

Vinhomes Joint Stock Company

Interim consolidated financial statements

For the six-month period ended 30 June 2020



**Building a better
working world**

Vinhomes Joint Stock Company

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Vinhomes Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 as the latest.

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

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent (also referred to as "the Parent Company"). 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	
Mr. Pham Nhat Vuong	Member	
Ms. Cao Thi Ha An	Member	
Mr. Pham Thieu Hoa	Member	appointed on 8 July 2020
Mr. Ashish Jaiprakash Shastry	Member	appointed on 8 July 2020
Mr. Tran Kien Cuong	Member	appointed on 8 July 2020
Mr. Nguyen Viet Quang	Member	resigned on 8 July 2020
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	
Mr. Hoang D. Quan	Independent member	appointed on 8 July 2020

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

Vinhomes Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Pham Thieu Hoa	Chief Executive Officer	
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer	appointed on 15 April 2020
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	resigned on 6 June 2020

LEGAL REPRESENTATIVES

The legal representatives of the Company:

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

AUDITORS

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 2020.

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

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the 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 2020 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:



Phạm Thiệu Hoa
Phạm Thiệu Hoa
Chief Executive Officer

Hanoi, Viet Nam

29 August 2020



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

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ey.com

Reference: 60871645/21910098-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 2020 and set out on pages 6 to 80, which comprise the interim consolidated balance sheet as at 30 June 2020, 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

The Company's management is responsible for the preparation and fair presentation of the 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 2020, 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.



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

Hanoi, Vietnam

29 August 2020

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INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

Currency: million VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		141,342,852	139,555,054
110	I. Cash and cash equivalents	5	11,859,527	13,332,299
111	1. Cash		2,458,360	2,788,220
112	2. Cash equivalents		9,401,167	10,544,079
120	II. Short-term investments		503,975	360,611
123	1. Held-to-maturity investments	6	503,975	360,611
130	III. Current accounts receivable		53,621,486	47,467,976
131	1. Short-term trade receivables	7.1	9,995,718	8,811,344
132	2. Short-term advances to suppliers	7.2	8,128,116	8,802,736
135	3. Short-term loan receivables	8	11,334,643	16,507,454
136	4. Other short-term receivables	9	24,282,509	13,465,638
137	5. Provision for doubtful short-term receivables	10	(119,500)	(119,196)
140	IV. Inventories	11	58,562,449	60,296,848
141	1. Inventories		58,573,393	60,306,616
149	2. Provision for obsolete inventories		(10,944)	(9,768)
150	V. Other current assets		16,795,415	18,097,320
151	1. Short-term prepaid expenses	12	3,487,171	2,089,245
152	2. Value-added tax deductible	21	456,317	673,229
153	3. Tax and other receivables from the State	21	9,124	41,933
155	4. Other current assets	13	12,842,803	15,292,913

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

Currency: million VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
200	B. NON-CURRENT ASSETS		83,446,699	57,685,974
210	I. Long-term receivables		13,853,689	8,114,996
215	1. Long-term loan receivables	8	12,803,620	7,863,900
216	2. Other long-term receivables	9	1,050,069	251,096
220	II. Fixed assets		2,843,468	690,347
221	1. Tangible fixed assets	14	2,769,317	624,738
222	Cost		2,842,422	678,311
223	Accumulated depreciation		(73,105)	(53,573)
227	2. Intangible fixed assets		74,151	65,609
228	Cost		132,655	108,952
229	Accumulated amortisation		(58,504)	(43,343)
230	III. Investment properties	15	6,578,008	6,626,630
231	1. Cost		6,997,440	6,959,536
232	2. Accumulated depreciation		(419,432)	(332,906)
240	IV. Long-term assets in progress		32,294,742	28,212,527
242	1. Construction in progress	17	32,294,742	28,212,527
250	V. Long-term investments	18	2,952,950	773,312
253	1. Investments in other entities	18.1	2,738,270	558,632
255	2. Held-to-maturity investments	18	214,680	214,680
260	VI. Other long-term assets		24,923,842	13,268,162
261	1. Long-term prepaid expenses	12	1,396,786	2,511,706
262	2. Deferred tax assets	34.3	214,294	330,794
268	3. Other long-term assets	13	22,346,964	9,471,481
269	4. Goodwill	19	965,798	954,181
270	TOTAL ASSETS		224,789,551	197,241,028

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

Currency: million VND

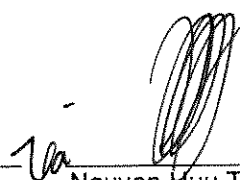
Code	RESOURCES	Notes	30 June 2020	31 December 2019
300	C. LIABILITIES		149,003,684	132,525,985
310	I. Current liabilities		124,703,255	121,556,854
311	1. Short-term trade payables	20.1	10,136,360	6,078,324
312	2. Short-term advances from customers	20.2	37,874,120	40,245,699
313	3. Statutory obligations	21	4,076,867	2,095,296
315	4. Short-term accrued expenses	22	9,532,366	7,839,911
318	5. Short-term unearned revenue	23	509,481	465,696
319	6. Other short-term payables	24	42,442,732	46,669,574
320	7. Short-term loans	25	20,131,329	18,162,354
330	II. Non-current liabilities		24,300,429	10,969,131
333	1. Long-term accrued expenses	22	1,004,265	588,885
336	2. Long-term unearned revenue	23	1,516,980	1,534,550
337	3. Other long-term liabilities	24	74,256	90,376
338	4. Long-term loans	25	21,293,527	8,343,025
341	5. Deferred tax liabilities	34.3	270,303	270,303
342	6. Long-term provisions	26	141,098	141,992



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

Currency: million VND

Code	RESOURCES	Notes	30 June 2020	31 December 2019
400	D. OWNERS' EQUITY		75,785,867	64,715,043
410	I. Capital	27	75,785,867	64,715,043
411	1. Share capital	27.1	33,495,139	33,495,139
411a	- Shares with voting rights		33,495,139	33,495,139
412	2. Share premium		295,000	295,000
415	3. Treasury shares		(5,549,929)	(5,549,929)
420	4. Other funds belonging to owners' equity	27.1	1,826,269	1,816,269
421	5. Undistributed earnings		38,232,990	26,039,678
421a	- Undistributed earnings by the end of prior period		27,964,411	4,277,445
421b	- Undistributed earnings of current period		10,268,579	21,762,233
429	6. Non-controlling interests	27.1	7,486,398	8,618,886
440	TOTAL LIABILITIES AND OWNERS' EQUITY		224,789,551	197,241,028


Bui Tien Luc
Preparer


Nguyen Huu Thanh
Chief Accountant



Phan Thieu Hoa
Chief Executive Officer

Hanoi, Vietnam

29 August 2020

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

Currency: million VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	28.1	22,895,706	26,735,775
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	22,895,706	26,735,775
11	4. Cost of goods sold and services rendered	29	(13,522,071)	(16,159,806)
20	5. Gross profit from sale of goods and rendering of services		9,373,635	10,575,969
21	6. Finance income	28.2	9,423,407	5,317,902
22	7. Finance expenses	30	(1,307,661)	(1,166,101)
23	<i>In which: Interest and bond issuance expenses</i>		(1,303,632)	(1,005,097)
25	8. Selling expenses	31	(799,016)	(555,910)
26	9. General and administrative expenses	31	(1,084,403)	(814,448)
30	10. Operating profit		15,605,962	13,357,412
31	11. Other income		64,833	84,319
32	12. Other expenses	32	(974,203)	(54,450)
40	13. Other (loss)/profit		(909,370)	29,869
50	14. Accounting profit before tax		14,696,592	13,387,281
51	15. Current corporate income tax expense	34.1	(3,518,770)	(2,787,073)
52	16. Deferred tax (expense)/income	34.3	(116,500)	605,853
60	17. Net profit after tax		11,061,322	11,206,061


INTERIM CONSOLIDATED INCOME STATEMENT (continued)
for the six-month period ended 30 June 2020

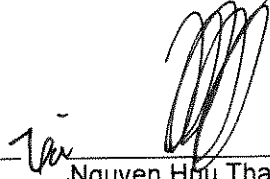
Currency: million VND



Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
61	18. Net profit after tax attributable to shareholders of the parent		10,278,579	9,852,966
62	19. Net profit after tax attributable to non-controlling interests		782,743	1,353,095

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
70	20. Basic earnings per share	36	3,125	2,942


 Bui Tien Luc
 Preparer


 Nguyen Huu Thanh
 Chief Accountant



 Phan Thieu Hoa
 Chief Executive Officer

Hanoi, Vietnam

29 August 2020

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

Currency: million VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		14,696,592	13,387,281
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	33	203,230	165,561
03	Provisions/(reversal of provisions)		586	(137,120)
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		-	174
05	Profits from investing activities		(9,339,280)	(5,330,279)
06	Interest and bond issuance expenses	30	1,303,632	1,005,097
08	Operating profit before changes in working capital		6,864,760	9,090,714
09	Increase in receivables		(1,896,617)	(963,505)
10	(Increase)/decrease in inventories		(2,170,456)	7,210,290
11	Increase in payables (other than interest, corporate income tax)		4,311,568	14,248,882
12	(Increase)/decrease in prepaid expenses		(1,334,941)	192,707
14	Interest paid		(1,106,323)	(1,564,355)
15	Corporate income tax paid	21	(1,620,189)	(3,011,569)
20	Net cash flows from operating activities		3,047,802	25,203,164

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


Currency: million VND

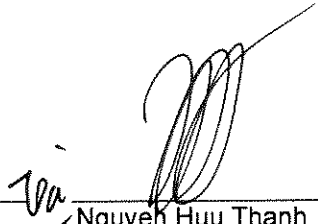
Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(1,385,294)	(646,490)
22	Proceeds from disposals of fixed assets and other long-term assets		140,513	105,054
23	Loans to other entities and payments for purchase of debt instruments of other entities		(10,538,913)	(4,010,244)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		11,589,642	4,476,086
25	Payments for investments in other entities (net of cash held by entity being acquired)		(21,480,648)	(19,710,387)
26	Proceeds from sale of investments in other entities (net of cash held by entity being disposed)		2,074,758	11,033,328
27	Interest received		575,097	10,881
30	Net cash flows used in investing activities		(19,024,845)	(8,741,772)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		22,000	-
33	Drawdown of borrowings		15,910,765	2,927,255
34	Repayment of borrowings		(1,270,759)	(8,868,294)
36	Dividends paid		(157,735)	-
40	Net cash flows from/(used in) financing activities		14,504,271	(5,941,039)


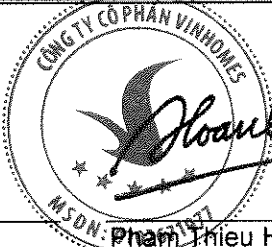
INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2020

Currency: million VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
50	Net (decrease)/increase in cash for the period		(1,472,772)	10,520,353
60	Cash and cash equivalents at the beginning of the period		13,332,299	3,515,372
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the period	5	11,859,527	14,035,725


 Bui Tien Luc
 Preparer


 Nguyen Huu Thanh
 Chief Accountant



 Phan Thieu Hoa
 Chief Executive Officer

Hanoi, Vietnam

29 August 2020

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

1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 as the latest.

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

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

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

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

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

Seasonality of interim consolidated operations

Due to the nature of real estate business, revenue from rental income and rendering real estate management services are expected to be stable throughout the period except when the Company and its subsidiaries launch new properties into the market. On the other hand, revenue from sale of residential properties is dependent on the completion status of real estate projects and the market conditions at the time these projects are offered for sale.

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

1. CORPORATE INFORMATION (continued)

Corporate structure

As at 30 June 2020, the Company has 22 subsidiaries (as at 31 December 2019: 18 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

<u>No.</u>	<u>Company</u>	<u>Voting rights (%)</u>	<u>Equity interest (%)</u>	<u>Registered office's address</u>	<u>Principal activities</u>
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	99.39	98.16	2 nd Floor, Vincom Mega Mall Ocean Park Shopping Center in land plot CCTP-10 of Gia Lam Urban Project, Trau Quy Town and Duong Xa, Kieu Ky, Da Ton Communes, Gia Lam District, Ha Noi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	99.18	98.76	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	69.50	68.64	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation ("Can Gio JSC") (i)	99.89	98.56	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate Limited Liability Company ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township ("Berjaya VIUT LLC") (i)	97.90	88.17	20A Floor, 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 Joint Stock Company ("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 Joint Stock Company ("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 Limited Liability Company ("Metropolis Hanoi LLC")	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

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

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

<i>No.</i>	<i>Company</i>	<i>Voting rights (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
10	Berjaya Vietnam Financial Center Limited Liability Company ("Berjaya VFC LLC") (i)	67.50	60.78	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction Joint Stock Company ("Thai Son JSC") (i)	100.00	90.06	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millenium Trading Investment and Development Limited Liability Company ("Millenium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties and office leasing
13	GS Cu Chi Development Joint Stock Company ("GS Cu Chi JSC") (i)	100.00	99.89	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	96.79	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	An Thinh Trading and Commercial Development Joint Stock Company ("An Thinh JSC")	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Green City Development Joint Stock Company ("Green City JSC")	90.00	90.00	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Delta Joint Stock Company ("Delta JSC") (i)	100.00	99.34	110 Dang Cong Binh, 6 th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
18	Vinhomes Industrial Zone Investment Joint Stock Company ("VHIZ JSC") (i)	100.00	95.10	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

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

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

<u>No.</u>	<u>Company</u>	<u>Voting rights (%)</u>	<u>Equity interest (%)</u>	<u>Registered office's address</u>	<u>Principal activities</u>
19	Dai An Investment Construction Joint Stock Company ("Dai An JSC") (i)	99.00	89.10	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province	Investing, developing and trading real estate properties
20	S-Vin Vietnam Real Estate Trading Joint Stock Company ("S-Vin JSC")	98.06	98.06	Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
21	Ecology Development and Trading Joint Stock Company ("Ecology Trading JSC") (i) (ii)	99.18	98.76	Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
22	VinITIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company ("VinITIS JSC")	61.00	61.00	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Data processing and rendering other services

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

(ii) These companies are in the process of completing dissolution procedures.

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

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 other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

The interim consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the interim consolidated financial statements as at 30 June 2020, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

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

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 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only 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 resulting 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of not more 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, leasehold and development rights for land;
- ▶ Amounts payable/paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

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

The cost of inventory property recognised in the 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 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.

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

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.7 *Depreciation and amortisation*

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

Buildings and structures	15 – 48 years
Machinery and equipment	5 – 10 years
Means of transportation	6 – 10 years
Office equipment	3 – 5 years
Computer software	3 – 5 years
Others	2 – 5 years

3.8 *Investment properties*

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties* (continued)

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

3.9 *Borrowing costs*

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

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

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

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

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 account for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *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 investments

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

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

Held-to-maturity investments

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

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

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 provisions

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

When the Company and its subsidiaries 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *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 *Treasury shares*

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

3.18 *Appropriation of net profits*

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

3.19 *Advances from customers purchasing inventory properties*

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.

3.20 *Revenue recognition*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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.

Rental income

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *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 are presented as "Advances from customers" or "Unearned revenues" in the interim consolidated balance sheet.

3.21 *Construction contract*

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

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

3.22 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 *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.

3.23 *Earnings per share*

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

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

3.24 *Segment information*

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 *Related parties*

Parties are considered to be related parties of the Company and its subsidiaries if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and its subsidiaries and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

3.26 *Demerger*

Demerger transactions where the Company is the demerged company are carried out 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.

3.27 *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 term of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE PERIOD

4.1 *Acquisition of group of assets*

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

Acquisition of VHIZ JSC, a new subsidiary

On 10 March 2020, the Company and its subsidiaries completed the acquisition of 100% shares of VHIZ JSC from counterparties for a total consideration of VND70 billion. Thereby, VHIZ JSC became a subsidiary of the Company. The principal activities of VHIZ JSC are investing, developing and trading real estate properties.

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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE PERIOD (continued)

4.1 *Acquisition of group of assets* (continued)

Acquisition of Dai An JSC, a new subsidiary

In May 2020, the Company and its subsidiaries completed the acquisition of 99% shares of Dai An JSC from counterparties for a total consideration of VND4,554 billion. Thereby, Dai An JSC became a subsidiary of the Company. The principal activities of Dai An JSC are investing, developing and trading real estate projects.

4.2 *Business combination*

Acquisition of VinITIS JSC, a new subsidiary

On 1 April 2020, the Company and its subsidiaries acquired 61% of the voting shares of VinITIS JSC from a counterparty for a total consideration of VND86 billion. Thereby, VinITIS JSC became a subsidiary of the Company.

At the date of acquisition, the principal activities of VinITIS JSC are data processing and rendering other services.

The head office of VinITIS is located at No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi, Vietnam.

As at 30 June 2020, the Company and its subsidiaries were in the process of determining fair value of identifiable assets, liabilities or contingent liabilities of VinITIS JSC. Therefore, the Company and its subsidiaries applied provisional accounting to consolidate VinITIS JSC.

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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE PERIOD (continued)

4.2 Business combination (continued)

Acquisition of VinITIS JSC, a new subsidiary (continued)

The provisional fair value of identifiable assets and liabilities of VinITIS JSC at acquisition date are presented below:

	<i>Currency: million VND</i>
	<i>Provisional fair value at acquisition date</i>
Assets	
Cash and cash equivalents	9,997
Tangible fixed assets	70,598
Construction in progress	84,264
Other assets	91,092
	255,951
Liabilities	
Short-term payables	(20,525)
Short-term loans	(56,351)
Long-term loans	(131,513)
Other payables	(31,953)
	(240,342)
Total net assets	15,609
Non-controlling interests	(6,087)
Goodwill (<i>Note 19</i>)	76,643
Total purchase consideration	86,165
Cash flow on acquisition	
Cash of the acquired subsidiary	9,997
Cash paid for acquiring the subsidiary up to 30 June 2020	(86,165)
Net cash flow on acquisition	(76,168)



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

4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE PERIOD (continued)

4.3 Significant disposal with loss of control

Disposal of MV Viet Nam Real Estate Trading JSC ("MV Real Estate JSC")

During the period, Green City JSC – a subsidiary of the Company had disposed 80% shares in MV Real Estate JSC to a counterparty for a total consideration of VND8,799 billion. Thereby, the Company and its subsidiaries no longer control over nor has significant influence on MV Real Estate JSC. The remaining investment in MV Real Estate JSC is presented as other long-term investment (Note 18.1). Gain from this disposal was recognised in the interim consolidated income statement (Note 28.2).

5. CASH AND CASH EQUIVALENTS

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Cash on hand	2,428	1,288
Cash at banks	2,455,932	2,786,932
Cash equivalents	9,401,167	10,544,079
TOTAL	11,859,527	13,332,299

Cash equivalents as at 30 June 2020 comprise bank deposits in VND with original terms ranging from 1 month to 3 months, earning interests at rates ranging from 4.1% to 4.8% per annum (as at 31 December 2019: original term ranging from 1 month to 3 months, earning interests at rates ranging from 3.9% to 5% per annum).

Details of each type of foreign currency in original currency:

	<i>30 June 2020</i>	<i>31 December 2019</i>
Foreign currency:		
- United States dollar (USD)	2,626	2,622

6. HELD-TO-MATURITY INVESTMENTS

	<i>Currency: million VND</i>			
	<i>30 June 2020</i>		<i>31 December 2019</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Short-term bank deposits	503,975	503,975	360,611	360,611
TOTAL	503,975	503,975	360,611	360,611

Short-term bank deposits in VND as at 30 June 2020 have original terms ranging from 6 months to 13 months, earning interests at rates ranging from 5.3% to 7.1% per annum (as at 31 December 2019: original terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 5% to 7% per annum).

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

7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Sale of inventory properties	6,630,459	7,456,476
Disposal of investments (i)	2,639,565	694,000
Rendering construction services and related services	346,268	442,173
Leasing activities and rendering related services	147,614	103,360
Rendering real estate management and related services	146,646	115,335
Rendering technology and telecommunications infrastructure services and other trade receivables	85,166	-
TOTAL	9,995,718	8,811,344
<i>In which:</i>		
<i>Trade receivables from others</i>	<i>8,500,890</i>	<i>6,629,747</i>
<i>Trade receivables from related parties (Note 35)</i>	<i>1,494,828</i>	<i>2,181,597</i>
<i>In which, details of receivables which are more than 10% of total balance</i>		
<i>A corporate counterparty</i>	<i>-</i>	<i>1,628,845</i>
<i>Another corporate counterparty</i>	<i>2,639,563</i>	<i>-</i>

(i) This represents receivable from transfer of shares in a subsidiary to a counterparty. (Note 4.3)

7.2 Short-term advances to suppliers

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Advances to other suppliers	8,118,078	8,788,192
Advances to related parties (Note 35)	10,038	14,544
TOTAL	8,128,116	8,802,736
Provision for doubtful advances to suppliers	(19,205)	(19,205)

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

8. LOAN RECEIVABLES

Currency: million VND

	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Loans to corporate counterparties and individuals (i)	10,212,743	15,852,454
Loans to related parties (<i>Note 35</i>)	1,121,900	655,000
TOTAL	11,334,643	16,507,454
Provisions for doubtful loan receivables	(70,000)	(70,000)
Long-term		
Loans to corporate counterparties (ii)	3,791,620	1,000
Loans to related parties (<i>Note 35</i>)	9,012,000	7,862,900
TOTAL	12,803,620	7,863,900

(i) Mainly includes:

- ▶ Loans to individuals amounting to VND10,049 billion with terms of 12 months, and earning interest at rates ranging from 10% to 11% per annum. In which, loans amounting to VND9,178 billion are secured by a number of listed shares and capital contribution in a company, remaining loan balances amounting to VND871 billion have been collected after the interim balance sheet date.

(ii) Mainly includes:

- ▶ Loans to corporate counterparties amounting to VND3,770 billion with terms of 12 months, earning interest rate of 9% per annum. These loans are secured by a number of listed shares, a number of shares and a portion of the capital contribution in the borrowers.

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

9. OTHER RECEIVABLES

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Deposit and capital contribution for Business and Investment Co-operation Contracts (i)	6,890,230	4,231,792
Receivables from collection and payment on behalf (ii)	4,450,207	2,853,941
Short-term deposits, mortgage (iii)	4,367,336	545,372
Declared profit receivables (iv)	3,057,989	2,617,025
Interest income on short-term loans, deposits and bank deposits	2,818,880	2,713,198
Advances for land clearance	2,336,482	427,590
Others	361,385	76,720
TOTAL	24,282,509	13,465,638
Provision for doubtful other short-term receivables	(30,295)	(29,991)
<i>In which:</i>		
<i>Receivables from others</i>	13,763,316	6,765,972
<i>Receivables from related parties (Note 35)</i>	10,519,193	6,699,666
Long-term		
Interest income on long-term loans, deposits and bank deposits	825,430	39,647
Receivable from long-term lease	138,418	127,886
Deposits for rental purpose	86,158	73,357
Others	63	10,206
TOTAL	1,050,069	251,096
<i>In which:</i>		
<i>Receivables from others</i>	861,731	85,526
<i>Receivables from related parties (Note 35)</i>	188,338	165,570

- (i) Deposit and capital contribution of VND6,890 billion to some companies within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.
- (ii) Mainly includes down payments collected by third party on behalf of the Company and its subsidiaries.
- (iii) Mainly comprises deposits of VND3,400 billion to counterparties for the purpose of acquiring shares of a company that owns a real estate project. These deposits are secured by a number of shares in this company.
- (iv) This represents receivables for profit declaration from Business and Investment Co-operation Contracts with some companies within the Group for the purpose of investing in Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa, Vinhomes Skylake and Vinhomes Dragon Bay Projects. The total profit sharing from these contracts is presented in Note 28.2.

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

10. BAD DEBTS

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

Debtor	Currency: million VND			
	30 June 2020		31 December 2019	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	119,804	304	119,804	608
TOTAL	119,804	304	119,804	608

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

A corporate counterparty	82,705	-	82,705	-
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11. INVENTORIES

	Currency: million VND			
	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	54,172,079	-	54,949,401	-
Completed inventory properties	834,409	(9,754)	2,612,151	(8,578)
Inventories acquired for sales (ii)	516,603	(1,190)	578,709	(1,190)
Work in progress related to construction services (iii)	2,678,117	-	1,845,763	-
Others	372,185	-	320,592	-
TOTAL	58,573,393	(10,944)	60,306,616	(9,768)

(i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Ocean Park, Vinhomes Metropolis, Vinhomes Symphony, Vinhomes West Point, Vinhomes New Center Ha Tinh and Vinhomes Marina Projects.

(ii) Includes villas and shophouses acquired for sales of some real estate projects in Northern Vietnam.

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

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

11. INVENTORIES (continued)

Detailed movements of provision for obsolete inventories:

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	9,768	206,800
Add: Provision made during the period	1,176	13,850
Less: Utilisation of provision during the period	-	(174,609)
Ending balance	<u>10,944</u>	<u>46,041</u>

Details of inventories and related rights that are used as collaterals for the Company and its subsidiaries' outstanding borrowings and corporate bonds are presented in Note 25.

12. PREPAID EXPENSES

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Selling expenses related to not yet handed over inventory properties	2,806,859	1,509,431
Provisional corporate income tax	381,737	357,764
Guarantee fee related to inventory properties not yet handed over	93,408	97,788
Others	205,167	124,262
TOTAL	<u>3,487,171</u>	<u>2,089,245</u>
Long-term		
Prepaid land rental (i)	1,309,342	2,422,489
Tools and supplies	37,059	28,996
Prepaid villas rental	21,496	30,446
Repair and leasehold improvement	16,526	18,222
Others	12,363	11,553
TOTAL	<u>1,396,786</u>	<u>2,511,706</u>

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

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

13. OTHER ASSETS

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Deposits for investment purpose (i)	12,842,803	15,292,913
TOTAL	12,842,803	15,292,913
<i>In which:</i>		
Deposits to other parties	3,421,737	6,643,513
Deposits to related parties (Note 35)	9,421,066	8,649,400
Long-term		
Deposits for investment purpose (ii)	21,314,628	8,439,145
Deposits for commercial purpose (iii)	1,032,336	1,032,336
TOTAL	22,346,964	9,471,481
<i>In which:</i>		
Deposits to other parties	1,032,336	1,032,336
Deposits to related parties (Note 35)	21,314,628	8,439,145

(i) Mainly comprises:

- ▶ Deposits of VND3,608 billion to some companies within the Group for acquiring additional shares of its subsidiaries that own potential real estate projects of the Group;
- ▶ Deposits of VND3,022 billion to some companies within the Group for the purpose of acquiring a number of real estate projects of the Group;
- ▶ A deposit of VND2,790 billion to an affiliate for the purpose of investing and constructing a project; and
- ▶ Deposits of VND3,111 billion to counterparties for the purpose of acquiring shares in some target companies. In which, a portion of these deposit is secured by a number of unlisted shares.

(ii) Comprises:

- ▶ Deposits of VND11,468 VND to some companies within the Group for the purpose of acquiring several real estate projects; and
- ▶ Deposits of VND9,846 billion to a company within the Group for acquiring shares of its subsidiary which owns potential real estate projects.

(iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

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

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
	Currency: million VND					
Cost:						
As at 31 December 2019	387,731	194,103	77,675	9,813	8,989	678,311
Newly purchased	-	2,536	486	5,020	254	8,296
Newly constructed	9,237	-	-	-	-	9,237
Acquisition of subsidiaries	-	70,514	-	129	-	70,643
Transfer from inventories	1,705,708	436,706	(65,215)	-	-	2,142,414
Sold, disposed	-	(1,223)	-	-	(41)	(66,479)
As at 30 June 2020	2,102,676	702,636	12,946	14,962	9,202	2,842,422
Fully depreciated	-	21,694	2,749	1,874	323	26,640
Accumulated depreciation:						
As at 31 December 2019	16,727	8,304	18,198	4,241	6,103	53,573
Depreciation for the period	17,457	11,352	3,028	2,008	1,190	35,035
Sold, disposed	-	(417)	(15,045)	-	(41)	(15,503)
As at 30 June 2020	34,184	19,239	6,181	6,249	7,252	73,105
Net carrying amount:						
As at 31 December 2019	371,004	185,799	59,477	5,572	2,886	624,738
As at 30 June 2020	2,068,492	683,397	6,765	8,713	1,950	2,769,317

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

15. INVESTMENT PROPERTIES

	<i>Land use rights, buildings and structures</i>	<i>Machinery and equipment</i>	<i>Currency: million VND</i>
			<i>Total</i>
Cost:			
As at 31 December 2019	6,201,639	757,897	6,959,536
Newly purchased	31,242	-	31,242
Newly constructed	253,493	51,550	305,043
Other additions	31,800	1,612	33,412
Sold, disposed	(99,514)	-	(99,514)
Other decreases	(200,216)	(32,063)	(232,279)
As at 30 June 2020	6,218,444	778,996	6,997,440
Accumulated depreciation:			
As at 31 December 2019	238,901	94,005	332,906
Depreciation for the period	67,594	20,464	88,058
Sold, disposed	(1,532)	-	(1,532)
As at 30 June 2020	304,963	114,469	419,432
Net carrying amount:			
As at 31 December 2019	5,962,738	663,892	6,626,630
As at 30 June 2020 (i)	5,913,481	664,527	6,578,008

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

15. INVESTMENT PROPERTIES (continued)

- (i) As at 30 June 2020, investment properties mainly include: parking component, office for lease, observation deck and apartments, villas, shophouses for lease.

The Company and its subsidiaries have not determined fair value of investment properties as at 30 June 2020 because of insufficient market information for fair value determination purpose.

16. CAPITALISED BORROWING COSTS

During the period, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND251 billion (for the six-month period ended 30 June 2019: VND446 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park and Vinhomes Grand Park Projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 8.95% per annum to 10.45% per annum (for the six-month period ended 30 June 2019: 8.12% per annum to 10% per annum).

17. CONSTRUCTION IN PROGRESS

Construction in progress comprises construction costs, land clearance costs, land use fee, other costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

Details for each item of which balance is higher than 10% of total balance are as follow:

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Vinhomes Long Beach Can Gio Project	12,470,080	12,453,085
Hoc Mon Urban Project	4,103,368	4,092,295
Vinhomes Grand Park Project	3,687,639	4,183,547
Dai An Urban Project	3,439,083	-

Construction in progress used as collaterals for loans and bonds of the Company and its subsidiaries are disclosed in Note 25.

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

18. LONG-TERM INVESTMENTS

	<i>Currency: million VND</i>			
	<u>30 June 2020</u>		<u>31 December 2019</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investments in other entities (<i>Note 18.1</i>)	2,738,270	-	558,632	-
Held-to-maturity investments (i)	214,680	-	214,680	-
TOTAL	2,952,950	-	773,312	-

(i) As at 30 June 2020, the balance represents four investments in bonds, details are as follows:

<i>Issuer</i>	<i>30 June 2020 (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>
Joint Stock Commercial Bank for Investment and Development of Vietnam	100,000	November 2025	Interest rate is equal to the reference interest rate plus 1.3% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
Joint Stock Commercial Bank for Foreign Trade of Vietnam	50,000	November 2026	Interest rate for the first period is 7.57% per annum; the interest rate from the following years is equal to the 12-month interest paid-in-arrear VND saving rate for individual plus 1% per annum.
Joint Stock Commercial Bank for Investment and Development of Vietnam	49,680	December 2028	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000	October 2026	Interest rate is equal to the reference interest rate plus 1% per annum, of which the reference interest rate is the average of 12-month interest paid-in-arrear VND saving rate for individual.
TOTAL	214,680		

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

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in other entities

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

(*) As at 30 June 2020, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(**) This is a limited liability company.

(i) As at 30 June 2020, the Company no longer controls or has significant influence over Phat Loc LLC. Therefore, the Company presents this investment as other long-term investment.

(ii) As at 30 June 2020, the Company had disposed 80% shares in MV Real Estate JSC to a corporate counterparty (Note 4.3). Therefore, the Company presents this investment as other long-term investment.

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

19. GOODWILL

Currency: million VND

	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gia Lam LLC	Goodwill arising from acquisition of Management JSC	Goodwill arising from acquisition of Vinhomes Management JSC (*)	Goodwill arising from acquisition of Tan Lien Phat JSC (*)	Goodwill arising from acquisition of Millenium LLC	Goodwill arising from acquisition of VinHTIS JSC	Total
Cost:									
As at 31 December 2019	369,867	288,149	1,235	115,728	337,767	153,044	-	-	1,265,790
Increase from acquisition of subsidiaries	-	-	-	-	-	-	-	76,643	76,643
As at 30 June 2020	369,867	288,149	1,235	115,728	337,767	153,044	-	76,643	1,342,433
Accumulated amortisation:									
As at 31 December 2019	112,480	87,629	375	22,162	64,685	24,278	-	-	311,609
Amortisation for the period	18,443	14,368	61	5,770	16,842	7,631	1,911	1,911	65,026
As at 30 June 2020	130,923	101,997	436	27,932	81,527	31,909	1,911	1,911	376,635
Net carrying amount:									
As at 31 December 2019	257,387	200,520	860	93,566	273,082	128,766	-	-	954,181
As at 30 June 2020	238,944	186,152	799	87,796	256,240	121,135	74,732	74,732	965,798

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

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

20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

20.1 Short-term trade payables

	<i>Currency: million VND</i>	
	<i>Balance (Payable amount)</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term trade payables	9,474,044	5,530,445
- A counterparty rendering construction service	901,832	652,470
- Others	8,572,212	4,877,975
Trade payables to related parties (Note 35)	662,316	547,879
TOTAL	10,136,360	6,078,324

20.2 Short-term advances from customers

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Down payments from customers under sales and purchase agreements (i)	37,457,238	39,843,431
Advances from customers for construction services	388,434	402,268
Others	28,448	-
TOTAL	37,874,120	40,245,699
<i>In which:</i>		
Advances from others	37,790,362	40,203,079
Advances from related parties (Note 35)	83,758	42,620

- (i) These mainly represent down payments from customers who signed sales and purchase agreements to purchase inventory properties at real estate projects of the Company and its subsidiaries.

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

21. STATUTORY OBLIGATIONS

Currency: million VND

	31 December 2019	Payable for the period	Payment made in the period	30 June 2020
Payables				
Corporate income tax	1,926,657	3,512,478	(1,620,189)	3,818,946
Value added tax	114,553	345,780	(223,172)	237,161
Other taxes	54,086	97,677	(131,003)	20,760
TOTAL	2,095,296	3,955,935	(1,974,364)	4,076,867
	31 December 2019	Receivable for the period	Offset during the period	30 June 2020
Receivables				
Value added tax	673,229	240,884	(457,796)	456,317
Corporate income tax	41,696	-	(32,839)	8,857
Other taxes	237	30	-	267
TOTAL	715,162	240,914	(490,635)	465,441

22. ACCRUED EXPENSES

Currency: million VND

	30 June 2020	31 December 2019
Short-term		
Accrued costs for operated tangible fixed assets, investment properties and handed over inventory properties	4,881,263	3,489,249
Accrued construction costs	1,384,250	1,604,205
Accrued commission fees and other selling expenses related to inventory properties	1,227,960	1,031,847
Accrued bond and loan interest expenses	613,952	655,274
Others	1,424,941	1,059,336
TOTAL	9,532,366	7,839,911
<i>In which:</i>		
Short-term accrual to others	9,473,180	7,820,481
Short-term accrual to related parties (Note 35)	59,186	19,430
Long-term		
Accrued loan interest expenses	1,004,265	588,885
TOTAL	1,004,265	588,885
<i>In which:</i>		
Long-term accrual to others	749,833	370,071
Long-term accrual to related parties (Note 35)	254,432	218,814

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

23. UNEARNED REVENUE

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Unearned revenue from real estate management service	473,022	439,862
Unearned revenue from leasing service	36,459	25,834
TOTAL	509,481	465,696
Long-term		
Unearned revenue from real estate management service	1,274,125	1,286,692
Unearned revenue from leasing service	242,855	247,858
TOTAL	1,516,980	1,534,550

24. OTHER PAYABLES

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term		
Deposits and other agreements related to real estate projects (i)	37,690,232	36,356,311
Deposits under Business and Investment Co-operation Contracts (ii)	1,352,335	904,000
Apartment maintenance funds held on behalf of customers (iii)	1,259,989	1,208,885
Deposits for disposal of investments (iv)	888,258	6,719,985
Deposits from brokerage agents and tenants	194,538	219,413
Receipt on behalf payables	185,988	104,690
Others	871,392	1,156,290
TOTAL	42,442,732	46,669,574
<i>In which:</i>		
Other short-term payables to others	40,659,809	45,169,429
Other short-term payables to related parties (Note 35)	1,782,923	1,500,145
Long-term		
Other long-term deposits	69,121	86,651
Others	5,135	3,725
TOTAL	74,256	90,376

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

24. OTHER PAYABLES (continued)

- (i) Balances as at 30 June 2020 include cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries;
- (ii) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall, hotel and other commercial service components of Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Long Beach Can Gio, Vinhomes Ky Hoa, and Leman Golf Course & Villa Cu Chi Projects;
- (iii) These pertain to maintenance fund held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments; and
- (iv) This represents amounts collected from corporate counterparties for share transfer in certain companies.

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

25. LOANS

	31 December 2019		Movement during the period		30 June 2020	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Short-term						
Short-term loans from banks (Note 25.1)	3,894,815	3,894,815	2,331,282	(423,259)	5,802,838	5,802,838
Current portion of long-term loan from banks (Note 25.1)	-	-	1,371,098	-	1,371,098	1,371,098
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	1,000	(1,380,000)	581,000	581,000
Current portion of long-term corporate bonds (Note 25.3)	12,307,539	12,307,539	68,854	-	12,376,393	12,376,393
	18,162,354	18,162,354	3,772,234	(1,803,259)	20,131,329	20,131,329
Long-term						
Long-term loan from banks (Note 25.1)	1,371,098	1,371,098	-	(1,371,098)	-	-
Loans from counterparties (Note 25.2)	3,390,000	3,390,000	1,380,000	(24,000)	4,746,000	4,746,000
Corporate bonds (Note 25.3)	2,776,927	2,776,927	13,789,100	(800,000)	15,766,027	15,766,027
Loans from related parties (Note 35)	805,000	805,000	-	(23,500)	781,500	781,500
	8,343,025	8,343,025	15,169,100	(2,218,598)	21,293,527	21,293,527
TOTAL	26,505,379	26,505,379	18,941,334	(4,021,857)	41,424,856	41,424,856

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

25. LOANS (continued)

25.1 Loans from banks

Detail of short-term loans from banks is presented as below:

<i>Lender</i>	<i>30 June 2020 (million VND)</i>	<i>Maturity date</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	3,700,000	From July 2020 to August 2020	(i)
	83,388	May 2021	None
Joint Stock Commercial Bank for Foreign Trade of Vietnam	908,000	From January 2021 to March 2021	(ii), (iii)
Military Commercial Joint Stock Bank	700,000	December 2020	(iii)
Vietnam Prosperity Joint Stock Commercial Bank	411,450	From February 2021 to March 2021	(iii)
TOTAL	5,802,838		

Detail of current portion of long-term loan from bank is presented as below:

<i>Lender</i>	<i>30 June 2020 (million VND)</i>	<i>Maturity date</i>	<i>Collateral</i>
Vietnam Technological and Commercial Joint Stock Bank	1,371,098	January 2021	(iv)
TOTAL	1,371,098		

(i) This loan is secured by project development right, receivables, and bank balance related to a Project of a subsidiary located in Ho Chi Minh City and shares in a subsidiary.

(ii) This loan is secured by assets attached to land areas, machinery and equipment of some hospitals.

(iii) These loans are secured by a number of shares of some companies within the Group.

(iv) This loan is secured by capital contribution in a subsidiary.

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

25. LOANS (continued)

25.1 Loans from bank (continued)

Details of interests on loans from banks as at 30 June 2020 are as follow

Loans	Currency	Interest
Secured loans	VND	Floating interest, interest rate during the period ranges from 6.8% to 10.45% per annum
Unsecured loans	VND	Floating interest, interest rate during the period ranges from 8% to 8.5% per annum

25.2 Loans from counterparties

Loans from counterparties mainly comprise:

- ▶ Short-term loan from a counterparty with the principal of VND580 billion, bearing the interest rate at 9% per annum with maturity date in October 2020. This loan is unsecured; and
- ▶ Long-term loan from four (04) counterparties with total principal of VND4,746 billion, bearing the interest rate at 9% per annum with maturity date from July 2021 to April 2022. These loans are unsecured.

25.3 Corporate bonds

	30 June 2020	31 December 2019
Long-term corporate bonds	28,142,420	15,084,466
In which: Current portion of long-term corporate bonds	(12,376,393)	(12,307,539)
TOTAL	15,766,027	2,776,927

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

25. LOANS (continued)

25.3 Corporate bonds (continued)

<i>Underwriter</i>	<i>30 June 2020 (million VND)</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Collateral</i>
Techcom Securities Joint Stock Company	11,778,060	November 2021 and May 2023	Interest rate for the first four periods is 9% to 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 3 months.	(i)
	5,492,192	October 2020	Interest rate for the first and second periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 6 months.	(ii)
	4,993,500	September 2020	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4% per annum. Interest is payable every 6 months.	None
	1,989,167	August 2021	Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.	None
	1,890,701	December 2020	Interest rate for the first period is 9.73% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.9% per annum. Interest is payable every 3 months.	(iii)
KB Securities Vietnam Joint Stock Company	1,998,800	May 2023	Interest rate from issuance date to 31 December 2020 is 9.5% per annum. Interest rate for the following periods is calculated as regular saving rate and 12-month VND individual saving rate plus 2.3% per annum. Interest is payable every 3 months.	(iv)
TOTAL	28,142,420			
<i>In which:</i>				
Long-term corporate bonds	15,766,027			
Current portion of corporate bonds	(12,376,393)			

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

25. LOANS (continued)

25.3 Corporate bonds (continued)

- (i) Collateral of this bond includes a part of commercial project, a hospitality real estate project and a number of listed shares of some companies within the Group.
- (ii) Collateral of this bond includes a cultural park and eco-tourism project located in Central Vietnam.
- (iii) Collateral of this bond includes a real estate project of a subsidiary located in Northern Vietnam.
- (iv) Collateral of this bond includes asset rights, project development rights and bank balance related to a functional urban area project in Northern Vietnam; all legal rights and benefits related to the aforementioned project as stipulated in the Build-Transfer contract for the construction of Ring Road 2 project; and a number of listed shares of a company within the Group.

26. LONG-TERM PROVISIONS

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

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

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
For the six-month period ended 30 June 2019							
As at 1 January 2019	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,191	(56,191)	-
- Net profit for the period	-	-	-	-	9,852,966	1,353,095	11,206,061
- Disposal of subsidiaries	-	-	-	-	-	(76,094)	(76,094)
- Cash dividends declared	-	-	-	-	-	(301,950)	(301,950)
As at 30 June 2019	33,495,139	295,000	-	1,816,269	17,536,116	5,830,367	58,972,891
For the six-month period ended 30 June 2020							
As at 1 January 2020	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
- Acquisition of new subsidiaries and increase in equity interest in existing subsidiaries	-	-	-	-	1,924,733	(1,851,515)	73,218
- Net profit for the period	-	-	-	-	10,278,579	782,743	11,061,322
- Cash dividends declared	-	-	-	-	-	(63,716)	(63,716)
- Appropriation to other reserves	-	-	-	10,000	(10,000)	-	-
As at 30 June 2020	33,495,139	295,000	(5,549,929)	1,826,269	38,232,990	7,486,398	75,785,867

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

27. OWNERS' EQUITY (continued)

27.2 Capital transactions with owners' equity

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Contributed share capital from owners		
Beginning balance	33,495,139	33,495,139
Ending balance	<u>33,495,139</u>	<u>33,495,139</u>

27.3 Ordinary shares and preference shares

	<i>Unit: Shares</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
<i>Ordinary shares</i>	3,349,513,918	3,349,513,918
<i>Preference shares</i>	-	-
Treasury shares	60,000,000	60,000,000
<i>Ordinary shares</i>	60,000,000	60,000,000
<i>Preference shares</i>	-	-
Shares in circulation	3,289,513,918	3,289,513,918
<i>Ordinary shares</i>	3,289,513,918	3,289,513,918
<i>Preference shares</i>	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2019: VND10,000 per share).

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

27. OWNERS' EQUITY (continued)

27.4 Dividends

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Dividends declared and paid during the period	-	-
Dividends declared after the date of reporting period and not yet recognised as liability as at 30 June		
<i>Dividends on ordinary shares</i>		
Cash dividends for 2020: VND0 per share (2019: VND1,000 per share)	-	3,349,514

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

28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	Currency: million VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Gross revenue	22,895,706	26,735,775
<i>In which:</i>		
Revenue from sales of inventory properties	21,347,629	24,964,655
Revenue from rendering real estate management and related services	824,655	704,928
Revenue from leasing activities and rendering related services	464,318	573,585
Revenue from rendering general contractor, construction consultancy and supervision services	99,617	435,677
Others	159,487	56,930
Deductions	-	-
Net revenue	22,895,706	26,735,775
<i>In which:</i>		
Revenue from others	22,671,756	26,321,454
Revenue from related parties	223,950	414,321

28.2 Finance income

	Currency: million VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Gain from transfer of investment (i)	7,561,726	1,491,977
Interest income from deposits and loans	1,320,444	1,116,013
Income from Business and Investment Co-operation Contracts (ii)	440,969	2,709,560
Other finance income	100,268	352
TOTAL	9,423,407	5,317,902

(i) Gain from the transfer of investment in a subsidiary owning a part of a real estate project (Note 4.3).

(ii) 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.

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

28. REVENUES (continued)

28.3 Revenues and expenses relating to investment properties

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Rental income from investment properties	496,670	480,646
Direct operating expenses of investment properties that generated rental income during the period	(179,525)	(118,153)

29. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of inventory properties sold	12,372,441	14,858,486
Cost of rendering real estate management and other related services	804,777	640,438
Cost of leasing activities and other related costs	227,761	309,662
Cost of rendering general contractor, construction consultancy and supervision services	63,509	323,227
Others	53,583	27,993
TOTAL	13,522,071	16,159,806

30. FINANCE EXPENSES

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Loan interest and bond issuance costs	1,303,632	1,005,097
Other finance expenses	4,029	161,004
TOTAL	1,307,661	1,166,101

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

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Selling expenses		
Commission fees	433,404	335,223
Advertising, marketing expenses	139,807	91,137
Labour costs	136,369	85,119
Rental expenses of retail outlets	56,486	30,640
Others	32,950	13,791
TOTAL	799,016	555,910
General and administrative expenses		
Expenses for external services	355,480	248,502
Labour costs	119,680	97,662
Depreciation and amortisation (including amortisation of goodwill)	83,770	71,595
Donation fee, revert provision expense and other administrative expenses	525,473	396,689
TOTAL	1,084,403	814,448

32. OTHER EXPENSES

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Penalty expenses	924,451	38,715
Others	49,752	15,735
TOTAL	974,203	54,450

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

33. PRODUCTION AND OPERATING COSTS

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of developing inventory properties	15,101,164	6,484,691
Expenses for external service	1,823,944	1,376,262
Labour costs	648,558	788,688
Depreciation and amortisation (including amortisation of goodwill)	203,230	165,561
Others	555,677	398,138
TOTAL	<u>18,332,573</u>	<u>9,213,340</u>

34. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable profits (2019: 20%).

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

34.1 CIT expenses

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Current tax expenses	3,518,770	2,787,073
Deferred tax expenses/(income)	116,500	(605,853)
TOTAL	<u>3,635,270</u>	<u>2,181,220</u>

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

34. CORPORATE INCOME TAX (continued)

34.1 CIT expenses (continued)

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

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Accounting profit before tax	14,696,592	13,387,281
At CIT rate of 20% applicable to the Company and its subsidiaries	2,939,318	2,677,456
Impacts from acquisition, disposal and legal merge transactions in the interim consolidated financial statements	359,285	297,201
Losses of subsidiaries	192,981	107,023
Non-deductible expenses	210,611	79,463
Losses ineligible for offsetting against taxable income	38,517	-
Goodwill amortisation in the interim consolidated financial statements	13,005	12,559
Differences of cost of goods sold between the individual interim financial statements and the consolidated interim financial statements	(24,171)	30,015
Shared profit after tax under Business and Investment Co-operation Contracts	(55,526)	(355,596)
Adjustment for over-accrual of tax from prior year	(19,706)	-
Differences arising from revaluation of net asset of subsidiaries as at acquisition date	-	(437,015)
Tax losses carried forward	-	(235,482)
Others	(19,044)	5,596
CIT expenses	3,635,270	2,181,220

34.2 Current CIT expenses

The current CIT payable is based on taxable income for the current period. The taxable income of the Company and its subsidiaries for the period differs from the profit as reported in the interim 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.

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

34. CORPORATE INCOME TAX (continued)

34.3 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:

	Interim consolidated balance sheet		Interim consolidated income statement		Currency: million VND
	30 June 2020	31 December 2019	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019	
Deferred tax assets					
Provision for obsolete inventories	1,022	1,622	(600)	(77,292)	
Accrued expense and deferred revenue	46,552	35,334	11,218	(16,947)	
Differences arising from selling expenses for real estate projects	1,379	169,727	(168,348)	15,675	
Differences arising from revaluation of net asset of subsidiaries at acquisition date	70,650	70,650	-	(1,408)	
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	-	77	(77)	339,957	
Differences arising from unrealised profit	85,921	44,614	41,307	-	
Differences from temporarily non-deductible expenses	8,770	8,770	-	-	
	214,294	330,794			
Deferred tax liabilities					
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(270,303)	(270,303)	-	345,868	
	(270,303)	(270,303)			
Net deferred tax (liabilities)/assets	(56,009)	60,491			
Net deferred tax (charge)/credit to the interim consolidated income statement			(116,500)	605,853	

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

34. 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 consolidated interim balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND1,251 billion (31 December 2019: VND62.8 billion) available for offset against future taxable income.

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

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

35. TRANSACTIONS WITH RELATED PARTIES

35.1 Significant transactions with related parties

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2020</i>	<i>Currency: million VND</i> <i>For the six-month period ended 30 June 2019</i>
Vingroup JSC	Parent company	Receivables from shared profit from Business Co-operation Contracts	400,060	1,661,600
		Deposits under project transfer agreements and share transfer agreements	8,450,000	7,265,387
		Contribution for Business and Investment Co-operation Contract	3,000,000	280,000
		Lending	19,070,000	-
		Collection of lending	(10,470,000)	-
		Management service payable	326,592	243,887
Central Park Development LLC ("Central Park LLC")	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contracts	40,909	1,047,955
		Lending	1,372,000	-
		Collection of lending	(1,521,000)	-
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Lending	2,310,000	1,100,000
		Deposits under project transfer agreement	5,900,000	-
		Repayment of borrowings	-	3,240,000
		Collection of lending	(3,960,000)	-
Vinfast Commercial and Services Trading LLC	Affiliate	Payables for goods purchased	1,919,060	-
Vinpearl JSC	Affiliate	Lending	12,399,000	200,000
		Deposits under project development agreement	300,000	-
		Repayment of borrowings	-	1,745,000
		Collection of lending	(15,339,000)	-
Kind Heart Foundation	Under common owner	Payables for charitable purpose	647,000	-

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.1 Significant transactions with related parties (continued)

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

Related parties	Relationship	Transactions	Currency: million VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	618,538	-
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Lending Collection of lending	1,600,000 (3,855,000)	- -

Terms and conditions of transactions with related parties

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

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

Payables and receivables (except for some lending, borrowings and deposits for share transfer) as at 30 June 2020 are unsecured, free of interest and will be settled in cash. During the six-month period ended 30 June 2020, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2019: 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.

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.2 Amounts due to and due from related parties

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

			<i>Currency: million VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term trade receivables (Note 7.1)				
Vincom Retail JSC	Affiliate	Receivables from transferring inventory properties	1,006,908	1,028,007
Vinmec International General Hospital JSC (Vinmec JSC)	Affiliate	Receivables from share transfer	-	694,000
Other affiliates		Other trade receivables (*)	487,920	459,590
			1,494,828	2,181,597

(*) Other short-term trade receivables mainly include receivables from general contractor and supervision services.

Short-term advance to suppliers (Note 7.2)

Short-term advance to suppliers mainly includes advances for goods and services.

			<i>Currency: million VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Other short-term receivables (Note 9)				
Vingroup JSC	Parent company	Capital contribution and deposit for Business and Investment Co-operation Contract (*)	6,400,230	3,400,230
		Receivables from shared profit from Business and Investment Co-operation Contract	1,406,912	1,006,857
		Other receivables	194,103	100,972
Central Park LLC	Affiliate	Receivables from shared profit from Business and Investment Co-operation Contract	1,651,077	1,610,168
		Capital contribution for Business and Investment Co-operation Contract (*)	490,000	490,000
Other affiliates		Other receivables	376,871	91,439
			10,519,193	6,699,666

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

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

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

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

Other long-term receivables (Note 9)

Other long-term receivables mainly include receivables from leasing and interest receivables.

			<i>Currency: million VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Other current assets (Note 13) (*)				
Vingroup JSC	Parent company	Deposit for share transfer, investment and project development purpose	4,275,491	5,789,142
		Deposit for investment and project transfer purpose	1,985,317	-
VinAcademy Education and Training LLC	Affiliate	Deposit for construction investment purpose	2,790,000	2,790,000
Vinpearl JSC	Affiliate	Deposit for investment and project development purpose	300,000	-
Sai Dong Urban Development and Investment JSC	Affiliate	Deposit for share transfer and investment purpose	70,258	70,258
			9,421,066	8,649,400

(*) In which, the deposits to Vingroup JSC for share transfer of some companies within the Group which are the owners of potential real estate projects are secured by shares of these companies and any related rights with total amount of VND1,940 billion.

			<i>Currency: million VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Other non-current assets (Note 13)				
Vingroup JSC and its subsidiary	Companies within the Group	Deposits for share transfer and investment purpose	21,314,628	8,439,145
			21,314,628	8,439,145

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

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

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

Related parties	Relationship	Transactions	Currency: million VND	
			30 June 2020	31 December 2019
Short-term trade payables (Note 20.1)				
Vingroup JSC	Parent company	Management fee payables	596,723	487,662
Other affiliates		Other trade payables	65,593	60,217
			662,316	547,879

Short-term advances from customers (Note 20.2)

Short-term advances from customers mainly include advances for general contractor and supervision services.

Short-term accrued expenses (Note 22)

Short-term accrued expenses mainly include sponsor fee payables.

Long-term accrued expenses (Note 22)

Long-term accrued expenses mainly include interest payables.

Related parties	Relationship	Transactions	Currency: million VND	
			30 June 2020	31 December 2019
Other short-term payables (Note 24)				
Vincom Retail JSC (*)	Affiliate	Deposit received for Investment Co-operation Contract	1,152,335	704,000
Kind Heart Foundation	Under common owner	Payables for charitable purpose	-	500,000
Other affiliates		Other payables (**)	630,588	296,145
			1,782,923	1,500,145

(*) The deposit for shopping mall components bear the interest at 10% per annum.

(**) Other payables mainly include deposits for Investment Co-operation Contracts.

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.3 Details of lending to related parties (Note 8)

Details of short-term lending as at 30 June 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinpearl JSC	Affiliate	1,017,900	10%	May 2021	(i)
Vingroup JSC	Parent company	80,000	10%	May 2021	(ii)
Central Park LLC	Affiliate	24,000	10%	June 2021	(iii)
		1,121,900			

- (i) This lending is secured by shares of this borrower held by Vingroup JSC.
- (ii) This lending is secured by shares of a company within the Group held by this borrower.
- (iii) This lending was unsecured and collected after 30 June 2020.

Details of long-term lending as at 30 June 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	8,520,000	10%	August 2021	(i)
Central Park LLC	Affiliate	482,000	10%	August 2021	(ii)
Thang Long Real Estate Trading Investment JSC	Affiliate	10,000	10%	August 2021	(ii)
		9,012,000			

- (i) This lending is secured by shares and capital contribution of some companies within the Group held by this borrower.
- (ii) These lending are secured by shares and capital of some companies within the Group.

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

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

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

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

- (i) As at 31 December 2019, this lending is secured by shares of a company within the Group held by this borrower.

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

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

- (i) As at 31 December 2019, this lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.
- (ii) As at 31 December 2019, this lending is secured by entire buildings and structures, machinery and equipment of this borrower.
- (iii) As at 31 December 2019, this lending is secured by capital contribution of Vingroup JSC in this borrower.

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

35. TRANSACTIONS WITH RELATED PARTIES (continued)

35.4 Details of borrowings from related parties (Note 25)

Details of short-term borrowings as at 30 June 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount million VND</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xalivico LLC	Affiliate	419,000	10%	July 2021	(i)
Xavinco Land JSC ("Xavinco JSC")	Affiliate	362,500	10%	July 2021	(i)
		<u>781,500</u>			

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

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

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

(i) As at 31 December 2019, these loans are secured by shares of the Company in a subsidiary.

35.5 Other related party transactions

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Salaries	<u>35,439</u>	<u>39,598</u>
TOTAL	<u>35,439</u>	<u>39,598</u>

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

36. EARNINGS PER SHARE

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Net profit after tax attributable to ordinary shareholders	10,278,579,130,024	9,852,967,021,537
Adjust for the effect of dilution	-	-
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	<u>10,278,579,130,024</u>	<u>9,852,967,021,537</u>
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,289,513,918	3,349,513,918
Adjust for the effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	<u>3,289,513,918</u>	<u>3,349,513,918</u>
	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Basic earnings per share	3,125	2,942

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.

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

37. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the six-month period ended 30 June 2020 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

38. 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 contracts 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:

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than 1 year	118,628	124,024
From 1 to 5 years	333,779	290,977
More than 5 years	4,646,748	3,703,184
TOTAL	5,099,155	4,118,185

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

The Company and its subsidiaries, as lessors, lease offices, 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:

	<i>Currency: million VND</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than 1 year	642,935	610,672
From 1 to 5 years	761,279	614,070
More than 5 years	2,068,415	410,299
TOTAL	3,472,629	1,635,041

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

38. COMMITMENTS AND CONTINGENCIES (continued)

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 2020, 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 VND18.8 billion, VND47.1 billion, VND57.4 billion. As at 30 June 2020, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21.4 billion, VND86.7 billion, VND512.1 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 number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 30 June 2020 amounts to approximately VND11,523 billion (as at 31 December 2019: VND13,161 billion). In addition, according to a land lease agreement between a subsidiary and a counterparty, the remaining consideration payable under this agreement as at 30 June 2020 is USD110,000,000.

Under a Business Co-operation Contract dated 23 November 2017 between a subsidiary and a counterparty, the subsidiary commits to contribute 100% investment capital for a potential real estate project in Hanoi. The project will be implemented within 2 years commencing from the date the subsidiary receives land parcel for construction. In accordance with this agreement, upon the completion of the project, the subsidiary will be entitled to manage and operate a portion of the project's asset. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 30 June 2020 is VND782.1 billion.

On 25 May 2018, the Company and a subsidiary have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. At 30 June 2020, the remaining consideration payable under this agreement is VND503.7 billion.

On 25 June 2019, a subsidiary has entered into an Investment Co-operation Contract with counterparties for the purpose of investing in a real estate project. Accordingly, the subsidiary commits to deposit to secure the call option of capital contribution in this project. At 30 June 2020, the remaining commitment under this agreement amounts to VND172.5 billion.

On 29 April 2020, a subsidiary has entered into a deposit contract with Vinfast LLC to ensure the implementation and signing of Business Co-operation Contracts for industrial zone real estate projects. As at 30 June 2020, the remaining commitment under this agreement amounts to VND3,100 billion.

As disclosed in Note 13, a subsidiary has entered into Share Transfer Agreement with a company within the Group for the purpose of acquiring shares in a company owning real estate projects. At 30 June 2020, the remaining commitment under this agreement amounts to VND6,028 billion.

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

38. COMMITMENTS AND CONTINGENCIES (continued)

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

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

Commitments under Business Co-operation Contracts

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC 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.

Under the Business Co-operation Contracts between the Company and its subsidiaries with Vinschool LLC regarding the school components of real estate projects, the Company and its subsidiaries are entitled to the share of Vinschool LLC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement.

39. NOTES TO CASH FLOW MOVEMENT

	<i>Currency: million VND</i>	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Actual cash received from loans during the period:		
Cash received from normal loan agreements	2,144,056	2,320,255
Cash received from issuance of bonds	13,766,709	607,000
Actual cash payment of loans during the period:		
Cash payment for normal loan agreements	(470,759)	(8,868,294)
Cash payment for principal of bonds	(800,000)	-





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

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 2020, a subsidiary of the Company has entered into a deposit agreement with a counterparty to acquire 45% shares in a real estate company with total deposit amount of VND2,590 billion.

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 and its subsidiaries.

 <hr/> Bui Tien Luc Preparer	 <hr/> Nguyen Huu Thanh Chief Accountant	  <hr/> Pham Thieu Hoa Chief Executive Officer
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Hanoi, Vietnam
 29 August 2020