383,719,516,898
Other increases	95,920,414	7,570,106,696	2,272,142,443	9,938,169,553
Sold, disposal	(65,971,470,087)	(13,508,274,292)	-	(79,479,744,379)
Transfer to inventory	(26,798,100,000)	(5,097,670,111)	-	(31,895,770,111)
Other decreases	(1,126,641,070)	(4,640,953,814)	(6,925,387,742)	(12,692,982,626)
As at 30 June 2019	1,894,238,326,007	3,632,361,984,448	737,441,248,962	6,264,041,559,417
Accumulated depreciation:				
As at 31 December 2018	32,476,906,887	77,436,313,992	55,633,288,992	165,546,509,871
Depreciation for the period	24,044,001,557	36,984,466,972	17,752,058,847	78,780,527,376
Sold, disposal	-	(773,168,055)	-	(773,168,055)
Transfer to inventory	-	(216,002,971)	-	(216,002,971)
As at 30 June 2019	56,520,908,444	113,431,609,938	73,385,347,839	243,337,866,221
Net carrying amount:				
As at 31 December 2018	1,937,655,039,485	3,295,021,462,867	596,229,357,859	5,828,905,860,211
As at 30 June 2019 (i)	1,837,717,417,563	3,518,930,374,510	664,055,901,123	6,020,703,693,196

15. INVESTMENT PROPERTIES (continued)

(i) As at 30 June 2019, investment properties mainly include: office-for-lease component in Vinhomes Times City Project; office component of Vincom Centre Dong Khoi at No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City; Landmark 81 SkyView; parking component in Vinhomes Times City, Vinhomes Central Park, Vinhomes Golden River, Vinhomes Royal City, Vinhomes Green Bay, Vinhomes Metropolis Projects; and apartments, villas, shophouse for lease in Vinhomes Riverside and Vinhomes Central Park Projects.

The Company and its subsidiaries have not determined fair value of investment properties as at 30 June 2019 because of insufficient market information for fair value determination purpose. However, based on the plan to use these investment properties, Management believes that the fair value of these investment properties is higher than their net carrying amount.

16. CAPITALISED BORROWING COSTS

During the period, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND446 billion (for the six-month period ended 30 June 2018: VND203 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park and Vinhomes Central Park Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.12% per annum to 10% per annum (for the six-month period ended 30 June 2018: 7% per annum to 10.03% per annum).

17. CONSTRUCTION IN PROGRESS

Currency: VND

	30 June 2019	*31 December 2018*
Vinhomes Long Beach Can Gio Project	12,437,952,381,947	12,403,703,983,341
Leman Golf Course & Villa Cu Chi Project	1,698,121,779,476	1,657,779,028,714
Vinhomes Ocean Park Project	657,303,041,700	416,685,471,913
Vinhomes Ky Hoa Project	1,139,722,988,133	1,133,148,858,598
Vinhomes Smart City Project	690,040,956,609	356,058,000,034
Vinhomes Golden River Project	587,259,715,116	642,157,514,293
Vinhomes Lang Van Project	550,881,607,808	539,420,902,932
Office component in Vinhomes Times City Project	281,182,949,598	184,924,343,007
Vinhomes West Point Project	218,009,423,337	130,332,169,426
Vinhomes Green Bay Project	-	106,899,188,556
Vinhomes Me Linh Project	-	641,287,783,339
Other Projects	263,941,779,776	150,636,793,650
TOTAL	**18,524,416,623,500**	**18,363,034,037,803**

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.

18. LONG-TERM INVESTMENTS

Currency: VND

	30 June 2019		*31 December 2018*	
	Cost	*Provision*	*Cost*	*Provision*
Investments in other entities (Note 18.1)	378,632,164,507	-	378,632,164,507	-
Held-to-maturity investments (i)	99,680,000,000	-	99,680,000,000	-
TOTAL	**478,312,164,507**	**-**	**478,312,164,507**	**-**

(i) As at 30 June 2019, the balance represents two investments in bonds, details are as follows:

Underwriter	*30 June 2019 (VND)*	*Maturity date*	*Interest rate*
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000,000,000	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 (+) 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680,000,000	18 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
TOTAL	**99,680,000,000**		

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in other entities

	30 June 2019				*31 December 2018*			
	Number of shares	*Voting right (%)*	*Equity interest (%)*	*Amount (*) (VND)*	*Number of shares*	*Voting right (%)*	*Equity interest (%)*	*Amount (VND)*
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	500,000	10.00	10.00	13,500,000,000	500,000	10.00	10.00	13,500,000,000
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (**)	(**)	-	51.00	342,909,164,507	(**)	-	51.00	342,909,164,507
Xavinco Land JSC ("Xavinco JSC")	2,000,000	1.00	1.00	22,223,000,000	2,000,000	1.00	1.00	22,223,000,000
TOTAL				**378,632,164,507**				**378,632,164,507**

(*) As at 30 June 2019, the Company and its subsidiaries did not determine fair value of these investments because shares of these companies are not listed on the stock market.

(**) This is a limited liability company. As at 30 June 2019, the Company no longer controlled or had significant influence over Phat Loc LLC. Therefore, the Company presented this investment as other long-term investment and did not consolidate it as a subsidiary.

19. GOODWILL

Currency: 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 Millenium LLC*	*Total*
Cost:							
As at 31 December 2018	369,866,854,773	288,148,907,591	1,235,307,223	115,728,157,534	337,766,778,506	153,044,574,162	1,265,790,579,789
As at 30 June 2019	369,866,854,773	288,148,907,591	1,235,307,223	115,728,157,534	337,766,778,506	153,044,574,162	1,265,790,579,789
Accumulated amortisation:							
As at 31 December 2018	75,443,142,304	58,813,955,111	252,138,049	10,608,414,441	30,961,954,696	8,927,600,159	185,007,204,760
Amortisation for the period	18,391,572,086	14,289,028,020	61,257,701	5,720,352,992	16,695,549,669	7,634,757,867	62,792,518,335
As at 30 June 2019	93,834,714,390	73,102,983,131	313,395,750	16,328,767,433	47,657,504,365	16,562,358,026	247,799,723,095
Net carrying amount:							
As at 31 December 2018	294,423,712,469	229,334,952,480	983,169,174	105,119,743,093	306,804,823,810	144,116,974,003	1,080,783,375,029
As at 30 June 2019	276,032,140,383	215,045,924,460	921,911,473	99,399,390,101	290,109,274,141	136,482,216,136	1,017,990,856,694

20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

Currency: VND

	Balance (Payable amount)	
	30 June 2019	*31 December 2018*
Short-term trade payables	2,727,223,458,428	2,192,065,032,024
- *A corporate counterparty rendering construction service*	*484,433,000,352*	*440,897,206,640*
- *Others*	*2,242,790,458,076*	*1,751,167,825,384*
Trade payables to related parties (Note 34)	504,887,750,921	312,069,342,930
TOTAL	**3,232,111,209,349**	**2,504,134,374,954**

20.2 Short-term advances from customers

Currency: VND

	30 June 2019	*31 December 2018*
Down payments from customers under sales and purchase agreements (i)	17,653,704,592,762	13,718,960,600,239
Advances from customers for construction services	186,047,001,311	487,662,874,199
TOTAL	**17,839,751,594,073**	**14,206,623,474,438**
In which:		
Advances from others	*17,755,408,674,525*	*13,992,195,742,492*
Advances from related parties (Note 34)	*84,342,919,548*	*214,427,731,946*

(i) This mainly represents down payments to purchase inventory properties at Vinhomes Ocean Park, Vinhomes West Point, Vinhomes Smart City, Vinhomes Central Park, Vinhomes Golden River, Vinhomes Riverside, Vinhomes Metropolis, Vinhomes New Center Ha Tinh, Vinhomes Thang Long, Vinhomes Green Bay and Vinhomes Times City Projects from customers who signed sales and purchase agreements with the Company and its subsidiaries.

21. STATUTORY OBLIGATIONS

Currency: VND

	31 December 2018	*Payable for the period*	*Payment made in the period*	*30 June 2019*
Payables				
Corporate income tax	2,121,042,729,021	2,725,467,738,856	(2,864,506,600,074)	1,982,003,867,803
Value added tax	412,631,188,917	354,531,156,683	(318,067,535,100)	449,094,810,500
Other taxes	10,188,698,246	312,688,133,801	(319,590,725,464)	3,286,106,583
TOTAL	**2,543,862,616,184**	**3,392,687,029,340**	**(3,502,164,860,638)**	**2,434,384,784,886**

	31 December 2018	*Receivable for the period*	*Offset during the period*	*30 June 2019*
Receivables				
Value added tax	119,251,028,829	173,039,872,237	(59,446,555,439)	232,844,345,627
Corporate income tax	94,261,182,602	147,062,520,450	-	241,323,703,052
Other taxes	232,721,081	-	(409,897)	232,311,184
TOTAL	**213,744,932,512**	**320,102,392,687**	**(59,446,965,336)**	**474,400,359,863**

22. ACCRUED EXPENSES

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Accrued costs for handed over inventory properties	3,530,103,853,579	2,294,540,578,510
Accrued commission fees and other expenses related to inventory properties	974,181,881,407	1,385,362,158,394
Accrued bond and loan interest expenses	753,167,758,410	833,817,283,490
Accrued construction costs	399,150,679,507	1,413,050,605,353
Others	487,787,758,132	156,964,026,367
TOTAL	**6,144,391,931,035**	**6,083,734,652,114**
In which:		
Short-term accrual to others	*5,945,402,161,499*	*5,732,349,104,241*
Short-term accrual to related parties (Note 34)	*198,989,769,536*	*351,385,547,873*
Long-term		
Accrued loan interest expenses	401,639,975,270	520,943,001,214
TOTAL	**401,639,975,270**	**520,943,001,214**
In which:		
Long-term accrual to others	*217,703,013,698*	*102,099,452,056*
Long-term accrual to related parties (Note 34)	*183,936,961,572*	*418,843,549,158*

23. UNEARNED REVENUE

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Deferred revenue from real estate management service	453,048,985,327	423,489,278,056
Deferred revenue from leasing service	68,746,703,317	34,626,185,330
TOTAL	**521,795,688,644**	**458,115,463,386**
Long-term		
Deferred revenue from real estate management service	1,371,424,221,882	1,460,577,430,887
Deferred revenue from leasing service	248,854,229,807	257,808,258,735
TOTAL	**1,620,278,451,689**	**1,718,385,689,622**

24. OTHER PAYABLES

Currency: VND

	30 June 2019	*31 December 2018*
Short-term		
Deposits, loans and other agreements related to real estate projects (i)	11,991,312,148,988	4,786,477,987,391
Receipt on behalf payables (ii)	5,227,770,479,289	567,393,265,242
Apartment maintenance funds held on behalf of customers (iii)	1,652,822,762,313	1,549,064,562,640
Deposits from brokerage agents and tenants	258,502,019,876	322,152,833,021
Deposit for disposal of investment	561,000,000,000	-
Deposits under Business and Investment Co-operation Contracts (iv)	542,000,000,000	2,562,807,000,000
Dividend payables (v)	301,950,000,000	-
Others	604,451,987,016	884,993,981,380
TOTAL	**21,139,809,397,482**	**10,672,889,629,674**
In which:		
Other short-term payables to others	*20,545,207,587,798*	*8,121,646,969,890*
Other short-term payables to related parties (Note 34)	*594,601,809,684*	*2,551,242,659,784*
Long-term		
Other long-term deposits	107,118,835,314	99,024,310,374
Others	-	15,003,715,817
TOTAL	**107,118,835,314**	**114,028,026,191**

24. OTHER PAYABLES (continued)

(i) This includes deposits from corporate counterparties for the purpose of transferring a portion of real estate projects of the Company and its subsidiaries with total amount of VND5,242 billion.

(ii) This mainly represents amounts received from customers related to real estate properties which was transferred to a corporate counterparty during the period.

(iii) This pertains to maintenance fund held on behalf of customers of Vinhomes Times City, Vinhomes Central Park, Vinhomes Green Bay, Vinhomes Metropolis and Vinhomes Golden River Projects, 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 transfer co-operation of shopping mall and school components in real estate projects of the Company and its subsidiaries.

(v) This dividend has been fully paid after the interim consolidated balance sheet date.

25. LOANS

Currency: VND

	31 December 2018		*Movement during the period*		*30 June 2019*	
	Balance	*Payable amount*	*Increase*	*Decrease*	*Balance*	*Payable amount*
Short-term						
Loans from banks	22,433,650,523	22,433,650,523	80,254,691,622	(102,688,342,145)	-	-
Loans from corporate counterparties (Note 25.2)	1,960,000,000,000	1,960,000,000,000	950,000,000,000	(950,000,000,000)	1,960,000,000,000	1,960,000,000,000
Loans from related parties (Note 34)	1,382,605,926,953	1,382,605,926,953	1,826,000,000,000	(2,076,605,926,953)	1,132,000,000,000	1,132,000,000,000
Current portion of long-term corporate bonds (Note 25.3)	3,037,873,806,283	3,037,873,806,283	31,517,914,921	-	3,069,391,721,204	3,069,391,721,204
	6,402,913,383,759	**6,402,913,383,759**	**2,887,772,606,543**	**(3,129,294,269,098)**	**6,161,391,721,204**	**6,161,391,721,204**
Long-term						
Loans from banks (Note 25.1)	1,421,097,869,017	1,421,097,869,017	-	-	1,421,097,869,017	1,421,097,869,017
Corporate bonds (Note 25.3)	14,386,624,725,734	14,386,624,725,734	669,792,406,903	-	15,056,417,132,637	15,056,417,132,637
Loans from corporate counterparties (Note 25.2)	3,200,000,000,000	3,200,000,000,000	950,000,000,000	(1,700,000,000,000)	2,450,000,000,000	2,450,000,000,000
Loans from related parties (Note 34)	6,498,000,000,000	6,498,000,000,000	434,000,000,000	(5,959,000,000,000)	973,000,000,000	973,000,000,000
	25,505,722,594,751	**25,505,722,594,751**	**2,053,792,406,903**	**(7,659,000,000,000)**	**19,900,515,001,654**	**19,900,515,001,654**
TOTAL	**31,908,635,978,510**	**31,908,635,978,510**	**4,941,565,013,446**	**(10,788,294,269,098)**	**26,061,906,722,858**	**26,061,906,722,858**

25. LOANS (continued)

25.1 Loans from banks

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

Lender	*30 June 2019 (VND)*	*Principal repayment term*	*Interest rate*	*Collateral*
Vietnam Technological and Commercial Joint Stock Bank	1,421,097,869,017	Principal amount is payable in full on 18 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 and on the 18th.	Capital contribution amount of Ecology JSC in Gia Lam LLC
TOTAL	**1,421,097,869,017**			

25. LOANS (continued)

25.2 *Loans from corporate counterparties*

Loans from corporate counterparties comprise:

- Short-term loans from corporate counterparties with total principal of VND1,960 billion, bearing the interest rate at 9% per annum with maturity date from September 2019 to October 2019. These loans are unsecured; and
- Long-term loans from three (03) corporate counterparties with total principal of VND2,450 billion, bearing the interest rate at 9% per annum with maturity date in August 2020. These loans are unsecured.

25.3 *Corporate bonds*

Currency: VND

	30 June 2019	*31 December 2018*
Long-term corporate bonds	18,125,808,853,841	17,424,498,532,017
In which: current portion	*(3,069,391,721,204)*	*(3,037,873,806,283)*
TOTAL	**15,056,417,132,637**	**14,386,624,725,734**

25. LOANS (continued)

25.3 *Corporate bonds* (continued)

Currency: VND

Underwriter	*30 June 2019*	*Maturity date*	*Interest rate*	*Collateral*
Techcom Securities Joint Stock Company	5,460,964,302,920	19 October 2020	Interest rate for 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 (+) 3.25% per annum. Interest is payable every 6 months.	(i)
	1,978,541,666,664	2 August 2021	Interest rate for 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 (+) 4.25% per annum. Interest is payable every 6 months.	None
	4,957,250,000,002	13 September 2020	Interest rate for 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 (+) 4% per annum. Interest is payable every 6 months.	None
	3,069,391,721,204	22 December 2019	Interest rate for first period is 8.12% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate from Vietnam Technological and Commercial Joint Stock Bank in this period (+) 1.62% per annum, no less than 8.12% per annum. Interest is payable every 3 months.	(ii)
	1,862,521,086,421	25 December 2020	Interest rate for 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 (+) 2.9% per annum. Interest is payable every 3 months.	(ii)
In which: Current portion	*(3,069,391,721,204)*			
KB Securities Vietnam Joint Stock Company	797,140,076,630	5 November 2021	Interest rate for 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 (+) 3.3% per annum. Interest is payable every 3 months.	(iii)
TOTAL	**15,056,417,132,637**			

25. **LOANS** (continued)

25.3 ***Corporate bonds*** (continued)

(i) Collateral of this bond includes assets, rights and benefits of Vinpearl JSC related to Vinpearlland Eco-tourism and Cultural Park project (except for the area of Vietnamese Temple).

(ii) Collateral of this bond includes all assets, rights and benefits of Gia Lam LLC related to Vinhomes Ocean Park Project.

(iii) Collateral of this bond includes a number of shares of the Company ("VHM") held by the Parent company, Dan Phuong – Green City functional urban area Project and asset rights arising from BT contract for the purpose of elevated walkway construction related to this project.

26. LONG-TERM PROVISIONS

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

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

Currency: VND

	Attributable to shareholders of the parent					
	Issued share capital	*Share premium*	*Other funds belonging to owners' equity*	*Undistributed earnings*	*Non-controlling interests*	*Total*
For the six-month period ended 30 June 2018 (Restated)						
As at 1 January 2018	2,000,000,000,000	-	(99,117,851,011)	5,003,298,133,184	3,219,605,214,270	10,123,785,496,443
- Additional shares issued	12,000,000,000,000	-	-	-	-	12,000,000,000,000
- Stock dividends	4,000,000,000,000	-	-	(4,000,000,000,000)	-	-
- Shares issued under merger contracts	10,365,000,000,000	295,000,000,000	2,116,151,438,143	-	174,867,536,302	12,951,018,974,445
- Acquisition of new subsidiaries	-	-	(204,447,040,920)	-	2,521,270,239,954	2,316,823,199,034
- Net profit for the period	-	-	-	7,858,485,761,145	118,264,885,207	7,976,750,646,352
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	1,000,931,010,583	(1,240,136,924,239)	(239,205,913,656)
- Disposal of subsidiaries	-	-	48,932,974,355	-	3,851,996,365	52,784,970,720
- Cash dividends declared	-	-	-	(900,000,000,000)	(45,277,040,000)	(945,277,040,000)
- Demerger	(1,568,884,500,000)	-	-	-	-	(1,568,884,500,000)
As at 30 June 2018	26,796,115,500,000	295,000,000,000	1,861,519,520,567	8,962,714,904,912	4,752,445,907,859	42,667,795,833,338
For the six-month period ended 30 June 2019						
As at 1 January 2019	33,495,139,180,000	295,000,000,000	1,816,269,367,634	7,626,959,265,966	4,911,507,173,368	48,144,874,986,968
- Net profit for the period	-	-	-	9,852,967,021,537	1,353,095,406,590	11,206,062,428,127
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	56,191,401,677	(56,191,401,677)	-
- Disposal of subsidiaries	-	-	-	-	(76,093,662,684)	(76,093,662,684)
- Cash dividends declared	-	-	-	-	(301,950,000,000)	(301,950,000,000)
As at 30 June 2019	33,495,139,180,000	295,000,000,000	1,816,269,367,634	17,536,117,689,180	5,830,367,515,597	58,972,893,752,411

27. OWNERS' EQUITY (continued)

27.2 *Capital transactions with owners' equity*

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Contributed share capital from owners		
Beginning balance	33,495,139,180,000	2,000,000,000,000
Additional shares issued	-	12,000,000,000,000
Stock dividends	-	4,000,000,000,000
Shares issued under merger contracts	-	10,365,000,000,000
Demerger	-	(1,568,884,500,000)
Ending balance	33,495,139,180,000	26,796,115,500,000

27.3 *Ordinary shares and preference shares*

Unit: share

	30 June 2019	*31 December 2018*
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	-	-
Shares in circulation	3,349,513,918	3,349,513,918
Ordinary shares	*3,349,513,918*	*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).

27. OWNERS' EQUITY (continued)

27.4 Dividends

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Dividends declared and paid during the period		
Dividends on ordinary shares		
Cash dividends for 2019: VND0 per share (2018: VND4,500 per share)	-	900,000,000,000
Stock dividends for 2019: 0 shares (2018: 2,000 shares per 1,000 existing shares)	-	4,000,000,000,000
Dividends declared after the date of reporting period and not yet recognised as liability as at 30 June	-	-
Dividends on ordinary shares		
Cash dividends for 2019: VND1,000 per share (2018: VND0 per share) (i)	3,349,513,918,000	-

(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.

28. REVENUES

28.1 *Revenue from sale of goods and rendering of services*

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Gross revenue	**26,735,774,856,328**	**15,527,119,314,594**
In which:		
Revenue from sales of inventory properties	*24,964,654,912,000*	*14,794,796,430,395*
Revenue from rendering real estate management and related services	*704,928,181,913*	*404,213,508,020*
Revenue from leasing activities and rendering related services	*573,584,555,602*	*270,628,710,104*
Revenue from rendering general contractor, construction consultancy and supervision services	*435,677,346,921*	*-*
Revenue from retail outlets	*-*	*8,155,016,467*
Others	*56,929,859,892*	*49,325,649,608*
Deductions	-	-
Net revenue	**26,735,774,856,328**	**15,527,119,314,594**
In which:		
Revenue from others	*26,321,453,726,864*	*15,056,780,949,404*
Revenue from related parties	*414,321,129,464*	*470,338,365,190*

28.2 *Finance income*

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Income from Business and Investment Co-operation Contracts (i)	2,709,559,838,000	5,711,531,544,942
Gain from investment activities (ii)	1,491,977,227,552	1,036,360,639,262
Interest income from deposits and loans	1,116,013,379,740	586,194,006,273
Other finance income	351,309,399	17,010,455,749
TOTAL	**5,317,901,754,691**	**7,351,096,646,226**

(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 to an individual and a corporate counterparty (Note 4).

28. REVENUES (continued)

28.3 Revenue and expenses relating to investment properties

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Rental income from investment properties	480,645,515,117	162,525,564,911
Direct operating expenses of investment properties that generated rental income during the period	(118,153,183,476)	(113,838,566,277)

29. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Cost of inventory properties sold	14,858,486,096,892	10,722,599,042,895
Cost of rendering real estate management and other services	640,437,893,298	380,186,818,102
Cost of rendering general contractor, construction consultancy and supervision services	323,226,425,857	-
Cost of leasing activities and other related costs	309,662,290,350	240,939,456,859
Cost of goods sold at retail outlets	-	12,758,799,291
Others	27,993,413,016	44,002,120,399
TOTAL	**16,159,806,119,413**	**11,400,486,237,546**

30. FINANCE EXPENSES

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Loan interest and bond issuance costs	1,005,097,288,366	885,829,037,529
Loss from disposals of investments	-	29,831,827,643
Other finance expenses	161,003,221,957	9,219,381,980
TOTAL	**1,166,100,510,323**	**924,880,247,152**

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Selling expenses		
Commission fees	335,223,436,820	434,777,951,674
Labour costs	85,119,307,411	34,651,830,101
Rental expenses of retail outlets	30,639,972,216	24,395,832,933
Advertising, marketing expenses	91,137,037,693	10,452,567,182
Consultant fees for handed over inventory properties	-	6,510,479,988
Others	13,790,043,024	27,243,440,623
TOTAL	**555,909,797,164**	**538,032,102,501**
General and administrative expenses		
Expenses for external services	248,501,712,412	175,316,846,967
Depreciation and amortisation	71,594,736,789	68,331,636,715
Labour costs	97,662,297,408	43,154,126,452
Provision expense	-	8,065,263,294
Others	396,689,024,868	29,214,374,855
TOTAL	**814,447,771,477**	**324,082,248,283**

32. PRODUCTION AND OPERATING COSTS

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Cost of developing inventory properties	6,484,690,894,328	5,170,419,834,976
Expenses for external service	1,376,261,500,929	1,197,297,112,303
Labour costs	788,687,653,489	152,684,553,077
Depreciation and amortisation (including amortisation of goodwill)	165,561,181,763	139,383,190,585
Others	398,138,678,300	50,636,689,470
TOTAL	**9,213,339,908,809**	**6,710,421,380,411**

33. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable income (2018: 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.

33.1 CIT expenses

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Current tax expenses	2,787,073,212,058	2,041,130,232,627
Deferred tax income	(605,853,359,580)	(287,825,389,390)
TOTAL	**2,181,219,852,478**	**1,753,304,843,237**

33. CORPORATE INCOME TAX (continued)

33.1 *CIT expenses* (continued)

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

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Accounting profit before tax	**13,387,282,280,605**	**9,730,055,489,589**
At CIT rate of 20% applicable to the Company and its subsidiaries	2,677,456,456,121	1,946,011,097,918
Impacts from equity transactions in the interim consolidated financial statements	297,201,048,706	(214,170,613,848)
Losses of subsidiaries	107,022,507,761	17,648,925,398
Non-deductible expenses	79,463,259,685	12,951,426,234
Differences of cost of goods sold between the separate financial statements and the consolidated financial statements	30,015,153,849	156,251,270,586
Goodwill amortisation in the interim consolidated financial statements	12,558,503,667	12,964,010,970
Shared profit after tax under Business and Investment Co-operation Contracts	(355,596,019,400)	-
Deductible temporary differences arising from revaluation of net asset of subsidiaries under legal merger transaction	(437,014,846,737)	(208,838,241,273)
Tax losses carried forward	(235,482,392,446)	(19,903,583,316)
Shared profit from associates	-	(38,247,615)
Losses ineligible for offsetting against taxable income	-	35,847,812,616
Others	5,596,181,272	14,580,985,567
CIT expenses	**2,181,219,852,478**	**1,753,304,843,237**

33.2 *Current CIT*

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

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 periods:

Currency: VND

	Interim consolidated balance sheet		*Interim consolidated income statement*	
	30 June 2019	*31 December 2018*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018 (Restated)*
Deferred tax assets				
Provision for obsolete inventories	6,315,608,057	83,607,582,022	(77,291,973,965)	8,668,027,234
Accrued expense and deferred revenue	54,619,209,636	71,565,785,257	(16,946,575,621)	6,256,768,577
Selling expenses for real estate projects	26,622,453,190	10,947,093,563	15,675,359,627	212,923,100
Difference from recording outright sale transaction	-	-	-	(401,445,780)
Differences arising from revaluation of net asset of subsidiaries at acquisition date	73,957,734,549	75,365,863,498	(1,408,128,949)	-
Differences arising from revaluation of net asset of subsidiaries under legal merger transactions	439,334,467,816	99,377,720,389	339,956,747,427	208,838,241,273
	600,849,473,248	**340,864,044,729**		
Deferred tax liabilities				
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(277,272,461,679)	(623,140,392,739)	345,867,931,061	64,250,874,986
	(277,272,461,679)	**(623,140,392,739)**		
Net deferred tax assets/(liabilities)	***323,577,011,569***	***(282,276,348,010)***		
Net deferred tax credit to interim consolidated income statement			***605,853,359,580***	***287,825,389,390***

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 interim consolidated balance sheet date, the Company and its subsidiaries has aggregated accumulated tax losses of VND695,197,402,097 (31 December 2018: VND1,337,840,903,943) available for offset against future taxable income. No deferred tax assets were recognised in respect of the remaining unutilised tax losses because future taxable profit cannot be ascertained at this stage.

34. TRANSACTIONS WITH RELATED PARTIES

34.1 *Significant transactions with related parties*

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

Currency: VND

Related parties	*Relationship*	*Transactions*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
Vingroup JSC	Parent company	Receivables of shared profit from Business and Investment Co-operation Contracts	1,661,599,637,000	2,825,248,594,942
		Collection of shared profit from Business and Investment Co-operation Contracts	(2,412,770,929,000)	(496,902,838,349)
		Deposits under project development agreement, project transfer agreements and share transfer agreements	7,265,387,375,046	15,297,628,717,638
		Payables for share transfer	-	(3,316,599,717,638)
		Receipt for the purpose of investing and share transfer	-	(5,767,222,428,000)
		Contribution for Business and Investment Co-operation Contract	280,000,000,000	-
		Collection of contribution to Business and Investment Co-operation Contracts	(7,825,000,000,000)	-
		Receipt of share issuance	-	(9,500,000,000,000)
		Decrease of share captital due to demerger	-	1,568,884,500,000
		Borrowings	-	(3,223,534,593,021)
		Repayment of borrowings	54,605,926,953	4,723,534,593,021
		Dividend payable	-	(4,846,100,000,000)
		Dividend paid in cash	-	890,100,000,000
		Dividend paid in shares	-	3,956,000,000,000
		Receivables from cash centralised account	15,785,971,845	30,457,362,078,657
		Receipt from cash centralised account	(15,785,971,845)	(30,181,495,676,741)
		Lending	-	1,238,891,070,118
		Collection of lending	-	(1,238,891,070,118)
		Payables for collection on behalf related to sale of properties	-	(617,784,821,939)
		Repayment for collection on behalf related to sale of properties	-	1,758,346,847,240
		Management service payable	(243,886,738,020)	(234,239,031,737)

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 *Significant transactions with related parties* (continued)

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

Currency: VND

Related parties	*Relationship*	*Transactions*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
Xavinco JSC	Affiliate	Borrowings	-	(759,500,000,000)
Xalivico LLC	Affiliate	Borrowings	(184,000,000,000)	(254,000,000,000)
Central Park Development LLC ("Central Park LLC")	Affiliate	Borrowings	(250,000,000,000)	(635,000,000,000)
		Repayment of borrowings	173,000,000,000	1,170,000,000,000
		Receivables of shared profit from Business and Investment Co-operation Contracts	1,047,954,563,000	-
Thanh Pho Ho Chi Minh Investment Service Trading JSC ("Vicentra JSC")	Affiliate (until 1 June 2018)	Lending	-	2,000,000,000,000
		Collection of lending	-	(2,000,000,000,000)
		Borrowings	-	(6,165,000,000,000)
		Repayment of borrowings	-	4,429,224,109,589
		Contribution for Business and Investment Co-operation Contract	-	1,300,000,000,000
		Receivables of shared profit from Business and Investment Co-operation Contract	-	2,886,282,950,000
		Collection of shared profit from Business and Investment Co-operation Contract	-	(1,317,928,594,000)
		Payables for collection on behalf	-	(277,009,389,260)
		Payment for collection on behalf	-	280,970,000,633
Vietnam Grand Prix LLC ("Grand Prix LLC")	Affiliate	Borrowings	(856,000,000,000)	-
		Repayment of borrowings	1,664,000,000,000	-

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 *Significant transactions with related parties* (continued)

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

Currency: VND

Related parties	*Relationship*	*Transactions*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Collection from disposal of assets	-	(914,441,049,922)
		Receivables from disposal of assets	-	914,441,049,922
		Receipt of deposit for disposal of assets	-	(200,000,000,000)
Vinmec International General Hospital JSC ("Vinmec JSC")	Affiliate	Receipt of deposit for disposal of assets	-	(200,000,000,000)
Vincommerce General Commercial Services JSC ("Vincommerce JSC")	Affiliate	Lending	1,000,000,000,000	-
		Collection of lending	(1,000,000,000,000)	(510,000,000,000)
		Borrowings	-	(3,280,000,000,000)
		Repayment of borrowings	-	3,280,000,000,000
		Payables for share transfer	-	(2,000,000,000,000)
		Payment for share transfer	-	2,000,000,000,000
		Payables for goods provided	(41,518,123,752)	(1,458,573,773,475)
		Payment for goods provided	27,164,843,959	970,204,520,244
Vinfast Producing and Trading LLC ("Vinfast LLC")	Affiliate	Lending	1,100,000,000,000	-
		Borrowings	-	(13,714,000,000,000)
		Repayment of borrowings	3,240,000,000,000	1,714,000,000,000
Vincom Construction and Consultant LLC ("Vincom Construction LLC")	Affiliate (until 9 August 2018)	Borrowings	-	(1,700,000,000,000)

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.1 *Significant transactions with related parties* (continued)

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

Currency: VND

Related parties	*Relationship*	*Transactions*	*For the six-month period ended 30 June 2019*	*For the six-month period ended 30 June 2018*
Vinpearl JSC	Affiliate	Lending	200,000,000,000	-
		Borrowings	-	(590,000,000,000)
		Repayment of borrowings	1,745,000,000,000	590,000,000,000
Saidong Urban Development and Investment JSC	Affiliate	Deposit for the purpose of investing and share transfer	-	200,257,600,000
Southern Star Urban Development and Trading Investment JSC	Affiliate (until 29 March 2019)	Repayment of borrowings	-	510,000,000,000
Times Trading Investment and Development One Member LLC	Affiliate	Deposit for the purpose of investing and share transfer	-	200,000,000,000
		Collection of deposit for the purpose of investing and share transfer	-	(200,000,000,000)
Tan Lien Phat JSC	Affiliate (until 1 February 2018)	Lending	-	3,000,000,000,000
		Collection of lending	-	(200,000,000,000)
Ms. Hoang Bach Duong	Chairwoman of member council of a subsidiary	Deposit for the purpose of share transfer	-	1,104,000,000,000
		Collection of deposit for the purpose of share transfer	-	(1,104,000,000,000)

34. TRANSACTIONS WITH REPATED PARTIES (continued)

34.1 *Significant transactions with related parties* (continued)

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

During the six-month periods ended 30 June 2019 and 30 June 2018, the Company also sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices.

The Company has 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 will receive a portion of profit from these contracts.

Payables and receivables (except for some lending, borrowings and deposits for share transfer) as at 30 June 2019 are unsecured, free of interest and will be settled by cash. During the six-month period ended 30 June 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 period through the examination of the financial position of the related parties and the market in which the related parties operate.

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 30 June 2019 and 31 December 2018 were as follows:

Currency: VND

Related parties	*Relationship*	*Transactions*	*30 June 2019*	*31 December 2018*
Trade receivables (Note 7.1)				
Vinmec JSC	Affiliate	Receivables from share transfer	694,000,000,000	694,000,000,000
		Other receivables	5,703,648,234	2,643,568,168
Vingroup JSC	Parent company	Receivables from general contractor and supervision services	20,313,995,108	100,722,267,148
		Other receivables	13,204,242,883	9,956,455,061
Vincom Retail JSC	Affiliate	Receivables from general contractor and supervision services	207,782,139,257	199,956,041,606
		Receivables from transferring inventory properties	1,180,381,619,762	1,356,167,299,959
		Other receivables	5,436,626,819	9,257,163,159
Vinpearl JSC	Affiliate	Receivables from transferring inventory properties	31,925,026,014	-
Vincommerce JSC	Affiliate	Receivables from general contractor and supervision services	93,109,237,354	113,424,419,052
		Receivables from leasing	21,181,644,781	6,127,019,883
Vinschool LLC	Affiliate	Receivables from revenue sharing from educational activity and related service	20,947,430,235	9,361,797,217
Central Park LLC	Affiliate	Receivables from real estate management service	60,779,019,324	-
Other affiliates		Other receivables	24,270,690,878	158,568,387,452
			2,379,035,320,649	**2,660,184,418,705**
Short-term advances to suppliers (Note 7.2)				
Vingroup JSC	Parent company	Advances to suppliers	6,868,501,283	-
Other affiliates		Other advances to suppliers	327,750,043	2,148,423,526
			7,196,251,326	**2,148,423,526**

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 30 June 2019 and 31 December 2018 were as follows: (continued)

Currency: VND

Related parties	*Relationship*	*Transactions*	*30 June 2019*	*31 December 2018*
Other short-term receivables (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract	3,400,229,708,712	10,945,229,708,712
		Receivables from shared profit from Business and Investment Co-operation Contract	543,649,788,000	1,294,826,718,000
		Receivables from payment on behalf	-	11,743,124,442
Central Park LLC	Affiliate	Capital contribution for Business and Investment Co-operation Contract	490,000,000,000	490,000,000,000
		Receivables from shared profit from Business and Investment Co-operation Contract	1,047,954,563,000	-
		Other receivables	699,996,455	250,168,224
Other affiliates		Other receivables	31,043,259,976	269,694,321,940
			5,513,577,316,143	**13,011,744,041,318**
Other long-term receivables (Note 9)				
Vincom Retail JSC	Affiliate	Receivables from leasing	121,598,017,738	120,577,365,167
			121,598,017,738	**120,577,365,167**
Other current assets (Note 13)				
Vingroup JSC	Parent company	Deposits for share transfer and investment purpose	7,903,891,069,935	4,198,998,985,139
Sai Dong JSC	Affiliate	Deposits for share transfer and investment purpose	70,257,600,000	70,257,600,000
			7,974,148,669,935	**4,269,256,585,139**
Other non-current assets (Note 13)				
Vingroup JSC	Parent company	Deposit for share transfer and investment purpose	4,071,912,920,950	511,417,630,700
			4,071,912,920,950	**511,417,630,700**

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 30 June 2019 and 31 December 2018 were as follows: (continued)

Currency: VND

Related parties	*Relationship*	*Transactions*	*30 June 2019*	*31 December 2018*
Trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management service payables	411,215,627,890	34,733,745,096
		Other trade payables	36,603,119,106	217,492,807,308
Vincommerce JSC	Affiliate	Payables for goods purchased	19,905,386,620	5,552,106,827
Vincom Retail JSC	Affiliate	Payables for goods purchased	13,196,945,596	-
Other affiliates		Other trade payables	23,966,671,709	54,290,683,699
			504,887,750,921	**312,069,342,930**
Short-term advances from customers (Note 20.2)				
Vincommerce JSC	Affiliate	Advances for goods purchased	15,072,328,755	93,109,237,354
Vincom Retail JSC	Affiliate	Advances for goods purchased	34,622,406,842	48,920,707,830
Kind Heart Foundation	Under common owner	Advances for construction activities	-	14,392,320,586
Vingroup JSC	Parent company	Advances for construction activities	7,114,389,040	41,267,745,122
VinEco Agricultural Investment and Development Limited Liability Company	Affiliate	Advances for construction activities	10,633,459,570	-
Other affiliates		Other advances from customers	16,900,335,341	16,737,721,054
			84,342,919,548	**214,427,731,946**
Short-term accrued expenses (Note 22)				
Vingroup JSC	Parent company	Interest payables	-	186,517,447,918
Central Park LLC	Affiliate	Interest payables	169,328,968,042	116,757,625,577
Grand Prix LLC	Affiliate	Interest payables	-	24,632,630,137
Other affiliates		Other accrued expenses	29,660,801,494	23,477,844,241
			198,989,769,536	**351,385,547,873**

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 30 June 2019 and 31 December 2018 were as follows: (continued)

Currency: VND

Related parties	*Relationship*	*Transactions*	*30 June 2019*	*31 December 2018*
Long-term accrued expenses (Note 22)				
Vinfast LLC	Affiliate	Interest payables	-	169,570,684,931
Xavinco JSC	Affiliate	Interest payables	132,387,772,072	106,197,525,496
Vinpearl JSC	Affiliate	Interest payables	-	103,154,149,233
Xalivico LLC	Affiliate	Interest payables	48,062,614,157	-
Other affiliates		Other accrued expenses	3,486,575,343	39,921,189,498
			183,936,961,572	**418,843,549,158**
Other short-term payables (Note 24)				
Vinschool LLC	Affiliate	Deposit received for Business Co-operation Contract	200,000,000,000	200,000,000,000
Vinpearl JSC	Affiliate	Deposit received for Business Co-operation Contract	-	2,199,807,000,000
		Other payables	1,130,673,968	1,718,212,266
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	342,000,000,000	-
		Other payables	13,687,820,987	23,376,931,979
Kind Heart Foundation	Under common owner	Payables for charitable purpose	-	100,000,000,000
Vingroup JSC	Parent company	Payables for payment on behalf	21,482,299,558	-
Other affiliates		Other payables	16,301,015,171	26,340,515,539
			594,601,809,684	**2,551,242,659,784**

34. TRANSACTIONS WITH RELATED PARTIES (continued)

34.3 Details of lendings to related parties (Note 8)

Details of lending as at 30 June 2019:

Related parties	*Relationship*	*Amount VND*	*Interest rate % per annum*	*Maturity date*	*Collateral*
Thang Long Real Estate JSC	Affiliate	2,000,000,000	9%	July 2020	(*)
Vinfast LLC	Affiliate	1,100,000,000,000	9%	August 2020	(**)
Vinpearl JSC	Affiliate	200,000,000,000	9%	August 2020	(*)
		1,302,000,000,000			

(*) The lending has been fully collected after the interim consolidated balance sheet date.

(**) This lending is secured by capital contribution of Vingroup JSC in this affiliate.

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 short-term borrowings as at 30 June 2019:

Related parties	*Relationship*	*Amount VND*	*Interest rate % per annum*	*Maturity date*	*Collateral*
Central Park LLC	Affiliate	1,132,000,000,000	9%	February 2020	(*)
		1,132,000,000,000			

Details of long-term borrowings as at 30 June 2019:

Related parties	*Relationship*	*Amount VND*	*Interest rate % per annum*	*Maturity date*	*Collateral*
Central Park LLC	Affiliate	90,000,000,000	9%	July 2020	(*)
Xavinco JSC	Affiliate	456,000,000,000	9%	August 2020	(*)
Xalivico LLC	Affiliate	427,000,000,000	9%	July 2020	(*)
		973,000,000,000			

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:

Related parties	*Relationship*	*Amount VND*	*Interest rate % per annum*	*Maturity date*	*Collateral*
Grand Prix LLC	Affiliate	808,000,000,000	9%	September 2019	None
Central Park LLC	Affiliate	520,000,000,000	9%	From January 2019 to September 2019	(*)
Vingroup JSC	Parent company	54,605,926,953	9%	December 2019	(*)
		1,382,605,926,953			

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

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

(*) These loans are secured by shares of the Company and ordinary shares of some subsidiaries.

34.5 Other related party transactions

Remuneration to members of management and Board of Directors:

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018*
Salaries	39,598,437,046	7,298,601,654
TOTAL	**39,598,437,046**	**7,298,601,654**

35. EARNINGS PER SHARE

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

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Net profit after tax attributable to ordinary shareholders	9,852,967,021,537	7,858,485,761,145
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	**9,852,967,021,537**	**7,858,485,761,145**

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Weighted average number of ordinary shares for basic earnings per share	3,349,513,918	1,921,480,077
Adjust for stock dividend issued in February 2018 and October 2018	-	1,069,902,368
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	**3,349,513,918**	**2,991,382,445**

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)*
Basic earnings per share	2,942	2,627

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim consolidated financial statements.

36. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the six-month period ended 30 June 2019 because real estate trading and related services are principal sources accounting for a subtantial 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's 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 operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the interim balance sheet dates under these operating lease agreements are as follows:

Currency: VND

	30 June 2019	*31 December 2018*
Less than 1 year	391,412,022,943	563,105,540,579
From 1 to 5 years	567,784,664,029	377,806,677,526
More than 5 years	5,507,007,244,618	1,300,271,470,015
TOTAL	**6,466,203,931,590**	**2,241,183,688,120**

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 interim balance sheet dates under these operating lease agreements are as follows:

Currency: VND

	30 June 2019	*31 December 2018*
Less than 1 year	160,246,338,854	165,716,091,451
From 1 to 5 years	63,447,588,441	64,755,407,193
More than 5 years	394,802,585,471	402,646,759,490
TOTAL	**618,496,512,766**	**633,118,258,134**

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.

37. COMMITMENTS AND CONTINGENCIES (continued)

Finance lease commitment

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. As at 30 June 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, VND47 billion, VND57 billion. As at 30 June 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 VND20 billion, VND86 billion, VND535 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 30 June 2019 amounts to approximately VND12,327 billion (as at 31 December 2018: VND7,266 billion).

As disclosed in Note 13, on 22 February 2018, 31 August 2018 and 10 January 2019, the Company has entered into a Project Development Agreement and signed Amended Agreements with Vingroup JSC, the parent company, to acquire several real estate projects for a total consideration of VND6,537.6 billion. As at 30 June 2019, the remaining commitment under these agreements is VND3,182.6 billion.

As disclosed in Note 13, on 22 February 2018, 31 August 2018, 10 January 2019 and 22 February 2019, the Company has entered into several Project Transfer Agreements and signed Amended Agreements with Vingroup JSC, the parent company to acquire several real estate projects. The total consideration payable will be determined as the total of land use rights, assets value and other general expenses directly attributable to these real estate projects incurred by Vingroup JSC up to the acquisition date. As at 30 June 2019, consideration paid to Vingroup JSC under these agreements amounts to VND5,217.1 billion.

Under a Business Co-operation Contract dated 23 November 2017 between Royal City JSC and a corporate 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 30 June 2019 is VND782.1 billion. The project will be implemented within 2 years when Royal City JSC receives land parcel for construction. According to this contract, after the project is completed, Royal City JSC will be entitled to operate and manage a part of the project.

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 30 June 2019, the remaining consideration payable under this agreement is VND503.7 billion.

37. COMMITMENTS AND CONTINGENCIES (continued)

Commitment under interest support agreements to buyers of apartments, villas 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 the inventory properties of the Company's projects (including Vinhomes Metropolis, Vinhomes Central Park, Vinhomes Golden River, Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Green Bay, Vinhomes New Center Ha Tinh and Vinhomes Smart City 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 in committed period.

Guarantee for loan payment obligation of Vingroup JSC

The Company has guaranteed for payment obligations of Vingroup JSC under a syndicated loan from foreign financial institutions to Vingroup JSC with terms of 60 months. The ending balance of this syndicated loan as at 30 June 2019 is USD232.5 million.

38. NOTES TO CASH FLOW MOVEMENT

Currency: VND

	For the six-month period ended 30 June 2019	*For the six-month period ended 30 June 2018 (Restated)(*)*
Code 02 - Depreciation of fixed assets and investment properties and amortisation of intangible assets (including amortisation of goodwill)		
Depreciation and amortisation	102,768,663,428	74,563,135,735
Goodwill amortisation (Note 19)	62,792,518,335	64,820,054,850
TOTAL	**165,561,181,763**	**139,383,190,585**
Code 05 - Profits from investing activities		
Shared profit under Business and Investment Co-operation Contract (Note 28.2)	2,709,559,838,000	5,711,531,544,942
Gain on disposal of investments in other entities (Note 28.2 and Note 30)	1,491,977,227,552	1,006,528,811,619
Interest income (Note 28.2)	1,116,013,379,740	586,194,006,273
Gain on disposal of fixed assets	12,728,276,342	20,459,311,856
Dividend income	-	14,011,848,183
Share of profit from associates	-	191,238,076
TOTAL	**5,330,278,721,634**	**7,338,916,760,949**
Code 23 - Loans to other entities and payments for purchase of debt instruments of other entities		
Disbursement of loans	(3,887,891,070,118)	(12,552,891,070,118)
Term deposits with maturity greater than three months	(122,352,526,722)	(278,124,469,422)
TOTAL	**(4,010,243,596,840)**	**(12,831,015,539,540)**
Code 25 - Payments for investments in other entities		
Payment for acquisition of new subsidiaries, additional shares in existing subsidiaries and investment in other entities	-	(18,707,379,448,344)
Contribution to Business Co-operation Contracts	(11,330,000,000,000)	(13,200,000,000,000)
Deposit to acquire investment in other entities	(2,853,695,290,250)	(6,512,970,463,363)
Deposit to acquire projects	(3,726,692,084,796)	(1,555,000,000,000)
Payment of dividend declared to previous shareholders of Vinhomes Management JSC prior to merger date	-	(934,675,000,000)
Deposit under Project Development Agreement	(1,800,000,000,000)	(817,500,000,000)
TOTAL	**(19,710,387,375,046)**	**(41,727,524,911,707)**
Code 26 - Proceeds from sales of investments in other entities		
Proceeds from disposal of investments, after deducting cash balance of these entities at the disposal date	2,647,327,901,870	16,844,154,300,144
Collection of deposits for purpose of developing potential real estate projects	7,825,000,000,000	-
Deposit collected to acquire shares	-	4,980,000,000,000
Deposits received for shares transfer purpose	561,000,000,000	-
Deposit received for purpose of transferring other long-term assets	-	400,000,000,000
TOTAL	**11,033,327,901,870**	**22,224,154,300,144**

38. NOTES TO CASH FLOW MOVEMENT (continued)

(*) Code 02 and Code 05 for the six-month period ended 30 June 2018 were restated because the Company and its subsidiaries have completed the finalization of provisional accounting applied to the business combination of Vinhomes Management JSC (Note 39).

39. RESTATEMENT OF CORRESPONDING FIGURES

In February 2018, the Company and its subsidiaries applied provisional accounting method for the business combination of Vinhomes Management JSC. By the end of 2018, the Company and its subsidiaries have completed the finalisation of provisional accounting applied in this transaction. Accordingly, restatements to certain corresponding figures on the interim consolidated financial statements are as follows:

Currency: VND

Code	*ITEMS*	*For the six-month period ended 30 June 2018 (Previously presented)*	*Restatement*	*For the six-month period ended 30 June 2018 (Restated)*
	INTERIM CONSOLIDATED INCOME STATEMENT			
11	Cost of goods sold and services rendered	(11,192,195,969,000)	(208,290,268,546)	(11,400,486,237,546)
26	General and administrative expenses	(320,521,047,293)	(3,561,200,990)	(324,082,248,283)
32	Other expenses	(22,359,671,176)	(32,436,670,345)	(54,796,341,521)
52	Deferred tax income	223,574,514,404	64,250,874,986	287,825,389,390
	INTERIM CONSOLIDATED CASH FLOW STATEMENT			
01	Profit before tax	9,974,343,629,470	(244,288,139,881)	9,730,055,489,589
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	135,821,989,595	3,561,200,990	139,383,190,585
03	Reversal of provisions	(96,419,266,874)	(80,527,436,037)	(176,946,702,911)
05	Profits from investing activities	(7,371,353,431,294)	32,436,670,345	(7,338,916,760,949)
10	Decrease in inventories	6,600,577,204,138	288,817,704,583	6,889,394,908,721

40. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

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

In July 2019, the Company and its subsidiaries have completed the acquisition of 90% shares in Green City Development Joint Stock Company for a total consideration of VND15,474 billion. Thereby, Green City Development Joint Stock Company became a subsidiary of the Company.

In July 2019, the Company and its subsidiaries have completed the acquisition of 100% shares in Delta Joint Stock Company for a total consideration of VND4,000 billion. Thereby, Delta Joint Stock Company became a subsidiary of the Company.

There is no other 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.

Bui Tien Luc Preparer	Nguyen Huu Thanh Chief Accountant	Le Thi Hai Yen Chief Financial Officer

Hanoi, Vietnam

29 August 2019