

# **KinhBac City Development Holding Corporation**

Interim consolidated financial statements

For the six-month period ended 30 June 2021



# 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 16<sup>th</sup> 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, Vietnam.

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

### BOARD OF DIRECTORS

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

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

### BOARD OF SUPERVISION

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

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

### MANAGEMENT

Members of Management during the period 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 cum 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 period 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 interim consolidated financial statements for the six-month period ended 30 June 2021.

## AUDITORS

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

# KinhBac City Development Holding Corporation

## REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation (“the Company”) is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) for the six-month period ended 30 June 2021.

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Nguyen Thi Thu Huong  
General Director

Bac Ninh, Vietnam

15 September 2021

Reference: 60774739/22647288-HN-LR

## **REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

We have reviewed the accompanying interim consolidated financial statements of KinhBac City Development Holding Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), as prepared on 15 September 2021 and set out on pages 6 to 63, which comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

### ***Management’s responsibility***

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

### ***Auditors’ responsibility***

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

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

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



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

Bui Anh Tuan  
Deputy General Director  
Audit Practising Registration  
Certificate No. 1067-2018-004-1

Hanoi, Vietnam

15 September 2021

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2021

Currency: VND

Code	ASSETS	Notes	30 June 2021	31 December 2020
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>23,901,109,787,741</b>	<b>21,403,279,332,062</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>2,255,240,119,557</b>	<b>1,049,757,121,957</b>
111	1. Cash		2,024,688,950,491	889,890,633,358
112	2. Cash equivalents		230,551,169,066	159,866,488,599
<b>120</b>	<b>II. Short-term investments</b>		<b>1,939,832,825,499</b>	<b>1,939,653,239,000</b>
121	1. Held-for-trading securities	6.1	1,862,358,461,369	1,862,358,461,369
122	2. Provision for held-for-trading securities	6.1	(5,164,742,719)	(5,305,222,369)
123	3. Held-to-maturity investments	6.2	82,639,106,849	82,600,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>8,099,151,597,468</b>	<b>6,637,765,390,090</b>
131	1. Short-term trade receivables	7.1	1,800,692,095,729	1,384,869,373,085
132	2. Short-term advances to suppliers	7.2	2,946,266,937,865	2,701,142,324,970
135	3. Short-term loan receivables	8	1,281,965,103,926	925,080,022,356
136	4. Other short-term receivables	9	2,077,561,440,598	1,634,007,650,329
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>11,372,912,620,583</b>	<b>11,533,861,446,985</b>
141	1. Inventories		11,372,912,620,583	11,533,861,446,985
<b>150</b>	<b>V. Other current assets</b>		<b>233,972,624,634</b>	<b>242,242,134,030</b>
151	1. Short-term prepaid expenses	11	79,997,468,692	78,372,182,343
152	2. Value-added tax deductible	17	150,013,891,758	162,365,406,594
153	3. Tax and other receivables from the State	17	3,914,763,310	1,449,594,958
155	4. Other current assets		46,500,874	54,950,135



INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2021

Currency: VND

Code	ASSETS	Notes	30 June 2021	31 December 2020
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>3,584,502,021,332</b>	<b>2,382,598,917,887</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>1,358,852,008,211</b>	<b>181,755,869,861</b>
215	1. Long-term loan receivables	8	1,317,973,000,000	140,910,000,000
216	2. Other long-term receivables	9	40,879,008,211	40,845,869,861
<b>220</b>	<b>II. Fixed assets</b>		<b>245,347,058,181</b>	<b>256,277,089,070</b>
221	1. Tangible fixed assets	12	245,246,326,508	256,126,185,538
222	Cost		537,800,368,203	530,008,517,295
223	Accumulated depreciation		(292,554,041,695)	(273,882,331,757)
227	2. Intangible fixed assets		100,731,673	150,903,532
228	Cost		448,175,500	448,175,500
229	Accumulated amortisation		(347,443,827)	(297,271,968)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>248,199,842,175</b>	<b>393,841,913,682</b>
231	1. Cost		311,829,377,858	479,236,688,645
232	2. Accumulated depreciation		(63,629,535,683)	(85,394,774,963)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>932,743,809,359</b>	<b>869,345,580,191</b>
242	1. Construction in progress	14	932,743,809,359	869,345,580,191
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>778,202,091,403</b>	<b>660,601,134,707</b>
252	1. Investments in associates, jointly controlled entities	15.1	352,589,809,553	234,988,852,857
253	2. Investment in other entities	15.2	448,500,200,000	448,500,200,000
254	3. Provision for diminution in value of long-term investments		(22,887,918,150)	(22,887,918,150)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>21,157,212,003</b>	<b>20,777,330,376</b>
261	1. Long-term prepaid expenses	11	21,157,212,003	20,777,330,376
<b>270</b>	<b>TOTAL ASSETS</b>		<b>27,485,611,809,073</b>	<b>23,785,878,249,949</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2021

Currency: VND

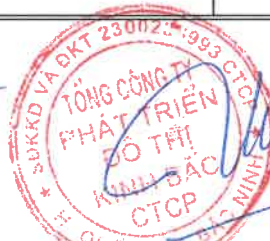
Code	RESOURCES	Notes	30 June 2021	31 December 2020
<b>300</b>	<b>C. LIABILITIES</b>		<b>14,865,238,198,364</b>	<b>13,132,883,122,220</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>7,053,719,219,707</b>	<b>6,962,196,498,660</b>
311	1. Short-term trade payables	16.1	201,852,770,135	155,402,318,840
312	2. Short-term advances from customers	16.2	547,951,635,115	894,453,239,637
313	3. Statutory obligations	17	279,487,289,443	454,343,617,554
314	4. Payables to employees		9,482,439,269	134,912,511
315	5. Short-term accrued expenses	18	1,334,980,343,101	1,043,936,809,354
318	6. Short-term unearned revenues		2,577,417,026	4,327,075,364
319	7. Other short-term payables	19	2,749,276,045,115	2,856,054,333,594
320	8. Short-term loans	20	1,921,248,719,194	1,546,681,630,497
322	9. Bonus and welfare fund		6,862,561,309	6,862,561,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>7,811,518,978,657</b>	<b>6,170,686,623,560</b>
333	1. Long-term accrued expenses	18	1,322,544,221,315	1,134,633,021,863
336	2. Long-term unearned revenue		4,600,301,949	4,664,114,060
337	3. Other long-term liabilities	19	31,037,547,204	35,537,754,956
338	4. Long-term loans	20	5,569,981,910,162	4,218,161,587,925
341	5. Deferred tax liabilities	28.3	882,403,030,065	776,738,176,794
342	6. Long-term provisions		951,967,962	951,967,962

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2021

Currency: VND

Code	RESOURCES	Notes	30 June 2021	31 December 2020
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>12,620,373,610,709</b>	<b>10,652,995,127,729</b>
<b>410</b>	<b>I. Capital</b>		<b>12,620,373,610,709</b>	<b>10,652,995,127,729</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	4,956,532,047,311	4,316,487,151,605
421a	- Undistributed earnings up to end of prior year		4,316,487,151,605	4,092,454,317,117
421b	- Undistributed earnings of current period		640,044,895,706	224,032,834,488
429	6. Non-controlling interests	22	2,279,908,419,575	952,574,832,301
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>27,485,611,809,073</b>	<b>23,785,878,249,949</b>


Luu Phuong Mai  
Preparer


Pham Phuc Hieu  
Deputy General Director cum  
Chief Accountant
  
 Nguyen Thi Thu Huong  
General Director


15 September 2021

INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2021

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
01	1. Revenue from sale of goods and rendering of services	23.1	2,751,776,128,101	727,333,138,069
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	2,751,776,128,101	727,333,138,069
11	4. Cost of goods sold and services rendered	24	(1,179,670,574,761)	(370,079,562,942)
20	5. Gross profit from sale of goods and rendering of services		1,572,105,553,340	357,253,575,127
21	6. Finance income	23.2	74,489,770,006	27,224,259,696
22	7. Finance expenses	25	(225,377,789,258)	(98,401,148,308)
23	In which: Interest expenses		(206,850,573,323)	(81,759,376,401)
24	8. Shares of profit of associates, joint-ventures	15.1	5,100,956,696	2,021,578,314
25	9. Selling expenses	26	(105,929,512,584)	(24,474,368,156)
26	10. General and administrative expenses	26	(216,215,965,974)	(108,326,271,547)
30	11. Operating profit		1,104,173,012,226	155,297,625,126
31	12. Other income		2,113,888,722	9,239,426,132
32	13. Other expenses		(8,535,360,490)	(126,960,001)
40	14. Other (loss)/profit		(6,421,471,768)	9,112,466,131
50	15. Accounting profit before tax		1,097,751,540,458	164,410,091,257
51	16. Current corporate income tax expenses	28.1	(199,708,204,207)	(73,824,111,030)
52	17. Deferred tax (expenses)/ income	28.3	(105,664,853,271)	14,531,807,053
60	18. Net profit after tax		792,378,482,980	105,117,787,280
61	19. Net profit after tax attributable to shareholders of the parent		640,044,895,706	50,873,225,025
62	20. Net profit after tax attributable to non-controlling interests		152,333,587,274	54,244,562,255
70	21. Basic earnings per share	30	1,362	108
71	22. Diluted earnings per share	30	1,362	108

  
Luu Phuong Mai  
Preparer

  
Pham Phuc Hieu  
Deputy General Director cum  
Chief Accountant

  
Nguyen Thi Thu Huong  
General Director



15 September 2021

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2021


Currency: VND


Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>1,097,751,540,458</b>	<b>164,410,091,257</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets		41,095,871,393	42,295,930,872
03	(Reversal of provisions)/provision		(140,479,650)	49,734,494
05	Profits from investing activities		(77,845,131,333)	(25,879,022,579)
06	Interest expenses and bond issues costs	25	223,969,043,285	84,334,101,879
08	<b>Operating profit before changes in working capital</b>		<b>1,284,830,844,153</b>	<b>265,210,835,923</b>
09	Increase in receivables		(941,505,444,947)	(157,888,610,043)
10	Decrease/(increase) in inventories		160,948,826,402	(93,291,815,206)
11	Decrease in payables (other than interest, corporate income tax)		(273,918,205,321)	(351,061,537,667)
12	(Increase)/decrease in prepaid expenses		(2,005,167,976)	14,114,030,673
13	Increase in held-for-trading securities		-	(50,000,000,000)
14	Interest paid		(159,350,163,524)	(106,458,709,092)
15	Corporate income tax paid	17	(120,615,919,255)	(72,641,413,825)
17	Other cash outflows for operating activities		-	(165,666,000)
20	<b>Net cash flows used in operating activities</b>		<b>(51,615,230,468)</b>	<b>(552,182,885,237)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(33,857,852,489)	(34,653,449,502)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,530,081,000,000)	(127,710,398,857)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		-	196,292,687,097
25	Payments for investments in other entities		(155,822,882,035)	-
26	Proceeds from sale of investments in other entities		70,000,000,000	68,500,000,000
27	Interest and dividends received		12,294,926,671	4,180,611,847
30	<b>Net cash flows (used in)/from investing activities</b>		<b>(1,637,466,807,853)</b>	<b>106,609,450,585</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2021

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares		1,175,000,000,000	-
33	Drawdown of borrowings		3,386,403,487,227	710,125,594,465
34	Repayment of borrowings		(1,666,838,451,306)	(475,900,000,001)
36	Dividend paid		-	(23,868,750,000)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>2,894,565,035,921</b>	<b>210,356,844,464</b>
<b>50</b>	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		<b>1,205,482,997,600</b>	<b>(235,216,590,188)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>		<b>1,049,757,121,957</b>	<b>652,005,005,791</b>
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>5</b>	<b>2,255,240,119,557</b>	<b>416,788,415,603</b>

  
 Luu Phuong Mai  
Preparer

  
 Pham Phuc Hieu  
Deputy General Director cum  
Chief Accountant

  
 Nguyen Thi Thu Huong  
General Director


15 September 2021



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2021 and for the six-month period then ended

## 1. CORPORATE INFORMATION

Kinh Bac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate 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 16<sup>th</sup> 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 30 June 2021 is: 531 (31 December 2020: 520).

### Corporate structure

At 30 June 2021, the Company has the following subsidiaries:

No.	Company's name	Voting right (%) (*)	Effective 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, Viet Nam	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, Viet Nam	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, Cu Chi, Ho Chi Minh City, Viet Nam	Investment, building and trading industrial parks and real estates
4	Trang Cat One Member Urban Development Limited Company	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong City, Viet Nam	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach Street, Quoc Tu Giam Ward, Dong Da District, Hanoi, Viet Nam	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, Viet Nam	Investment, building and trading real estates

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%) (*)</i>	<i>Interest right (%)</i>	<i>Head office</i>	<i>Main activities</i>
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, Vietnam	Investment, building and trading real estates
8	Tien Duong Development Holding Joint Stock Company	51	51	100 An Trach, Cat Linh Ward, Dong Da District, Hanoi, Vietnam	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, Vietnam	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, Vietnam	Architectural activities and related technical consultancy
12	Hung Yen Investment and Development Corporation	70	68.65	No. 537, Nguyen Van Linh street, Le Loi ward, Hung Yen city, Hung Yen Province, Vietnam	Building and trading real estates
13	Long An Investment Development Joint Stock Company (**)	60	56.77	Lot 6A, Road No. 3, Tan Duc Industrial Park, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	Building and trading real estates
14	Bao Lac Spiritual Park Joint Stock Company (**)	65	56.25	Ngo Xa village, Long Chau commune, Yen Phong district, Bac Ninh Province, Vietnam	Funeral service activities
15	Vung Tau Investment Group Joint Stock Company	74.52	74.52	LK 28 Hang Dieu 1 Street, Ward 10, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	Building and trading real estates

(\*) The voting right is also the total 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.

During the period, the Group established and contributed capital to Hung Yen Group and Development Investment Joint Stock Company, Long An Investment Development Joint Stock Company, Bao Lac Spiritual Park Joint Stock Company, the company associates and in the process of contributing capital to Vung Tau Investment Group Joint Stock Company, as presented in Note 4. In addition, the Company also has associated companies as presented in Note 15.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## **2. BASIS OF PREPARATION**

### **2.1 *Accounting standards and system***

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

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

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

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

The Company'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 interim 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 interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2021.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 2. BASIS OF PREPARATION (continued)

### 2.5 *Basis of consolidation* (continued)

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

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

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 *Inventories*

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.

#### *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 interim consolidated balance sheet date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.3 *Receivables*

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

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

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

#### 3.5 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

#### 3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible 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)	8 - 25 years
Machinery and equipment	4 - 10 years
Means of transportation	4 - 10 years
Office equipment	3 - 8 years
Others	3 - 8 years
Softwares	3 - 5 years

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.7 *Investment properties*

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

Subsequent expenditure relating to an investment property that has already been recognized 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 follow 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	8 -10 years
Land and infrastructure development cost	40 - 45 years

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

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.

#### 3.8 *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 period in which they are incurred, except to the extent that they are capitalized 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 capitalized as part of the cost of the respective asset.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses (from 1 to 3 years).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.10 *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 recognized directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized 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 interim consolidated income statement.

#### 3.11 *Assets acquisitions and business combinations*

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

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.

#### 3.12 *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 interim 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 interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.12 *Investments* (continued)

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

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

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

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

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

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

#### 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 period for all employees who have been in service for more than 12 months up to 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, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the interim 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

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

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the 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 interim consolidated income statement.

#### 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, 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 Vietnamese 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 interim consolidated balance sheet.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 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 interim consolidated income statement on a straight-line basis over the lease term.

##### *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.

##### *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.

##### *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.

##### *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.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.19 *Cost of long-term lease of land and infrastructure*

Cost of sale related to long-term lease of land and infrastructure 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.

#### 3.20 *Taxation*

##### *Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set 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 interim consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.20 *Taxation* (continued)

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset 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/(loss) 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

#### 3.22 *Segment information*

A segment is a component which can be separately identified in which the Group takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which 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 to, directly or indirectly, 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 enterprises or individuals, including close members of their families.

### 4. SIGNIFICANT EVENTS

#### *Contributing capital to Hung Yen Investment and Development Corporation*

The Group has established and contributed capital into Hung Yen Investment and Development Corporation. This is a joint stock company established under the Enterprise Law of Vietnam pursuant to Enterprise Registration Certificate No. 0901095293 issued by the Department of Planning and Investment of Hung Yen province on 5 February 2021. The current principal activities are to develop real estate projects, trading land use rights of owners, users or tenants. As at 30 June 2021, the voting right and interest rate of the Group in this subsidiary are 70% and 68.65%, respectively.

#### *Contributing capital to Long An Investment Development Joint Stock Company*

The Group has established and contributed capital into Long An Investment Development Joint Stock Company. This is a joint stock company incorporated under the Enterprise Law of Vietnam pursuant to Enterprise Registration Certificate No. 1101977259 issued by the Department of Planning and Investment of Long An province on 18 February 2021. The current principal activities are to develop real estate projects, trading land use rights of owners, users or tenants. As at 30 June 2021, the voting right and interest rate of the Group in this subsidiary are 60% and 56.77% respectively.

#### *Contribute capital to Bao Lac Spiritual Park Joint Stock Company*

The Group has established and contributed capital into Bao Lac Spiritual Park Joint Stock Company. This is a joint stock company incorporated under the Enterprise Law of Vietnam pursuant to Enterprise Registration Certificate No. 2301163643 issued by the Department of Planning and Investment of Bac Ninh province on 11 January 2021. The current principal activities are to provide funeral services. As at 30 June 2021, the voting right and interest rate of the Group in this subsidiary are 65% and 56.25%, respectively.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

#### 4. SIGNIFICANT EVENTS (continued)

##### *Registering of establishment of Vung Tau Investment Group Joint Stock Company*

The Group has established a subsidiary as Vung Tau Investment Group Joint Stock Company. This is a joint stock company incorporated under the Enterprise Law of Vietnam pursuant to Enterprise Registration Certificate No. 3502454725 issued by the Department of Planning and Investment of Ba Ria – Vung Tau province on 14 May 2021. The main business of this company is developing real estate projects, trading land use rights of owners, users or tenants. As at 30 June 2021, the voting right and ownership rate of the Group in this subsidiary are at 74.52%.

##### *Contributing capital to affiliated companies*

The Group has contributed capital to an associate company, Saigontel Long An Co., Ltd. This is a limited company incorporated under the Enterprise Law of Vietnam under the Business Registration Certificate No. 1101977241 issued by the Department of Planning and Investment of Long An province on 18 February 2021. Main business of this company is to develop real estate projects, trade in land use rights of owners, users or renters.

##### *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 valuation of assets, 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 these interim consolidated financial statements.

#### 5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
Cash on hand	27,636,424,339	82,198,978,513
Cash at banks	1,997,052,526,152	807,691,654,845
Cash equivalents (*)	230,551,169,066	159,866,488,599
<b>TOTAL</b>	<b><u>2,255,240,119,557</u></b>	<b><u>1,049,757,121,957</u></b>

(\*) Cash equivalents at 30 June 2021 mainly include short-term deposits in VND at banks which earn interest ranging from 2.8.% to 4.2% per annum and have maturity term from 1 month to 3 months (2020: ranging from 2.9% to 5.2% per annum).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 6. SHORT-TERM INVESTMENTS

### 6.1 Held-for-trading securities

Currency: VND

	30 June 2021		31 December 2020	
	Cost	Provision	Cost	Provision
Shares (i)	7,490,461,369	(5,164,742,719)	7,490,461,369	(5,305,222,369)
Other investment (ii)	1,854,868,000,000	-	1,854,868,000,000	-
<b>TOTAL</b>	<b>1,862,358,461,369</b>	<b>(5,164,742,719)</b>	<b>1,862,358,461,369</b>	<b>(5,305,222,369)</b>

(i) As at 30 June 2021, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company .

(ii) This is an investment in Hoa Sen Hotel Development Company Limited. The Company presents this investment as a trading security as it plans to transfer its investment in this company in short-term.

### 6.2 Held-to-maturity investment

Held-to-maturity investment as at 30 June 2021 include short-term deposits in VND at banks which earn interest ranging from 4.7% to 5.8% per annum and have maturity term from 6 months to 12 months (2020: 6%-6.5% per annum).

## 7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 7.1 Trade receivables

Currency: VND

	30 June 2021	31 December 2020
<b>Short-term</b>		
Kinh Bac Service JSC (i)	675,943,558,300	182,291,134,480
An Duong Urban Development Investment JSC (ii)	339,890,912,453	339,890,912,453
Hieu Cuong Trading Investment Co., Ltd (iii)	261,601,737,937	-
Saigon BW JSC	108,926,558,674	108,926,558,674
Saigon Investment JSC (iv)	104,130,000,000	104,130,000,000
SG Logistics JSC	-	406,762,561,200
Other customers	310,199,328,365	242,868,206,278
<b>TOTAL</b>	<b>1,800,692,095,729</b>	<b>1,384,869,373,085</b>

*Provision for doubtful receivables* 6,833,980,650 6,833,980,650

(i) These are receivables related to sales of factories and long-term lease of land and infrastructure in Que Vo Industrial Park Extension and Quang Chau Industrial Park.

(ii) These are receivables related to the transfer of a part of the "Trang Due Service, Trading Urban area and workers housing project.

(iii) These are receivables from long-term lease of land and infrastructure at Nam Son Hap Linh Industrial Park.

(iv) These are receivables from land transfer under Phuc Ninh Urban Area Project.



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as at 30 June 2021 and for the six-month period then ended

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

### 7.2 Advances to suppliers

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Kinh Bac Investment and Consulting JSC (i)	1,610,917,392,488	1,705,398,831,955
Kinh Bac Services JSC (i)	1,052,245,776,443	730,512,876,443
Land and industrial zone development center of Viet Yen District (ii)	163,495,138,596	162,495,138,596
Saigontel Real Estate Investment JSC	29,650,000,000	29,650,000,000
Land clearance and compensation committee of Cu Chi District (iii)	23,008,765,304	21,057,045,864
Cong Thanh Technology Environment Co., Ltd	11,088,709,000	-
Tecotec Investment JSC	8,424,426,644	19,472,486,000
Other advance to suppliers	47,436,729,390	32,555,946,112
<b>TOTAL</b>	<b>2,946,266,937,865</b>	<b>2,701,142,324,970</b>

- (i) This balance represents advances for land clearance and compensation, and for construction works of certain on-going projects of the Group.
- (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.
- (iii) This is the advance to Land Clearance and Compensation Committee of Cu Chi District related to the clearance and compensation for Tan Phu Trung project of Northwest Saigon City Development Corporation.

### 7.3 Provision for doubtful receivables

Detail of movements of provision for doubtful receivables is as follows:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Beginning balance	7,333,980,650	7,333,980,650
Provision in the period	-	-
<b>Ending balance</b>	<b>7,333,980,650</b>	<b>7,333,980,650</b>
<i>In which:</i>		
<i>Provision for short-term receivables</i>	6,833,980,650	6,833,980,650
<i>Provision for loan receivables</i>	500,000,000	500,000,000

### 7.4 Bad debts

	<i>Currency: VND</i>			
	<i>30 June 2021</i>		<i>31 December 2020</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
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>

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## 8. LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Saigon - Nhonhoi Industrial Park Corporation	435,736,501,000	435,736,501,000
Kinh Bac Investment and Consulting JSC	134,100,000,000	134,100,000,000
Saigon - Binh Thuan Power Plant Development Investment JSC	120,000,000,000	-
Kinh Bac Service JSC	95,818,000,000	-
Saigontel Real Estate Investment JSC	123,813,698,629	95,013,698,629
Hanoi Construction Corporation – JSC	70,805,469,057	70,805,469,057
Saigon - Hue Investment JSC	65,000,000,000	65,000,000,000
Saigon - Lam Dong Investment and Tourist Corporation	14,122,109,590	14,077,232,877
Sai Gon - Da Nang Investment Corporation	11,811,309,725	11,144,473,296
Saigon - Ham Tan Tourism JSC	9,600,000,000	9,600,000,000
Vien Dong Real Estate and Property JSC	8,614,377,669	9,248,752,669
Saigon Posts & Telecommunications Service Joint Stock Corporation (“SPT”)	18,071,542,570	7,555,225,802
Other loan receivables	16,993,613,032	14,151,107,689
Other loan receivables from related parties (Note 29)	<u>157,478,482,654</u>	<u>58,647,561,337</u>
<b>TOTAL</b>	<b><u>1,281,965,103,926</u></b>	<b><u>925,080,022,356</u></b>
<i>Provision for loan receivables</i>	<i>(500,000,000)</i>	<i>(500,000,000)</i>
<b>Long-term</b>		
Kinh Bac Service JSC	177,473,000,000	139,910,000,000
Loan receivables from related parties (Note 29)	1,139,500,000,000	-
Others	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<b>TOTAL</b>	<b><u>1,317,973,000,000</u></b>	<b><u>140,910,000,000</u></b>

Short-term loans are unsecured loans, which will mature within the next 12 months and earn interest from 0%/year to 12%/year.

Long-term loans are unsecured loans that will mature from December 2022 to March 2023 and earn interest from 8%/year to 10.5%/year.

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9. OTHER RECEIVABLES

Currency: VND

	30 June 2021		31 December 2020	
	Cost	Provision	Cost	Provision
<b>Short-term</b>				
Mr. Nguyen Son (i)	583,000,000,000	-	583,000,000,000	-
Advance to PVCombank (ii)	237,365,756,101	-	232,681,247,878	-
Kinh Bac Services JSC (iii)	248,880,217,500	-	252,507,176,408	-
Advance to employees	153,272,478,746	-	73,900,914,900	-
Lang Ha Investment JSC (iv)	150,660,385,816	-	69,296,882,771	-
Kinh Bac Investment and Consulting JSC	46,136,498,629	-	39,495,534,246	-
Mr. Phan Minh Toan Thu	30,000,000,000	-	-	-
Saigon - Nhon Hoi Industrial Park JSC	26,373,698,629	-	-	-
Receivables People's Committee of Bac Ninh Province (v)	19,440,000,000	-	19,440,000,000	-
Deposit required	12,851,128,404	-	12,851,128,404	-
Receivables from trust investment contract	-	-	70,000,000,000	-
Department of Planning and Investment of Long An province	51,241,500,000	-	51,241,500,000	-
Kum-Ba JSC	-	-	19,380,035,726	-
Other receivables	138,962,494,376	-	82,700,082,795	-
Other receivables from related parties (Note 29)	379,377,282,397	-	127,513,147,201	-
<b>TOTAL</b>	<b>2,077,561,440,598</b>	<b>-</b>	<b>1,634,007,650,329</b>	<b>-</b>
<b>Long-term</b>				
Vien Dong Real Estate and Property JSC	500,000,000	-	500,000,000	-
Other long-term receivables	379,008,211	-	345,869,861	-
Other receivables from related parties (Note 29)	40,000,000,000	-	40,000,000,000	-
<b>TOTAL</b>	<b>40,879,008,211</b>	<b>-</b>	<b>40,845,869,861</b>	<b>-</b>

- (i) This is the advance to Saigon Investment JSC related to the acquisition of shares in Le Minh Xuan 2 Industrial Park Investment JSC. As at 30 June 2021, 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 Saigon - Hue Investment Joint Stock Company to Kinh Bac Service JSC under Contract No. 01/HDCNCP/KBC-KBS/2020 dated 25 December 2020;
- (iv) 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 (refer to point (ii));
- (v) In accordance with the minutes of interdisciplinary meeting between the Finance Department of Bac Ninh Province, the Department of Planning and Investment of Bac Ninh Province, the Department of Natural Resources and Environment of Bac Ninh Province, the Management Board of Industrial Parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision on support of investment capital for enterprises No. 1951/QD-UBND dated 31 December 2007, the People's Committee of Bac Ninh Province is 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 wastewater treatment plant at Que Vo Industrial Park.



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## 10. INVENTORIES

Currency: VND

	30 June 2021		31 December 2020	
	Cost	Provision	Cost	Provision
Trang Cat Industrial and Residential Park (i)	7,269,700,200,765	-	7,198,938,964,742	-
Tan Phu Trung Industrial Park	1,227,497,084,960	-	1,401,245,903,300	-
Phuc Ninh Urban Area	1,088,253,287,199	-	1,065,107,703,958	-
Trang Due Service, Trading Urban area and Workers Housing project	666,543,560,913	-	640,345,939,568	-
Nam Son - Hap Linh Industrial Park	827,307,535,492	-	776,878,482,119	-
Quang Chau Industrial Park and Urban area	270,393,065,977	-	406,581,692,297	-
Trang Due Industrial Park - stage 2	4,958,064,963	-	16,044,998,871	-
Trang Due Industrial Park - stage 1	2,727,979,335	-	2,727,979,334	-
Trang Due Industrial Park - stage 3	2,016,023,459	-	2,016,023,459	-
Tay Bac Urban Area Project	5,856,375,000	-	5,856,375,000	-
Merchandise for marketing activities	-	-	10,361,625,000	-
Other projects	7,659,442,520	-	7,755,759,337	-
<b>TOTAL</b>	<b>11,372,912,620,583</b>	<b>-</b>	<b>11,533,861,446,985</b>	<b>-</b>

Inventories of the Group as at 30 June 2021 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, the 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 Company received a Notice of Land Use Fee Payment for Trang Cat Project, with a total amount of VND 3,687,236,335,000. In 2021, the Company finalized the amount of compensation and ground clearance to be offset against the land use levy with the People's Committee of Hai Phong City and paid the land use levy in accordance with regulations.

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#### 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 the signing date of 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 according to the above debt restructuring agreement, the Company and Trang Cat Company also committed to PvcomBank about the debt repayment obligation on behalf of this group of companies and individuals if these companies and individuals violate the debt repayment schedule agreed with PvcomBank, as presented in Note 31.

During the period, the Group capitalized borrowing costs totaling VND 178.1 billion (for the first six months of 2020: VND 16.4 billion). These borrowing costs relate to loans to invest in the construction and development of industrial parks and other real estate projects of the Group.

#### 11. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term</b>		
Brokerage fees of un-completed real-estate transfer contracts	78,557,821,322	77,978,341,577
Other short-term prepaid expenses	1,439,647,370	393,840,766
<b>TOTAL</b>	<b><u>79,997,468,692</u></b>	<b><u>78,372,182,343</u></b>
<b>Long-term</b>		
Infrastructure repair costs	12,411,316,932	10,783,859,421
Other long-term prepaid expenses	8,745,895,071	9,993,470,955
<b>TOTAL</b>	<b><u>21,157,212,003</u></b>	<b><u>20,777,330,376</u></b>

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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>						
As at 31 December 2020	352,937,788,864	64,901,070,693	84,365,394,768	26,446,653,880	1,357,609,090	530,008,517,295
- New purchase	2,736,586,363	196,000,000	2,747,621,818	36,272,727	-	5,716,480,908
- Transfer from construction in progress	2,075,370,000	-	-	-	-	2,075,370,000
- Reclassify	(1,005,004,844)	1,005,004,844	-	-	-	-
As at 30 June 2021	356,744,740,383	66,102,075,537	87,113,016,586	26,482,926,607	1,357,609,090	537,800,368,203
<i>In which:</i>						
Fully depreciated	75,506,871,546	5,601,717,535	16,494,094,322	6,437,654,223	1,072,881,818	105,113,219,444
<b>Accumulated depreciation:</b>						
As at 31 December 2020	179,253,044,804	36,335,460,270	44,558,057,493	12,556,103,646	1,179,665,544	273,882,331,757
- Depreciation for the period	11,662,611,423	1,560,634,001	3,543,675,097	1,790,946,247	113,843,170	18,671,709,938
- Reclassify	(62,812,804)	62,812,804	-	-	-	-
As at 30 June 2021	190,852,843,423	37,958,907,075	48,101,732,590	14,347,049,893	1,293,508,714	292,554,041,695
<b>Net carrying amount:</b>						
As at 31 December 2020	173,684,744,060	28,565,610,423	39,807,337,275	13,890,550,234	177,943,546	256,126,185,538
As at 30 June 2021	165,891,896,960	28,143,168,462	39,011,283,996	12,135,876,714	64,100,376	245,246,326,508

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### 13. INVESTMENT PROPERTIES

Currency: VND

Factories  
(including costs of  
land development  
and infrastructure)

#### Cost:

As at 31 December 2020	479,236,688,645
- Transfer during period	(167,407,310,787)
As at 30 June 2021	<u>311,829,377,858</u>

#### Accumulated depreciation:

As at 31 December 2020	85,394,774,963
- Depreciation during the period	22,373,989,596
- Transfer during the period	(44,139,228,876)
As at 30 June 2021	<u>63,629,535,683</u>

#### Net carrying amount:

As at 31 December 2020	<u>393,841,913,682</u>
As at 30 June 2021	<u>248,199,842,175</u>

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

As at 30 June 2021, 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

	30 June 2021	31 December 2020
Project at 84A Hung Vuong street, Da Nang city (i)	736,700,253,157	714,477,221,402
Hanoi Diplomat Area (ii)	106,555,116,818	106,555,116,818
Clean water plant	58,467,952,119	27,692,676,181
Phase 3 of Wastewater plant	12,792,727,273	5,344,660,910
Expanded Que Vo Industrial Park	4,721,134,625	4,721,134,625
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Others	10,390,121,474	7,438,266,362
<b>TOTAL</b>	<b><u>932,743,809,359</u></b>	<b><u>869,345,580,191</u></b>

(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.

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## 15. LONG-TERM INVESTMENTS

		Currency: VND	
	Note	30 June 2021	31 December 2020
Investment in associates	15.1	352,589,809,553	234,988,852,857
Other long-term investments	15.2	448,500,200,000	448,500,200,000
Provision for long-term investments	15.2	(22,887,918,150)	(22,887,918,150)
<b>TOTAL</b>		<b><u>778,202,091,403</u></b>	<b><u>660,601,134,707</u></b>

### 15.1 Investment in associates

				Currency: VND	
		30 June 2021		31 December 2020	
Note	% of voting right	Number of shares	Amount VND	Number of shares	Amount VND
Saigon Telecommunication & Technologies JSC					
(i)	21.48%	15,896,923	234,321,666,110	15,896,923	229,494,785,235
Scanviwood JSC					
(ii)	34%	1,077,528	5,494,067,622	1,077,528	5,494,067,622
Saigontel Long An Co., Ltd					
(iii)	25%		112,774,075,821	-	-
<b>TOTAL</b>			<b><u>352,589,809,553</u></b>		<b><u>234,988,852,857</u></b>

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

Saigon Telecommunication & Technologies JSC 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 13<sup>th</sup> 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) Scanviwood Joint Stock Company

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 29 February 2016 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.

#### (iii) Saigontel Long An Co., Ltd

Saigontel Long An Co., Ltd. was newly registered under the Business Registration Certificate No. 1101977241 issued by the Department of Planning and Investment of Long An Province on February 18, 2021 with a charter capital of 450 billion VND. The main activity according to the Business Registration Certificate of this company is to trade in real estate, land use rights belonging to the owner, user or lease. This company is headquartered at Lot 6A, Road 3, Tan Duc Industrial Park, Duc Hoa Ha Commune, Duc Hoa District, Long An.

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

**15.1 Investment in associates** (continued)

Investments in associates as at 30 June 2021 are as below:

Currency: VND

	Saigon Telecommunication & Technologies JSC	Scanviwood Joint Stock Company	Saigontel Long An Co., Ltd	Total
<b>Cost of investment:</b>				
As at 31 December 2020	423,492,661,074	7,204,600,000	-	430,697,261,074
- Increase Investment	-	-	112,500,000,000	112,500,000,000
As at 30 June 2021	423,492,661,074	7,204,600,000	112,500,000,000	543,197,261,074
<b>Accumulated share in post-acquisition profit/(loss) of the associates:</b>				
As at 31 December 2020	(33,770,149,453)	(1,710,532,378)	-	(35,480,681,831)
- Share in post-acquisition profit of the associates for the year	4,826,880,875	-	274,075,821	5,100,956,696
As at 30 June 2021	(28,943,268,578)	(1,710,532,378)	274,075,821	(30,379,725,135)
<b>Accumulated amortization of goodwill:</b>				
As at 31 December 2020	160,227,726,386	-	-	160,227,726,386
As at 30 June 2021	160,227,726,386	-	-	160,227,726,386
<b>Net carrying amount:</b>				
As at 31 December 2020	229,494,785,235	5,494,067,622	-	234,988,852,857
As at 30 June 2021	234,321,666,110	5,494,067,622	112,774,075,821	352,589,809,553



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

**15.2 Other long-term investments**

Currency: VND

	30 June 2021			31 December 2020		
	% of voting right	Number of shares	Cost (*)	% of voting right	Number of shares	Cost (*)
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC - Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	10.56	190	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - Nhon Hoi Industrial Park JSC	10	100	10,000,000,000	10	100,000	10,000,000,000
Saigon - Ham Tan Tourism JSC	1.63	70	7,000,000,000	1.63	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	0.35	350	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30	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)			(22,887,918,150)
<b>NET CARRYING VALUE</b>			<b>425,612,281,850</b>			<b>425,612,281,850</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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 16. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 16.1 Short-term trade payables

Currency: VND

	30 June 2021		31 December 2020	
	Amount	Amount payable	Amount	Amount payable
- Phuc Hung Holdings Construction JSC	44,151,676,561	44,151,676,561	-	-
- Truong Phat Investment JSC	21,176,473,250	21,176,473,250	30,849,876,950	30,849,876,950
- Bao Nam Minerals Import-Export Trading Service JSC	15,031,828,307	15,031,828,307	17,477,081,995	17,477,081,995
- Other suppliers	121,492,792,017	121,492,792,017	107,075,359,895	107,075,359,895
<b>TOTAL</b>	<b>201,852,770,135</b>	<b>201,852,770,135</b>	<b>155,402,318,840</b>	<b>155,402,318,840</b>

### 16.2 Short-term advances from customers

Currency: VND

	30 June 2021	31 December 2020
Advances for long-term leases of land at Trang Due area	16,079,347,999	21,161,854,397
Advances long-term leases of land at Nam Son Hap Linh Industrial Park	57,462,540,480	-
Advances for long-term leases of land at Tan Phu Trung Industrial Park	86,191,128,396	621,292,810,892
Deposits for purchase of houses and land use rights at Trang Due Service, Trading Urban area and Workers housing project	320,374,386,034	179,778,775,008
Deposits for purchase of houses and land use rights at Quang Chau Urban Project	58,165,141,200	58,165,141,200
Other advances from customers	9,679,091,006	14,054,658,140
<b>TOTAL</b>	<b>547,951,635,115</b>	<b>894,453,239,637</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 17. STATUTORY OBLIGATIONS

Currency: VND				
	31 December 2020	Payable for the period	Payment made/off-set in the year	30 June 2021
<b>Payables</b>				
Value added tax	72,706,300,357	59,305,298,934	(110,759,642,206)	21,251,957,085
Corporate income tax (Note 28)	172,866,673,533	199,708,204,207	(120,615,919,255)	251,958,958,485
Personal income tax	3,893,726,183	11,908,434,186	(15,454,440,761)	347,719,608
Other taxes	204,876,917,481	12,266,926,203	(211,215,189,419)	5,928,654,265
<b>TOTAL</b>	<b>454,343,617,554</b>	<b>283,188,863,530</b>	<b>(458,045,191,641)</b>	<b>279,487,289,443</b>
	31 December 2020	Receivable for the period	Payment received/off-set in the year	30 June 2021
<b>Receivables</b>				
Value added tax	162,365,406,594	109,031,828,619	(121,383,343,455)	150,013,891,758
Other taxes	1,449,594,958	2,465,168,352	-	3,914,763,310
<b>TOTAL</b>	<b>163,815,001,552</b>	<b>111,496,996,971</b>	<b>(121,383,343,455)</b>	<b>153,928,655,068</b>

## 18. ACCRUED EXPENSES

Currency: VND		
	30 June 2021	31 December 2020
<b>Short-term</b>		
Accrued future development costs for recognised sales	1,212,166,886,316	959,560,802,963
- Quang Chau Industrial Park	318,547,288,497	364,672,646,622
- Tan Phu Trung Industrial Park	713,484,030,964	506,156,459,097
- Trang Due Industrial Park	16,071,056,740	16,007,230,685
- Que Vo II Industrial Park	21,367,726,185	21,664,498,185
- Que Vo I Industrial Park	22,373,302,811	22,285,934,591
- Nam Son Hap Linh Industrial Park	90,747,200,068	-
- Phuc Ninh Urban Area	9,649,965,226	9,649,965,226
- Trang Due Urban Area	19,926,315,825	19,124,068,557
Accrued interest expenses	109,047,635,467	72,689,452,086
External services	10,061,108,741	6,705,835,856
Other accrued expenses	362,455,043	3,606,943,106
Accrued interest expenses to related parties (Note 29)	3,342,257,534	1,373,775,343
<b>TOTAL</b>	<b>1,334,980,343,101</b>	<b>1,043,936,809,354</b>
<b>Long-term</b>		
Accrued interest expenses (*)	1,264,032,371,909	1,076,700,765,770
Advance land rental of industrial parks	57,547,969,683	56,986,376,370
Accrued interest expenses to related parties (Note 29)	963,879,723	945,879,723
<b>TOTAL</b>	<b>1,322,544,221,315</b>	<b>1,134,633,021,863</b>

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

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## 19. OTHER PAYABLES

Currency: VND

30 June 2021 31 December 2020

<b>Short-term</b>		
Payable for transfer of contributed capital (i)	1,804,868,000,000	1,804,868,000,000
Receive deposits to fulfill contractual obligations of real estate projects (ii)	724,001,663,457	573,496,410,377
Other short-term deposits (iii)	86,636,819,343	356,499,309,027
Tay Ninh Industrial Infrastructure Development Corporation (iv)	45,500,000,000	45,500,000,000
Dividends	18,426,582,873	18,426,582,873
Infrastructure maintenance fee	24,597,761,637	23,166,644,718
Other short-term payables	43,645,217,805	34,097,386,599
Payables to related parties (Note 29)	1,600,000,000	-
<b>TOTAL</b>	<b><u>2,749,276,045,115</u></b>	<b><u>2,856,054,333,594</u></b>
<b>Long-term</b>		
Other long-term deposits (iii)	31,037,547,203	35,537,754,956
<b>TOTAL</b>	<b><u>31,037,547,203</u></b>	<b><u>35,537,754,956</u></b>

- (i) This is payables under contract the contract for the transfer of of equity capital transferred of Hoa Sen Hotel Development Company Limited (refer to Note 6.1);
- (ii) These are 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 land rent collected from Tay Ninh Industrial Infrastructure Development Joint Stock Company due to the liquidation of the land lease contract.

# KinhBac City Development Holding Corporation

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 20. LOANS

Currency: VND

	31 December 2020		Movement during the period			30 June 2021	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount	
<b>Short-term</b>							
Current portion of long-term loans from banks (Note 20.1)	170,574,660,801	170,574,660,801	45,000,000,000	(30,574,660,801)	185,000,000,000	185,000,000,000	
Current portion of long-term bonds (Note 20.2)	895,306,969,696	895,306,969,696	989,660,749,498	(800,000,000,000)	1,084,967,719,194	1,084,967,719,194	
Short-term loans from related parties (Note 29)	19,000,000,000	19,000,000,000	119,481,000,000	-	138,481,000,000	138,481,000,000	
Other short-term loans (Note 20.3)	461,800,000,000	461,800,000,000	502,019,000,000	(451,019,000,000)	512,800,000,000	512,800,000,000	
	<b>1,546,681,630,497</b>	<b>1,546,681,630,497</b>	<b>1,656,160,749,498</b>	<b>(1,281,593,660,801)</b>	<b>1,921,248,719,194</b>	<b>1,921,248,719,194</b>	
<b>Long-term</b>							
Long-term loans from bank (Note 20.1)	3,070,781,798,200	3,070,781,798,200	343,053,487,227	(364,309,411,938)	3,049,525,873,489	3,049,525,873,489	
Bonds (Note 20.2)	1,051,444,411,158	1,051,444,411,158	2,417,186,811,376	(988,175,185,861)	2,480,456,036,673	2,480,456,036,673	
Long-term loans from related parties (Note 29)	30,000,000,000	30,000,000,000	10,000,000,000	-	40,000,000,000	40,000,000,000	
Other long-term loans	65,935,378,567	65,935,378,567	40,000,000,000	(105,935,378,567)	-	-	
<b>TOTAL</b>	<b>4,218,161,587,925</b>	<b>4,218,161,587,925</b>	<b>2,810,240,298,603</b>	<b>(1,458,419,976,366)</b>	<b>5,569,981,910,162</b>	<b>5,569,981,910,162</b>	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**20. LOANS (continued)**

**20.1 Long-term loans from bank**

Details of long-term loans from banks are as follows:

<i>Banks</i>	<i>30 June 2021 (VND)</i>	<i>Interest</i>	<i>Principal and interest payment term</i>	<i>Collateral</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	144,388,515,120	9.5% per annum	The last repayment date is 19 June 2023. The loan principal is paid every 6 months from 1 December 2018. Interest is paid every 3 months from 19 September 2018.	All assets formed in the future include land use rights and assets on land of Phuc Ninh Urban Area - subdivision with a scale of 22 hectares.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo Industrial Park Branch	281,434,200,451	9.5%-10% per annum	The last repayment date is 29 November 2022. The loan principal is paid every 6 months from 25 May 2018. Interest is paid every 3 months on the 25 <sup>th</sup> .	All assets are formed from investment costs that the Company has invested and will invest in the future in 100 hectares of phase 1 Nam Son - Hap Linh Industrial Park and property rights arising from business contracts, economic transactions arising from transactions for the business of infrastructure, land and land-attached assets of 100 hectares, phase 1, Nam Son - Hap Linh Industrial Park.
Tien Phong Commercial Joint Stock Bank	42,865,404,091	10% per annum	The last repayment date is 16 November 2022. The loan principal is paid every 6 months from 22 June 2017. Interest is paid every 3 months on the 25 <sup>th</sup> .	All assets formed from the infrastructure construction investment project of Que Vo Industrial Park expand 83.8 hectares.
Vietnam Public Commercial Joint Stock Bank	265,837,753,827	10% per annum	Up to 6 years from the date of first disbursement (July 2020). The original grace period is 12 months from the date of first disbursement. Interest is paid on the 26 <sup>th</sup> of every month.	Land use rights and assets formed on the land of unsold land lots under the construction investment project of Trang Due Urban Area, Commercial Service and Housing for workers.
<b>TOTAL</b>	<b>2,500,000,000,000</b>	<b>11.5% per annum</b>	Up to 10 years from the date of first disbursement in December 2020.	Assets related to Trang Cat Project as presented in Note 10.
<i>In which:</i>				
<i>Current portion of long-term loans</i>	<b>185,000,000,000</b>			
<i>Long-term loans</i>	<b>3,049,525,873,489</b>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

**20. LOANS (continued)**

**20.2 Bonds**

As at 30 June 2021, bonds issued by the Group are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Description of 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
KBC2020.200	Corporate bond issued to counterparties	200,000	1,000,000	200,000,000,000	10.5%	08 May 2022	1,309,000 shares of Saigon - Bac Giang Industrial Park Joint Stock Company
KBC2020.VB	Corporate bond issued to counterparties	2,000,000	100,000	200,000,000,000	10.8%	23 June 2022	Works on land (including factory, office), infrastructure investment value in existing Que Vo Industrial Park, Que Vo Industrial Park expansion and Quang Chau Industrial Park
KBC2020.DC	Corporate bond issued to counterparties	4,000,000	100,000	400,000,000,000	11%	28 January 2022	1,680,000 ordinary shares of Saigon - Hai Phong Industrial Park Joint Stock Company
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.
KBC2123001	Corporate bond issued to counterparties	4,000,000	100,000	400,000,000,000	10.5%	22 February 2023	- 700,000 ordinary shares of Saigon-Hai Phong Industrial Park Joint Stock Company - 600,000 ordinary shares of Saigon-Bac Giang Industrial Park Joint Stock Company
KBCbond2020.VB	Corporate bond issued to counterparties	15,000,000	100,000	1,500,000,000,000	10.8%	23 June 2022	Unsecured
KBCH2123002	Corporate bond issued to counterparties	5,118,500	100,000	511,850,000,000	10.5%	03 June 2023	26,000,000 ordinary shares of KinhBac City Development Holding Corporation.
Bond issuance costs:				(26,426,244,133)			
<b>TOTAL</b>				<b>3,565,423,755,867</b>			
In which:							
Current portion of long-term bonds				1,100,000,000,000			
Long-term bonds				(15,032,280,806)			
Issue costs of current portion of long-term bonds				2,491,850,000,000			
Long-term bond issue costs				(11,393,963,327)			

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

20.3 Other short-term loans

Details of loans from others are presented as follows:

<i>Others</i>	<i>Ending balance (VND)</i>	<i>Interest rate</i>	<i>Principal and interest repayment term</i>
Sai Gon - Nhon Hoi Industrial Park Joint Stock Company	400,000,000,000	2%/month	6-month term, principal and interest will be matured in 22 July 2021
Mr. Do Anh Dung	50,000,000,000	No interest	18-month term, principal will be matured in 15 July 2021
Kim Ha Investment and Consulting Joint Stock Company	40,000,000,000	11% per annum	12-month term, principal and interest will be matured on May 12, 2022
Kum-Bac Joint Stock Company	11,000,000,000	6,5% per annum	6-month term, principal and interest will be matured on 17 July 2021
Saigon - Da Nang Investment Joint Stock Company	7,800,000,000	12% per annum	12-month term, principal and interest will be matured on 20 April 2022
Mr Le Thi Hai Yen	4,000,000,000	12% per annum	12-month term, principal and interest will be matured on 11 November 2021
<b>TOTAL</b>	<b><u>512,800,000,000</u></b>		



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

**21.1 Increase and decrease in owners' equity**

Currency: VND

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
<b>For the six-month period ended 30 June 2020</b>							
As at 31 December 2019	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 period	-	-	-	-	50,873,225,025	54,244,562,255	105,117,787,280
As at 30 June 2020	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,150,136,858,283	952,178,886,246	10,486,248,888,352
<b>For the six-month period ended 30 June 2021</b>							
As at 31 December 2020	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
- Net profit for the period	-	-	-	-	640,044,895,706	152,333,587,274	792,378,482,980
- Capital contribution of Non-controlling interest	-	-	-	-	-	1,175,000,000,000	1,175,000,000,000
As at 30 June 2021	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,956,532,047,311	2,279,908,419,575	12,620,373,610,709

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 21. OWNERS' EQUITY (continued)

### 21.2 Contributed charter capital

	30 June 2021			31 December 2020		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contribution by shareholders	4,757,111,670,000	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	989,064,430,000	-
Treasury shares	(364,466,650,000)	(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>	<b>5,381,709,450,000</b>	<b>-</b>

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

	Currency: VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Contributed capital</b>		
Beginning balance	4,757,111,670,000	4,757,111,670,000
Increase in the period	-	-
Decrease in the period	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>4,757,111,670,000</u>
<b>Dividends/profit paid</b>	-	-

### 21.4 Dividend

	Currency: VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Dividends declared during the period</b>		
Dividend for 2018: 1,000 VND/share	-	-
<b>Dividends paid during the period</b>		
Dividend for 2018: 1,000 VND/share	-	23,868,750,000

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## 21. OWNERS' EQUITY (continued)

### 21.5 Shares

	30 June 2021		31 December 2020	
	Shares	Par value (VND)	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: VND10,000/share (31 December 2020: VND10,000/share).

## 22. NON-CONTROLLING INTEREST

	Currency: VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Beginning balance	952,574,832,301	897,934,323,991
Profit attributable to non-controlling interest	152,333,587,274	54,244,562,255
Capital contribution of non-controlling interest	1,175,000,000,000	-
<b>Ending balance</b>	<b>2,279,908,419,575</b>	<b>952,178,886,246</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 23. REVENUES

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

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2019</i>
<b>Gross revenue</b>	<b>2,751,776,128,101</b>	<b>727,333,138,069</b>
In which:		
Revenue from long-term lease of land and infrastructures (*)	2,061,546,569,401	470,947,281,852
Sale of factories	263,131,855,520	-
Revenue from real estate transfers	235,296,863,269	82,811,759,197
Revenue from supply of clean water, electricity, management services, waste water treatment supply	138,507,537,285	124,864,610,512
Revenue from operating leases of warehouses, factories and offices	50,462,501,688	48,251,500,164
Other revenue	2,830,800,938	457,986,344
<b>Less</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>2,751,776,128,101</b>	<b>727,333,138,069</b>
In which:		
Sales to others	2,751,776,128,101	727,333,138,069
Sales to related parties	-	-

- (\*) During the period, the Group recorded revenues from long-term leases of land with infrastructure in the industrial parks in the interim 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>For the six-month financial period ending 30 June 2021</i>		<i>For the six-month financial period ending 30 June 2020</i>	
	<i>In case revenue is recognized once at the time of land handover</i>	<i>In case revenue is allocated during the land lease term</i>	<i>In case revenue is recognized once at the time of land handover</i>	<i>In case revenue is allocated during the land lease term</i>
Revenue from sales of goods and rendering of services	2,751,776,128,101	719,263,940,423	727,333,138,069	269,918,242,048
In which				
Revenue from leasing land and infrastructure	2,061,546,569,401	29,034,381,723	470,947,281,852	13,532,385,831
Cost of goods sold and services provided	(1,179,670,574,761)	(323,556,193,895)	(370,079,562,942)	(136,215,140,185)
<b>Gross profit from sale of goods and rendering of services</b>	<b>1,572,105,553,340</b>	<b>395,707,746,528</b>	<b>357,253,575,127</b>	<b>133,703,101,863</b>

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as at 30 June 2021 and for the six-month period then ended

## 23. REVENUES (continued)

### 23.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest income from outstanding receivables of share transfer contract	-	8,919,239,236
Interest income from term deposits and loans	72,744,174,637	16,936,715,819
Other finance income	1,745,595,369	1,368,304,641
<b>TOTAL</b>	<b><u>74,489,770,006</u></b>	<b><u>27,224,259,696</u></b>

## 24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Cost of long-term leases of land and infrastructures	830,392,162,910	238,355,382,777
Cost of factories sold	114,979,940,811	-
Cost of real estate transferred	140,325,253,593	47,145,494,454
Cost of supplying of clean water, electricity, management services, wastewater treatment supply	79,346,757,166	62,489,096,576
Cost of warehouses, factories and offices for operating lease	14,626,460,281	22,089,589,135
<b>TOTAL</b>	<b><u>1,179,670,574,761</u></b>	<b><u>370,079,562,942</u></b>

## 25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Interest expenses	206,850,573,323	81,759,376,401
Bond issue costs	17,118,469,962	2,574,725,478
(Reversal) / provision for devaluation of investments	(140,479,650)	49,734,494
Others	1,549,225,623	14,017,311,935
<b>TOTAL</b>	<b><u>225,377,789,258</u></b>	<b><u>98,401,148,308</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Selling expenses</b>		
Consultation and brokerage expenses	92,968,430,737	10,456,018,125
Labour costs	1,843,419,000	2,420,671,257
Others	11,117,662,847	11,597,678,774
<b>TOTAL</b>	<b><u>105,929,512,584</u></b>	<b><u>24,474,368,156</u></b>
<b>Administrative expenses</b>		
Labour costs	79,350,920,197	65,521,171,391
External services	25,070,147,690	17,417,437,356
Depreciation	7,059,759,390	5,584,015,761
Sponsorship	74,982,225,325	-
Others	29,752,913,372	19,803,647,039
<b>TOTAL</b>	<b><u>216,215,965,974</u></b>	<b><u>108,326,271,547</u></b>

## 27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Land, infrastructure, factories development and services rendering expenses	389,515,456,631	445,235,616,457
Labour costs	91,811,941,318	67,941,842,648
Depreciation of fixed assets	41,095,871,393	42,295,930,872
Expenses for external services	103,039,055,123	66,751,181,346
Other expenses	124,635,996,406	22,951,143,402
<b>TOTAL</b>	<b><u>750,098,320,871</u></b>	<b><u>645,175,714,725</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 28. CORPORATE INCOME TAX

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

- ▶ For land leasing activities in Quang Chau Industrial Park, Saigon - Bac Giang Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation. production and business and by 20% for the following years. The tax rate for this period is 20%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement. put into production and business and equal 20% for the following years. The company is exempt from CIT for 4 years from 2009 to 2012 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for this period is 10% and is exempted from 50%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 2, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement. enter into production and business activities. The company is exempt from CIT for 4 years from 2015 to 2018 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for this period is 10% and is exempted from 50%.
- ▶ For land leasing activities in Tan Phu Trung Industrial Park, Saigon - Northwest Urban Development Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation. production and business activities (2007) and equal to 20% for the following years. The tax rate for this period is 10%.
- ▶ For land leasing activities in Trang Cat Urban Area and Services, Trang Cat Urban Development One Member Limited Liability Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of business. in production and business activities and equal to 20% for the following years. The company is exempt from CIT for 4 years from 2012 to 2015 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for this period is 10% and is exempted from 50%.

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

### 28.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
Current CIT expenses	199,708,204,207	73,824,111,030
Deferred CIT expenses/(income)	105,664,853,271	(14,531,807,053)
<b>TOTAL</b>	<b><u>305,373,057,478</u></b>	<b><u>59,292,303,977</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 28. CORPORATE INCOME TAX (continued)

### 28.1 CIT expenses (continued)

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

	Currency: VND	
	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
<b>Profit before tax</b>	<b>1,097,751,540,458</b>	<b>164,410,091,257</b>
CIT expense at rates applicable to companies in the Group	260,517,369,678	36,134,343,599
<i>In which:</i>		
5% tax rate applied to long-term lease of land activities	34,934,660	-
10% tax rate applied to long-term lease of land activities	1,057,902,213	951,278,475
20% tax rate to other activities	259,461,895,796	35,183,065,124
<i>Adjustments to increase</i>		
Non-deductible expenses	14,639,272,684	1,163,008,707
Taxable income for land leasing from previous years	416,120,500	416,120,500
Loan interests exceeding deductible threshold under Decree 68/2020/ND-CP	26,831,199,064	19,141,953,608
Losses from other activities which are not allowed to be offset against profits from real estate trading	2,931,732,561	2,638,710,676
Tax loss carried forward	-	(201,833,113)
<b>CIT expenses</b>	<b>305,373,057,478</b>	<b>59,292,303,977</b>

### 28.2 Current CIT

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 28. CORPORATE INCOME TAX (continued)

### 28.3 Deferred CIT

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

Currency: VND

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2021</i>	<i>31 December 2020</i>	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Deferred tax liabilities</b>				
Deferred tax liabilities arising from fair value adjustment on acquisition date at Northwest Saigon City Development Corporation	113,502,640,662	145,907,210,528	(32,404,569,866)	(13,546,433,849)
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	768,443,054,453	630,373,631,316	138,069,423,137	(985,373,204)
	<b><u>882,403,030,065</u></b>	<b><u>776,738,176,794</u></b>		
<b>Net deferred tax debit/(credit) to interim consolidated income statement</b>			<b><u>105,664,853,271</u></b>	<b><u>(14,531,807,053)</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 28. CORPORATE INCOME TAX (continued)

### 28.4 Unrecognised deferred tax assets

#### Tax losses carried forward

The Group is entitled to carry each individual tax loss forward to offset against the taxable income arising within 5 subsequent years to the year in which the loss was incurred. At the interim consolidated balance sheet date, the Group had aggregated accumulated tax losses available for offset against future taxable. Details are as follows:

						Currency: VND
Originating year	Can be utilized up to		Tax loss amount	Utilized up to 30 June 2021	Forfeited	Unutilized at 30 June 2021
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	(53,562,817,951)	-	5,634,013,332
2020	2025	(ii)	14,603,713,647	-	-	14,603,713,647
Current period	2026	(ii)	14,658,662,803	-	-	14,658,662,803
<b>TOTAL</b>			<b>101,378,424,414</b>	<b>(53,562,817,951)</b>	<b>-</b>	<b>47,815,606,463</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 interim consolidated financial statements.
- (ii) These are estimated tax losses as per the tax returns of the Company, its branches and subsidiaries and have not yet been settled by local tax authorities at the date of the interim consolidated financial statements.

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

#### Interest expense exceeds 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 Company's non-deductible interest expenses that can be carried forward are approximately VND 376.5 billion. 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 interim 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 29. TRANSACTIONS WITH RELATED PARTIES

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

No.	Related party	Relationship
1	Saigon Hi-tech Park Infrastructure Development and Investment JSC	Common key management member
2	Saigon Telecommunications Technology JSC	Affiliate company
3	Saigontel Long An Co., Ltd	Affiliate company
4	Scanviwood JSC	Affiliate company
5	Saigon - Da Nang Investment JSC	Under common investors
6	Vinatex - Tan Tao Investment JSC	Common key management member
7	Mr. Dang Thanh Tam	Chairman
8	Mrs. Nguyen Thi Thu Huong	General Director
9	Mr. Phan Anh Dung	Deputy General Director
10	Mrs. Nguyen My Ngoc	Deputy General Director
11	Mr. Nguyen Ngoc Anh	General Director of subsidiary
12	Mr. Mai Tuan Dung	General Director of subsidiary
13	Mr. Nguyen Thanh Duong	Deputy General Director of subsidiary
14	Mr. Le Minh Ha	Deputy General Director of subsidiary

Significant transactions with related parties during the six-month period ended 30 June 2021 and 30 June 2020 were as follows:

Related party	Description	Currency: VND	
		For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Mr. Dang Thanh Tam	Advance	147,428,500,000	9,679,380,000
	Borrowings	16,981,000,000	-
	Other payables	1,600,000,000	-
Saigon Telecommunication & Technologies Corporation	Lending	1,238,330,921,317	117,027,068,493
	Collection of lending	-	106,292,687,097
	Borrowings	-	12,200,000,000
	Interest receivables	7,092,847,607	-
Vinatex – Tan Tao Investment Corporation	Brokerage fees	25,580,382,824	-
	Interest payables	-	5,933,333,334
Mr. Mai Tuan Dung	Advance	3,473,983,202	3,472,493,202
	Withdrawal of advance	17,345,596,613	-
Mr. Vu Thanh Duong	Advance	153,090,401,000	7,698,500,000
	Withdrawal of advance	41,000,000,000	-
Mr. Le Minh Ha	Advance	524,000,000	-
Mr. Vu Ngoc Anh	Withdrawal of advance	1,400,000,000	-
Saigon Hi-tech Park Infrastructure Development and Investment JSC	Interest receivables	18,000,000	18,000,000
Saigontel Long An Co., Ltd	Borrowings	112,500,000,000	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

## 29. TRANSACTIONS WITH RELATED PARTIES (continued)

### *Terms and conditions of transactions with related parties*

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

The balance of accounts receivable, payable, borrowing and lending as of 30 June 2021, will be settled in cash. For the financial period ended 30 June 2021, the Group has not made any provision for bad debts relating to amounts owed to the Group by related parties (as at 31 December 2020: 0). This assessment is made for each year through an examination of the financial position of the related party and the markets in which the related party operates.

As at the balance sheet dates, amount due to and from related parties of the Group are as follows:

		<i>Currency: VND</i>	
<i>Related party</i>	<i>Transaction</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
<b>Short-term loan receivables (Note 8)</b>			
Saigon Telecommunication & Technologies Corporation	Short-term loan receivables (*)	157,478,482,654	58,647,561,337
		<b>157,478,482,654</b>	<b>58,647,561,337</b>
<b>Short-term loan receivables (Note 8)</b>			
Saigon Telecommunication & Technologies Corporation	Long-term loan receivables (**)	1,139,500,000,000	-
		<b>1,139,500,000,000</b>	<b>-</b>
<b>Other short-term receivables (Note 9)</b>			
Mr. Dang Thanh Tam	Advance	152,528,500,000	5,100,000,000
Mr. Vu Thanh Duong	Advance	177,064,241,000	64,973,840,000
Saigon Telecommunications Technology JSC	Interest receivables	10,092,902,509	3,000,054,902
Mr. Mai Tuan Dung	Advance	29,214,097,068	43,085,710,479
Ms. Nguyen Thi Thu Huong	Advance	3,489,211,820	3,489,211,820
Mr. Vu Ngoc Anh	Advance	4,890,000,000	6,290,000,000
Mr. Le Minh Ha	Advance	1,852,000,000	1,328,000,000
Ms. Nguyen My Ngoc	Advance	136,330,000	136,330,000
Mr. Phan Anh Dung	Advance	110,000,000	110,000,000
		<b>379,377,282,397</b>	<b>127,513,147,201</b>
<b>Other short-term receivables (Note 9)</b>			
Saigon Telecommunication & Technologies Corporation	Contribute capital under the business cooperation contract	40,000,000,000	40,000,000,000
		<b>40,000,000,000</b>	<b>40,000,000,000</b>
<b>Short-term accrued expenses (Note 18)</b>			
Saigon Telecommunication & Technologies Corporation	Interest payables	3,342,257,534	1,373,775,343
		<b>3,342,257,534</b>	<b>1,373,775,343</b>



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

(\*) This is unsecured loan with the interest ranging from 1% to 12% per annum and will be matured within the next 12 months.

(\*\*) This is unsecured loan with the interest with interest rate of 1%/year and will mature on 06 May 2023.

As at the balance sheet dates, amount due to and from related parties of the Group are as follows:

		Currency: VND	
Related party	Transaction	30 June 2021	31 December 2020
<b>Long-term accrued expenses (Note 18)</b>			
Saigon Hi-tech Park Infrastructure Development and Investment JSC	Long-term loan interest payable	963,879,723	945,879,723
		<b>963,879,723</b>	<b>945,879,723</b>
<b>Other payables (Note 19)</b>			
Mr. Dang Thanh Tam	Other payables	1,600,000,000	-
		<b>1,600,000,000</b>	<b>-</b>
<b>Short-term loan (Note 20)</b>			
Saigontel Long An Co., Ltd (i)	Short-term loan	112,500,000,000	-
Saigon Telecommunication & Technologies Corporation (ii)	Short-term loan	19,000,000,000	19,000,000,000
Mr. Dang Thanh Tam (iii)	Short-term loan	6,981,000,000	-
		<b>134,481,000,000</b>	<b>19,000,000,000</b>
<b>Long-term loan (Note 20)</b>			
Saigon Hi-tech Park Infrastructure Development and Investment JSC (iv)	Long-term loan	30,000,000,000	30,000,000,000
Mr. Dang Thanh Tam (iii)	Long-term loan	10,000,000,000	-
		<b>40,000,000,000</b>	<b>30,000,000,000</b>

(i) This is unsecured loan with the interest at 1% per month and will be matured in February 2022;

(ii) This is unsecured loan with the interest at 11% per annum and will be matured on 15 July 2021;

(iii) This is unsecured loan with the interest at 10% per annum and will be matured on 15 January 2022 and 15 December 2022;

(iv) This is a long-term unsecured loan, bearing an interest rate of 10.5% per annum and maturing on 31 December 2022.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

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

*Transactions with other related parties*

Remuneration to General Director, Deputy General Directors and Chief Accountant:

Currency: VND

Name	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 Huong	General Director, Member of Board of Directors	100,000,000	3,855,767,000	1,960,920,800	100,000,000	4,480,567,000	2,389,013,000
Mr Nguyen Vinh Tho	Member of Board of Directors	220,000,000	-	24,444,444	220,000,000	-	24,444,444
Mr Huynh Phat	Member of Board of Directors	100,000,000	-	11,111,111	100,000,000	-	11,111,111
Mr Phan Anh Dung	Deputy General Director	-	904,667,000	360,666,900	-	1,071,875,000	517,163,300
Mr Pham Phuc Hieu	Deputy General Director, Chief accountant,						
	Member of Board of Directors	100,000,000	1,388,000,000	674,769,100	100,000,000	1,612,500,000	862,115,250
Ms Nguyen My Ngoc	Deputy General Director	-	1,080,767,000	455,489,950	-	1,248,275,000	612,148,050
<b>TOTAL</b>		<b>520,000,000</b>	<b>7,229,201,000</b>	<b>3,487,402,305</b>	<b>520,000,000</b>	<b>8,413,217,000</b>	<b>4,415,995,155</b>
							<b>13,349,212,155</b>

NOTES TO THE INTERIM 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:

	Currency: VND	
	<i>For the six-month period ended 30 June 2021</i>	<i>For the six-month period ended 30 June 2020</i>
<b>Net profit after tax attributable to ordinary equity holders for basic earnings</b>	<b>640,044,895,706</b>	<b>50,873,225,025</b>
<i>Effect of dilution</i>	-	-
<b>Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b>640,044,895,706</b>	<b>50,873,225,025</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	1,362	108
Diluted earnings per share	1,362	108

There have been no potential common stock or preferred stock transactions between the interim balance sheet date and the date of the interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### 31. COMMITMENTS AND CONTINGENT LIABILITIES

#### 31.1 *Contingent liabilities relating to real estate investment 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 2017 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 31. COMMITMENTS AND CONTINGENCIES (continued)

#### 31.1 *Commitments relating to real estate investment projects* (continued)

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 interim consolidated financial statements, SBG is still in the process of working with the competent authorities to determine the land rental obligation.

As at the date of these interim consolidated financial statements, the Company and its subsidiaries is are still in the progress process of finalizing with the State authorities to determine the amount of land compensation and site clearance expenses can which could be eligible for offsetting with the land rental fees of the leased areas as mentioned above, as well as to also clarify with the tenants at these industrial parks to finalize the annual land rental payment obligations of annual land rental. In addition, SHP is in the process to of finalizing with the General Department of Taxation of Haiphong City to clarify the exemption of land rental fee for the leased land areas let out to LG Electronics Vietnam Hai Phong Company Limited and LG Display Vietnam Haiphong Company Limited.

Pending this work result, the Group has estimated the land rent obligation to be paid by the Group and deducted in advance in the cost of land and infrastructure for lease. However, the final amount of land rent to be paid will depend on the decision of the State management agencies.

#### 31.2 *Commitments related to real estate investment projects*

*Commitments related to obligations to the State:*

- (i) From 10 June 2015 to 17 May 2021, the Company signed a land lease contract with the People's Committee of Bac Ninh province for 195 ha of land at Nam Son - Hap Linh Industrial Park (to 26 May 2060). As at the date of these interim separate financial statements, the Company has received a decision on land rental exemption for the first phase of the project with a land area of 1,076,455 m<sup>2</sup>, in which 378,153 m<sup>2</sup> is exempted for the whole period and 698,302 m<sup>2</sup> is exempted until the end of December 2028. As at the date of these interim consolidated financial statements, the Company is still in process to determine the land rental obligation with authorities for the remaining land areas of the Nam Son Hap Linh Industrial Park.
- (ii) According to Decision No. 1526/QD-CT dated 17 December 2003 and Decision No. 971/QD-UBND dated 15 July 2009 of the People's Committee of Bac Ninh Province on the allocation of land to the Company for project implementation to build Phuc Ninh new urban area, Bac Ninh town, Bac Ninh province. The company must pay land use levy, fees and charges as prescribed by law for the residential land plots, commercial land and public works assigned to use for the purpose of building Phuc Ninh New Urban Area. according to planning. Accordingly, the Company handed over 49.53 hectares in 2010, completed marking the land area of 47.2 hectares in 2013 with the People's Committee of Bac Ninh province and paid the amount of 175,735,431,000 VND for the use fee land according to Decision 2229/QD-CT of the People's Committee of Bac Ninh province dated 23 December 2004 approving the land use levy collection price (phase 1) and the notices on assignment of land use levy payment quotas of the Bac Ninh Province Tax Department. At the date of these interim consolidated financial statements, the Company is still in the process of working with the People's Committee of Bac Ninh province for the remaining land area of the project.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2021 and for the six-month period then ended

### **31. COMMITMENTS AND CONTINGENCIES (continued)**

#### **31.2 Commitments related to real estate investment projects (continued)**

##### *Capital expenditure commitments:*

As of 30 June 2021, the Group has 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 762 billion VND.

#### **31.3 Commitment to contribute capital**

The Company has established a subsidiary named Vung Tau Investment Group Joint Stock Company and committed to contribute VND 745.2 billion into this subsidiary. This is a joint stock company incorporated under the Enterprise Law of Vietnam pursuant to Enterprise Registration Certificate No. 3502454725 issued by the Department of Planning and Investment of Ba Ria – Vung Tau province on 14 May 2021. The current principal activities are to develop real estate projects, trading land use rights of owners, users or tenants. As at 30 June 2021, the voting right and interest rate of the Company in this subsidiary are 60% and 56.77% respectively.

#### **31.4 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 at the date of signing Debt Structuring Agreement is described in Note 10.

#### **31.5 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.



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**32. EVENTS AFTER THE BALANCE SHEET DATE**

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

		
_____ Luu Phuong Mai Preparer	_____ Pham Phuc Hieu Deputy General Director cum Chief Accountant	_____ Nguyen Thi Thu Huong General Director



15 September 2021