

# Phat Dat Real Estate Development Corp

Consolidated financial statements

For the year ended 31 December 2020



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Consolidated financial statements

For the year ended 31 December 2020



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# Phat Dat Real Estate Development Corp

## GENERAL INFORMATION

### THE COMPANY

Phat Dat Real Estate Development Corp ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103002655 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 13 September 2004, as amended.

The Company's shares were listed on the Ho Chi Minh Stock Exchange ("HOSE") with code PDR in accordance with the License No. 1207/SGDHCM-NY issued by the HOSE on 9 July 2010.

The current principal activities of the Company and its subsidiaries are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered head office is located at Floors 8 and 9 Tower B, Viettel Building, 285 Cach Mang Thang Tam Street, Ward 12, District 10, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Nguyen Van Dat	Chairman	
Ms Tran Thi Huong	Deputy Chairwoman	
Mr Nguyen Tan Danh	Deputy Chairman	
Mr Doan Viet Dai Tu	Member	
Mr Le Minh Dung	Independent member	
Mr Khuong Van Muoi	Independent member	
Mr Tran Trong Gia Vinh	Independent member	
Mr Le Quang Phuc	Member	
Mr Bui Quang Anh Vu	Member	appointed on 25 April 2020

### INTERNAL AUDIT COMMITTEE

Members of the Internal Audit Committee during the year and at the date of this report are:

Ms Nguyen Thi Thu Nguyet	Head
Mr Vo Hoang Tu	Member
Mr To Minh Tai	Member

### MANAGEMENT

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

Mr Bui Quang Anh Vu	General Director	appointed on 27 April 2020
	Deputy General Director	resigned on 27 April 2020
Mr Nguyen Van Dat	General Director	resigned on 27 April 2020
Mr Pham Trong Hoa	Deputy General Director	resigned on 27 April 2020
Mr Nguyen Thanh Thao	Deputy General Director	appointed on 1 December 2020

### LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2020 to 6 May 2020 was Mr Nguyen Van Dat and from 7 May 2020 to the date of this report are Mr Nguyen Van Dat and Mr Bui Quang Anh Vu.

### AUDITORS

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

# Phat Dat Real Estate Development Corp

## REPORT OF MANAGEMENT

Management of Phat Dat Real Estate Development Corp ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2020.

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

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


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

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

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

### STATEMENT BY MANAGEMENT

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

For and on behalf of management: 



\_\_\_\_\_  
Bui Quang Anh Vu  
General Director

Ho Chi Minh City, Vietnam

1 March 2021

Reference: 60822566/22005338-HN

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Phat Dat Real Estate Development Corp**

We have audited the accompanying consolidated financial statements of Phat Dat Real Estate Development Corp ("the Company") and its subsidiaries ("the Group") as prepared on 1 March 2021 and set out on pages 5 to 45, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

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

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

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

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

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

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

### *Opinion*

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

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



Ernest Young Chin Kang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2018-004-1



Ly Hong My  
Auditor  
Audit Practicing Registration Certificate  
No. 4175-2017-004-1

Ho Chi Minh City, Vietnam

1 March 2021

CONSOLIDATED BALANCE SHEET  
as at 31 December 2020

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>10,929,134,432,965</b>	<b>10,354,694,188,254</b>
<b>110</b>	<b><i>I. Cash and cash equivalents</i></b>	<b>5</b>	<b>53,166,353,724</b>	<b>646,334,409,446</b>
111	1. Cash		47,166,353,724	646,334,409,446
112	2. Cash equivalents		6,000,000,000	-
<b>120</b>	<b><i>II. Short-term investment</i></b>		<b>12,180,299,200</b>	<b>-</b>
123	1. Held-to-maturity investments	6	12,180,299,200	-
<b>130</b>	<b><i>III. Current accounts receivable</i></b>		<b>1,516,084,550,001</b>	<b>1,705,319,506,303</b>
131	1. Short-term trade receivables	7	170,232,056,537	795,203,585,316
132	2. Short-term advances to suppliers	8	1,070,601,322,639	755,175,650,677
136	3. Other short-term receivables	9	276,292,715,200	158,048,756,336
137	4. Provision for doubtful short-term receivables	7	(1,041,544,375)	(3,108,486,026)
<b>140</b>	<b><i>IV. Inventory</i></b>		<b>9,331,028,013,395</b>	<b>7,994,802,959,880</b>
141	1. Inventories	10	9,331,028,013,395	7,994,802,959,880
<b>150</b>	<b><i>V. Other current assets</i></b>		<b>16,675,216,645</b>	<b>8,237,312,625</b>
151	1. Short-term prepaid expenses	11	4,699,725,667	2,535,665,201
152	2. Value-added tax deductible	19	11,804,834,925	3,055,335,504
153	3. Tax and other receivables from the State	19	170,656,053	2,642,764,611
155	4. Other current assets		-	3,547,309
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>4,688,355,121,724</b>	<b>3,606,685,291,937</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>988,174,914,270</b>	<b>1,566,429,244,555</b>
211	1. Long-term trade receivables	7	50,000,000,000	100,000,000,000
216	2. Other long-term receivables	9	938,174,914,270	1,466,429,244,555
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>34,077,217,131</b>	<b>17,573,105,541</b>
221	1. Tangible fixed assets	12	33,676,251,475	16,528,118,651
222	Cost		69,544,998,761	27,710,898,627
223	Accumulated depreciation		(35,868,747,286)	(11,182,779,976)
227	2. Intangible fixed assets	13	400,965,656	1,044,986,890
228	Cost		3,357,367,536	3,171,378,036
229	Accumulated amortisation		(2,956,401,880)	(2,126,391,146)
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>14</b>	<b>69,391,784,192</b>	<b>75,415,499,883</b>
231	1. Cost		75,664,270,272	82,664,270,272
232	2. Accumulated depreciation		(6,272,486,080)	(7,248,770,389)
<b>240</b>	<b><i>IV. Long-term asset in progress</i></b>		<b>898,176,435,935</b>	<b>908,369,586,162</b>
242	1. Construction in progress	15	898,176,435,935	908,369,586,162
<b>250</b>	<b><i>V. Long-term investments</i></b>		<b>1,733,949,000,000</b>	<b>5,502,000,000</b>
252	1. Investments in associates	16	1,733,949,000,000	2,692,000,000
255	2. Held-to-maturity investment		-	2,810,000,000
<b>260</b>	<b><i>VI. Other long-term assets</i></b>		<b>964,585,770,196</b>	<b>1,033,395,855,796</b>
261	1. Long-term prepaid expenses	11	964,520,684,604	1,033,362,960,251
262	2. Deferred tax assets	31.3	65,085,592	32,895,545
<b>270</b>	<b>TOTAL ASSETS</b>		<b>15,617,489,554,689</b>	<b>13,961,379,480,191</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>10,423,212,058,012</b>	<b>9,592,450,613,317</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,386,260,247,758</b>	<b>3,072,749,465,963</b>
311	1. Short-term trade payables	17	288,279,900,889	260,918,338,771
312	2. Short-term advances from customers	18	619,995,008,225	651,149,337,644
313	3. Statutory obligations	19	489,894,325,264	178,844,784,958
314	4. Payables to employees		13,130,285,261	4,531,081,501
315	5. Short-term accrued expenses	20	78,205,851,801	145,704,680,565
319	6. Other short-term payables	21	1,480,519,543,789	623,410,262,001
320	7. Short-term loans	22	1,413,560,061,129	1,201,598,912,000
322	8. Bonus and welfare fund	23	2,675,271,400	6,592,068,523
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,036,951,810,254</b>	<b>6,519,701,147,354</b>
337	1. Other long-term liabilities	21	5,551,706,991,616	5,549,400,552,616
338	2. Long-term loans	22	485,244,818,638	970,300,594,738
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>5,194,277,496,677</b>	<b>4,368,928,866,874</b>
<b>410</b>	<b>I. Capital</b>		<b>5,194,277,496,677</b>	<b>4,368,928,866,874</b>
411	1. Share capital	24.1	3,961,698,970,000	3,276,579,720,000
411a	- Shares with voting rights		3,961,698,970,000	3,276,579,720,000
412	2. Share premium	24.1	11,680,300,000	11,680,300,000
418	3. Investment and development fund	24.1	155,013,584,076	137,513,584,076
421	4. Undistributed earnings	24.1	973,918,145,839	871,304,238,377
421a	- Undistributed earnings by the end of prior year		17,609,608,196	4,365,082,023
421b	- Undistributed earnings of current year		956,308,537,643	866,939,156,354
429	5. Non-controlling interests	25	91,966,496,762	71,851,024,421
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>15,617,489,554,689</b>	<b>13,961,379,480,191</b>



Vo Thi Minh Hang  
Preparer



Vu Quynh Hoa  
Chief Accountant



Bui Quang Anh Vu  
General Director



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2020

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	26	3,911,211,875,460	3,410,467,569,021
02	2. Deductions	26	-	(10,281,555,066)
10	3. Net revenue from sale of goods and rendering of services	26	3,911,211,875,460	3,400,186,013,955
11	4. Cost of goods sold and services rendered	27	(2,089,297,271,479)	(2,082,172,994,694)
20	5. Gross profit from sale of goods and rendering of services		1,821,914,603,981	1,318,013,019,261
21	6. Finance income		6,122,334,350	8,191,043,675
22	7. Finance expenses	28	(31,064,169,156)	(101,578,949)
23	- In which: Interest expenses		(23,044,589,042)	-
25	8. Selling expenses	29	(117,902,117,428)	(124,034,028,139)
26	9. General and administrative expenses	29	(130,208,516,284)	(93,003,741,165)
30	10. Operating profit		1,548,862,135,463	1,109,064,714,683
31	11. Other income		77,457,535	4,447,792,353
32	12. Other expenses		(8,719,449,815)	(8,201,664,074)
40	13. Other loss		(8,641,992,280)	(3,753,871,721)
50	14. Accounting profit before tax		1,540,220,143,183	1,105,310,842,962
51	15. Current corporate income tax expense	31.1	(319,999,845,246)	(230,723,252,719)
52	16. Deferred tax income (expense)	31.1	32,190,047	(444,203,896)
60	17. Net profit after tax		1,220,252,487,984	874,143,386,347
61	18. Net profit after tax attributable to shareholders of the parent		1,220,323,637,643	874,138,744,149
62	19. Net (loss) profit after tax attributable to non-controlling interests		(71,149,659)	4,642,198
70	20. Basic earnings per share (VND/share)	33	2,926	2,141
71	21. Diluted earnings per share (VND/share)	33	2,926	2,141



Vo Thi Minh Hang  
Preparer

1 March 2021



Vu Quynh Hoa  
Chief Accountant



Bui Quang Anh Vu  
General Director

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2020

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Accounting profit before tax		1,540,220,143,183	1,105,310,842,962
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets and investment properties	12, 13, 14	7,319,208,489	6,010,671,000
03	Reversal of provision		-	(704,596,848)
04	Foreign exchange gain arising from revaluation of monetary accounts denominated in foreign currency		(900,000,000)	-
05	Interest income		(5,222,334,350)	(6,682,602,020)
06	Interest expenses		25,834,239,060	-
08	<b>Operating profit before changes in working capital</b>		<b>1,567,251,256,382</b>	<b>1,103,934,315,094</b>
09	Decrease (increase) in receivables		838,561,385,547	(64,568,313,755)
10	Decrease (increase) in inventories		1,610,545,181,604	(3,453,811,699,227)
11	Increase in payables		758,747,183,095	1,759,427,245,554
12	Decrease (increase) in prepaid expenses		66,735,558,633	(109,651,679,990)
14	Interest paid		(284,440,701,611)	(76,813,864,626)
15	Corporate income tax paid		(146,852,552,847)	(156,800,342,826)
17	Other cash outflows for operating activities		(25,817,710,904)	(19,491,463,244)
20	<b>Net cash flows from (used in) operating activities</b>		<b>4,384,729,599,899</b>	<b>(1,017,775,803,020)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(484,545,332,616)	(101,269,950,297)
23	Payments for term deposits at banks		(9,370,299,200)	(2,810,000,000)
25	Payments for investments in other entities		(3,864,327,521,217)	(599,743,496,260)
26	Collections of investments in other entities		60,000,000,000	-
27	Interest received		5,222,334,350	6,693,043,675
30	<b>Net cash flows used in investing activities</b>		<b>(4,293,020,818,683)</b>	<b>(697,130,402,882)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		1,161,200,000,000	2,456,471,923,000
34	Repayment of borrowings		(1,453,127,583,738)	(284,572,416,262)
36	Dividends paid		(392,949,253,200)	-
40	<b>Net cash flows (used in) from financing activities</b>		<b>(684,876,836,938)</b>	<b>2,171,899,506,738</b>

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

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash and cash equivalents for the year		(593,168,055,722)	456,993,300,836
60	Cash at beginning of the year		646,334,409,446	189,341,108,610
70	Cash and cash equivalents at end of the year	5	53,166,353,724	646,334,409,446



Vo Thi Minh Hang  
Preparer



Vu Quynh Hoa  
Chief Accountant



Bui Quang Anh Vu  
General Director

1 March 2021

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

**1. CORPORATE INFORMATION**

Phat Dat Real Estate Development Corp ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103002655 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 13 September 2004, as amended.

The Company's shares were listed on the Ho Chi Minh Stock Exchange ("HOSE") with code PDR in accordance with the License No. 1207/SGDHCM-NY issued by the HOSE on 9 July 2010.

The current principal activities of the Company and its subsidiaries ("the Group") are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered head office is located at Floors 8 and 9 Tower B, Viettel Building, 285 Cach Mang Thang Tam Street, Ward 12, District 10, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 31 December 2020 was 267 (31 December 2019: 190).

***Corporate structure***

As at 31 December 2020, the Company has 6 following subsidiaries which were consolidated into the consolidated financial statements of the Group:

***DK Phu Quoc Corporation ("DK Phu Quoc")***

DK Phu Quoc is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 1701522101 issued by the DPI of Kien Giang Province on 22 April 2011, as amended. DK Phu Quoc's registered head office is located at Group 17, C Lot, Quarter 5, Duong Dong Ward, Phu Quoc City, Kien Giang Province, Vietnam. The principal activities of DK Phu Quoc are to trade real estate properties and provide construction services.

As at 31 December 2020 and 31 December 2019, the Group holds a 99% equity share and voting rights in this subsidiary.

***Coinin Construction Investment Infrastructure Company Limited ("Coinin")***

Coinin is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313662185 issued by the DPI of Ho Chi Minh City on 25 February 2016, as amended. Coinin's registered head office is located at No. 271/16, An Duong Vuong Street, Ward 3, District 5, Ho Chi Minh City, Vietnam. The principal activities of Coinin are to trade real estate properties and provide construction services.

As at 31 December 2020 and 31 December 2019, the Group holds a 80% equity share and voting rights in this subsidiary.

***Sai Gon - KL Real Estate Corporation ("Sai Gon - KL")***

Sai Gon - KL is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 13700902915 issued by the DPI of Binh Duong Province on 29 April 2008, as amended. Sai Gon - KL's registered head office is located at Land lot No. 1186 - 1187, Map sheet No. 6-2 (D2), Binh Duc Quarter, Binh Hoa Ward, Thuan An City, Binh Duong Province, Vietnam. The principal activity of Sai Gon - KL is to trade real estate properties.

As at 31 December 2020 and 31 December 2019, the Group holds a 99% equity share and voting rights in this subsidiary.

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

**1. CORPORATE INFORMATION (continued)**

*Corporate structure (continued)*

*Ngo May Real Estate Investment Joint Stock Company ("Ngo May")*

Ngo May is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4101553978 issued by the DPI of Binh Dinh Province on 19 November 2019. Ngo May's registered head office is located at No. 1, Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province, Vietnam. The principal activity of Ngo May is to trade real estate properties.

As at 31 December 2020 and 31 December 2019, the Group holds a 94% equity share and voting rights in this subsidiary.

*Ben Thanh - Long Hai Corporation ("Ben Thanh - Long Hai") (Note 4)*

Ben Thanh - Long Hai is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to the BRC No. 3500783805 issued by the DPI of Ba Ria - Vung Tau Province on 1 March 2007, as amended. Ben Thanh - Long Hai's registered head office is located at Road 44A, Phuoc Hai Town, Dat Do District, Ba Ria - Vung Tau Province, Vietnam. The principal activity of Ben Thanh - Long Hai is to trade real estate properties.

As at 31 December 2020, the Group holds a 99% equity share and voting rights in this subsidiary.

*Phat Dat Industrial Park Investment Joint Stock Company ("Phat Dat IP")*

During the year, the Group contributed of VND 462,400,000,000, equivalent to 68% ownership interest, to establish Phat Dat IP, a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to the BRC No. 0316462970 issued by the DPI of Ho Chi Minh City on 31 August 2020. Phat Dat IP's registered head office is located at Floor 9 Tower B, Viettel Building, 285 Cach Mang Thang Tam Street, Ward 12, District 10, Ho Chi Minh City, Vietnam. The principal activity of Phat Dat IP is to trade real estate properties.

At as 31 December 2020, the Group holds a 68% equity share and voting rights in this subsidiary.

On 8 February 2020, the Group received the Notification of the DPI of Ho Chi Minh City indicating the completion of the process to dissolve Phu Hung Real Estate Investment Company Limited ("Phu Hung") – a Company's subsidiary, which the Board of Directors decided to dissolve in accordance with Decision No. 21/2018/QD-HDQT on 6 November 2018.

On 9 December 2020, the Group received the Notification of the DPI of Ho Chi Minh City indicating the completion of the process to dissolve Phat Dat Investment Limited Company ("Phat Dat Investment") – a Company's subsidiary, which the Board of Directors decided to dissolve in accordance with Decision No. 25/2019/QD-HDQT on 14 November 2019.

In addition, the Group has 3 associates as disclosed in Note 16.

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

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The consolidated financial statements of the Group, 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 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 consolidated financial position and the consolidated results of operations and the consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam

### 2.2 *Applied accounting documentation system*

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

### 2.3 *Fiscal year*

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

### 2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### 2.5 *Basis of consolidation*

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

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

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

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

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

## 2. BASIS OF PREPARATION (continued)

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

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

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Merchandise - cost of purchase on a weighted average basis.

#### *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 inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

#### *Inventory property*

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs



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

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

**3.2 Inventories (continued)**

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in the consolidated income statement is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

**3.3 Receivables**

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

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

**3.4 Fixed assets**

Tangible fixed assets and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

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

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

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

**3.5 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

*Where the Group is the lessee*

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

*Where the Group is the lessor*

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

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

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

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

#### 3.6 Depreciation and amortisation

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

Buildings and structures	5 – 25 years
Machinery and equipment	6 – 7 years
Means of transportation	3 – 6 years
Office equipment	6 – 8 years
Computer software	3 years

#### 3.7 Investment properties

Investment properties comprise land use rights, buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

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

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 flow to the Group.

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

Buildings and structures	25 – 48 years
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Land use rights with indefinite useful life are not amortised.

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

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

#### 3.8 Construction in progress

Construction in progress represents fixed assets under construction and is stated at historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

#### 3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

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

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

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

#### 3.10 *Prepaid expenses*

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

The following types of expenses are recorded as prepaid expense and are amortised or recognised consistently with revenue to the consolidated income statement:

- ▶ The EverRich 2 project compensation expenses and management fees;
- ▶ Commission fees;
- ▶ Advertising expenses;
- ▶ Office renovation costs; and
- ▶ Tools and supplies.

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

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

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

#### 3.12 *Investments*

##### *Investments in associates*

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

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

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

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

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

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

**3.12 Investments (continued)**

*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 consolidated income statement and deducted against the value of such investments.

*Provision for diminution in value of investments*

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

**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 Foreign currency transactions**

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

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;

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

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

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

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

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

#### 3.15 *Appropriation of net profits*

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

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors ("BOD") 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 in-depth investments.

##### *Bonus and welfare fund*

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

##### *Dividends*

Final dividends proposed by the Company's BOD are classified as an allocation of undistributed earnings within the equity section on the consolidated balance sheet, until they have been approved by shareholders at the annual general meeting. At that time, they are recognised as a liability in the consolidated balance sheet.

#### 3.16 *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:

##### *Sale of apartments*

For apartments sold after completion of construction, the revenue is recognised when the significant risks and rewards of ownership of apartments have been transferred to the buyers, usually upon the handing over of apartments.

##### *Sale of residential plots and related infrastructure*

Revenue is recognised when the significant risks and rewards of ownership of residential plots and related infrastructures have been transferred to the buyers, usually upon the handing over of residential plots and related infrastructures.

##### *Rental income*

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease.

##### *Rendering of services*

Revenue is recognised upon the services had been provided and completed.

##### *Interest income*

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

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

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

#### 3.17 Taxation

##### *Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset 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 balance sheet liability method on temporary differences at the 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. 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.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

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

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

#### 3.18 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and BOD's remuneration) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and BOD's remuneration) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.19 *Segment information*

A segment is considered as an independent department of the Group which involve in the process of providing products or rendering services (business segment), or providing products or rendering services in a specific economic environment (geographical segment). These departments are responsible for risk and gain benefit separately from other department.

The Group's principal activities are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is constructing or the locations where the Group is operating. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

#### 3.20 *Related parties*

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

### 4. ASSETS ACQUISITION

On 7 September 2020, the Group completed the acquisition of 99% ownership interest in Ben Thanh - Long Hai from previous shareholders at a consideration of VND 1,980,000,000,000. Accordingly, Ben Thanh - Long Hai became the Group's subsidiary from that date.

Management assessed that the said cost of acquisition represents the fair value of the project owned by this newly-acquired subsidiary. As a result, management accounted for this acquisition as asset acquisition rather than business combination because this subsidiary only owns real estate project and is not in official commercial operation yet.

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

#### 5. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	194,029,113	136,492,947
Cash in banks	46,972,324,611	646,197,916,499
Cash equivalents (*)	<u>6,000,000,000</u>	<u>-</u>
<b>TOTAL</b>	<b><u>53,166,353,724</u></b>	<b><u>646,334,409,446</u></b>

(\*) Cash equivalents represent term deposit at bank with original maturity of one month and earning interest at the rate of 3.5% per annum.

#### 6. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits at banks with original maturities of twelve months and earning interest at the rates ranging from 5.45% to 6.38% per annum.

#### 7. TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>170,232,056,537</b>	<b>795,203,585,316</b>
Receivables from other parties	119,083,656,537	695,788,611,272
- Thien Minh Real Estate Investment Corporation	70,615,693,202	344,738,890,572
- Danh Khoi Holdings Investment Joint Stock Company	-	157,852,595,000
- Others	48,467,963,335	193,197,125,700
Receivables from related parties (Note 32)	51,148,400,000	99,414,974,044
<b>Long-term</b>	<b>50,000,000,000</b>	<b>100,000,000,000</b>
Receivable from a related party (Note 32)	<u>50,000,000,000</u>	<u>100,000,000,000</u>
<b>TOTAL</b>	<b>220,232,056,537</b>	<b>895,203,585,316</b>
Provision for doubtful short-term receivables	<u>(1,041,544,375)</u>	<u>(3,108,486,026)</u>
<b>NET</b>	<b><u>219,190,512,162</u></b>	<b><u>892,095,099,290</u></b>

Movements of provision for doubtful short-term receivables were as follows:

	VND	
	Current year	Previous year
Beginning balance	3,108,486,026	3,813,082,874
Write-off provision during the year	(2,066,941,651)	-
Reversal of provision during the year	-	(704,596,848)
Ending balance	<u>1,041,544,375</u>	<u>3,108,486,026</u>



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

## 8. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
620 Infrastructure Development and Investment Corporation	373,200,000,000	361,572,995,000
Advances to individuals for project and capital transfer	275,371,128,500	63,691,635,000
- Mr Pham Cong Thanh	100,000,000,000	-
- Ms Nguyen Thi Phuong Thao	85,371,128,500	9,691,635,000
- Ms Nguyen Thi My Duyen	54,000,000,000	54,000,000,000
- Mr Nguyen Cao Tien	36,000,000,000	-
Land Clearance and Compensation Corporation	178,881,848,207	178,099,623,590
Central Construction Corporation	147,804,853,158	-
Duc Khai Corporation	70,228,366,367	70,228,366,367
Others	25,115,126,407	81,583,030,720
<b>TOTAL</b>	<b><u>1,070,601,322,639</u></b>	<b><u>755,175,650,677</u></b>

## 9. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>276,292,715,200</b>	<b>158,048,756,336</b>
Receivables from other parties	266,292,715,200	142,958,293,348
- Minh Hoang Real Estate Business Joint Stock Company ("Minh Hoang") (i)	200,000,000,000	17,660,000,000
- Truong Phat Loc Shipping Joint Stock Company ("Truong Phat Loc") (ii)	50,000,000,000	75,000,000,000
- Deposits	733,360,000	6,372,484,000
- Others	15,559,355,200	43,925,809,348
Receivables from related parties (Note 32)	10,000,000,000	15,090,462,988
<b>Long-term</b>	<b>938,174,914,270</b>	<b>1,466,429,244,555</b>
Receivables from other parties	898,174,914,270	1,365,489,492,655
- Phu Quoc Doan Anh Duong Corporation ("Doan Anh Duong") (iii)	356,000,000,000	416,000,000,000
- Tan Hoang Real Estate Corporation (iv)	223,000,000,000	223,000,000,000
- Tam Binh Real Estate Corporation (iv)	200,000,000,000	200,000,000,000
- Truong Phat Loc (ii)	76,400,000,000	126,400,000,000
- Phu Quoc Economic Zone Management Board	38,548,000,000	38,548,000,000
- Deposits	3,960,245,380	-
- Minh Hoang (i)	-	361,400,000,000
- Others	266,668,890	141,492,655
Receivable from a related party (Note 32)	40,000,000,000	100,939,751,900
<b>TOTAL</b>	<b><u>1,214,467,629,470</u></b>	<b><u>1,624,478,000,891</u></b>

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

#### 9. OTHER RECEIVABLES (continued)

- (i) The amount represents remaining receivables from contributed capital from the Business Cooperation Contract ("BCC") regarding to the development of commercial floors and office-apartments of Millennium project located at No. 132, Ben Van Don Street, Ward 6, District 4, Ho Chi Minh City ("Millennium project").
- (ii) The amount represents remaining receivable from contributed capital from Investment Cooperation Contract ("ICC") liquidation regarding to the development of Millennium project.
- (iii) The amount represents the capital contribution in accordance with the ICC regarding to the development of Vung Bau Ecotourism Project located at Cua Can Commune, Phu Quoc City, Kien Giang Province and earning the shared profit according to the proportion of financial contributions but not less than the interest of 20% p.a.
- (iv) The amount represents capital contribution in accordance with the ICC regarding to the construction and development of the ICD Port of Transshipment project located at Long Binh Ward, District 9, Ho Chi Minh City and receiving the shared land area after the project's completion.

#### 10. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties (*)	9,330,555,534,275	7,992,915,026,215
Merchandise	472,479,120	1,887,933,665
<b>TOTAL</b>	<b><u>9,331,028,013,395</u></b>	<b><u>7,994,802,959,880</u></b>

- (\*) Real estate properties mainly include compensation costs, land clearance costs, construction costs, capitalised interest and other development costs incurred for the following on-going real estate projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
The EverRich 2 project (i)	3,603,774,811,610	3,597,766,841,597
Tropicana Ben Thanh Long Hai project	1,911,159,780,077	-
Nhon Hoi – Binh Dinh project (ii)	1,473,606,599,450	2,791,168,413,614
The EverRich 3 project (i)	876,296,187,469	875,636,079,563
Binh Duong Commercial Center and Luxury Apartment project ("Astral City project")	624,452,264,818	596,306,128,270
DK Phu Quoc project	475,559,749,892	-
Ngo May project (ii)	133,451,877,454	-
Bau Ca – Quang Ngai project	25,530,072,475	37,603,106,026
Other projects	206,724,191,030	94,434,457,145
<b>TOTAL</b>	<b><u>9,330,555,534,275</u></b>	<b><u>7,992,915,026,215</u></b>

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

10. INVENTORIES (continued)

- (i) The EverRich 2 and The EverRich 3 projects and all of their associated asset rights were pledged to Vietnam Prosperity Joint Stock Commercial Bank as security collateral for the loans taken by the Group's business partners.

As at the balance sheet date, the Group is in progress to fulfil the Government's requirements for transferring the remaining parts of these projects in accordance with ICCs entered with Big Gain Investment Company Limited ("Big Gain") and Dynamic Innovation Company Limited ("Dynamic") (Note 21).

- (ii) Nhon Hoi – Binh Dinh and Ngo May projects and all of their associated asset rights were pledged as security collateral for the loans obtained and bonds issued by the Group (Note 22).

The capitalised interest to invest, develop projects for the year ended 31 December 2020 was VND 227,775,863,554 (for the year ended 31 December 2019: VND 153,908,476,307).

11. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>4,699,725,667</b>	<b>2,535,665,201</b>
External services expenses	2,396,976,753	381,151,768
Tools and supplies	649,309,740	714,438,747
Insurance fees	624,185,572	502,474,083
Others	1,029,253,602	937,600,603
<b>Long-term</b>	<b>964,520,684,604</b>	<b>1,033,362,960,251</b>
The EverRich 2 project compensation expenses (*)	923,823,243,655	923,823,243,655
Commission fees	20,763,679,587	100,000,000,000
Office renovation	5,703,519,522	-
Advertising expenses	4,979,719,223	2,910,441,003
Apartments management fees	3,383,934,585	3,383,934,585
Others	5,866,588,032	3,245,341,008
<b>TOTAL</b>	<b>969,220,410,271</b>	<b>1,035,898,625,452</b>

(\*) This is the compensation expenses paid to CRE & AGI Consulting Joint Stock Company and Phu Hung, a Company's subsidiary, which was dissolved on 8 February 2020, upon liquidation of BCCs relating to construction and business management of The EverRich 2 project. These BCCs were terminated so that the Group can transfer this project to Big Gain under the ICC (Note 10).

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

## 12. TANGIBLE FIXED ASSETS

					VND
	<i>Buildings and structures</i>	<i>Means of transportation</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>					
Beginning balance	-	23,468,244,085	4,242,654,542	-	27,710,898,627
New purchase	-	3,563,938,545	2,900,208,000	-	6,464,146,545
Increase due to subsidiary consolidation	34,020,488,862	1,419,851,656	701,504,800	131,174,971	36,273,020,289
Reclassify to inventories	-	-	(903,066,700)	-	(903,066,700)
Ending balance	<u>34,020,488,862</u>	<u>28,452,034,286</u>	<u>6,941,300,642</u>	<u>131,174,971</u>	<u>69,544,998,761</u>
<i>In which:</i>					
<i>Fully depreciated</i>	5,141,750,887	4,486,489,376	3,951,444,387	131,174,971	13,710,859,621
<b>Accumulated depreciation</b>					
Beginning balance	-	(7,879,741,473)	(3,303,038,503)	-	(11,182,779,976)
Depreciation for the year	(745,189,932)	(3,577,083,018)	(816,795,265)	-	(5,139,068,215)
Increase due to subsidiary consolidation	(17,604,286,337)	(1,419,851,656)	(692,608,363)	(131,174,971)	(19,847,921,327)
Reclassify to inventories	-	-	301,022,232	-	301,022,232
Ending balance	<u>(18,349,476,269)</u>	<u>(12,876,676,147)</u>	<u>(4,511,419,899)</u>	<u>(131,174,971)</u>	<u>(35,868,747,286)</u>
<b>Net carrying amount</b>					
Beginning balance	-	15,588,502,612	939,616,039	-	16,528,118,651
Ending balance	<u>15,671,012,593</u>	<u>15,575,358,139</u>	<u>2,429,880,743</u>	<u>-</u>	<u>33,676,251,475</u>

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

## 13. INTANGIBLE FIXED ASSETS

	VND
	<i>Computer software</i>
<b>Cost</b>	
Beginning balance	3,171,378,036
Increase due to subsidiary consolidation	185,989,500
Ending balance	<u>3,357,367,536</u>
<i>In which:</i>	
<i>Fully amortised</i>	2,154,470,536
<b>Accumulated amortisation</b>	
Beginning balance	(2,126,391,146)
Amortisation for the year	(644,021,234)
Increase due to subsidiary consolidation	(185,989,500)
Ending balance	<u>(2,956,401,880)</u>
<b>Net carrying amount</b>	
Beginning balance	<u>1,044,986,890</u>
Ending balance	<u>400,965,656</u>

## 14. INVESTMENT PROPERTIES

	VND		
	<i>Land use rights</i>	<i>Building and structures</i>	<i>Total</i>
<b>Cost</b>			
Beginning balance	12,581,327,536	70,082,942,736	82,664,270,272
Reclassify to inventories	<u>(5,274,354,545)</u>	<u>(1,725,645,455)</u>	<u>(7,000,000,000)</u>
Ending balance	<u>7,306,972,991</u>	<u>68,357,297,281</u>	<u>75,664,270,272</u>
<b>Accumulated depreciation</b>			
Beginning balance	(786,757,894)	(6,462,012,495)	(7,248,770,389)
Depreciation for the year	-	(1,536,119,040)	(1,536,119,040)
Reclassify to inventories	<u>786,757,894</u>	<u>1,725,645,455</u>	<u>2,512,403,349</u>
Ending balance	<u>-</u>	<u>(6,272,486,080)</u>	<u>(6,272,486,080)</u>
<b>Net carrying amount</b>			
Beginning balance	<u>11,794,569,642</u>	<u>63,620,930,241</u>	<u>75,415,499,883</u>
Ending balance	<u>7,306,972,991</u>	<u>62,084,811,201</u>	<u>69,391,784,192</u>

The fair values of the investment properties were not formally assessed and determined as at 31 December 2020. However, given the current occupancy rate of these properties and market price of surrounding land, it is management's assessment that these properties' market values are higher than their carrying value as at this date.

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

## 15. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Office building (*)	424,892,553,707	-
The Internal Technical Infrastructure Construction Ancient project in District 9, Ho Chi Minh City	376,814,929,277	319,511,653,557
Other projects under Building and Transfer agreements	83,229,865,277	7,976,940,104
DK Phu Quoc project	-	398,738,837,674
Ngo May project	-	126,992,204,750
Accounting software	11,040,986,310	-
Others	2,198,101,364	55,149,950,077
<b>TOTAL</b>	<b>898,176,435,935</b>	<b>908,369,586,162</b>

(\*) Land use rights and its associated assets were pledged as security collateral for the loan obtained by the Group (Note 22).

The capitalised interest to invest, develop the projects for the year ended 31 December 2020 was VND 20,996,087,672 (for the year ended 31 December 2019: nil).

## 16. INVESTMENTS IN ASSOCIATES

	Ending balance		Beginning balance	
	% of ownership	Amount VND	% of ownership	Amount VND
BIDICI Joint Stock Company ("BIDICI") (i)	49	1,092,700,000,000	-	-
Serenity Investment Joint Stock Company ("Serenity") (ii)	36	635,182,000,000	-	-
PDP Project Construction Investment Co., Ltd ("PDP Project") (iii)	49	6,067,000,000	49	2,692,000,000
<b>TOTAL</b>		<b>1,733,949,000,000</b>		<b>2,692,000,000</b>

(i) During the year, the Company contributed of VND 1,092,700,000,000, equivalent to 49% ownership interest, to establish BIDICI, a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to the ERC No. 4101576855 issued by the DPI of Binh Dinh Province on 16 October 2020. BIDICI's registered head office is located at 1 Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province, Vietnam. The principal activity of BIDICI is to trade real estate properties.

(ii) On 31 December 2020, the Company completed the acquisition of 36% of ownership interest in Serenity to implement the Resort and villa project at Ba Ria - Vung Tau Province. Serenity is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to the ERC No. 3502421310 issued by the DPI of Ba Ria - Vung Tau Province on 27 March 2020. Serenity's registered head office is located at Hai Tan Quarter, Phuoc Hai Town, Dat Do District, Ba Ria - Vung Tau Province, Vietnam. The principal activity of Serenity is to trade real estate properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**16. INVESTMENT IN ASSOCIATES (continued)**

(iii) PDP Project is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0315143682 issued by the DPI of Ho Chi Minh City on 3 July 2018. PDP Project's registered head office is located at Floor 9 Tower B, Viettel Building, 285 Cach Mang Thang Tam Street, Ward 12, District 10, Ho Chi Minh City, Vietnam. The principal activity of PDP Project is to trade real estate properties. PDP Project's current main project is Phan Dinh Phung construction project at 8 Vo Van Tan, Ward 6, District 3, Ho Chi Minh City. As at the balance sheet date, the Group has contributed of VND 6,067,000,000 over its charter capital of VND 147,000,000,000 as per BRC.

**17. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Phu My Hung Investment Corporation	165,122,193,621	165,122,193,621
Sai Gon Transport Construction Joint Stock Company	31,336,050,766	61,281,747,788
Thien An Mechanical Co., Ltd	30,298,070,520	-
T&T Trading & Services Limited	20,388,979,200	-
IDV Investment and Trading Joint Stock Company	13,074,589,917	6,828,799,823
Dong Khanh Construction Company Limited	11,636,067,669	13,636,067,669
Others	16,423,949,196	14,049,529,870
<b>TOTAL</b>	<b><u>288,279,900,889</u></b>	<b><u>260,918,338,771</u></b>

**18. SHORT-TERM ADVANCES FROM CUSTOMERS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Danh Khoi Holdings Investment Joint Stock Company	593,402,049,007	556,528,830,332
Others	26,592,959,218	94,620,507,312
<b>TOTAL</b>	<b><u>619,995,008,225</u></b>	<b><u>651,149,337,644</u></b>
<i>In which:</i>		
<i>Nhon Hoi – Binh Dinh project</i>	<i>593,402,049,007</i>	<i>591,765,616,622</i>
<i>Other projects</i>	<i>26,592,959,218</i>	<i>59,383,721,022</i>

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

## 19. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
<b>Payables</b>				
Corporate income tax	143,797,858,831	317,598,336,688	(146,852,552,847)	314,543,642,672
Value-added tax	33,134,492,623	281,231,232,177	(142,020,361,162)	172,345,363,638
Personal income tax	1,912,433,504	34,432,525,058	(33,488,077,965)	2,856,880,597
Others	-	75,838,188,389	(75,689,750,032)	148,438,357
<b>TOTAL</b>	<b><u>178,844,784,958</u></b>	<b><u>709,100,282,312</u></b>	<b><u>(398,050,742,006)</u></b>	<b><u>489,894,325,264</u></b>
<b>Receivables</b>				
Value-added tax	3,055,335,504	36,597,976,215	(27,848,476,794)	11,804,834,925
Corporate income tax (*)	2,642,764,611	18,233,061,178	(20,705,169,736)	170,656,053
<b>TOTAL</b>	<b><u>5,698,100,115</u></b>	<b><u>54,831,037,393</u></b>	<b><u>(48,553,646,530)</u></b>	<b><u>11,975,490,978</u></b>

(\*) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on corporate income tax, the Group is entitled to provisionally pay tax at the rate of 1% on cash collections from its customers.

## 20. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expenses	70,161,180,594	78,594,435,111
Construction costs	3,870,537,650	58,475,289,099
Others	4,174,133,557	8,634,956,355
<b>TOTAL</b>	<b><u>78,205,851,801</u></b>	<b><u>145,704,680,565</u></b>

## 21. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>1,480,519,543,789</b>	<b>623,410,262,001</b>
Payable to related parties (Note 32)	1,100,758,150,229	-
Deposits received	282,856,500,000	3,373,396,000
ICCs – Nhon Hoi – Binh Dinh project (*)	75,649,786,290	73,000,000,000
Sai Gon – KL shares transfer	-	528,212,980,877
Others	21,255,107,270	18,823,885,124
<b>Long-term</b>	<b>5,551,706,991,616</b>	<b>5,549,400,552,616</b>
ICCs – The EverRich 2 and The EverRich 3 projects (**)	5,547,433,656,616	5,547,433,656,616
Others	4,273,335,000	1,966,896,000
<b>TOTAL</b>	<b><u>7,032,226,535,405</u></b>	<b><u>6,172,810,814,617</u></b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2020 and for the year then ended**21. OTHER PAYABLES (continued)**

- (\*) These represent capital received from individuals to develop the Nhon Hoi – Binh Dinh project under ICCs. Accordingly, they will receive the shared actual profit after tax arising from the project but not less than the interest of 15% p.a. on their contributed capital.
- (\*\*) On 26 December 2017, the Group has entered into 5-year ICCs with Big Gain in relation to the development of a part of The EverRich 2 project and with Dynamic in relation to the development of apartment block of The EverRich 3 project. According to these ICCs and appendixes:
- a. Big Gain/Dynamic has obligation to settle the costs incurred by the Group for the cooperated project.
  - b. The parties may receive the profits from the project in accordance with the proportion of financial contributions of the parties.
  - c. After the land use rights certificate of the project is granted for the Group, Big Gain/Dynamic has the option to purchase and the Group has the option to sell 99% of the Group's interest in the ICC at the price equivalent to 99% of the agreed contributed value of the Group in this ICC, plus a surplus that will be agreed upon by the parties.
  - d. When the legal conditions of the project are met, the Group has the right to assign this project to another partner provided that it fully reimburses Big Gain/Dynamic the contributed amount plus interest. The amount of interest shall be agreed upon by the parties.

As at the balance sheet date, the Group received the amount of VND 4,557,365,656,616 and VND 990,068,000,000 from Big Gain and Dynamic, respectively.

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as at 31 December 2020 and for the year then ended

## 22. LOANS

	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Reclassify</i>	<i>Revaluation</i>	<i>VND Ending balance</i>
<b>Short-term</b>	<b>1,201,598,912,000</b>	<b>901,746,149,129</b>	<b>(1,458,987,583,738)</b>	<b>770,102,583,738</b>	<b>(900,000,000)</b>	<b>1,413,560,061,129</b>
Loans from banks (Note 22.1)	99,652,850,000	208,000,000,000	(30,927,583,738)	57,427,583,738	-	334,152,850,000
Bonds issued (Note 22.2)	1,101,946,062,000	530,546,149,129	(1,364,860,000,000)	190,000,000,000	-	457,632,211,129
Loans from other parties (Note 22.3)	-	163,200,000,000	(63,200,000,000)	522,675,000,000	(900,000,000)	621,775,000,000
<b>Long-term</b>	<b>970,300,594,738</b>	<b>285,046,807,638</b>	<b>-</b>	<b>(770,102,583,738)</b>	<b>-</b>	<b>485,244,818,638</b>
Loans from banks (Note 22.1)	15,427,583,738	280,000,000,000	-	(57,427,583,738)	-	238,000,000,000
Bonds issued (Note 22.2)	432,198,011,000	5,046,807,638	-	(190,000,000,000)	-	247,244,818,638
Loans from other parties (Note 22.3)	522,675,000,000	-	-	(522,675,000,000)	-	-
<b>TOTAL</b>	<b>2,171,899,506,738</b>	<b>1,186,792,956,767</b>	<b>(1,458,987,583,738)</b>	<b>-</b>	<b>(900,000,000)</b>	<b>1,898,804,879,767</b>

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

## 22. LOANS (continued)

### 22.1 Loans from banks

Details of the loans from banks are as follows:

<i>Bank</i>	<i>Ending balance</i> VND	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i> % p.a.	<i>Description of collateral</i>
<b><i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 11 Ho Chi Minh City</i></b>					
Loan 1	266,000,000,000	From 16 January 2021 to 25 April 2030	To finance office building project at District 3, Ho Chi Minh City	Interest rate of 12-month deposits + additional capital mobilization cost + 4	Land use rights and associated assets at District 3, Ho Chi Minh City
Loan 2	106,500,000,000	25 May 2021	To finance Nhon Hoi – Binh Dinh project	11	Land use rights and associated assets Land lot 120, 1 Ngo May, Quy Nhon City, Binh Dinh Province
<b><i>Orient Commercial Joint Stock Bank - Ben Thanh Branch</i></b>					
Loan 1	100,000,000,000	28 May 2021	To finance Nhon Hoi – Binh Dinh project	9.8	14,000,000 PDR shares owned by shareholders
<b><i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Nha Be Branch</i></b>					
Loan 1	99,652,850,000	28 January 2021	To finance Nhon Hoi – Binh Dinh project	11	Land use rights and associated assets belongs to Nhon Hoi – Binh Dinh project
<b>TOTAL</b>	<b><u>572,152,850,000</u></b>				
<i>In which:</i>					
<i>Short-term</i>	334,152,850,000				
<i>Long-term</i>	238,000,000,000				

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

## 22. LOANS (continued)

### 22.2 Bonds issued

Details of the bonds issued at par value are as follows:

	<i>Ending balance</i> VND	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i> % p.a	<i>Description of collateral</i>
Bond 1	247,244,818,637	From 3 March 2022 to 3 June 2024	To finance Nhon Hoi – Binh Dinh project	10.5 for the first year and interest rate of 24-month VND deposits at Military Commercial Joint Stock Bank + 3.5	Land use rights and all assets rights belongs to area No. 2, Nhon Hoi – Binh Dinh project; land use rights at Quang Nam Province belong to An Dien - the Group's business partner
Bond 2	49,562,500,001	16 June 2021	To finance projects of the Group	13	9,150,000 PDR shares owned by shareholders
Bond 3	299,219,711,113	2 July 2021	To finance projects of the Group	13	25,000,000 PDR shares owned by shareholders
Bond 4	108,850,000,016	9 July 2021	To finance projects of the Group	13	10,100,000 PDR shares owned by shareholders
<b>TOTAL</b>	<b><u>704,877,029,767</u></b>				
<i>In which:</i>					
<i>Short-term</i>	457,632,211,129				
<i>Long-term</i>	247,244,818,638				

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

## 22. LOANS (continued)

### 22.3 Loans from other parties

Lender	Ending balance		Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND	USD				
Vietnam New Urban Center LP	521,775,000,000	22,500,000	From 2 May 2021 to 13 May 2021	To finance Nhon Hoi – Binh Dinh project	15	18,500,000 PDR shares owned by shareholders
Mr Vu Duong Hien	100,000,000,000	-	30 September 2021	To finance projects of the Group	13.5	5,800,000 PDR shares owned by shareholders
<b>TOTAL</b>	<b><u>621,775,000,000</u></b>	<b><u>22,500,000</u></b>				

## 23. BONUS AND WELFARE FUND

	VND	
	Current year	Previous year
Beginning balance	6,592,068,523	13,283,531,767
Increase	16,640,913,781	12,800,000,000
Decrease	<u>(20,557,710,904)</u>	<u>(19,491,463,244)</u>
Ending balance	<u>2,675,271,400</u>	<u>6,592,068,523</u>

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

## 24. OWNERS' EQUITY

### 24.1 Movements in owners' equity

					VND
	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
<b>Previous year</b>					
Beginning balance	2,663,890,070,000	11,680,300,000	124,713,584,076	645,866,230,447	3,446,150,184,523
Net profit for the year	-	-	-	874,138,744,149	874,138,744,149
Transfer to bonus and welfare fund	-	-	-	(12,800,000,000)	(12,800,000,000)
Appropriation of net profit	-	-	12,800,000,000	(12,800,000,000)	-
Dividends share	612,689,650,000	-	-	(612,689,650,000)	-
BOD's allowance	-	-	-	(10,411,086,219)	(10,411,086,219)
Ending balance	<u>3,276,579,720,000</u>	<u>11,680,300,000</u>	<u>137,513,584,076</u>	<u>871,304,238,377</u>	<u>4,297,077,842,453</u>
<b>Current year</b>					
Beginning balance	3,276,579,720,000	11,680,300,000	137,513,584,076	871,304,238,377	4,297,077,842,453
Net profit for the year	-	-	-	1,220,323,637,643	1,220,323,637,643
Transfer to bonus and welfare fund	-	-	-	(16,640,913,781)	(16,640,913,781)
Appropriation of net profit	-	-	17,500,000,000	(17,500,000,000)	-
Dividends by shares (*)	685,119,250,000	-	-	(685,119,250,000)	-
Dividends by cash	-	-	-	(393,189,566,400)	(393,189,566,400)
BOD's allowance	-	-	-	(5,260,000,000)	(5,260,000,000)
Ending balance	<u>3,961,698,970,000</u>	<u>11,680,300,000</u>	<u>155,013,584,076</u>	<u>973,918,145,839</u>	<u>5,102,310,999,915</u>

(\*) On 15 June 2020, the Company completed the issuance of 42,594,915 ordinary shares to pay dividend to existing shareholders at par value of VND 10,000/share in accordance with the Resolution of Shareholders No. 01/DHDCD-NQ.2020 dated 25 April 2020 and Decision of BOD No. 06A/2020/QD-HDQT dated 27 April 2020. On 3 July 2020, the Company received the 28<sup>th</sup> amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City, approving the increase of charter capital from VND 3,276,579,720,000 to VND 3,702,528,870,000.

On 9 November 2020, the Company completed the issuance of 25,917,010 ordinary shares to pay dividend to existing shareholders at par value of VND 10,000/share in accordance with the Extraordinary Resolution of Shareholders No. 01/DHDCDBT-NQ.2020 dated 15 October 2020 and Decision of BOD No. 23/2020/QD-HDQT dated 19 October 2020. On 20 November 2020, the Company received the 29<sup>th</sup> amended Enterprise Registration Certificate issued by the DPI of Ho Chi Minh City, approving the increase of charter capital from VND 3,702,528,870,000 to VND 3,961,698,970,000.

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24. OWNERS' EQUITY (continued)

24.2 Capital transactions with owners and distribution of dividends

	Current year	VND Previous year
<b>Contributed share capital</b>		
Beginning balance	3,276,579,720,000	2,663,890,070,000
Increase during the year	685,119,250,000	612,689,650,000
Ending balance	<u>3,961,698,970,000</u>	<u>3,276,579,720,000</u>
<b>Dividends</b>		
Dividend declared	1,078,308,816,400	612,689,650,000
Dividend paid	1,078,047,503,200	612,689,650,000
- Dividend paid by cash for 2019: VND 1,200 per share	392,928,253,200	-
- Dividend paid by shares for 2019: 13 shares per 100 existing shares (2018: 23 shares per 100 existing shares)	425,949,150,000	612,689,650,000
- Dividend paid by shares for 2020: 7 shares per 100 existing shares	259,170,100,000	-

24.3 Shares

	Quantity	
	Ending balance	Beginning balance
<b>Authorised shares</b>	<b>396,169,897</b>	<b>327,657,972</b>
<b>Issued and paid-up shares</b>	<b>396,169,897</b>	<b>327,657,972</b>
<i>Ordinary shares</i>	396,169,897	327,657,972
<b>Shares in circulation</b>	<b>396,169,897</b>	<b>327,657,972</b>
<i>Ordinary shares</i>	396,169,897	327,657,972

Par value of outstanding share: VND 10,000/share (31 December 2019: VND 10,000/share).

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

## 25. NON-CONTROLLING INTEREST

	VND	
	Current year	Previous year
Beginning balance	71,851,024,421	65,476,000,000
(Accumulated losses) undistributed earnings	(71,149,659)	4,642,198
Increase due to acquisition of a subsidiary	<u>20,186,622,000</u>	<u>6,370,382,223</u>
Ending balance	<u>91,966,496,762</u>	<u>71,851,024,421</u>

## 26. REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>3,911,211,875,460</b>	<b>3,410,467,569,021</b>
<i>Of which:</i>		
<i>Sale of residential plots</i>	3,828,122,077,658	3,374,904,133,792
<i>Sale of infrastructure</i>	53,738,865,591	-
<i>Revenue from rendering of services</i>	21,321,126,394	15,907,800,844
<i>Revenue from investment properties</i>	8,029,805,817	10,904,791,138
<i>Sale of apartments</i>	-	8,750,843,247
<b>Deduction</b>	<b>-</b>	<b>(10,281,555,066)</b>
<i>Sales returns</i>	-	(10,281,555,066)
<b>NET SALE</b>	<b><u>3,911,211,875,460</u></b>	<b><u>3,400,186,013,955</u></b>
<i>In which:</i>		
<i>Sale of residential plots</i>	3,828,122,077,658	3,374,904,133,792
<i>Sale of infrastructure</i>	53,738,865,591	-
<i>Revenue from rendering of services</i>	21,321,126,394	15,907,800,844
<i>Revenue from investment properties</i>	8,029,805,817	10,904,791,138
<i>Sale of apartments</i>	-	(1,530,711,819)
<i>In which:</i>		
<i>Sales to other parties</i>	3,910,117,291,591	3,340,913,490,389
<i>Sales to related parties</i>	1,094,583,869	59,272,523,566

## 27. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of residential plots	2,061,777,786,468	2,061,653,285,342
Cost of services rendered	15,029,618,349	16,075,916,709
Cost of infrastructure	8,652,533,434	-
Cost of investment properties	<u>3,837,333,228</u>	<u>4,443,792,643</u>
<b>TOTAL</b>	<b><u>2,089,297,271,479</u></b>	<b><u>2,082,172,994,694</u></b>



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

## 28. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	23,044,589,042	-
Bond issuance costs	2,789,650,018	-
Others	5,229,930,096	101,578,949
<b>TOTAL</b>	<b><u>31,064,169,156</u></b>	<b><u>101,578,949</u></b>

## 29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>117,902,117,428</b>	<b>124,034,028,139</b>
Commission fees	100,582,808,486	100,559,689,549
Advertising expenses	8,613,193,925	16,116,188,747
Salaries	5,287,394,125	4,609,609,648
Others	3,418,720,892	2,748,540,195
<b>General and administrative expenses</b>	<b>130,208,516,284</b>	<b>93,003,741,165</b>
Salaries	73,792,215,879	56,497,776,993
External services expenses	38,428,300,024	22,292,137,062
Depreciation and amortisation	4,403,559,189	3,155,726,495
Others	13,584,441,192	11,058,100,615
<b>TOTAL</b>	<b><u>248,110,633,712</u></b>	<b><u>217,037,769,304</u></b>

## 30. OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Construction costs	1,060,769,467,394	3,438,109,455,826
Interest expenses	248,771,951,226	148,375,932,092
External services expenses	144,918,058,890	138,860,979,027
Salaries	79,079,610,004	61,103,277,641
Depreciation and amortisation (Notes 12, 13 and 14)	7,319,208,489	6,010,671,000
Others	16,775,889,357	13,917,786,141
<b>TOTAL</b>	<b><u>1,557,634,185,360</u></b>	<b><u>3,806,378,101,727</u></b>

## 31. CORPORATE INCOME TAX

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

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

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

**31. CORPORATE INCOME TAX (continued)**

**31.1 CIT expenses**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	319,999,845,246	230,723,252,719
Deferred CIT (income) expense	<u>(32,190,047)</u>	<u>444,203,896</u>
<b>TOTAL</b>	<b><u>319,967,655,199</u></b>	<b><u>231,167,456,615</u></b>

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b><u>1,540,255,167,512</u></b>	<b><u>1,105,310,842,962</u></b>
At CIT rate of 20%	308,051,033,502	221,062,168,592
<i>Adjustments:</i>		
Non-deductible expenses	11,463,193,930	10,408,228,294
Losses in subsidiaries not yet recognised deferred tax asset	460,432,632	145,856,874
Others	<u>-</u>	<u>(336,595,666)</u>
<b>CIT expense</b>	<b><u>319,967,655,199</u></b>	<b><u>231,167,456,615</u></b>

**31.2 Current tax**

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Company and its subsidiaries for the year differs from the accounting profit before tax as reported in the 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 balance sheet date.

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

### 31. CORPORATE INCOME TAX (continued)

#### 31.3 *Deferred tax*

The following is deferred tax assets recognised by the Company and its subsidiaries, and the movements thereon:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>		<i>VND</i>
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Accrued expenses	65,085,592	32,895,545	32,190,047	(444,203,896)	
<b><i>Deferred tax asset</i></b>	<b><u>65,085,592</u></b>	<b><u>32,895,545</u></b>			
<b><i>Deferred tax income (expense)</i></b>			<b><u>32,190,047</u></b>	<b><u>(444,203,896)</u></b>	

### 32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Mr Nguyen Van Dat	Chairman	Advances	1,680,467,506,609	1,095,878,080,662
		Collection of advances	1,680,467,506,609	1,095,878,080,662
		Borrowing	567,602,511,828	24,051,013,966
		Repayment	567,494,361,599	24,051,013,966
BIDICI	Associate	Borrowing	1,096,250,000,000	-
		Capital contribution	1,092,700,000,000	-
AKYN Service Trading Investment Joint Stock Company ("AKYN")	Related party of Chairman	Collection of investment	50,939,751,900	-
		Collection of capital transfer	45,000,000,000	27,000,000,000
		Collection of real estate transfer	18,288,000,000	3,143,000,000
		Rendering of services	1,094,583,869	494,870,676
Ms Doan Thi Trang	Related party of Chairman	Collection of expenses paid on behalf	15,219,558,717	-
		Collection of real estate transfer	15,000,000,000	17,648,000,000
		Payments on behalf	129,095,729	15,125,285,677

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

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties were as follows: (continued)

Related party	Relationship	Transaction	Current year	VND
				Previous year
Mr Bui Quang Anh Vu	General Director	Collection of real estate transfer	10,306,377,900	21,000,000,000
		Borrowing	1,500,000,000	-
		Repayment	1,500,000,000	-
		Deposit	800,000,000	-
		Real estate transfer	-	29,033,813,517
Ms Tran Thi Huong	BOD's Deputy Chairwoman	Collection of real estate transfer	10,276,238,400	21,000,000,000
		Deposit	800,000,000	-
		Borrowing	500,000,000	-
		Repayment	500,000,000	-
		Real estate transfer	-	29,041,638,544
Mr Le Quang Phuc	BOD's member	Collection of real estate transfer	2,764,080,000	-
		Deposit	800,000,000	-
PDP Project	Associate	Capital contribution	3,375,000,000	2,692,000,000
BDSC Management Consulting Corporation	Related party of Chairman	Receive of service rendered	1,884,000,000	2,043,500,000
Mr Nguyen Thanh Thao	Deputy General Director	Deposit	800.000.000	-
Mr Le Minh Dung	BOD Independent member	Deposit	800.000.000	-
Mr Tran Trong Gia Vinh	BOD Independent member	Deposit	400.000.000	-

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

32. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Remuneration to members of the BOD and Management was as follows:

<i>Individuals</i>	<i>Position</i>	<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
			<i>VND</i>
Mr Nguyen Van Dat	Chairman	6,799,477,733	7,481,609,231
Ms Tran Thi Huong	Deputy Chairwoman	4,318,156,923	4,377,430,769
Mr Nguyen Tan Danh	Deputy Chairman	796,262,222	3,311,286,154
Mr Le Quang Phuc	BOD member	666,013,333	1,050,000,000
Mr Doan Viet Dai Tu	BOD member	480,000,000	1,020,000,000
Mr Khuong Van Muoi	BOD Independent member	480,000,000	720,000,000
Mr Tran Trong Gia Vinh	BOD Independent member	480,000,000	720,000,000
Mr Le Minh Dung	BOD Independent member	480,000,000	320,000,000
Mr Bui Quang Anh Vu	General Director	4,502,870,769	2,867,796,923
Mr Pham Trong Hoa	Deputy General Director	660,000,000	2,861,981,538
Mr Nguyen Thanh Thao	Deputy General Director	1,647,875,714	-
<b>TOTAL</b>		<b>21,310,656,694</b>	<b>24,730,104,615</b>

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

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
<b>Short-term trade receivables</b>					
AKYN	Related party of Chairman	Capital transfer	50,000,000,000	45,000,000,000	
		Rendering of services	1,148,400,000	544,357,744	
		Sale of apartments	-	18,288,000,000	
Ms Doan Thi Trang	Related party of Chairman	Real estate property transfer	-	15,000,000,000	
Mr Bui Quang Anh Vu	General Director	Sale of residential plots	-	10,306,377,900	
Ms Tran Thi Huong	BOD's Deputy Chairwoman	Sale of residential plots	-	10,276,238,400	
			<b>51,148,400,000</b>	<b>99,414,974,044</b>	
<b>Long-term trade receivable</b>					
AKYN	Related party of Chairman	Capital transfer	50,000,000,000	100,000,000,000	
<b>Other short-term receivables</b>					
AKYN	Related party of Chairman	Contributed capital from ICC liquidation	10,000,000,000	-	
Ms Doan Thi Trang	Related party of Chairman	Payments on behalf	-	15,090,462,988	
			<b>10,000,000,000</b>	<b>15,090,462,988</b>	
<b>Other long-term receivable</b>					
AKYN	Related party of Chairman	Contributed capital from ICC liquidation	40,000,000,000	100,939,751,900	
<b>Other short-term payables</b>					
BIDICI	Associate	Lending	1,096,250,000,000	-	
Mr Bui Quang Anh Vu	General Director	Deposit	800,000,000	-	
Ms Tran Thi Huong	Deputy Chairwoman	Deposit	800,000,000	-	
Mr Le Quang Phuc	BOD member	Deposit	800,000,000	-	
Mr Tran Trong Gia Vinh	BOD independence member	Deposit	400,000,000	-	
Mr Le Minh Dung	BOD independence member	Deposit	800,000,000	-	
Mr Nguyen Thanh Thao	Deputy General Director	Deposit	800,000,000	-	
Mr Nguyen Van Dat	Chairman	Lending	108,150,229	-	
			<b>1,100,758,150,229</b>	<b>-</b>	

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

**33. EARNINGS PER SHARE**

The Group uses following data to calculate the basic and diluted earnings per share:

	<i>Current year</i>	<i>Previous year (adjusted)</i>
Profit after tax attributable to ordinary shareholders of the Company	1,220,323,637,643	874,138,744,149
Less: BOD's allowance (*)	(24,406,472,753)	(8,452,000,000)
Bonus and welfare fund (*)	<u>(36,609,709,129)</u>	<u>(17,500,000,000)</u>
Net profit after tax attributable to ordinary shareholders of the Company (VND)	1,159,307,455,761	848,027,421,790
Weighted average number of ordinary shares for the year (shares) (**)	<u>396,169,897</u>	<u>396,169,897</u>
<b>Basic earnings per share (VND/share) (par value: VND 10,000/share)</b>	<u><b>2,926</b></u>	<u><b>2,141</b></u>
<b>Diluted earnings per share (VND/share)</b>	<u><b>2,926</b></u>	<u><b>2,141</b></u>

(\*) Profit used to compute earnings per share for the year ended 31 December 2019 have been restated to the amounts reported in the consolidated financial statements for the year ended 31 December 2019 to reflect the actual appropriation of bonus and welfare fund and BOD's allowance and bonus from undistributed net income of 2019 in accordance with the Resolution of Shareholders at annual general meeting dated 25 April 2020.

Profit used to compute earnings per share for the year ended 31 December 2020 was adjusted for the provisional appropriation of bonus and welfare fund and BOD's allowance from undistributed net income of 2020 following the plan as approved by Shareholders at annual general meeting dated 25 April 2020.

(\*\*) The weighted average number of ordinary shares for the year ended 31 December 2020 has been retrospectively adjusted for the dividend shares issued on 15 June 2020 and 9 November 2020.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

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

### 34. COMMITMENTS

#### 34.1 Capital commitments

Capital commitments of the Group were as follows:

	VND	
	Ending balance	Beginning balance
Project construction commitments	698,453,825,967	742,528,101,725
Capital contribution commitments	285,763,000,000	228,308,000,000
<i>PDP Project</i>	<i>141,763,000,000</i>	<i>144,308,000,000</i>
<i>Doan Anh Duong</i>	<i>144,000,000,000</i>	<i>84,000,000,000</i>
<b>TOTAL</b>	<b><u>984,216,825,967</u></b>	<b><u>970,836,101,725</u></b>

#### 34.2 Operating lease commitments

The Group leases office under operating lease arrangements with the minimum lease commitment were as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	15,393,410,900	-
From 1 to 5 years	46,772,350,275	-
<b>TOTAL</b>	<b><u>62,165,761,175</u></b>	<b><u>-</u></b>

### 35. EVENT AFTER THE BALANCE SHEET DATE

On 12 January 2021, Phat Dat IP received the 1<sup>st</sup> amended ERC issued by the DPI of Ho Chi Minh City, approving the increase in charter capital from VND 680,000,000,000 to VND 3,000,000,000,000. Accordingly, the Company's contribution in the charter capital of Phat Dat IP was proportionally increased from VND 462,400,000,000 to VND 2,040,000,000,000.

Except for the above event, there has been no matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Vo Thi Minh Hang  
Preparer



Vu Quynh Hoa  
Chief Accountant



Bui Quang Anh Vu  
General Director

1 March 2021