

# **KinhBac City Development Holding Corporation**

Consolidated financial statements

For the year ended 31 December 2020



# KinhBac City Development Holding Corporation

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# KinhBac City Development Holding Corporation

## GENERAL INFORMATION

### THE COMPANY

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest is the 16th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

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

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its Ho Chi Minh branch is located at No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Viet Nam.

The Company's shares are listed in the Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 December 2009.

### BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member
Mr. Nguyen Vinh Tho	Member

### BOARD OF SUPERVISION

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

Ms. Nguyen Bich Ngoc	Head of the Board
Ms. The Thi Minh Hong	Member
Mr. Tran Tien Thanh	Member

### MANAGEMENT

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

Ms. Nguyen Thi Thu Huong	General Director
Mr. Phan Anh Dung	Deputy General Director
Mr. Pham Phuc Hieu	Deputy General Director and Chief Accountant
Ms. Nguyen My Ngoc	Deputy General Director

# KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and at the date of this report is Mr. Dang Thanh Tam. In accordance with the Authorization Letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong - General Director has been authorized by Mr. Dang Thanh Tam to sign the accompanying consolidated financial statements for the year ended 31 December 2020.

## **AUDITORS**

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

# KinhBac City Development Holding Corporation

## REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2020.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

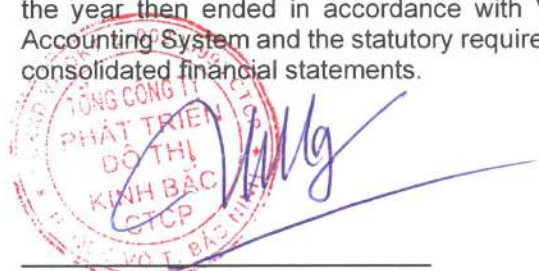
- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



\_\_\_\_\_  
Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

30 March 2021

Reference: 60774739/21880793/HN

## **INDEPENDENT AUDITORS' REPORT**

### **To: The Shareholders of KinhBac City Development Holding Corporation**

We have audited the accompanying consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as the "Group") as prepared on 30 March 2021 and set out on pages 6 to 64, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

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

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

#### ***Auditors' responsibility***

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

### **Emphasis of matter**

We draw attention to Note 10 and Note 31.3 of the consolidated financial statements. On 30 December 2020, the Company entered into the Agreement No. 3012/2020/BBTT/PVB-KB-TCC on debt structuring, funding and debt repayment prior to the approval of the General Meeting of Shareholders as required under the Company's Charter.

Our opinion is not modified in respect of this matter.

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



Bùi Anh Tuấn  
Deputy General Director  
Audit Practising Registration  
Certificate No.1067-2018-004-1



Do Duc Hieu  
Auditor  
Audit Practising Registration  
Certificate No. 4663-2018-004-1

Hanoi, Vietnam

30 March 2021

CONSOLIDATED BALANCE SHEET  
as at 31 December 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>21,403,279,332,062</b>	<b>13,912,174,569,312</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,049,757,121,957</b>	<b>652,005,005,791</b>
111	1. Cash		889,890,633,358	550,470,450,445
112	2. Cash equivalents		159,866,488,599	101,534,555,346
<b>120</b>	<b>II. Short-term investments</b>	<b>6</b>	<b>1,939,653,239,000</b>	<b>2,874,095,600</b>
121	1. Held-for-trading securities		1,862,358,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(5,305,222,369)	(6,616,365,769)
123	3. Held-to-maturity investments		82,600,000,000	2,000,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>6,637,765,390,090</b>	<b>5,493,191,454,059</b>
131	1. Short-term trade receivables	7.1	1,384,869,373,085	1,353,873,386,238
132	2. Short-term advances to suppliers	7.2	2,701,142,324,970	2,442,883,530,085
135	3. Short-term loan receivables	8	925,080,022,356	391,712,488,097
136	4. Other short-term receivables	9	1,634,007,650,329	1,312,056,030,289
137	5. Provision for doubtful short-term receivables	7.3	(7,333,980,650)	(7,333,980,650)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>11,533,861,446,985</b>	<b>7,547,758,770,653</b>
141	1. Inventories		11,533,861,446,985	7,547,758,770,653
<b>150</b>	<b>V. Other current assets</b>		<b>242,242,134,030</b>	<b>216,345,243,209</b>
151	1. Short-term prepaid expenses	11	78,372,182,343	77,403,089,347
152	2. Value-added tax deductibles	17	162,365,406,594	136,394,905,445
153	3. Tax and other receivables from the State	17	1,449,594,958	2,547,248,417
155	4. Other current assets		54,950,135	-



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>2,382,598,917,887</b>	<b>2,520,815,233,389</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>181,755,869,861</b>	<b>127,852,712,252</b>
215	1. Long-term loan receivables	8	140,910,000,000	1,000,000,000
216	2. Other long-term receivables	9	40,845,869,861	126,852,712,252
<b>220</b>	<b>II. Fixed assets</b>		<b>256,277,089,070</b>	<b>253,726,902,238</b>
221	1. Tangible fixed assets	12	256,126,185,538	253,543,017,869
222	Cost		530,008,517,295	485,477,345,872
223	Accumulated depreciation		(273,882,331,757)	(231,934,328,003)
227	2. Intangible fixed assets		150,903,532	183,884,369
228	Cost		448,175,500	365,975,500
229	Accumulated amortisation		(297,271,968)	(182,091,131)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>393,841,913,682</b>	<b>432,718,621,923</b>
231	1. Cost		479,236,688,645	476,439,458,160
232	2. Accumulated depreciation		(85,394,774,963)	(43,720,836,237)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>14</b>	<b>869,345,580,191</b>	<b>822,034,811,714</b>
242	1. Construction in progress		869,345,580,191	822,034,811,714
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>660,601,134,707</b>	<b>861,080,542,019</b>
252	1. Investments in associates, jointly controlled entities	15.1	234,988,852,857	434,925,286,015
253	2. Investments in other entities	15.2	448,500,200,000	448,500,200,000
254	3. Provision for long-term investments	15.2	(22,887,918,150)	(22,344,943,996)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>20,777,330,376</b>	<b>23,401,643,243</b>
261	1. Long-term prepaid expenses	11	20,777,330,376	23,401,643,243
<b>270</b>	<b>TOTAL ASSETS</b>		<b>23,785,878,249,949</b>	<b>16,432,989,802,701</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>13,132,883,122,220</b>	<b>6,051,858,701,629</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>6,962,196,498,660</b>	<b>4,067,458,297,616</b>
311	1. Short-term trade payables	16.1	155,402,318,840	370,592,050,524
312	2. Short-term advances from customers	16.2	894,453,239,637	414,280,990,286
313	3. Statutory obligations	17	454,343,617,554	129,306,628,591
314	4. Payables to employees		134,912,511	215,919,868
315	5. Short-term accrued expenses	18	1,043,936,809,354	1,634,889,249,478
318	6. Short-term unearned revenues		4,327,075,364	4,718,340,907
319	7. Other short-term payables	19	2,856,054,333,594	702,391,584,903
320	8. Short-term loans	20	1,546,681,630,497	804,035,305,750
322	9. Bonus and welfare fund		6,862,561,309	7,028,227,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,170,686,623,560</b>	<b>1,984,400,404,013</b>
333	1. Long-term accrued expenses	18	1,134,633,021,863	909,879,723
336	2. Long-term unearned revenue		4,664,114,060	4,791,738,286
337	3. Other long-term liabilities	19	35,537,754,956	35,126,202,093
338	4. Long-term loans	20	4,218,161,587,925	1,121,897,918,268
341	5. Deferred tax liabilities	28.3	776,738,176,794	820,722,697,681
342	6. Long-term provisions		951,967,962	951,967,962

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>10,652,995,127,729</b>	<b>10,381,131,101,072</b>
<b>410</b>	<b>I. Capital</b>		<b>10,652,995,127,729</b>	<b>10,381,131,101,072</b>
411	1. Share capital	21.1	4,757,111,670,000	4,757,111,670,000
411a	- Shares with voting rights		4,697,601,890,000	4,697,601,890,000
	- Treasury shares		59,509,780,000	59,509,780,000
412	2. Share premium	21.1	989,064,430,000	989,064,430,000
415	3. Treasury shares	21.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	21.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings	21.1	4,316,487,151,605	4,099,263,633,258
421a	- Undistributed earnings by the end of prior years		4,092,454,317,117	3,180,901,758,305
421b	- Undistributed earnings of current year		224,032,834,488	918,361,874,953
429	6. Non-controlling interests	22	952,574,832,301	897,934,323,991
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>23,785,878,249,949</b>	<b>16,432,989,802,701</b>

Luu Phuong Mai  
Preparer

Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant



Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

30 March 2021

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	2,150,962,555,356	3,209,906,030,157
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	2,150,962,555,356	3,209,906,030,157
11	4. Cost of goods sold and services rendered	24	(1,461,933,537,631)	(1,363,156,822,246)
20	5. Gross profit from sale of goods and rendering of services		689,029,017,725	1,846,749,207,911
21	6. Finance income	23.2	313,705,232,896	79,931,901,053
22	7. Finance expenses	26	(230,242,153,241)	(222,620,542,221)
23	<i>In which: Interest expenses</i>		(195,387,067,311)	(195,685,878,594)
24	8. Shares of profit of associates, joint-ventures	15.1	2,674,783,347	420,531,832
25	9. Selling expenses	25	(52,216,721,860)	(141,910,414,455)
26	10. General and administrative expenses	25	(270,720,195,562)	(171,879,898,648)
30	11. Operating profit		452,229,963,305	1,390,690,785,472
31	12. Other income		3,475,084,225	8,431,503,757
32	13. Other expenses		(2,532,671,188)	(34,947,379,751)
40	14. Other profit/(loss)		942,413,037	(26,515,875,994)
50	15. Accounting profit before tax		453,172,376,342	1,364,174,909,478
51	16. Current corporate income tax expenses	28.1	(177,342,931,117)	(167,120,965,198)
52	17. Deferred tax income/(expenses)	28.3	43,984,520,887	(156,295,080,051)
60	18. Net profit after tax		319,813,966,112	1,040,758,864,229
61	19. Net profit after tax attributable to shareholders of the parent		224,032,834,488	918,361,874,953
62	20. Net profit after tax attributable to non-controlling interests		95,781,131,624	122,396,989,276
70	21. Basic earnings per share	30	477	1,955
71	22. Diluted earnings per share	30	477	1,955

  
Luu Phuong Mai  
Preparer

  
Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant

  
  
Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

30 March 2021

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>453,172,376,342</b>	<b>1,364,174,909,478</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets		88,966,487,664	53,169,260,174
03	(Reversal of provisions)/provisions		(750,098,833)	4,717,708,053
05	Profits from investing activities		(311,769,791,444)	(79,048,576,222)
06	Interest expenses and bond issue costs	26	226,914,890,062	195,685,878,594
08	<b>Operating profit before changes in working capital</b>		<b>456,533,863,791</b>	<b>1,538,699,180,077</b>
09	(Increase)/decrease in receivables		(533,408,601,710)	91,951,948,997
10	(Increase)/decrease in inventories		(3,986,102,676,332)	1,045,072,798,522
11	Increase/(decrease) in payables (other than interest, corporate income tax)		1,529,615,675,000	(646,068,358,097)
12	Decrease/(increase) in prepaid expenses		2,204,752,798	(28,556,235,907)
13	Increase in held-for-trading securities		(50,000,000,000)	-
14	Interest paid		(228,078,425,083)	(281,891,887,623)
15	Corporate income tax paid	17	(103,803,906,725)	(179,982,853,335)
17	Other cash outflows for operating activities		(165,666,000)	(77,132,000)
20	<b>Net cash flows (used in)/from operating activities</b>		<b>(2,913,204,984,261)</b>	<b>1,539,147,460,634</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(212,807,757,268)	(275,109,496,555)
22	Proceeds from disposals of fixed assets and other long-term assets		554,545,454	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(879,999,844,057)	(272,736,501,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		139,574,130,237	61,386,943,534
25	Payments for investments in other entities		(119,734,613,308)	-
26	Proceeds from sale of investments in other entities		437,680,503,419	374,174,889,081
27	Interest and dividends received		154,913,661,545	37,623,194,668
30	<b>Net cash flows used in investing activities</b>		<b>(479,819,373,978)</b>	<b>(74,660,970,272)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		4,554,120,877,748	1,139,988,384,144
34	Repayment of borrowings		(701,225,653,343)	(1,721,560,467,364)
36	Dividend paid		(62,118,750,000)	(454,990,224,841)
<b>40</b>	<b>Net cash flows from/(used in) financing activities</b>		<b>3,790,776,474,405</b>	<b>(1,036,562,308,061)</b>
<b>50</b>	<b>Net increase in cash for the year</b>		<b>397,752,116,166</b>	<b>427,924,182,301</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>652,005,005,791</b>	<b>224,080,823,490</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>5</b>	<b>1,049,757,121,957</b>	<b>652,005,005,791</b>



Luu Phuong Mai  
Preparer



Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant



Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

30 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2020 and for the year then ended

## 1. CORPORATE INFORMATION

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest is the 16th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 25 June 2019.

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

The business cycle of the Company starts from the acquisition of investment license, land clearance, infrastructure development of industrial parks and urban areas until the time of completion and land is handed over to customers. As a result, the business cycle of the Company may extend over 12 months. Ordinary business cycle for other business activities is 12 months.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its Ho Chi Minh branch is located at 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 December 2009.

The total number of employees as at 31 December 2020 is: 531 (31 December 2019: 500).

### Corporate structure

At 31 December 2020, the Company has the following 11 subsidiaries (31 December 2019: 11 subsidiaries):

No.	Company's name	Voting right (%) (*)	Equity interest (%)	Head office	Main activities
1	Saigon – Bac Giang Industrial Park Corporation	92.5	88.06	Quang Chau Industrial Park, Quang Chau Commune, Viet Yen District, Bac Giang Province	Investment, building and trading industrial parks and real estates
2	Saigon - Hai Phong Industrial Park Corporation	86.54	86.54	Trang Due Industrial Park, Le Loi Commune, An Duong District, Hai Phong City	Investment, building and trading industrial parks and real estates
3	Northwest Saigon City Development Corporation (**)	74.3	72.44	Tram Bom, National Road No. 22, Tan Phu Trung Commune, Cu Chi District, Ho Chi Minh City	Investment, building and trading industrial parks and real estates
4	Trang Cat One Member Urban Development Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong City	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	100, An Trach Street, Quoc Tu Giam Ward, Dong Da District, Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province	Investment, building and trading real estates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 1. CORPORATE INFORMATION (continued)

### Corporate structure (continued)

No.	Company's name	Voting right (%) (*)	Interest right (%)	Head office	Main activities
7	Kinh Bac – Da Nang Investment One Member Company Limited	100	100	61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City	Investment, building and trading real estates
8	Tien Duong Development Holding Joint Stock Company	51	51	100 An Trach Street, Quoc Tu Giam Ward, Dong Da District, Ha Noi city	Investment, building and trading real estates
9	Tan Phu Trung – Long An Industrial Park One Member Company Limited (**)	100	72.44	88 Tran Phong Sac, No. 4 Ward, Tan An City, Tan An Province, Vietnam	Architectural activities and related technical consultancy
10	Bac Giang – Long An Industrial Park One Member Company Limited (**)	100	88.06	489E/Road 824, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural activities and related technical consultancy
11	Tan Tap Industrial Infrastructure Development Limited Company (**)	100	86.54	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province	Architectural activities and related technical consultancy

(\*) The voting right is also the ownership of the Company and its subsidiaries in these subsidiaries.

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

## 2. BASIS OF PREPARATION

### 2.1 Accounting standards and system

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## **2. BASIS OF PREPARATION (continued)**

### **2.2 *Applied accounting documentation system***

The Company's applied accounting documentation system is the General Journal system.

### **2.3 *Fiscal year***

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

### **2.4 *Accounting currency***

The consolidated financial statements are prepared in Vietnam Dong ("VND") which is also the Group's accounting currency.

### **2.5 *Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

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

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

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

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 *Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, cash in 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.2 *Inventories*

Industrial and urban real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises expenses on land compensation, site restoration, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, etc. and other related costs.

Net realisable value 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.

The cost of inventory property recognised in profit or loss 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 the relative size of the property sold.

##### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

#### 3.3 *Receivables*

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

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

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 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.

*Where the Group is the lessee*

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

*Where the Group is the lessor*

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

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

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

#### 3.7 *Depreciation and amortisation*

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

Buildings and structures (including land and infrastructure development cost)	5 - 25 years
Machinery and equipment	3 - 10 years
Means of transportation	4 - 10 years
Office equipment	3 - 8 years
Softwares	3 years
Others	3 - 8 years

Periodically, the estimated useful life for fixed asset and its depreciation/amortization rate is reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits to be utilised from the use of fixed asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.8 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation. Investment properties held for capital appreciation are not depreciated/amortised but subject to impairment review.

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 Group.

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

Factories	6 - 10 năm
Land and infrastructure development cost	36 - 40 năm

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

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 an entity incurs 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 they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

#### 3.10 *Prepaid expenses*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.11 *Business combinations and goodwill*

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

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

#### 3.12 *Assets acquisitions and business combinations*

The Group acquires subsidiaries that own assets and production activities. At the date of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.13 *Investments*

##### *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Held-for-trading securities and investments in other entities*

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

##### *Provision for diminution in value of investments*

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.13 *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 Group.

#### 3.14 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

#### 3.15 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

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

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

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.16 *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, re-issue or cancellation of the Group's own equity instruments.

#### 3.17 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

#### 3.18 *Revenue recognition*

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

##### *Long-term lease of land and infrastructure*

Revenue is recognised when the Group has transferred significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

##### *Sale of factories*

Revenue is recognised when the Group has transferred significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

##### *Lease of factories*

Revenue under operating lease of factories is recognised in the consolidated income statement on a straight-line basis over the lease term.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.18 *Revenue recognition* (continued)

##### *Rendering of services*

Revenue is recognised when services have been provided to the customers and are determined by the net value after deducting discounts, value-added tax, and other deductions.

##### *Income from transfer of investment and trading of securities*

Income from transfer of investment and trading of securities is determined by the difference between the sale proceeds and cost of the securities and/or investment held by the Company. Income is recorded on the contract date, which is when the contract becomes effective.

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

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

##### *Interest*

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

##### *Dividends*

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

#### 3.19 *Cost of long-term lease of land and infrastructure and transfer of real estate properties*

Cost of sale related to long-term lease of land and infrastructure and transfer of real estate properties includes all direct costs that are attributable to the development of land and infrastructure and other overhead costs allocated on a reasonable basis to such activities including:

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities; and
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.20 Taxation

##### *Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the 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 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 balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

#### 3.20 *Taxation* (continued)

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group 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 Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.21 *Earnings per share*

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

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

#### 3.22 *Segment information*

A segment is a component determined separately by the Group 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 activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business and in one geographic region which is Vietnam.

#### 3.23 *Related parties*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

#### 4. SIGNIFICANT EVENTS

##### *Acquisition of Hoa Sen Hotel Development Company Limited*

On 20 January 2020, the Group acquired 100% equity capital of Hoa Sen Hotel Development Company Limited, a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No 0107481955 issued by the Department of Planning and Investment of Hanoi on 22 June 2016. The current activity of this company is trading real estates with own or leased property.

The Group did not consolidate this company in the Group's consolidated financial statements for the year ended 31 December 2020 because the management has plan to transfer this investment in the near future and therefore, the Group assessed that control over this investee is temporary. The Group accounts for this investment as Held-for-trading securities in the consolidated balance sheet.

##### *COVID-19 pandemic*

The COVID-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	82,198,978,513	10,339,830,889
Cash at banks	807,691,654,845	540,130,619,556
Cash equivalents (*)	159,866,488,599	101,534,555,346
<b>TOTAL</b>	<b>1,049,757,121,957</b>	<b>652,005,005,791</b>

(\*) Cash equivalents at 31 December 2020 mainly include short-term deposits in VND at banks which earn interest ranging from 2.9% to 4.7% per annum and have maturity term from 1 month to 3 months (2019: ranging from 4.3% to 5.2% per annum).

## 6. SHORT-TERM INVESTMENTS

### 6.1 *Held-for-trading securities*

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Shares (i)	7,490,461,369	(5,305,222,369)	7,490,461,369	(6,616,365,769)
Other investment (ii)	1,854,868,000,000	-	-	-
<b>TOTAL</b>	<b>1,862,358,461,369</b>	<b>(5,305,222,369)</b>	<b>7,490,461,369</b>	<b>(6,616,365,769)</b>

(i) As at 31 December 2020, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

(ii) During the year, the Company acquired 100% equity capital of Hoa Sen Hotel Development Company Limited. The Company classifies this investment as a trading security because there is a plan to transfer this investment in short-term.

### 6.2 *Held-to-maturity investment*

Held-to-maturity investment as at 31 December 2020 include short-term deposits in VND at banks which earn interest ranging from 4.7% to 6.5% per annum and have maturity term from 6 months to 12 months (2019: 6% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 7.1 Trade receivables

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
SG Logistics Joint Stock Company (i)	406,762,561,200	-
An Duong Urban Development Investment Joint Stock Company (ii)	339,890,912,453	339,890,912,453
Kinh Bac Services Corporation (iii)	182,291,134,480	182,291,134,480
BW Sai Gon Limited Liability Company (i)	108,926,558,674	108,926,558,674
Saigon Investment Corporation (iv)	104,130,000,000	104,130,000,000
Other customers	242,868,206,278	618,634,780,631
<b>TOTAL</b>	<b><u>1,384,869,373,085</u></b>	<b><u>1,353,873,386,238</u></b>
<i>Provision for doubtful receivables</i>	<i>6,833,980,650</i>	<i>6,833,980,650</i>

- (i) This is the receivables related to long-term lease of land in Tan Phu Trung Industrial Park;
- (ii) This is the receivables related to the transfer of a part of the “Trang Due Service, Trading Urban area and workers housing project”;
- (iii) These are short-term receivables related to the sale of factories in Quang Chau Industrial Park; and
- (iv) This is the receivables related to the transfer of land at Phuc Ninh Urban Area Project.

### 7.2. Advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Kinh Bac Investment and Consulting JSC (i)	1,705,398,831,955	1,701,303,643,620
Kinh Bac Services JSC (i)	730,512,876,443	558,746,344,640
Land and industrial zone development center of Viet Yen District (ii)	162,495,138,596	128,592,971,992
Saigontel Real Estate Investment Joint Stock Company	29,650,000,000	5,500,000,000
Land clearance and compensation committee of Cu Chi District	21,057,045,864	26,640,576,584
Tecotec Investment Joint Stock Company	19,472,486,000	-
Other advances to suppliers	32,555,946,112	22,099,993,249
<b>TOTAL</b>	<b><u>2,701,142,324,970</u></b>	<b><u>2,442,883,530,085</u></b>

- (i) This is the advance for the site clearance and compensation and construction works of certain on-going projects of the Group; and
- (ii) This is the advance to Land and Industrial zone Development Center of Viet Yen District for land clearance of Saigon – Bac Giang Industrial Park Corporation’s on-going projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

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

### 7.3 *Bad debts*

Currency: VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Short-term trade receivables	6,833,980,650	-	6,833,980,650	-
<i>Viet Nhat JSC</i>	6,833,980,650	-	6,833,980,650	-
Other loan receivables	500,000,000	-	500,000,000	-
<i>Saigon Tour Corporation</i>	500,000,000	-	500,000,000	-
<b>TOTAL</b>	<b>7,333,980,650</b>	<b>-</b>	<b>7,333,980,650</b>	<b>-</b>

## 8. LOAN RECEIVABLES

Currency: VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Saigon – Nhonhoi Industrial Park Corporation (i)	435,736,501,000	15,736,501,000
Kinh Bac Investment and Consulting JSC (ii)	134,100,000,000	184,100,000,000
Saigontel Real Estate Investment Joint Stock Company (iii)	95,013,698,629	50,000,000,000
Hanoi Construction Corporation – Joint Stock Company (iv)	70,805,469,057	-
Sai Gon – Hue Investment Joint Stock Company (v)	65,000,000,000	-
Saigon – Lam Dong Investment and Tourist Joint Stock Company (vi)	14,077,232,877	12,000,000,000
Sai Gon – Da Nang Investment Joint Stock Company (vii)	11,144,473,296	50,000,000,000
Saigon – Ham Tan Tourism Joint Stock Company (viii)	9,600,000,000	-
Vien Dong Viet Nam Land Joint Stock Company (ix)	9,248,752,669	50,000,000,000
Saigon Posts & Telecommunications Services Joint Stock Company (x)	7,555,225,802	-
Other loan receivables	14,151,107,689	8,383,300,000
Other loan receivables from related parties (Note 29)	58,647,561,337	21,492,687,097
<b>TOTAL</b>	<b>925,080,022,356</b>	<b>391,712,488,097</b>
<i>Provision for loan receivables</i>	<i>(500,000,000)</i>	<i>(500,000,000)</i>
<b>Long-term</b>		
Kinh Bac Services Joint Stock Company (xi)	139,910,000,000	-
Other loan receivables	1,000,000,000	1,000,000,000
<b>TOTAL</b>	<b>140,910,000,000</b>	<b>1,000,000,000</b>

Ending balance includes the following unsecured loans:

- (i) These loans earn interest ranging from 0% to 12% per annum and the last maturity date is in October 2021.

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as at 31 December 2020 and for the year then ended

**8. LOAN RECEIVABLES (continued)**

Ending balance includes the following unsecured loans: (continued)

- (ii) These loans earn interest ranging from 9.6% to 12% per annum and will be matured from June to November 2021.
- (iii) These are unsecured loans with interest ranging from 10% to 12% per annum and will be matured from September to December 2021.
- (iv) This loan earns interest at 10% per annum and will be matured in November 2021.
- (v) These loans earn interest at 12% per annum and will be matured from July to December 2021.
- (vi) These loans earn interest ranging from 11% to 12% per annum and will be matured from March to July 2021.
- (vii) This loan earns interest at 12% per annum and will be matured in April 2021.
- (viii) This loan earns interest at 12% per annum and will be matured in December 2021.
- (ix) These loans earn interest ranging from 4.5% to 8% per annum and will be matured from August to December 2021.
- (x) This loan earns interest at 11% per annum and will be matured in April 2021.
- (xi) These loans earn interest at 8% per annum and will be matured in December 2022.

**9. OTHER RECEIVABLES**

Currency: VND

	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
<b>Short-term</b>				
Mr. Nguyen Son (i)	583,000,000,000	-	-	-
Advance to PVcomBank (ii)	232,681,247,878	-	223,040,284,000	-
Kinh Bac Services JSC (iii)	252,507,176,408	-	233,506,720,919	-
Advances to employees	73,900,914,900	-	35,755,884,861	-
Receivables from trust investment contract (iv)	70,000,000,000	-	-	-
Lang Ha Investment JSC (v)	69,296,882,771	-	26,200,890,711	-
Kum-Ba JSC (vi)	19,380,035,726	-	43,577,296,000	-
Kinh Bac Investment and Consulting JSC	39,495,534,246	-	26,066,843,836	-
Department of Planning and Investment of Long An province (vii)	51,241,500,000	-	-	-
Receivables from the People's Committee of Bac Ninh relating to land rental subsidy (viii)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (ix)	12,851,128,404	-	12,851,128,404	-
Saigon Investment Corporation	-	-	583,000,000,000	-
Other receivables	82,700,082,795	-	33,781,442,536	-
Other receivables from related parties (Note 29)	127,513,147,201	-	74,835,539,022	-
<b>TOTAL</b>	<b>1,634,007,650,329</b>	<b>-</b>	<b>1,312,056,030,289</b>	<b>-</b>
<b>Long-term</b>				
Kinh Bac Services Corporation	-	-	126,035,136,906	-
Vien Dong Viet Nam Land Joint Stock Company	500,000,000	-	500,000,000	-
Other receivables	345,869,861	-	317,575,346	-
Other receivables from related parties (Note 29)	40,000,000,000	-	-	-
<b>TOTAL</b>	<b>40,845,869,861</b>	<b>-</b>	<b>126,852,712,252</b>	<b>-</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**9. OTHER RECEIVABLES** (continued)

- (i) This is the advance to Mr. Nguyen Son related to the acquisition of shares in Le Minh Xuan 2 Industrial Park Investment Corporation. As at 31 December 2020, the share transfer procedures have not been completed.
- (ii) This is the advance to Vietnam Public Joint Stock Commercial Bank ("PVcomBank") related to the acquisition of shares in Lang Ha Investment JSC.
- (iii) This is the receivable related to the transfer of 9.8 million shares of Sai Gon – Hue Investment Corporation to Kinh Bac Services JSC in accordance with contract No. 01/HĐCNCP/KBC-KBS/2020 dated 25 December 2020.
- (iv) This is receivable from a trust investment contract where the Group entrusts an individual for security trading activities.
- (v) These are receivables from the payment on behalf of Lang Ha Investment JSC related to the development costs of the Commercial and office building located at 1A Lang Ha (note (ii)).
- (vi) This is the receivable from Kum-Ba JSC related to the transfer of shares of Lang Ha Investment JSC.
- (vii) This is the deposit to the Department of Planning and Investment of Long An province related to the implementation of Phuoc Vinh Dong 4 Industrial Cluster project and Tan Tap Industrial Cluster project.
- (viii) In accordance with the minutes of interdisciplinary meeting between the Department of Finance, the Department of Planning and Investment, the Department of Natural Resources and Environment, the Management Board of Industrial Parks of Bac Ninh Province and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QĐ-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province committed to support land rental for Que Vo Industrial Park project. Accordingly, the subsidy available to the Company is VND 19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park.
- (ix) This is the deposit to Hanoi Agricultural Development and Investment Company Limited under Contract No.128/2010/HD-HTKD dated 29 June 2010 to co-operate to develop a mixed-use real estate project comprising of the commercial center, offices, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Ward, Bac Tu Liem District, Hanoi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 10. INVENTORIES

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Trang Cat Industrial and Residential Park (i)	7,198,938,964,742	-	3,508,914,491,576	-
Tan Phu Trung Industrial Park (ii)	1,401,245,903,300	-	1,657,888,780,919	-
Phuc Ninh Urban Area	1,065,107,703,958	-	985,923,800,098	-
Trang Due Service, Trading Urban area and Workers Housing project	640,345,939,568	-	538,467,763,233	-
Nam Son - Hap Linh Industrial Park	776,878,482,119	-	457,741,605,095	-
Quang Chau Industrial Park and Urban area	406,581,692,297	-	342,779,745,623	-
Trang Due Industrial Park - stage 2	16,044,998,871	-	16,160,870,321	-
Trang Due Industrial Park - stage 1	2,727,979,334	-	12,165,328,852	-
Trang Due Industrial Park - stage 3	2,016,023,459	-	2,016,023,459	-
Que Vo II Industrial Park	-	-	1,640,142,933	-
Merchandise for marketing activities	10,361,625,000	-	10,361,625,000	-
Other projects	13,612,134,337	-	13,698,593,544	-
<b>TOTAL</b>	<b>11,533,861,446,985</b>	<b>-</b>	<b>7,547,758,770,653</b>	<b>-</b>

Inventories of the Group as at 31 December 2020 comprise land compensation and infrastructure development costs, capitalized borrowing costs and other overheads which incurred for the development of industrial parks and other real estate projects which are developed for sale. Majority of the Group's inventories are used as collaterals for long-term loans as disclosed in Note 20.

(i) In accordance with Decision No. 1548/QĐ-UBND dated 17 September 2010, the People's Committee of Hai Phong City approved the detailed planning 1/2000 of the Trang Cat Urban and Service Zone Project ("Trang Cat Project") with the approved development area of 584.91 hectares, and the Company as the investor of the Project. Consequently, the Company established Trang Cat Urban Development One-Member Limited Company ("Trang Cat LLC") to directly manage, develop and complete this project. On 8 October 2012, Hai Phong People's Committee issued Decision No. 1679/QĐ-UBND to assign the land to Trang Cat Company for the development of Trang Cat Urban and Services Zone project in Trang Cat, Hai An District, with the total assigned land area of 581.93 ha.

In 2020, Trang Cat LLC received the land use fee notification for 1,240,533.8 m<sup>2</sup> of Trang Cat Project with an amount of VND 3,687,236,335,000. Trang Cat LLC has recorded this land use fee to inventory account, and paid VND 3,500 billion in 2020. As at the date of these consolidated financial statements, the Company is still in the progress to determine the amount of land compensation and site clearance which could be eligible for offsetting against this land use fee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**10. INVENTORIES** (continued)

Also relating to Trang Cat Project, in accordance with the Asset Pledge Agreement to guarantee for obligations of the third party No. 0202/2013/HDTC-DN dated 22 February 2013 between Trang Cat Company and Western Commercial Joint Stock Bank ("Western Bank"), which has since been merged with Vietnam Public Joint Stock Commercial Bank ("PVcomBank") and the Agreement No. 3012/2020/BBTT/PVB-KB-TCC dated 30 December 2020 on debt structuring, funding and debt repayment between Trang Cat LLC, the Company and PVcombank ("the Debt structuring agreement"), the Company and Trang Cat LLC agreed to use Trang Cat project as security for the loans and debts of a group of companies and individuals (including KinhBac City Development Holding Corporation, a subsidiary of the Company, and other companies/individuals). The total loan and debt obligations of these companies to PVcomBank as at 31 December 2020 under the above-mentioned Debt Structuring Agreement are VND 7,631 billion, in which the loan and debt obligations of the Company and a subsidiary (Saigon - Bac Giang Industrial Park Corporation) is VND 2,820 billion and the remaining is the loan and debt obligations of other companies/individuals.

Also relating to the above Debt structuring agreement, the Company and Trang Cat LLC also commit to PvcomBank to repay the debts for and on behalf of the other companies and individuals if these parties violate the payment obligations agreed with PVcomBank (see also disclosure in Note 31).

The Company has entered into this Debt structuring agreement prior to the approval of the General Meeting of Shareholders as required by the Company's Charter and by Decree 71/2017/NĐ-CP ("Decree 71") of the Government dated 6 June 2017 providing guidance on corporate governance applicable for public interest companies. The management plans to seek approval of the General Meeting of Shareholders in the upcoming meeting of the General Shareholders.

(ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area which have been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park developed by Northwest Saigon City Development Corporation, which have been revalued at the date the Group acquired and assumed control over this subsidiary.

During the year, the Group capitalized borrowing costs amounting to VND 52.9 billion (2019: VND 23.4 billion). These costs relate to the borrowings taken to finance the development of the industrial parks and other real estate projects of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**11. PREPAID EXPENSES**

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Brokerage fees of un-completed real-estate transfer contracts	77,978,341,577	77,013,588,129
Other short-term prepaid expenses	<u>393,840,766</u>	<u>389,501,218</u>
<b>TOTAL</b>	<b><u>78,372,182,343</u></b>	<b><u>77,403,089,347</u></b>
<b>Long-term</b>		
Infrastructure repair costs	10,783,859,421	10,253,332,425
Other long-term prepaid expenses	<u>9,993,470,955</u>	<u>13,148,310,818</u>
<b>TOTAL</b>	<b><u>20,777,330,376</u></b>	<b><u>23,401,643,243</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 12. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures (including cost of land development and infrastructure)	Machinery and equipment	Means of transportation	Office equipment	Others	Total
<b>Cost:</b>						
Beginning balance	325,499,949,077	64,120,551,693	68,315,304,859	26,365,431,153	1,176,109,090	485,477,345,872
- Newly constructed	27,853,744,107	-	-	-	-	27,853,744,107
- Newly purchased	-	958,019,000	17,976,516,364	81,222,727	181,500,000	19,197,258,091
- Other increase	-	-	113,090,908	-	-	113,090,908
- Sold, disposed	-	-	(2,039,517,363)	-	-	(2,039,517,363)
- Other decrease	(415,904,320)	(177,500,000)	-	-	-	(593,404,320)
Ending balance	352,937,788,864	64,901,070,693	84,365,394,768	26,446,653,880	1,357,609,090	530,008,517,295
<i>In which:</i>						
Fully depreciated	48,523,332,672	4,920,527,507	19,094,174,504	6,210,098,398	1,141,609,090	79,889,742,171
<b>Accumulated depreciation:</b>						
Beginning balance	152,313,151,031	30,686,096,412	38,315,643,127	9,477,828,343	1,141,609,090	231,934,328,003
- Depreciation for the year	26,971,086,596	5,662,042,428	7,408,548,808	3,078,275,303	38,056,454	43,158,009,589
- Sold, disposed	-	-	(1,166,134,442)	-	-	(1,166,134,442)
- Other decrease	(31,192,823)	(12,678,570)	-	-	-	(43,871,393)
Ending balance	179,253,044,804	36,335,460,270	44,558,057,493	12,556,103,646	1,179,665,544	273,882,331,757
<b>Net carrying amount:</b>						
Beginning balance	173,186,798,046	33,434,455,281	29,999,661,732	16,887,602,810	34,500,000	253,543,017,869
Ending balance	173,684,744,060	28,565,610,423	39,807,337,275	13,890,550,234	177,943,546	256,126,185,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 13. INVESTMENT PROPERTIES

Currency: VND

Factories  
(including costs of  
land development  
and infrastructure)

<b>Cost:</b>	
Beginning balance	476,439,458,160
- Newly constructed	20,817,583,732
- Other increase	1,219,401,473
- Sold, disposed	(19,239,754,720)
Ending balance	<u>479,236,688,645</u>
<b>Accumulated depreciation:</b>	
Beginning balance	43,720,836,237
- Depreciation during the year	45,693,297,238
- Sold, disposed	(4,019,358,512)
Ending balance	<u>85,394,774,963</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>432,718,621,923</u>
Ending balance	<u>393,841,913,682</u>

Investment properties comprise factories at industrial parks which are held for operating leases.

As at 31 December 2020, the Group has not been able to determine the fair value of these investment properties because there is no active market for these properties.

### 14. CONSTRUCTION IN PROGRESS

Currency: VND

	Ending balance	Beginning balance
Project at 84A Hung Vuong street, Da Nang city (i)	714,477,221,402	698,395,630,720
Hanoi Diplomatic Area (ii)	106,555,116,818	106,555,116,818
Clean water plant	27,692,676,181	1,377,615,636
Phase 3 of Wastewater plant	5,344,660,910	-
Que Vo II Industrial Park	4,721,134,625	-
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Que Vo I Industrial Park	-	5,504,432,192
Others	7,438,266,362	7,085,512,455
<b>TOTAL</b>	<u><b>869,345,580,191</b></u>	<u><b>822,034,811,714</b></u>

- (i) This mainly comprises of land use right at 84 Hung Vuong, Hai Chau 1 Ward, Hai Chau District, Da Nang City of Kinh Bac – Da Nang Investment One Member Company Limited;
- (ii) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation transferred the existing infrastructure works to the Company for the development of a real estate project, comprising offices, representative offices for international agencies, at Hanoi Diplomatic Area.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 15. LONG-TERM INVESTMENTS

	Notes	Ending balance	Beginning balance
Investments in associates	15.1	234,988,852,857	434,925,286,015
Other long-term investments	15.2	448,500,200,000	448,500,200,000
Provision for long-term investments		(22,887,918,150)	(22,344,943,996)
<b>TOTAL</b>		<b>660,601,134,707</b>	<b>861,080,542,019</b>

Currency: VND

### 15.1 Investments in associates

	Note	Ownership interest	Ending balance			Beginning balance		
			Number of shares	Net book value (VND)	Ownership interest	Number of shares	Net book value (VND)	
Saigon Telecommunication & Technologies Corporation	(i)	21.48%	15,896,923	229,494,785,235	21.48%	15,896,923	226,820,001,888	
Sai Gon – Hue Investment Corporation	(ii)	-	-	-	28.14%	9,849,000	202,611,216,505	
Scanviwood Corporation	(iii)	34%	1,077,528	5,494,067,622	34%	1,077,528	5,494,067,622	
<b>TOTAL</b>				<b>234,988,852,857</b>			<b>434,925,286,015</b>	

Currency: VND

#### (i) Saigon Telecommunication & Technologies Corporation

Saigon Telecommunication & Technologies Corporation was established pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 May 2002 and the amended subsequent licenses, with the latest is the 13th amended Business Registration Certificate being granted on 11 August 2014, with a registered charter capital of VND 740 billion. Its principal activities include trading computers, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is at 46 Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam.

#### (ii) Sai Gon – Hue Investment Corporation

In 2020, the Company has transferred all of its shares in this company.

#### (iii) Scanviwood Corporation

Scanviwood Joint Stock Company was established pursuant to the Business Registration Certificate No. 0301213033 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND 31.69 billion. Its principal activities include manufacturing of household products for export.

Its registered office is at 565 An Duong Vuong Street, An Lac Ward, Binh Thanh District, Ho Chi Minh City, Vietnam.

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

**15.1 Investment in associates (continued)**

Investments in associates as at 31 December 2020 are as below:

	Saigon Telecommunication & Technologies Corporation	Sai Gon – Hue Investment Corporation	Scanviwood Corporation	Total
<b>Cost of investment:</b>				
Beginning balance	423,492,661,074	210,627,000,000	7,204,600,000	641,324,261,074
Disposed during the year	-	(210,627,000,000)	-	(210,627,000,000)
Ending balance	423,492,661,074	-	7,204,600,000	430,697,261,074
<b>Accumulated share in post-acquisition profit/(loss) of the associates:</b>				
Beginning balance	(36,444,932,800)	(8,015,783,495)	(1,710,532,378)	(46,171,248,673)
- Share in post-acquisition profit of the associates for the year	2,674,783,347	-	-	2,674,783,347
- Disposed during the year	-	8,015,783,495	-	8,015,783,495
Ending balance	(33,770,149,453)	-	(1,710,532,378)	(35,480,681,831)
<b>Accumulated amortization of goodwill:</b>				
Beginning balance	160,227,726,386	-	-	160,227,726,386
Ending balance	160,227,726,386	-	-	160,227,726,386
<b>Net carrying amount:</b>				
Beginning balance	226,820,001,888	202,611,216,505	5,494,067,622	434,925,286,015
Ending balance	229,494,785,235	-	5,494,067,622	234,988,852,857



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

**15.2 Other long-term investments**

Currency: VND

	Ending balance			Beginning balance		
	% of voting right	Number of shares	Cost (*)	% of voting right	Number of shares	Cost
Saigon – Quy Nhon Mineral Corporation	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Sai Gon – Da Nang Investment Corporation	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC – Saigontel Media Corporation	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon – Binh Phuoc Industrial Park Joint Stock Company	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon – Nhonhoi Industrial Park Corporation	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon – Hamtan Tourism Corporation	1.63	70,000	7,000,000,000	1.63	70,000	7,000,000,000
Saigon – Binh Thuan Power Plant Investment and Development JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon – Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
<b>TOTAL</b>			<b>448,500,200,000</b>			<b>448,500,200,000</b>
Provision for other long-term investments			(22,887,918,150)			(22,344,943,996)
<b>NET CARRYING VALUE</b>			<b>425,612,281,850</b>			<b>426,155,256,004</b>

(\*) The Company has not been able to collect necessary information to evaluate the fair value of the shares held in these companies because the shares of these companies have not been listed on the stock exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 16. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 16.1 Short-term trade payables

	<i>Currency: VND</i>	
	<i>Amount (also is payable amount)</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Truong Phat Investment Joint Stock Company	30,849,876,950	20,188,189,332
Bao Nam Mineral Import Export Service Trading Joint Stock Company	17,477,081,995	2,377,288,800
Other suppliers	107,075,359,895	348,026,572,392
<b>TOTAL</b>	<b>155,402,318,840</b>	<b>370,592,050,524</b>

### 16.2 Short-term advances from customers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Logos Vietnam Ho Chi Minh City 1 Ltd., Advances for long-term leases of land at Tan Phu Trung Industrial Park	270,477,772,750	-
Deposits for purchase of houses and land use rights at Trang Due Service, Trading Urban area and Workers housing project	350,815,038,142	200,347,165,104
Deposits for purchase of houses and land use rights at Quang Chau Urban Project	179,778,775,008	75,708,093,405
Advances for long-term leases of land at Trang Due Industrial Park and Urban Project	58,165,141,200	75,331,990,080
Other advances from customers	21,161,854,397	20,944,482,236
	14,054,658,140	41,949,259,461
<b>TOTAL</b>	<b>894,453,239,637</b>	<b>414,280,990,286</b>

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### 17. STATUTORY OBLIGATIONS

	Beginning balance	Payable for the year	Payment made/off-set in the year	Ending balance
<b>Payables</b>				
Value added tax	21,981,382,721	220,369,585,306	(169,644,667,670)	72,706,300,357
Corporate income tax (Note 28)	99,327,649,141	177,342,931,117	(103,803,906,725)	172,866,673,533
Personal income tax	2,219,022,078	17,957,067,607	(16,282,363,502)	3,893,726,183
Other taxes	5,778,574,651	211,279,591,856	(12,181,249,026)	204,876,917,481
<b>TOTAL</b>	<b>129,306,628,591</b>	<b>626,949,175,886</b>	<b>(301,912,186,923)</b>	<b>454,343,617,554</b>
				Currency: VND
<b>Receivables</b>				
Value added tax	136,394,905,445	86,850,505,940	(60,880,004,791)	162,365,406,594
Other taxes	2,547,248,417	-	(1,097,653,459)	1,449,594,958
<b>TOTAL</b>	<b>138,942,153,862</b>	<b>86,850,505,940</b>	<b>(61,977,658,250)</b>	<b>163,815,001,552</b>
<i>In which:</i>				
Tax receivables	2,547,248,417			1,449,594,958

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**18. ACCRUED EXPENSES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Accrued future development costs for recognised sales	959,560,802,963	481,392,813,069
- Quang Chau Industrial Park	364,672,646,622	196,930,164,600
- Tan Phu Trung Industrial Park	506,156,459,097	128,150,308,354
- Trang Due Industrial Park	16,007,230,685	49,817,566,787
- Que Vo II Industrial Park	21,664,498,185	19,250,743,371
- Que Vo I Industrial Park	22,285,934,591	56,504,290,047
- Phuc Ninh Urban Area	9,649,965,226	4,116,772,240
- Trang Due Urban Area	19,124,068,557	26,622,967,670
Accrued interest expenses	72,689,452,086	1,113,638,659,265
External services	6,705,835,856	34,499,564,263
Other accrued expenses	3,606,943,106	4,124,879,548
Accrued interest expenses to related parties (Note 29)	1,373,775,343	1,233,333,333
<b>TOTAL</b>	<b>1,043,936,809,354</b>	<b>1,634,889,249,478</b>
<b>Long-term</b>		
Accrued interest expenses (*)	1,076,700,765,770	-
Accrued land rental fees of industrial parks	56,986,376,370	-
Accrued interest expenses to related parties (Note 29)	945,879,723	909,879,723
<b>TOTAL</b>	<b>1,134,633,021,863</b>	<b>909,879,723</b>

(\*) This is the bond interest expense payable to PVcomBank. According to the Agreement on debt structuring, funding and debt repayment dated 30 December 2020 between the Company, PVcomBank and Trang Cat LLC, these bond interest will be due from 1 January 2026.

**19. OTHER PAYABLES**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Payables under share transfer contract (i)	1,804,868,000,000	-
Deposits to fulfill contractual obligations of real estate projects (ii)	573,496,410,377	439,934,046,609
Other short-term deposits (iii)	356,499,309,027	111,063,031,650
Tay Ninh Industrial Infrastructure Development Corporation (iv)	45,500,000,000	45,500,000,000
Dividends	18,426,582,873	41,995,332,873
Infrastructure maintenance fees	23,166,644,718	20,120,313,022
Other short-term payables	34,097,386,599	43,778,860,749
<b>TOTAL</b>	<b>2,856,054,333,594</b>	<b>702,391,584,903</b>
<b>Long-term</b>		
Other long-term deposits (iii)	35,537,754,956	35,126,202,093
<b>TOTAL</b>	<b>35,537,754,956</b>	<b>35,126,202,093</b>

(i) This is payables under the contract for the transfer of Hoa Sen Hotel Development Company Limited (see Note 6.1).

(ii) This is deposits from customers for land transfer agreement at real estate projects of the Group.

(iii) These mainly pertain to the deposits from long-term leases of land and infrastructure at industrial parks of the Group.

(iv) This is the payable of land rental collected from Tay Ninh Industrial Infrastructure Development Corporation due to termination of the land lease contract.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 20. LOANS

	Beginning balance		Movement during the year			Ending balance		Currency: VND
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount		
<b>Short-term</b>								
Current portion of long-term loans from banks (Note 20.1)	138,935,305,750	138,935,305,750	92,700,314,144	(61,060,959,093)	170,574,660,801	170,574,660,801		
Current portion of long-term bonds (Note 20.2)	557,100,000,000	557,100,000,000	910,249,545,453	(572,042,575,757)	895,306,969,696	895,306,969,696		
Short-term loans from related parties (Note 29)	100,000,000,000	100,000,000,000	19,000,000,000	(100,000,000,000)	19,000,000,000	19,000,000,000		
Other short-term loans (Note 20.3)	8,000,000,000	8,000,000,000	472,700,000,000	(18,900,000,000)	461,800,000,000	461,800,000,000		
<b>TOTAL</b>	<b>804,035,305,750</b>	<b>804,035,305,750</b>	<b>1,494,649,859,597</b>	<b>(752,003,534,850)</b>	<b>1,546,681,630,497</b>	<b>1,546,681,630,497</b>		
<b>Long-term</b>								
Long-term loans from banks (Note 20.1)	260,100,654,324	260,100,654,324	2,903,381,458,020	(92,700,314,144)	3,070,781,798,200	3,070,781,798,200		
Bonds (Note 20.2)	805,861,885,377	805,861,885,377	1,189,696,851,757	(944,114,325,976)	1,051,444,411,158	1,051,444,411,158		
Long-term loans from related parties (Note 29)	30,000,000,000	30,000,000,000	-	-	30,000,000,000	30,000,000,000		
Other long-term loans (Note 20.3)	25,935,378,567	25,935,378,567	40,000,000,000	-	65,935,378,567	65,935,378,567		
<b>TOTAL</b>	<b>1,121,897,918,268</b>	<b>1,121,897,918,268</b>	<b>4,133,078,309,777</b>	<b>(1,036,814,640,120)</b>	<b>4,218,161,587,925</b>	<b>4,218,161,587,925</b>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**20. LOANS** (continued)

**20.1 Long-term loans from banks**

Details of long-term loans from banks at 31 December 2020 are as follows:

Banks	Ending balance	Interest	Principal and interest payment term	Collateral
Joint Stock Commercial Bank for Investment and Development of Vietnam - Bac Ninh branch	155,132,616,221	10.5% per annum	The last repayment is on 19 June 2023. Principal is repayable every 6 months, started from 1 December 2018. Interest is payable every 3 months, started from 19 September 2018	All assets formed in the future including land use rights and assets attached with the land of Phuc Ninh Area in 22 ha area.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	253,474,365,951	9.5% - 10% per annum	The last repayment is on 29 November 2022. Principal is repayable every 6 months, started from 25 May 2018. Interest is payable every 3 months on 25 <sup>th</sup> day	All the assets formed in the future of the 100 hecta project in Phase 1 of Nam Son - Hap Linh Industrial park; along with the property rights arising from the economic contracts for trading of infrastructure, land and other attached properties of 100 hecta land area of stage 1 in Nam Son – Hap Linh Industrial Park.
	47,865,404,090	10% per annum	The last repayment is on 16 November 2022. Principal is repayable every 6 months, started from 22 June 2017. Interest is payable every 3 months on 25 <sup>th</sup> day	All assets formed from 83.8 ha area infrastructure development of Que Vo II Industrial Park.
	30,574,660,800	10.5% per annum	Principal and interest is repayable in February 2021.	Asset rights arising from infrastructure and land sublease contracts in Trang Due Industrial Park Phase II.
Tien Phong Commercial Joint Stock Bank	254,309,411,939	10% per annum	Maximum 6 years from 1 <sup>st</sup> disbursement date in July 2020. The principal debt grace period is 12 months from the 1 <sup>st</sup> disbursement. Interest is payable every month on 26 <sup>th</sup> day.	All assets formed in the future including land use rightst and assets attached with the land of unsold land lot in Trang Due Service, Trading Urban area and Workers Housing project.
Vietnam Public Joint Stock Commercial Bank	2,500,000,000,000	11.5% per annum	Maximum 10 years from the 1 <sup>st</sup> disbursement in December 2020.	All assets related to Trang Cat project as described in Note 10.
<b>TOTAL</b>	<b>3,241,356,459,001</b>			
<i>In which:</i>				
Current portion of long-term loans	170,574,660,801			
Long-term loans	3,070,781,798,200			

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 20. LOANS (continued)

### 20.2 Bonds

As at 31 December 2020, bonds issued by the Group are as follows:

Bond	Type of bond	Number of bonds	Par value (VND)	Amount (VND)	Interest rate per annum	Maturity date	Collateral
KBCbond1-2017	Corporate bond issued to BIDV- Saigon Northern branch	180	1,000,000,000	180,000,000,000	9.3%	21 November 2022	All equity capital of Kinh Bac – Da Nang Investment Company Limited, land use rights of land lot No. 84 Hung Vuong, Hai Chau 1 Ward, Hai Chau District, Da Nang City
KBCbond2019-03	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.3%	5 January 2021	700,000 shares of Saigon - Hai Phong Industrial Park Corporation
KBCbond2019-02	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	9.95%	15 April 2021	26,000,000 shares of Kinh Bac City Development Holding Coporation
KBCbond2019-06	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.8%	6 June 2021	420,000 shares of Saigon - Hai Phong Industrial Park Corporation
KBCbond2019-05	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	28 June 2021	800,000 shares of Saigon - Hai Phong Industrial Park Corporation
KBC2020.200	Corporate bond issued to counterparties	200,000	1,000,000	200,000,000,000	10.5%	8 May 2022	1,309,000 shares of Saigon - Bac Giang Industrial Park Corporation
KBC2020.VB	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.8%	23 June 2022	Assets attached with land (including factories, offices), infrastructure investment cost in Que Vo I, Que Vo II, and Quang Chau Industrial Parks.
KBC2020.DC	Corporate bond issued to counterparties	4,000,000	100,000	400,000,000,000	11%	28 January 2022	1,680,000 shares of Saigon - Hai Phong Industrial Park Corporation
KBCH2022003	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.5%	28 February 2022	Assets attached with land (including factories, offices), infrastructure investment cost in Que Vo I, and Que Vo II Industrial Parks.
<i>Bond issuance costs</i>				(33,248,619,146)			
<b>TOTAL</b>				<b>1,946,751,380,854</b>			

*In which:*

Current portion of long-term bonds

Long-term bonds

895,306,969,696

1,051,444,411,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**20. LOANS** (continued)

**20.3 Loans from other parties**

Detail short-term unsecured loans from other parties are as follow:

<i>Other parties</i>	<i>Ending balance (VND)</i>	<i>Interest</i>	<i>Principal and interest payment term</i>
Saigon – Nhonhoi Industrial Park Corporation	400,000,000,000	2% per month	1-month term, principal and interest matured in January 2021
Mr. Do Anh Dung	50,000,000,000	No interest	18-months term, principal will be matured in July 2021
Sai Gon – Da Nang Investment Corporation	7,800,000,000	12% per annum	12-month term, principal and interest will be matured in April 2021
Ms. Le Thi Hai Yen	4,000,000,000	12% per annum	12-months term, principal and interest will be matured in November 2021
<b>TOTAL</b>	<b><u>461,800,000,000</u></b>		

Detail long-term unsecured loans from other parties are as follow:

<i>Other parties</i>	<i>Ending balance (VND)</i>	<i>Interest</i>	<i>Principal and interest payment term</i>
Kim Ha Consulting and Investment Joint Stock Company	40,000,000,000	11% per annum	Principal and interest will be matured in May 2022
Kinh Bac Services Corporation	25,935,378,567	9% per annum	Principal and interest will be matured in December 2023
<b>TOTAL</b>	<b><u>65,935,378,567</u></b>		



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## 21. OWNERS' EQUITY

### 21.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
<b>Previous year</b>							
Beginning balance	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	3,650,661,947,305	802,762,703,429	9,837,357,794,557
- Net profit for the year	-	-	-	-	918,361,874,953	122,396,989,276	1,040,758,864,229
- Dividend declared	-	-	-	-	(469,760,189,000)	(27,225,368,714)	(496,985,557,714)
Ending balance	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,099,263,633,258	897,934,323,991	10,381,131,101,072
<b>Current year</b>							
Beginning balance	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,099,263,633,258	897,934,323,991	10,381,131,101,072
- Net profit for the year	-	-	-	-	224,032,834,488	95,781,131,624	319,813,966,112
- Dividend declared (*)	-	-	-	-	-	(38,550,000,000)	(38,550,000,000)
- Other decrease	-	-	-	-	(6,809,316,141)	(2,590,623,314)	(9,399,939,455)
Ending balance	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,316,487,151,605	952,574,832,301	10,652,995,127,729

Currency: VND

(\*) During the year, Northwest Saigon City Development Corporation, a subsidiary of the Company, has dividend declared according to the Resolution of the Annual General Meeting of Shareholders No. 43/NQ-DHCĐ2020-SCD dated 27 June 2020.

### 21.2 Contributed charter capital

	Ending balance		Beginning balance	
	Total	Ordinary shares	Preference shares	Total
Contribution by shareholders	4,757,111,670,000	4,757,111,670,000	-	4,757,111,670,000
Share premium	989,064,430,000	989,064,430,000	-	989,064,430,000
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)
<b>TOTAL</b>	<b>5,381,709,450,000</b>	<b>5,381,709,450,000</b>	<b>-</b>	<b>5,381,709,450,000</b>

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**21. OWNERS' EQUITY** (continued)

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

	Currency: VND	
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	4,757,111,670,000	4,757,111,670,000
Increase in the year	-	-
Decrease in the year	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>4,757,111,670,000</u>
<b>Dividends/profit paid</b>	-	<b>469,760,189,000</b>

**21.4 Dividend**

	Currency: VND	
	Current year	Previous year
<b>Dividends declared during the year</b>		
Dividends for 2018: VND 1,000 per share	-	469,760,189,000
<b>Dividends paid during the year</b>		
Dividends for 2018: VND 1,000 per share	23,868,750,000	444,314,856,050

**21.5 Shares**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Quantity (shares)	Par value (VND)	Quantity (shares)	Par value (VND)
<b>Issued shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
<b>Issued and paid-up shares</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>	<b>475,711,167</b>	<b>4,757,111,670,000</b>
Ordinary shares	475,711,167	4,757,111,670,000	475,711,167	4,757,111,670,000
Preference shares	-	-	-	-
<b>Treasury shares</b>	<b>5,950,978</b>	<b>59,509,780,000</b>	<b>5,950,978</b>	<b>59,509,780,000</b>
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preference shares	-	-	-	-
<b>Shares in circulation</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>	<b>469,760,189</b>	<b>4,697,601,890,000</b>
Ordinary shares	469,760,189	4,697,601,890,000	469,760,189	4,697,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND 10,000 per share (2019: VND 10,000 per share).

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## 22. NON-CONTROLLING INTEREST

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	897,934,323,991	802,762,703,429
Profit attributable to non-controlling interest	95,781,131,624	122,396,989,276
Dividends declared	(38,550,000,000)	(27,225,368,714)
Other decrease	(2,590,623,314)	-
<b>Ending balance</b>	<b><u>952,574,832,301</u></b>	<b><u>897,934,323,991</u></b>

## 23. REVENUES

### 23.1 Revenue from sales of goods and rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>2,150,962,555,356</b>	<b>3,209,906,030,157</b>
Of which:		
Revenue from long-term lease of land and infrastructures (*)	1,537,310,830,169	2,288,394,189,661
Revenue from real estate transfers	196,212,847,924	540,253,510,716
Revenue from supply of clean water, electricity, management services, wastewater treatment supply	277,080,329,211	223,982,408,442
Sale of factories	33,140,203,200	100,193,929,680
Revenue from operating leases of warehouses, factories and offices	107,218,344,852	48,170,136,496
Other revenue	-	8,911,855,162
<b>Net revenue</b>	<b><u>2,150,962,555,356</u></b>	<b><u>3,209,906,030,157</u></b>

(\*) During the year, the Group recorded revenues from long-term leases of land with infrastructure in the industrial parks in the consolidated income statement when the land is handed-over to the customers, which is based on the assessment that significant risks and rewards associated with ownership of the land have been transferred to the buyers. If revenue from the leases of land with infrastructure is allocated over the lease term, the impacts to revenue, cost of goods sold and services rendered; and gross profit from sale of goods and rendering of services of the Group are as follows:

	<i>Currency: VND</i>	
	<i>Revenues are recognized in full at the hand-over date</i>	<i>Revenues are amortized over the lease term</i>
Revenues from goods and rendering services	2,150,962,555,356	655,471,175,525
Of which:		
Revenue from long-term lease of land and infrastructures	1,537,310,830,169	41,548,253,461
Cost of goods sold and services rendered	(1,461,933,537,631)	(341,548,678,935)
<b>Gross profit from sale of goods and rendering of services</b>	<b><u>689,029,017,725</u></b>	<b><u>313,922,496,590</u></b>

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## 23. REVENUES (continued)

### 23.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gain on disposal of investment (i)	250,460,853,908	-
Interest income from outstanding receivables of share transfer contract (ii)	16,884,359,675	40,824,296,490
Interest income from term deposits and loans	44,743,415,328	38,187,803,257
Other finance income	1,616,603,985	919,801,306
<b>TOTAL</b>	<b><u>313,705,232,896</u></b>	<b><u>79,931,901,053</u></b>

- (i) During the year, the Company has transferred all shares in Sai Gon – Hue Investment Corporation to Kinh Bac Services JSC with a consideration of VND 453,054,000,000.
- (ii) This mainly pertains to interest income on receivables from Kinh Bac Services JSC under the contract to transfer the shares in Saigon – Binh Dinh Energy JSC.

## 24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of long-term leases of land and infrastructures	1,145,609,640,866	1,074,791,528,600
Cost of real estate transferred	107,628,540,288	113,273,436,721
Cost of supplying of clean water, electricity, management services, wastewater treatment supply	146,270,877,043	127,208,875,161
Cost of factories sold	17,148,560,216	34,702,809,895
Cost of warehouses, factories and offices for operating lease	45,275,919,218	13,180,171,869
<b>TOTAL</b>	<b><u>1,461,933,537,631</u></b>	<b><u>1,363,156,822,246</u></b>

## 25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
Consultation and brokerage expenses	47,597,826,702	127,603,646,911
Labour costs	3,846,700,257	3,317,314,000
Others	772,194,901	10,989,453,544
<b>TOTAL</b>	<b><u>52,216,721,860</u></b>	<b><u>141,910,414,455</u></b>
<b>Administrative expenses</b>		
Labour costs	134,042,533,573	98,901,264,299
Depreciation	12,251,539,504	9,334,100,773
External services	48,832,442,155	39,492,549,654
Donation	45,092,365,073	8,757,488,800
Others	30,501,315,257	15,394,495,122
<b>TOTAL</b>	<b><u>270,720,195,562</u></b>	<b><u>171,879,898,648</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 26. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	195,387,067,311	195,685,878,594
Allocation of bond issue costs	31,527,822,751	20,138,067,197
(Reversal of provision)/provision for investments	(750,098,833)	4,636,542,033
Others	4,077,362,012	2,160,054,397
<b>TOTAL</b>	<b><u>230,242,153,241</u></b>	<b><u>222,620,542,221</u></b>

## 27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Land, infrastructure, factories development and services rendering expenses	4,687,722,806,971	759,936,040,083
Labour costs	137,889,233,830	104,230,642,486
Depreciation of fixed assets	88,966,487,664	53,169,260,174
Expenses for external services	191,398,698,124	202,560,197,246
Other expenses	82,132,045,462	40,337,448,064
<b>TOTAL</b>	<b><u>5,188,109,272,051</u></b>	<b><u>1,160,233,588,053</u></b>

## 28. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 20% of taxable income except for the followings:

- ▶ For the industrial park development activities at Quang Chau Industrial Park, Saigon - Bacgiang Industrial Park Corporation is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the year ended 31 December 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park Corporation is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the year ended 31 December 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Trang Due Industrial Park - phase 2, Saigon - Hai Phong Industrial Park Corporation is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2015 to 2018 and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the year ended 31 December 2020 is 10% with a 50% reduction.
- ▶ For the industrial park development activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development Corporation is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2007 to 2010, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the year ended 31 December 2020 is 10%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 28. CORPORATE INCOME TAX (continued)

- For the industrial park development activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Company Limited is obliged to pay CIT at the rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for 4 years from 2012 to 2015, and a 50% reduction of the applicable CIT rate for the following 9 years. The statutory CIT rate applicable for the year ended 31 December 2020 is 10% with a 50% reduction.

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

### 28.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	177,342,931,117	167,120,965,198
Deferred tax (income)/expenses	(43,984,520,887)	156,295,080,051
<b>TOTAL</b>	<b><u>133,358,410,230</u></b>	<b><u>323,416,045,249</u></b>

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	<u>453,172,376,342</u>	<u>1,364,174,909,478</u>
CIT expenses at rate applicable to companies in the Group	119,103,272,626	266,883,143,152
<i>In which:</i>		
5% tax rate applied to long-term leases of land activities	204,606	1,194,504,552
10% tax rate applied to long-term leases of land activities	(6,475,598,722)	6,771,429,468
20% tax rate for other activities	125,578,666,742	258,917,209,132
<i>Adjustments to increase:</i>		
Non-deductible expenses	5,611,816,625	23,735,358,453
Loan interests exceeding deductible threshold under Decree 132/2020/ND-CP	28,786,918,916	-
Loan interest exceeding deductible threshold under Decree 20/2017/ND-CP	-	27,451,244,982
Losses from other activities which are not allowed to be offset against profits from real estate business activities	1,585,237	5,346,298,662
<i>Adjustments to decrease:</i>		
CIT adjustment according to Decree 68/2020/ND-CP (i)	(5,096,161,336)	-
Tax loss carried forward	(10,709,750,169)	-
CIT adjustment according to Decree 114/2020/ND-CP (ii)	(4,339,271,669)	-
<b>CIT expenses</b>	<b><u>133,358,410,230</u></b>	<b><u>323,416,045,249</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 28. CORPORATE INCOME TAX (continued)

### 28.1 CIT expenses (continued)

- (i) In accordance with the Decree No. 68/2020/ND-CP dated 24 June 2020 amending Decree No. 20/2017/ND-CP dated 24 February 2017 by the Government providing guidance on deductible interest expenses with effectiveness from the tax year 2019, the Company has recognized a reduction in current CIT expenses.
- (ii) In accordance with the Decree 114/2020/NĐ-CP dated 25 September 2020 promulgated by the Government on detailing the implementation of Resolution 116/2020/QH14 dated 19 June 2020 on reduction of CIT payable in 2020 for enterprise whose total revenue in 2020 does not exceed VND 200 billion ("Decree 114"), the Company has recognized a reduction in current CIT expenses.

### 28.2 Current tax

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

### 28.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Group, and the movements thereon, during the current and previous years :

Currency: VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax liabilities</b>				
Deferred tax liabilities arising from fair value adjustment on acquisition date at Northwest Saigon City Development Corporation	145,907,210,528	178,311,780,394	(32,404,569,866)	(24,842,504,165)
Deferred tax liabilities arising from fair value adjustment on acquisition date at Sai Gon - Hai Phong Industrial Park Corporation	457,334,950	457,334,950	-	-
Deferred tax liabilities arising from allocation of CIT over the land lease term	630,373,631,316	641,953,582,337	(11,579,951,021)	181,137,584,216
	<b>776,738,176,794</b>	<b>820,722,697,681</b>		
<b>Net deferred tax (credit)/debit to consolidated income statement</b>			<b>(43,984,520,887)</b>	<b>156,295,080,051</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 28. CORPORATE INCOME TAX (continued)

### 28.4 Unrecognised deferred tax assets

#### Tax losses carried forward

The Group is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had aggregated accumulated tax losses available for offset against future taxable income. Details are as follows:

Currency: VND

Originating year	Can be utilized up to		Tax loss amount	Utilized up to 31 December 2020	Forfeited	Unutilized at 31 December 2020
2015	2020	(i)	71,200,307,244	-	(71,200,307,244)	-
2016	2021	(i)	3,008,882,395	-	-	3,008,882,395
2017	2022	(i)	4,433,878,613	-	-	4,433,878,613
2018	2023	(i)	5,476,455,673	-	-	5,476,455,673
2019	2024	(ii)	59,196,831,283	(53,548,750,843)	-	5,648,080,440
2020	2025	(ii)	14,603,713,647	-	-	14,603,713,647
<b>TOTAL</b>			<b>157,920,068,855</b>	<b>(53,548,750,843)</b>	<b>(71,200,307,244)</b>	<b>33,171,010,768</b>

- (i) These are estimated tax losses of the Company's branch which have been audited by the local tax authorities, and the estimated tax losses of Trang Cat One Member Development Company Limited which have not been audited by the local tax authorities as of the date of these consolidated financial statements.
- (ii) These are estimated tax losses as per the tax returns of the Company, the Company's branch and the Trang Cat One Member Development Company Limited which have not been audited by the local tax authorities as of the date of these consolidated financial statements.

#### Interest expenses exceeding the prescribed threshold

The Group is entitled to carry forward the non-deductible interest expenses in the CIT returns ("non-deductible interest expense") when determining the deductible interest expenses in the following periods. The Group can carry forward subsequently the non-deductible interest expenses in five cumulative years since such interest expenses incurred. As at the balance sheet date, the Group had aggregated accumulated non-deductible interest expenses which are available for carry-forward as followings:

Currency: VND

Originating year	Can be utilized up to		Non-deductible interest expense	Utilized up to 31 December 2020	Forfeited	Unutilized at 31 December 2020
2019	2024	(i)	99,566,069,293	-	-	99,566,069,293
2020	2025	(i)	143,934,594,578	-	-	143,934,594,578
<b>TOTAL</b>			<b>243,500,663,871</b>	<b>-</b>	<b>-</b>	<b>243,500,663,871</b>

- (i) These are estimated non-deductible interest expenses as per the Company's tax returns which have not been audited by the local tax authorities as of the date of these consolidated financial statements.

No deferred tax assets were recognised in respect of the above accumulated losses and the non-deductible interest expenses because future taxable profit cannot be ascertained at this stage.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 29. TRANSACTIONS WITH RELATED PARTIES

List of related parties which had transactions and/or receivable/payable balances during the year with the Group:

No.	Related parties	Relationship
1	Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Common key management member
2	Saigon Telecommunication & Technologies Corporation	Associate
3	Vinatex – Tan Tao Investment Corporation	Common key management member
4	Mr. Dang Thanh Tam	Chairman
5	Ms. Nguyen Thi Thu Huong	General Director
6	Mr. Phan Anh Dung	Deputy General Director
7	Ms. Nguyen My Ngoc	Deputy General Director
8	Mr. Vu Thanh Duong	Subsidiary's General Director
9	Mr. Mai Tuan Dung	Subsidiary's General Director
10	Mr. Vu Ngoc Anh	Subsidiary's General Director
11	Mr. Le Minh Ha	Subsidiary's Deputy General Director

Significant transactions with related parties in current year and prior year were as follows:

Related parties	Relationship	Transaction	Currency: VND	
			Current year	Previous year
Mr. Dang Thanh Tam	Chairman	Dividends paid	23,868,750,000	-
		Advance	5,100,000,000	3,934,912,000
		Collection of advance	-	206,849,221,000
Vinatex – Tan Tao Investment Corporation	Common key management member	Borrowings	-	100,000,000,000
		Repayment of borrowings	100,000,000,000	-
		Interest expenses	6,399,999,667	1,233,333,333
		Interest expenses paid	7,633,333,000	-
Saigon Telecommunication & Technologies Corporation	Associate	Lendings	141,000,000,000	5,000,000,000
		Collection of lendings	106,292,687,097	-
		Borrowings	19,000,000,000	-
Mr. Mai Tuan Dung	Subsidiary's General Director	Advance	17,344,106,613	25,741,603,866
Mr. Vu Thanh Duong	Subsidiary's General Director	Advance	63,583,840,000	1,390,000,000
Mr. Vu Ngoc Anh	Subsidiary's General Director	Advance	6,290,000,000	-

### Terms and conditions of transactions with related parties

The sales, and purchases, of goods to/from related parties, borrowings and lendings are made on contractual basis.

Outstanding balances at 31 December 2020 are unsecured, interest free and will be settled in cash. For the year ended 31 December 2020, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2019: 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet dates were as follows:

Currency: VND

Related parties	Relationship	Transaction	Ending balance	Beginning balance
<b>Loan receivables (Note 8)</b>				
Saigon Telecommunication & Technologies Corporation (*)	Associate	Short-term loan receivables	58,647,561,337	21,492,687,097
			<b>58,647,561,337</b>	<b>21,492,687,097</b>
<b>Other short-term receivables (Note 9)</b>				
Saigon Telecommunication & Technologies Corporation	Associate	Deposits for business cooperation	-	40,000,000,000
		Interest receivables	3,000,054,902	3,794,946,436
Mr. Mai Tuan Dung	Subsidiary's General Director	Advance	43,085,710,479	25,741,603,866
Mr. Dang Thanh Tam	Chairman	Advance	5,100,000,000	-
Ms. Nguyen Thi Thu Huong	General Director	Advance	3,489,211,820	3,489,211,820
Mr. Vu Thanh Duong	Subsidiary's General Director	Advance	64,973,840,000	1,390,000,000
Mr. Vu Ngoc Anh	Subsidiary's General Director	Advance	6,290,000,000	-
Mr. Le Minh Ha	Subsidiary's Deputy General Director	Advance	1,328,000,000	-
Ms. Nguyen My Ngoc	Deputy General Director	Advance	136,330,000	309,776,900
Mr. Phan Anh Dung	Deputy General Director	Advance	110,000,000	110,000,000
			<b>127,513,147,201</b>	<b>74,835,539,022</b>

(\*) This is unsecured loans with the interest ranging from 4.5 to 12% per annum and will be matured in February to December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet dates were as follows:  
(continued)

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Other long-term receivables (Note 9)</i></b>				
Saigon Telecommunication & Technologies Corporation	Associate	Deposit for business cooperation	40,000,000,000	-
			<u>40,000,000,000</u>	<u>-</u>
<b><i>Short-term accrued expenses (Note 18)</i></b>				
Saigon Telecommunication & Technologies Corporation	Associate	Interest payables	1,373,775,343	-
Vinatex – Tan Tao Investment Corporation	Common key management member	Interest payables	-	1,233,333,333
			<u>1,373,775,343</u>	<u>1,233,333,333</u>
<b><i>Long-term accrued expenses (Note 18)</i></b>				
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC	Common key management member	Interest payables	945,879,723	909,879,723
			<u>945,879,723</u>	<u>909,879,723</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

## 29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows:  
(continued)

*Currency: VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term loans (Note 20)</b>				
Saigon Telecommunication & Technologies Corporation (i)	Associate	Short-term borrowings	19,000,000,000	-
Vinatex – Tan Tao Investment Corporation	Common key management member	Short-term borrowings	-	100,000,000,000
			<b>19,000,000,000</b>	<b>100,000,000,000</b>
<b>Long-term loans (Note 20)</b>				
Sai Gon Hi-Tech Park Infrastructure Development and Investment JSC (ii)	Common key management member	Long-term borrowings	30,000,000,000	30,000,000,000
			<b>30,000,000,000</b>	<b>30,000,000,000</b>

- (i) These are unsecured loan with interest at 11% per annum and will be matured in April to June 2021.
- (ii) This is unsecured loan with the interest at 0.01% per month and will be matured on 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

*Transactions with other related parties*

Income comprising salary, remuneration, bonus of members of Board of Directors and Management :

Currency: VND

Individuals	Position	Current year			Previous year					
		Remuneration of Board of Directors	Total income of Management	Total personal income tax payable	Remuneration of Board of Directors	Total income of Management	Total personal income tax payable			
Ms. Nguyen Thi Thu	General Director, Member of Board of Directors	100,000,000	6,408,151,000	3,166,174,000	9,674,325,000	100,000,000	5,219,899,000	2,554,776,000	7,874,675,000	
Huong	Member of Board of Directors	580,000,000	-	64,444,444	644,444,444	579,999,995	-	-	64,444,444	644,444,439
Mr. Nguyen Vinh Tho	Member of Board of Directors	100,000,000	-	11,111,111	111,111,111	100,000,000	-	-	11,111,111	111,111,111
Mr. Huynh Phat	Member of Board of Directors	-	1,611,459,000	614,786,000	2,226,245,000	-	1,119,999,000	363,076,000	1,483,075,000	
Mr. Phan Anh Dung	Deputy General Director	100,000,000	2,307,150,000	1,043,235,000	3,450,385,000	100,000,000	1,710,900,000	735,100,000	2,546,000,000	
Mr. Pham Phuc Hieu	Deputy General Director, Chief accountant, Member of Board of Directors	-	1,784,218,000	707,810,000	2,492,028,000	-	1,505,166,000	547,212,000	2,052,378,000	
Mr. Nguyen My Ngoc	Deputy General Director	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>880,000,000</b>	<b>12,110,978,000</b>	<b>5,607,560,555</b>	<b>18,598,538,555</b>	<b>879,999,995</b>	<b>9,555,964,000</b>	<b>4,275,719,555</b>	<b>14,711,683,550</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 30. EARNINGS PER SHARE

The following reflects the income and share data used in the calculation of earnings per share:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Net profit after tax attributable to ordinary equity holders for basic earnings</b>	<b>224,032,834,488</b>	<b>918,361,874,953</b>
<i>Effect of dilution</i>	-	-
<b>Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b>224,032,834,488</b>	<b>918,361,874,953</b>
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>469,760,189</b>	<b>469,760,189</b>
<i>Effect of dilution</i>	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>469,760,189</b>	<b>469,760,189</b>
Basic earnings per share	477	1,955
Diluted earnings per share	477	1,955

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 31. COMMITMENTS AND CONTINGENT LIABILITIES

#### 31.1 *Contingent liabilities relating to real estate projects*

*Contingent liabilities related to obligations to the State:*

From 2003 to 2014, the Company signed a number of land rental contracts with Bac Ninh Provincial People's Committee for the land area at Que Vo I Industrial Park and Que Vo II Industrial Park, which is 2,268,388.8 m<sup>2</sup> (up to 2052) and 2,234,012.9 m<sup>2</sup> (up to 2057), respectively. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. In 2020, the Company has received the land rental payment notification for 2,098,448 m<sup>2</sup> in Que Vo I Industrial Park and Que Vo II Industrial Park, and has not received the land rental payment notification for remainings land lots in these industrial parks.

From 2011 to 2014, Saigon – Hai Phong Industrial Park Corporation (“SHP”) signed land lease agreements with the People's Committee of Haiphong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m<sup>2</sup>. Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m<sup>2</sup> land area and up to 2057), Contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m<sup>2</sup> land area and up to 2057) and Contract No.13/HĐTD dated 17 February 2014 (for 93,303.7 m<sup>2</sup> land area and up to 2057). On 12 December 2014, the General Department of Taxation of Haiphong City issued Decision No. 4274/QĐ-CT on land rental exemption for Saigon-Hai Phong Industrial Park Corporation. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the Land Lease Contracts No. 04, No.13 and No.179, respectively. In 2020, SHP has received land rental payment notification of 1,363,473 m<sup>2</sup> in Trang Due Industrial Park. However, SHP is in the process to finalize with the General Department of Taxation of Haiphong City to clarify exemption of land rental fee for leased land areas to LG Electronics Vietnam Hai Phong Company Limited and LG Display Vietnam Haiphong Company Limited under Decision No. 583/UBND-CT dated 24 January 2013 of People Committee of Haiphong City.

On 20 March 2013, the Department of Finance of Ho Chi Minh City sent a notice to Northwest Saigon City Development Corporation (“SCD”) advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square meter for 2011 and 2012. However, according to Decision No. 2093/QĐ-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC on removal of difficulties for enterprises, land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, SCD currently accrues the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014 based on the land rental rate of VND 500/m<sup>2</sup>, equivalent to two times of 2010 land rental fee which was approved by Ho Chi Minh City People's Committee under the land lease contract No. 2516/HD-TNMT-QHSDD on 5 April 2007. At the same time, SCD sent a letter to the Ho Chi Minh City People's Committee to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 pursuant to the above regulations. On 5 October 2017, Ho Chi Minh city Tax department issued Notice No. 9726/CT-KTTĐ on land rental for the change in land use purpose in Tan Phu Trung Industrial Park, Cu Chi District. According to which, the land rental fee of 12 tenants from 1 January 2016 to 16 December 2054 is VND 10,158,341,700; and late payment penalty has been calculated to 30 June 2017 is VND 12,219,236,070. The Company has paid such land rental fee and late payment penalty in 2018 in accordance with above notice.

From 2008 to 2010, Saigon - Bac Giang Industrial Park Corporation (“SBG”) signed land lease agreements with the People's Committee of Bac Giang Province for a total land area of 3,900,015.2 m<sup>2</sup> at Quang Chau Industrial Park (until 2056). According to the 2nd Investment Certificate dated 12 September 2014, Quang Chau Industrial Park is entitled to land rental fee exemption for 6 years during the development of the Industrial Park and another 7 years from the completion date of the project and put into operations. As at the date of these consolidated financial statements, SBG is still in the process of finalizing with the authorities to determine land rental obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**31. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

**31.1 *Contingent liabilities relating to real estate projects* (continued)**

As at the date of these consolidated financial statements, the Company and its subsidiaries are still in the process of finalizing with the State authorities to determine the amount of land compensation and site clearance expenses which could be eligible for offsetting with the land rental fees of the leased areas as mentioned above, as well as to clarify with the tenants at these industrial parks to finalize the payment obligations of annual land rental. In addition, SHP is in the process of finalizing with the General Department of Taxation of Haiphong City to clarify the exemption of land rental fee for the land areas let out to LG Electronics Vietnam Hai Phong Company Limited and LG Display Vietnam Haiphong Company Limited under Decision No. 583/UBND-CT dated 24 January 2013 of the People's Committee of Haiphong City as described above.

While awaiting the outcome of these discussions, the Group has estimated the Group's land rental obligations and accrued to the costs of leased land areas. However, the final land rental obligations could be changed at a later date upon final decision of the State authorities.

**31.2 *Commitments relating to real estate projects***

*Commitments relating to the State:*

- (i) On 10 June 2015, the Company signed a land rental contract with Bac Ninh Provincial People's Committee for 1,050,877.9m<sup>2</sup> land area assigned at Nam Son Hap Linh Industrial Park (up to 2058). As at the date of these consolidated financial statements, the Company is still in the process of finalizing with the authorities the land rental obligations for this project.
- (ii) According to Decision No. 1526/QD-CT dated 17 December 2003 and Decision No. 971/QD-UBND dated 15 July 2009 by Bac Ninh Provincial People's Committee regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh Town, Bac Ninh Province, the Company has an obligation to pay land use fees and other charges for the residential land area, commercial and public areas in the Phuc Ninh Residential Area. Accordingly, the Company was handed over 49.53 ha of land in 2010, completed the land marking for 47.2 ha of land in 2013 with Bac Ninh Provincial People's Committee and paid the land use fees of VND 175,735,431,000 in accordance with the Decision No. 2229/QD-CT dated 23 December 2004 by Bac Ninh Provincial People's Committee on the land use fee (phase 1) and the notices of payment of land use fee by the Tax Department of Bac Ninh Province. As at the date of these consolidated financial statements, the Company is in the process of finalizing the land use fees with Bac Ninh Provincial People's Committee for the above assigned land.

*Capital expenditure commitments:*

As at 31 December 2020, the Company and its subsidiaries have entered into contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Nam Son – Hap Linh Industrial Park, Quang Chau urban area, Trang Due Industrial Park, Tan Phu Trung Industrial Park and Trang Cat urban area with total outstanding contractual commitment amounts to approximately VND 369.6 billion.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

**31. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

**31.3 Collateral and guarantees**

*Collateral and guarantees relating to the Agreement on debt structuring, funding and debt repayment with PvcomBank*

As disclosed in Note 10, under the Agreement No. 3012/2020/BBTT/PVB-KB-TCC dated 30 December 2020 on debt structuring, funding and debt repayment, the Company and Trang Cat LLC have agreed to use Trang Cat project to secure for the loans and debts of a group of companies and individuals (including KinhBac City Development Holding Corporation, a subsidiary of the Company and other companies/individuals) with PvcomBank. Also under this Debt Structuring Agreement, the Company and Trang Cat LLC also committed to PvcomBank to repay the debts for and on behalf of the other companies and individuals if these parties violate the payment obligations agreed with PvcomBank. The total loan and debt obligations of the other companies and individuals to PvcomBank as at 31 December 2020 is described in Note 10.

The Company has entered into this Debt structuring agreement prior to the approval of the General Meeting of Shareholders as required by the Company's Charter and by Decree 71/2017/NĐ-CP ("Decree 71") of the Government dated 6 June 2017 providing guidance on corporate governance applicable for public interest companies. The management plans to seek approval of the General Meeting of Shareholders in the upcoming meeting of General Shareholders.

**31.4 Disputes**

*Disputes with VTC Wireless Telecommunications Corporation*

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19.2%. The Company has then transferred VND 30,700,200,000 (19.2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation. However, the Company has alleged that VTC has not completed the purchase of assets for VTC - Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recover this investment. The Group's management has assessed that this investment will be recovered from VTC; and therefore, no provision has been made for the investment in VTC - Saigontel Media Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended

### 32. EVENTS AFTER THE BALANCE SHEET DATE

On 3 February 2021 and 8 February 2021, the Board of Directors issued the Resolution on cooperation with Saigon – Hai Phong Industrial Park Corporation and Saigon Telecommunication & Technologies Corporation to contribute capital to establish Hung Yen Investment and Development Corporation, Long An Development Invest Joint Stock Company and Vung Tau Investment Group Joint Stock Company with the registered charter capital at VND 1,800 billion, VND 1,500 billion and VND 1,000 billion respectively. According to which, the Company will contribute 60% of charter capital of Hung Yen Investment and Development Corporation, 36% charter capital of Long An Development Invest Joint Stock Company and 74.52% charter capital of Vung Tau Investment Group Joint Stock Company. As at the date of these consolidated financial statements, the Company is in the process of completing necessary legal procedures to contribute capital to these companies as committed.

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



Luu Phuong Mai  
Preparer



Pham Phuc Hieu  
Deputy General Director and  
Chief Accountant




Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

30 March 2021