

577 INVESTMENT CORPORATION
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of 577 Investment Corporation (“the Company”) presents this report together with consolidated financial statements of the Company for the year ended 31 December 2020.

THE BOARDS OF MANAGEMENT, SUPERVISORY AND GENERAL DIRECTORS

The members of the Boards of Management, Supervisory and General Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Ms. Nguyen Quynh Huong	Chairwoman (appointed on 12 May 2020)
Mr. Doan Tuong Trieu	Chairman (resigned the Chairman and become a Member on 12 May 2020)
Mr. Luu Hai Ca	Vice Chairman (appointed as Vice Chairman and resigned Member position on 12 May 2020)
Mr. Le Quoc Binh	Permanent Vice Chairman (appointed on 28 September 2020)
Mr. Nguyen Van Chinh	Member (appointed on 12 May 2020)
Mr. Nguyen Ba Lan	Member (appointed on 12 May 2020)
Mr. Mai Thanh Truc	Member (resigned on 12 May 2020)
Mr. Nguyen Phi Thuong	Member (resigned on 12 May 2020)
Mr. Hoang Thanh Tung	Member (resigned on 12 May 2020)

Board of Supervisory

Ms. Duong Quynh Diep	Head of the Board (appointed on 12 May 2020)
Ms. Nguyen Quynh Huong	Head of the Board (resigned on 12 May 2020)
Mr. Le Trung Hieu	Member (appointed on 12 May 2020)
Ms. Le Thi Kieu Diem	Member (appointed on 12 May 2020)
Mr. Vo Hoang Chuong	Member (resigned on 12 May 2020)
Mr. Nguyen Van Tung	Member (resigned on 12 May 2020)

Board of General Directors

Mr. Luu Hai Ca	General Director
Mr. Mai Thanh Truc	Deputy General Director
Mr. Nguyen Quy Binh	Deputy General Director (appointed on 6 January 2020)
Mr. Truong Hai Dang Khoa	Deputy General Director (appointed on 12 May 2020)

Legal Representative

The legal representative of the Company during the year and to the date of this report is Mr. Luu Hai Ca - General Director.

THE AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2020 have been audited by International Auditing Company Limited - An independent member firm of AGN International.

BOARD OF GENERAL DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of General Directors is required to:

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (continued)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (continued)

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Directors,



Luu Hai Ca
General Director

Ho Chi Minh City, 15 March 2021

INDEPENDENT AUDITORS' REPORT

**To: The shareholders
 The Boards of Management, Supervisory and General Directors
 577 Investment Corporation**

We have audited the accompanying consolidated financial statements of 577 Investment Corporation ("the Company"), prepared on 15 March 2021, as set out from page 5 to page 48, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statements of income and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of these consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting Regime for enterprise and prevailing relevant regulations in the consolidated financial statements preparation and disclosure and for such internal control as the Board of General Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 accompanying consolidated financial statements give a true and fair view of, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

INDEPENDENT AUDITORS' REPORT (continued)

Emphasis of Matter

We would like to draw attention to the Note VIII.3 in the Notes to the consolidated financial statements which indicates that from 2018 to 2020, 577 Investment Corporation supported to resolve the fire broke out at the Carina Plaza apartment building. Carina Plaza apartment building is owned by Hung Thanh Construction – Trading - Service - Manufacturing Company limited ("Hung Thanh Company") - a subsidiary of NBB with a holding proportion of 95% of charter capital - and is managed and operated by a third party. The fire was objectively caused by an electric problem of a motorbike as the inspection conclusion Notice No. 1732/TB-PC44-Đ3 dated 9 July 2018 issued by the Police Investigation Agency of Ho Chi Minh City Police Department. The legal obligations and compensation for damages related to the incident have been investigated and clarified by the competent authorities. Up to 31 December 2020, Hung Thanh Company, with financial support from NBB, made advance payments for compensation and remedies for the incident with a total amount of VND 104,438,750,348 (*as presented further at Note V.5*). As of the consolidated report date, the Company has not yet recorded any provisions related to this incident as the outcome has not yet presently been determined awaiting the official conclusions from the authorized investigative agencies.

Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements for the year ended 31 December 2019 were audited the other auditors and other auditing firm. Those auditors expressed an unqualified audit opinion on 12 March 2020, they also drew attention to the fire broke out at the Carina Plaza apartment building as mentioned in the above emphasis paragraph.



Luong Giang Thach
Deputy Branch Director
Audit Practising Registration Certificate
No. 2178-2018-072-1

For and on behalf of
International Auditing Company Limited
Saigon Branch

Ho Chi Minh City, 15 March 2021

Pham Thi Toan
Auditor
Audit Practising Registration Certificate
No. 2767-2019-072-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	31/12/2020	01/01/2020 (Restated)
A. CURRENT ASSETS	100		3,665,093,698,093	5,243,791,044,716
I. Cash and cash equivalents	110	V.1	67,500,904,393	139,476,989,035
1. Cash	111		67,500,904,393	109,926,696,808
2. Cash equivalents	112		-	29,550,292,227
II. Short-term receivables	130		1,109,974,440,551	1,021,331,093,938
1. Short-term trade receivables	131	V.2	531,484,663,142	394,019,341,775
2. Short-term advances to suppliers	132	V.3	326,332,085,830	402,055,985,182
3. Short-term loan receivables	135	V.4	9,500,000,000	9,500,000,000
4. Other short-term receivables	136	V.5a	244,671,604,365	216,465,578,467
5. Provision for short-term doubtful debts	137	V.6	(2,013,912,786)	(709,811,486)
III. Inventories	140		2,473,502,985,781	4,038,053,904,763
1. Inventories	141	V.7	2,473,502,985,781	4,038,053,904,763
IV. Other short-term assets	150		14,115,367,368	44,929,056,980
1. Short-term prepayments	151	V.8a	250,028,546	651,476,488
2. Value added tax deductibles	152		13,742,019,922	43,765,249,894
3. Taxes and other receivables from the State budget	153	V.17a	123,318,900	512,330,598

CONSOLIDATED BALANCE SHEET (continued)

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	31/12/2020	01/01/2020 (Restated)
B. NON-CURRENT ASSETS	200		425,618,741,807	426,385,659,666
I. Long-term receivables	210		57,399,765,003	63,860,744,954
1. Other long-term receivables	216	V.5b	57,399,765,003	63,860,744,954
II. Fixed assets	220		233,680,578,068	180,892,534,729
1. Tangible fixed assets	221	V.9	198,712,252,361	176,876,429,983
- Cost	222		226,193,349,524	205,494,987,356
- Accumulated depreciation	223		(27,481,097,163)	(28,618,557,373)
2. Intangible fixed assets	227	V.10	34,968,325,707	4,016,104,746
- Cost	228		35,037,047,482	4,016,104,746
- Accumulated amortisation	229		(68,721,775)	-
III. Investment properties	230	V.11	54,830,628,535	57,285,122,131
- Cost	231		67,786,031,001	67,786,031,001
- Accumulated depreciation	232		(12,955,402,466)	(10,500,908,870)
IV. Long-term assets in progress	240		3,875,266,717	3,875,266,717
1. Long-term construction in progress	242	V.12	3,875,266,717	3,875,266,717
V. Long-term financial investments	250	V.13	16,150,000,000	11,939,135,190
1. Investments in joint-ventures, associates	252	V.13a	-	11,939,135,190
2. Equity investments in other entities	253	V.13b	18,150,000,000	2,000,000,000
3. Provision for impairment of long-term financial investments	254	V.13b	(2,000,000,000)	(2,000,000,000)
VI. Other long-term assets	260		59,682,503,484	108,532,855,945
1. Long-term prepayments	261	V.8b	59,173,130,484	107,429,335,945
2. Deferred tax assets	262	V.14	509,373,000	1,103,520,000
TOTAL ASSETS (270 = 100 + 200)	270		4,090,712,439,900	5,670,176,704,382

CONSOLIDATED BALANCE SHEET (continued)

As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	31/12/2020	01/01/2020 (Restated)
C. LIABILITIES	300		2,324,059,503,188	3,588,989,851,653
I. Current liabilities	310		2,093,652,132,089	3,235,707,433,991
1. Short-term trade payables	311	V.15	122,447,310,596	177,528,569,012
2. Short-term advances from customers	312	V.16	28,355,829,700	1,360,800,528,643
3. Taxes and amounts payable to the State budget	313	V.17b	254,447,788,078	135,560,610,994
4. Payables to employees	314		2,397,766,044	3,081,620,550
5. Short-term accrued expenses	315	V.18	424,771,231,972	125,110,420,886
6. Other current payables	319	V.19a	948,728,967,676	1,303,667,611,402
7. Short-term loans and obligations under finance leases	320	V.20a	301,844,828,384	114,943,911,978
8. Bonus and welfare funds	322	V.21	10,658,409,639	15,014,160,526
II. Long-term liabilities	330		230,407,371,099	353,282,417,662
1. Other long-term payables	337	V.19b	8,568,645,142	181,450,681,729
2. Long-term loans and obligations under finance leases	338	V.20b	216,839,691,730	161,831,735,933
3. Long-term provisions	342		4,999,034,227	10,000,000,000
D. EQUITY	400		1,766,652,936,712	2,081,186,852,729
I. Owner's equity	410	V.22	1,766,652,936,712	2,081,186,852,729
1. Owner's contributed capital	411		1,004,756,560,000	1,004,756,560,000
- Ordinary shares carrying voting rights	411a		1,004,756,560,000	1,004,756,560,000
2. Share premium	412		479,559,579,732	479,559,579,732
3. Treasury shares	415		(498,686,282,051)	(139,163,566,214)
4. Investment and development fund	418		103,604,269,349	131,477,728,497
5. Retained earnings	421		669,234,115,649	596,541,179,174
- Retained earnings accumulated to the prior year end	421a		341,892,716,169	293,663,091,974
- Retained earnings of current year	421b		327,341,399,480	302,878,087,200
6. Non-controlling interests	429		8,184,694,033	8,015,371,540
TOTAL RESOURCES (440 = 300 + 400)	440		4,090,712,439,900	5,670,176,704,382



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Lưu Hải Ca
General Director

Ho Chi Minh City, 15 March 2021

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	2020	2019
				(Restated)
1. Gross revenue from goods sold and services rendered	01	VI.1	3,500,669,919,571	330,584,936,687
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		3,500,669,919,571	330,584,936,687
4. Cost of sales	11	VI.2	2,719,710,463,940	250,971,214,676
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		780,959,455,631	79,613,722,011
6. Financial income	21	VI.3	20,265,600,796	123,295,126,586
7. Financial expenses	22	VI.4	198,418,616,255	81,155,694
- In which: Interest expense	23		3,650,533,698	81,155,694
8. Selling expenses	25	VI.5	126,913,421,129	3,536,124,415
9. General and administration expenses	26	VI.6	41,387,173,846	32,637,861,620
10. Operating profit [30 = 20 + (21 - 22) + 24 - (25 + 26)]	30		434,505,845,197	166,653,706,868
11. Other income	31	VI.7	29,412,960,202	274,870,528,245
12. Other expenses	32	VI.8	6,312,403,073	53,210,135,865
13. Profit from other activities (40 = 31 - 32)	40		23,100,557,129	221,660,392,380
14. Accounting profit before tax (50 = 30 + 40)	50		457,606,402,326	388,314,099,248
15. Current corporate income tax expense	51	VI.9	129,721,080,763	86,038,637,269
16. Deferred corporate tax expense/(income)	52	V.14	594,147,000	(300,960,000)
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		327,291,174,563	302,576,421,979
18. Net profit attributable to owners of the parent	61		327,341,399,480	302,878,087,200
19. Net profit attributable to non-controlling interest	62		(50,224,917)	(301,665,221)
20. Basic earnings per share	70	VI.10	3,196	2,945



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Luu Hai Ca
General Director

Ho Chi Minh City, 15 March 2021

CONSOLIDATED CASH FLOW STATEMENT*(Indirect method)*

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	2020	2019 (Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Accounting profit before tax	01	457,606,402,326	388,314,099,248
2. Adjustments for			
Depreciation of fixed assets, investment properties and amortization of goodwill	02	8,636,986,169	7,298,862,150
Provisions	03	1,300,000,000	-
Gain from investing activities	05	(17,762,107,320)	(123,567,853,858)
Interest expenses	06	3,650,533,698	81,155,694
3. Operating profit before movements in working capital	08	453,431,814,873	272,126,263,234
(Increase)/Decrease in receivables	09	(54,415,632,602)	94,851,354,748
Decrease/(Increase) in inventories	10	1,526,218,208,058	(904,643,729,444)
(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(1,524,163,271,892)	888,280,138,884
Derease/(Increase) in prepaid expenses	12	48,695,233,407	(1,316,781,860)
Interest paid	14	(41,289,628,473)	(59,653,962,738)
Corporate income tax paid	15	(66,984,709,538)	(41,159,778,339)
Other cash outflows	17	(34,999,606,649)	(11,296,254,251)
Net cash generated from operating activities	20	306,492,407,184	237,187,250,234
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(7,519,432,275)	(106,464,217,459)
2. Proceeds from sales of fixed assets and other long-term assets disposal	22	1,545,454,545	300,000,000
3. Cash outflow for lending and buying debt instruments of other companies	23	-	(19,000,000,000)
4. Cash recovered from lending and selling debt instruments of other entities	24	-	9,500,000,000
5. Investments in other entities	25	(21,042,448,895)	(430,000,000,000)
6. Cash recovered from investments in other entities	26	-	500,294,500,000
7. Interest, dividends and profits received	27	2,363,730,933	417,056,586
Net cash used in investing activities	30	(24,652,695,692)	(44,952,660,873)

CONSOLIDATED CASH FLOW STATEMENT (continued)
(Indirect method)

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	2020	2019
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Capital withdrawals, buy-back issued shares	32	(359,522,715,837)	(132,217,546,777)
2. Proceeds from borrowings	33	623,100,529,646	242,515,031,231
3. Repayment of borrowings	34	(381,191,657,443)	(293,654,065,016)
4. Dividends and profits paid	36	(236,201,952,500)	-
Net cash used in financing activities	40	(353,815,796,134)	(183,356,580,562)
Net (decrease)/increase in cash and cash equivalents (50 = 20 + 30 + 40)	50	(71,976,084,642)	8,878,008,799
Cash and cash equivalents at the beginning of the year	60	139,476,989,035	130,598,980,236
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	67,500,904,393	139,476,989,035



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Luu Hai Ca
General Director

Ho Chi Minh City, 15 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

I. GENERAL INFORMATION**Structure of ownership**

577 Investment Corporation (“the Company”) was incorporated under the Enterprise Registration Certificate No. 4103003556 issued by the Department of Planning and Investment of Ho Chi Minh City dated 4 July 2005 and as amended.

The charter capital of the Company is VND 1,004,756,560,000, divided equally to 100,475,656 shares, par value is VND 10,000.

The parent Company of the Company is Ho Chi Minh City Infrastructure Investment Joint Stock Company (“CII”).

The head office of the Company is located at 1648 Vo Van Kiet, Ward 16, District 8, Ho Chi Minh City, Vietnam.

The Company has four (04) dependent accounting branches as below:

- Binh Thuan Branch, registered at Group 2, Phuoc Hai Hamlet, Tan Phuoc Commune, Lagi Town, Binh Thuan Province.
- Tay Nam Branch, registered at 444 Ninh Binh Street, Ward 2 Residential Area, Bac Lieu City, Bac Lieu Province.
- Mien Bac Branch, registered at 2nd Floor, Villa A29, Lot BT-A3, Villa area Doi Thuy San, Area 9B, Bai Chay Ward, Ha Long City, Quang Ninh Province.
- Quang Ngai Branch, registered at 364 Vo Nguyen Giap Street, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai Province, Vietnam.

The Company’s shares were officially listed on the Ho Chi Minh City Stock Exchange dated 20 November 2008 with the stock code as NBB.

The number of employees in Company and subsidiaries as at 31 December 2020 was 134 (31 December 2019: 126).

Operating industry and principal activities

The operating industry and principal activities of the Company during the year comprise of developing and trading real estate properties; executing transportation and civil construction, investing in urban infrastructure; exploiting and processing minerals.

Disclosure of information comparability in the consolidated financial statements

The Company has applied consistently Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC guiding the accounting regime for enterprises dated 22 December 2014 issued by the Ministry of Finance, so that the information and accounting data presented on the consolidated financial statements are comparable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

I. GENERAL INFORMATION (continued)**The Company's structure**

As at 31 December 2020, the Company has invested directly in three (03) subsidiaries and one (01) associate. Details of these investees are as follows:

Names of Companies	Places of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting right power held (%)	Principal activity
Subsidiaries				
1. Hung Thanh Construction - Trading - Service - Manufacturing Company Limited	Ho Chi Minh City	95.00%	95.00%	Investing, managing and trading real estate projects
2. Huong Tra Company Limited	Quang Ngai Province	99.00%	99.00%	Wholesaling of materials and other equipment in construction, wholesaling petroleum and related products, exploiting stone, sand, gravel, clay, exploiting kaolin soil.
3. Quang Ngai Mineral Investment Joint Stock Company	Quang Ngai Province	90.00%	90.00%	Wholesaling of materials and other equipment in construction, wholesaling petroleum and related products, exploiting stone, sand, gravel, clay, exploiting kaolin soil.
Associate				
1. Tam Phu Investment & Construction Company Limited	Quang Nam Province	49.00%	49.00%	Trading real estate, management consulting activities, architectural activities and related technical

II. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

III. ACCOUNTING STANDARDS AND REGIME APPLIED

The Company applies Vietnamese Accounting Standards, the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the accounting regime for enterprises; Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC; Circular No.202/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding on preparation and presentation of consolidated financial statements.

The Company has fully complied with the requirements of Vietnamese Accounting Standards in preparation and presentation of these consolidated financial statements.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the Board of General Directors's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the year ended 31 December 2020. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified consolidated from the parent's ownership interests in them and presented as an item of the owner's equity in consolidated balance sheet. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the non-controlling interests have a bidding obligation and are able to make an additional investment to cover the losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the financial year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

The effect of transactions resulting in changes in the Group's ownership interest in the subsidiaries without loss of control is recorded directly in the retained earnings in the consolidated balance sheet.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized.

Where a group entity transacts with an associate of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

Investments in equity of other entities

Investments in equity of other entities represent equity but not control or joint control, or significant influence on the investee.

The Company record investments in equity of another entities at cost. The Company's share of post-acquisition profit of the investee is recognized in the consolidated income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in equity of another entities are presented in the consolidated balance sheet as cost less provisions for devaluation (if any). Provisions for devaluation of investments are made when there is strong evidence that there has been a decrease in the value of these investments at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Goodwill**

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill arising on the acquisition of a subsidiary is recognized as a non-current asset in the consolidated balance sheet and is amortized on the straight-line basis over its estimated period of benefit which the maximum estimated period should not exceed 10 years.

On disposal of a subsidiary, the attributable amount of unamortized goodwill included in the determination of the profit or loss on disposal. The Company conducts the periodical review for impairment of goodwill of investments in subsidiaries. If there are indicators that the impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recognized in the consolidated income statement.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. The Company does not amortize this goodwill.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments, which are matured within three months commencing on transaction date, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Loan receivables

Loan receivables present the loans under agreements which are not traded on the market as securities.

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for: overdue receivables stated in economic contract, loan agreements, contractual commitments or debt commitments, and outstanding receivables which are doubtful of being recovered. Provision for overdue receivables is made based on overdue days in payment of principals following the initial economic contract, exclusive of the debts rescheduling between contracting parties, provision for outstanding receivables is made when the debtor is in bankruptcy, or is doing procedures to dissolve, missing, escaped.

Inventories***Properties held for sale***

Properties held for sale include properties acquired or being constructed for sale in the ordinary course of business and shall be measured at the lower of cost and net realisable value. Cost of properties held for sale include freehold and leasehold rights for land, costs of site preparation; construction and borrowing costs, planning and design costs, construction management cost and other related costs (if any) that have been incurred in bringing the properties held for sale to their present location and condition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Inventories** (continued)***Other inventories***

Other inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provision for devaluation of inventories is made in accordance with prevailing accounting regulations which allow provision to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at reporting date. The provision for devaluation of obsolete, damaged, or sub-standard inventories is not included in deductible expenses for calculation of corporate income tax until such inventories are disposed.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods and are expected to provide future economic benefits to the Company. Prepayments comprise cost of show flat and real estate brokerage commission; tools and supplies issued for consumption.

Cost of show flat and real estate brokerage commission are recognized as long-term prepayments and amortised to the income statement as a proportion of revenue of projects when the Company hands over properties to customers.

Tools and supplies issued for consumption are capitalised as prepayments, and are allocated to operating cost using the straight-line method within 3 years in accordance with the current prevailing accounting regulations.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Building and structure	50
Machinery and equipment	4 - 10
Motor vehicle and transmission	6 - 8
Office equipment	3

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognized in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible fixed assets and amortisation**

Intangible fixed asset is presented at cost less accumulated amortization. Intangible fixed assets of the Company consist of land use rights with indefinite term and the computer software.

The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use. Land use rights with indefinite term are not amortized.

The costs of computer software comprise their directly attributable costs of bringing the assets to their working condition for their intended use. Computer software is amortized using the straight-line method within 3 years.

Investment properties

Investment properties are composed of Shopping mall, swimming pool and tennis court held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Shopping mall	30
Swimming pool and tennis court	10 - 30

A transfer of property to, or from investment property should only be made when there is a change in the intended use, evidenced by: end of owner-occupation and inception of an operating lease to another party for a transfer from owner-occupied property to investment property; commencement of owner-occupation for a transfer from investment property to owner-occupied property; commencement of development with a view to sale for a transfer from investment property to inventories; commencement of an operating lease to another party for a transfer from inventories to investment property; completion of construction and being available for investment for a transfer from self-constructed property to investment property.

The transfer between investment property, owner-occupied property and inventories do not change carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Trade and other payables

Accounts payable are monitored in detail by payable terms, debtors, original currency and other factors depending on the Company's managerial requirements. Accounts payable to suppliers include trade payables arising from buying-selling transactions and payables for import through trustees (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the consolidated statement of financial position based on the remaining year of these payables at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Accrued expenses**

Accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company or lack of accounting document, which are recorded to operating expenses of the reporting year.

Payable provisions

Payable provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Owner's equity recognition

Owner's equity is recognized by actual capital contributions from shareholders.

Share premium is recognized at the larger or smaller difference between issuing price and par value of shares upon the initial public offering, additional issue or re-issue of treasury shares.

Treasury shares are shares issued by the Company and then acquired. Treasury shares are recorded at the actual value and presented on the consolidated balance sheet as a deduction from equity. No gain or loss is recognized upon purchase, sale, issue or cancellation of the Company's own equity instruments.

Retained earnings are recognized by net profit after corporate income tax during the year and are adjusted due to retroactive application of accounting policy changes also material errors of the previous years.

Net profit after tax is available for distribution to the shareholders and being paid in the following period under approval in the Annual General Meeting of the Company.

Appropriation of reserves and funds from profit after tax is based on the Company's ordinance and approval in the Annual General Meeting.

Revenue recognition***Revenue from real estate properties***

Revenue from sales of town house and apartment is recognized when all five (5) following conditions are satisfied:

- (a) The real estate has been completed and transferred to the buyer, the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (c) The amount of revenue can be measured reliably;
- (d) The economic benefits associated with the transaction flowed or will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from real estate

For subdivided land plot for sale, if it is transferred to the customer (regardless legal procedures for land use right certificate done or not) and contract is irrevocable, revenue is recognized when satisfying the following conditions:

- (a) Risks and rewards associated with land plot are transferred to the buyer;
- (b) The amount of revenue can be measured reliably;
- (c) Costs related to sale of plots may be determined; and
- (d) The Company has received or will receive economic benefits from sales of the plots.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition** (continues)***Revenue from sales of goods***

Revenue from the sale of goods is recognized when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services rendered

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognized in each year by reference to the percentage of completion of the transaction at the consolidated balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Gains on financial investments are recognized when the Company's right to receive payment has been established.

Cost of sales recognition***Cost of real estate properties***

The cost of real estate sold is determined and recognized in profit or loss by reference to directly attributable cost and an allocation of overhead costs to corresponding size of the properties sold.

Goods and other services

Cost of goods sold and services rendered are recorded at actually incurred amount and aggregated by value and quantity of finished goods, merchandise and materials sold and services rendered to customers, conforming to the matching principle and the precautionary principle. The costs exceeded normal levels of inventory and services are recognized immediately in operating results in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Borrowing costs**

Borrowing costs are recognized in the consolidated income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Related parties

The enterprises, associates and individuals are considered to be related to the Company if one party has ability, directly or indirectly through one or more intermediaries, to control over the other party or is under the control of the Company, or joint control with the Company; the associates and individuals directly or indirectly holding the voting power over the Company that exercise significant influence over the Company. Related parties may be the key management personnel, General director and officers of the Company. Close family members of any individuals or associates herein or associates of these individuals are also considered as related parties.

In considering the relationship of each related party, the substance of the relationship is noted over the legal form.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Earnings per share**

Basic earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjusting for appropriation for bonus and welfare funds) by weighted average number of ordinary shares in circulation during the year.

Segment report

A segment is a distinguishable part of the Company involved in the provision of related products or services (by business segment), or in the provision of products or services within the scope a particular economic environment (geographical area) that has a risk and economic benefit different from the other business units. The Board of General Directors is of the view that the Company operates in its business segments of trading real estate properties, other activities and operates in a single geographic area of Vietnam. Therefore, segment report is prepared in term of business sector and segment report by geographical area will not be presented

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET**1. CASH AND CASH EQUIVALENTS**

	31/12/2020	01/01/2020
	VND	VND
Cash on hand	1,056,527,489	2,218,308,654
Bank demand deposits	66,444,376,904	107,708,388,154
Cash equivalents	-	29,550,292,227
Total	67,500,904,393	139,476,989,035

2. SHORT-TERM TRADE RECEIVABLES

	31/12/2020	01/01/2020
	VND	(Restated) VND
Receivables from transferring real estate properties	471,920,412,265	338,055,422,915
Diamond Riverside High-rise Apartment project	272,156,004,577	-
The City Gate Towers Apartment project	90,980,567,064	98,354,789,544
Seafood Hill Villas project - Quang Ninh Province	76,539,589,474	10,482,906,371
Son Tinh Residential Area Project - Quang Ngai	29,714,405,150	7,600,000,000
Tan Kien Complex Area Project - Binh Chanh	2,529,846,000	221,617,727,000
Receivables from transferring investments in other entities	49,793,851,642	49,793,851,642
Arch Real Estate Service Joint Stock Company	38,188,351,642	38,188,351,642
Other customers	11,605,500,000	11,605,500,000
Other trade receivables	9,770,399,235	6,170,067,218
Total	531,484,663,142	394,019,341,775

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**3. SHORT-TERM ADVANCES TO SUPPLIERS**

	31/12/2020	01/01/2020
	VND	VND
Arch Real Estate Service Joint Stock Company	192,841,775,900	196,497,045,050
E&C Civil Construction Joint Stock Company	31,134,864,794	73,495,636,815
Other suppliers	102,355,445,136	132,063,303,317
Total	326,332,085,830	402,055,985,182

Of which, advances to the related parties:

CII Engineering and Construction Joint Stock Company	19,775,961,199	4,600,588,025
NBB Quang Ngai One Member Company Limited	2,123,290,904	655,668,131
CII Infrastructure Service Limited Company	129,271,906	-
Total	22,028,524,009	5,256,256,156

4. SHORT-TERM LOAN RECEIVABLES

	31/12/2020	01/01/2020
	VND	VND
592 Investment Construction and Trading Joint Stock Company	9,500,000,000	9,500,000,000

This is a fiducial loan with an interest rate of 10.5% per annum. The loan principal and interest will be repaid on maturity dated 20 December 2021.

5. OTHER RECEIVABLES

	31/12/2020	01/01/2020
	VND	(Restated) VND
a. Other short-term receivables		
Compensation advance for fire damages in Carina Apartment (see Note VIII.3)	104,438,750,348	103,933,950,348
Advances for clearance compensation	70,527,033,677	49,165,230,692
Land use levies overpaid	20,547,700,682	-
Hifill Holding Company	15,648,060,434	15,648,060,434
Sai Gon Riverfront Limited Liability Company	12,991,822,400	12,991,822,400
Other receivables	20,518,236,824	34,726,514,593
Total	244,671,604,365	216,465,578,467
b. Other long-term receivables		
Project performance deposit	42,108,620,000	48,557,620,000
Hifill Holding Company	15,000,000,000	15,000,000,000
Other receivables	291,145,003	303,124,954
Total	57,399,765,003	63,860,744,954

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**6. BAD DEBT**

	31/12/2020			01/01/2020		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
	VND	VND	VND	VND	VND	VND
Short-term trade receivables	709,811,486	-	(709,811,486)	709,811,486	-	(709,811,486)
Other short-term receivables	1,304,101,300	-	(1,304,101,300)	-	-	-
Total	2,013,912,786	-	(2,013,912,786)	709,811,486	-	(709,811,486)

7. INVENTORIES

	31/12/2020		01/01/2020	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Real estate properties in progress (*)	2,416,099,820,831	-	4,038,053,904,763	-
Finished real estate properties	37,449,907,635	-	-	-
Properties held for sale	19,953,257,315	-	-	-
Total	2,473,502,985,781	-	4,038,053,904,763	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**7. INVENTORIES** (continued)

(*) Real estate properties in progress present the investment and development costs of the following projects:

	31/12/2020		01/01/2020	
	Cost VND	Provision VND	Cost VND	Provision VND
NBB Garden III Apartment project	809,180,484,515	-	702,047,363,267	-
NBB Garden II Apartment project	733,886,052,911	-	710,634,295,947	-
Son Tinh Residential Area Project - Quang Ngai (i)	535,721,144,515	-	581,370,213,723	-
De - Lagi Resort project	181,710,251,529	-	161,472,278,641	-
City Gate Towers project	98,499,905,088	-	51,094,617,148	-
Ha Long Ecological Urban Area project	27,996,328,839	-	27,996,328,839	-
Diamond Riverside High-rise Apartment project	22,817,075,551	-	1,506,317,201,563	-
Residential area project at Ward 2, Bac Lieu City	6,288,577,883	-	5,142,984,159	-
Seafood Hill Villas project - Quang Ninh	-	-	290,774,076,020	-
Ruby Island project - Quang Ngai	-	-	1,204,545,456	-
Total	2,416,099,820,831	-	4,038,053,904,763	-

Additional information for inventories

(i) The Company engaged in the investment cooperation with Ho Chi Minh City Infrastructure Investment Joint Stock Company (as noted further at Note V.16) and Pearl City Investment Joint Stock Company on this project. In which, Pearl City Investment Joint Stock Company is entitled to 30% pre-tax profit from the project as its contribution and development pursuant to the contract No. 02/2019/HD-PC signed 28 June 2019 and the attached appendices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**8. PREPAYMENTS**

	31/12/2020	01/01/2020
	VND	VND
a. Short-term prepayments		
Tools and supplies issued for consumption	85,757,465	651,476,488
Other prepaid expenses	164,271,081	-
	250,028,546	651,476,488
b. Long-term prepayments		
Investment cooperation cost of Son Tinh project (i)	54,184,198,305	-
Cost of show flat	3,415,258,900	3,423,540,627
Tools and supplies issued for consumption	1,540,588,333	260,842,111
Real estate brokerage commission (ii)	-	102,906,953,207
Other prepaid expenses	33,084,946	838,000,000
	59,173,130,484	107,429,335,945
Total of prepayments	59,423,159,030	108,080,812,433

(i) This is prepayment to Pearl City Investment Joint Stock Company for the investment cooperation in Son Tinh project as presented in the Note V.7.

(ii) According to the Company's accounting policies, the real estate brokerage commission fees related to the Diamond Riverside High-rise Apartment Project were charged to profit and loss since the apartments of the project were handed over to the customers (see at Note VI.5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**9. TANGIBLE FIXED ASSETS**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles and transmission VND	Office equipment VND	Other assets VND	Total VND
Cost						
As at 01/01/2020	174,959,227,215	7,088,923,234	18,991,622,618	1,983,661,728	2,471,552,561	205,494,987,356
New purchases during the year	-	127,272,727	1,443,271,270	188,000,818	-	1,758,544,815
Transfer from construction in progress	43,545,556,189	-	-	-	-	43,545,556,189
Disposals	-	(5,877,072,519)	(3,055,722,857)	-	(2,471,552,561)	(11,404,347,937)
Other decrease	(13,145,020,899)	(56,370,000)	-	-	-	(13,201,390,899)
As at 31/12/2020	205,359,762,505	1,282,753,442	17,379,171,031	2,171,662,546	-	226,193,349,524
Accumulated depreciation						
As at 01/01/2020	13,409,689,634	3,640,027,653	9,327,325,856	874,901,029	1,366,613,201	28,618,557,373
Charged for the year	3,321,849,336	338,889,230	2,270,253,016	134,611,471	48,167,745	6,113,770,798
Disposals	-	(2,761,937,209)	(3,055,722,857)	-	(1,414,780,946)	(7,232,441,012)
Other decrease	-	(18,789,996)	-	-	-	(18,789,996)
As at 31/12/2020	16,731,538,970	1,198,189,678	8,541,856,015	1,009,512,500	-	27,481,097,163
Net book value						
As at 01/01/2020	161,549,537,581	3,448,895,581	9,664,296,762	1,108,760,699	1,104,939,360	176,876,429,983
As at 31/12/2020	188,628,223,535	84,563,764	8,837,315,016	1,162,150,046	-	198,712,252,361

As at 31 December 2020, the cost of the Company's tangible fixed assets included the amount of VND 1,323,694,676 which have been fully depreciated but are still in use (as at 1 January 2020: VND 4,559,869,452).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**10. INTANGIBLE FIXED ASSETS**

	Land use right	Software program	Total
	VND	VND	VND
Cost			
As at 01/01/2020	4,016,104,746	-	4,016,104,746
Transfer from construction in progress	17,606,821,837	-	17,606,821,837
Reclassification	13,145,020,899	-	13,145,020,899
New purchases during the year	-	269,100,000	269,100,000
As at 31/12/2020	34,767,947,482	269,100,000	35,037,047,482
Accumulated amortisation			
As at 01/01/2020	-	-	-
Charged for the year	-	68,721,775	68,721,775
As at 31/12/2020	-	68,721,775	68,721,775
Net book value			
As at 01/01/2020	4,016,104,746	-	4,016,104,746
As at 31/12/2020	34,767,947,482	200,378,225	34,968,325,707

11. INVESTMENT PROPERTIES

	Swimming pool and tennis court	Shopping mall of Carina Apartment	Total
	VND	VND	VND
Cost			
As at 01/01/2020	11,334,257,682	56,451,773,319	67,786,031,001
As at 31/12/2020	11,334,257,682	56,451,773,319	67,786,031,001
Accumulated depreciation			
As at 01/01/2020	2,858,035,584	7,642,873,286	10,500,908,870
Charged for the year	104,942,376	2,349,551,220	2,454,493,596
As at 31/12/2020	2,962,977,960	9,992,424,506	12,955,402,466
Net book value			
As at 01/01/2020	8,476,222,098	48,808,900,033	57,285,122,131
As at 31/12/2020	8,371,279,722	46,459,348,813	54,830,628,535

The shopping mall of Carina Apartment was pledged for the loan from Asia Commercial Joint Stock Bank (see Note V.20).

The fair value of the investment properties has not been measured and presented in the notes to the consolidated financial statements. However, on the basis of market value of similar assets and occupancy rates, the Company's Board of General Directors believes that the fair value of these properties exceeds its carrying amount on the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**12. CONSTRUCTION IN PROGRESS**

	31/12/2020	01/01/2020
	VND	VND
Project of Tra Bong mineral water mine, Quang Ngai province	<u>3,875,266,717</u>	<u>3,875,266,717</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**13. LONG-TERM FINANCIAL INVESTMENTS****a. Investments in associates**

	31/12/2020				01/01/2020			
	Voting rights	Cost	Post-acquisition profits	Fair value	Voting rights	Cost	Post-acquisition profits	Fair value
	%	VND	VND	VND	%	VND	VND	VND
Tam Phu Investment & Construction Company Limited	49.00%	4,579,636,245	(4,579,636,245)	(i)	49.00%	4,579,636,245	(4,657,937)	(i)
Quang Ngai Mineral Investment Joint Stock Company	-	-	-	-	49.00%	26,027,166,667	(18,663,009,785)	(i)
Total		4,579,636,245	(4,579,636,245)	(i)		30,606,802,912	(18,667,667,722)	(i)
Net value of investments in associates							11,939,135,190	

The impairment from Tam Phu Investment & Construction Company Limited was compensated by the investment and development fund (See Note V.22).

b. Investment in equity of other entity

	31/12/2020				01/01/2020			
	Voting rights	Cost	Provision	Fair value	Voting rights	Cost	Provision	Fair value
		VND	VND	VND		VND	VND	VND
Sai Gon Dan Kia Water Supply Corporation	9.50%	16,150,000,000	-	(i)	-	-	-	-
Hifill Holding Company	5.00%	2,000,000,000	(2,000,000,000)	(i)	5.00%	2,000,000,000	(2,000,000,000)	(i)
Net value of investments in other entity		16,150,000,000						

(i) Fair value of the investments was not determined since currently there have been no specific and unified guidelines on the method of determining fair value of these investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**14. DEFERRED TAX ASSETS**

	Unrealized profit/(loss) from intra-group transactions eliminated on consolidation VND
As at 01/01/2019	802,560,000
Charge to consolidated income statement for the year	300,960,000
As at 01/01/2020	1,103,520,000
Charge to consolidated income statement for the year	(594,147,000)
As at 31/12/2020	509,373,000
Tax rate applied for calculation of deferred tax	20%

15. SHORT-TERM TRADE PAYABLES

	31/12/2020		01/01/2020	
	Carrying amount VND	Amount able to be paid off VND	Carrying amount VND	Amount able to be paid off VND
Sai Gon Construction Joint Stock Company	46,262,765,576	46,262,765,576	80,011,767,766	80,011,767,766
Tan Hung Thinh Company Limited	8,895,644,166	8,895,644,166	19,126,793,915	19,126,793,915
Kone Vietnam Limited Liability Company	5,011,829,025	5,011,829,025	19,820,583,900	19,820,583,900
Other suppliers	62,277,071,829	62,277,071,829	58,569,423,431	58,569,423,431
Total	122,447,310,596	122,447,310,596	177,528,569,012	177,528,569,012
Of which, payable to the related party:				
CII Engineering and Construction Joint Stock Company	66,354,960	66,354,960	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**16. SHORT-TERM ADVANCES FROM CUSTOMERS**

	31/12/2020	01/01/2020
	VND	VND
Advances from customers buying apartments and land plots (*)	28,292,155,700	1,360,800,528,643
Other advances from customers	63,674,000	-
Total	28,355,829,700	1,360,800,528,643

(*) Detail of advances from customers to purchase apartments and land lots:

Son Tinh Residential Area Project - Quang Ngai	24,669,524,469	33,018,929,168
Residential area project at Ward 2, Bac Lieu City	3,022,631,231	3,022,631,231
The City Gate Towers Apartment project	600,000,000	600,000,000
Diamond Riverside High-rise Apartment project	-	1,324,158,968,244
Total	28,292,155,700	1,360,800,528,643

17. TAXES AND OTHER RECEIVABLES FROM, PAYABLES TO THE STATE BUDGET

	01/01/2020 (Restated)	Payable during the year	Payment during the year	31/12/2020
	VND	VND	VND	VND
a. Receivables				
Personal income tax	-	-	10,688,200	10,688,200
Other receivables	512,330,598	400,314,339	614,441	112,630,700
Total	512,330,598	400,314,339	11,302,641	123,318,900
b. Payables				
Value added tax	19,397,995,837	89,393,709,848	41,287,938,151	67,503,767,534
Corporate income tax	78,395,838,708	129,721,080,763	66,984,709,538	141,132,209,933
Personal income tax	783,057,800	7,502,878,535	4,339,901,277	3,946,035,058
Other payables	36,983,718,649	6,329,104,530	1,447,047,626	41,865,775,553
Total	135,560,610,994	232,946,773,676	114,059,596,592	254,447,788,078

18. SHORT-TERM ACCRUED EXPENSES

	31/12/2020	01/01/2020
	VND	VND
Land use levies (*)	321,000,000,000	120,000,000,000
Construction costs	97,529,968,735	3,593,389,211
Interest expense	5,188,013,914	1,517,031,675
Other accrued expenses	1,053,249,323	-
Total	424,771,231,972	125,110,420,886

(*) Details of land use levy of projects:

Diamond Riverside High-rise Apartment project	201,000,000,000	-
The City Gate Towers Apartment project	120,000,000,000	120,000,000,000
Cộng	321,000,000,000	120,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**19. OTHER PAYABLES**

	31/12/2020	01/01/2020 (Restated)
	VND	VND
a. Other current payables		
Deposits received from customers	690,145,015,860	1,192,559,485,029
Investment cooperation capital contribution payables (*)	184,650,000,000	-
Maintenance fund of apartments	42,670,405,681	-
Profit payable on investment cooperation	23,717,180,821	-
Investment cooperation payables	-	45,169,016,641
Fine payable on liquidation of contract	-	40,000,000,000
Other payables	7,546,365,314	25,939,109,732
Total	948,728,967,676	1,303,667,611,402
b. Other long-term payables		
Deposits received	7,078,031,000	7,638,931,000
Maintenance fund of apartments	947,085,036	30,853,673,341
Investment cooperation capital contribution payables (*)	-	70,967,260,000
Profit payable on investment cooperation	-	41,310,077,014
Deposits received from customers	-	30,234,917,935
Other payables	543,529,106	445,822,439
Total	8,568,645,142	181,450,681,729
Of which, payables to the related parties:		
Financial supports received from Quang Ngai Mineral Investment Joint Stock Company	-	3,110,405,635
Payables to CII, included:		
<i>Investment cooperation capital contribution (i)</i>	184,650,000,000	36,000,000,000
<i>Profit payable on investment cooperation</i>	23,717,180,821	41,310,077,014
Total	208,367,180,821	80,420,482,649

(*) Details of capital contribution for investment cooperation:

	31/12/2020	01/01/2020
	VND	VND
Cooperation with CII in Son Tinh Residential Area project, Quang Ngai Province (i)	184,650,000,000	36,000,000,000
Cooperation with Pearl City in Son Tinh Residential Area project, Quang Ngai Province	-	26,500,000,000
Cooperation with Mr. Le Van Hoa in Diamond Riverside High-rise Apartment project	-	8,467,260,000
Total	184,650,000,000	70,967,260,000

(i) This amount presented the capital contribution from Ho Chi Minh City Infrastructure Investment Joint Stock Company pursuant to the investment cooperation contract No. 37/2020 dated 16 October 2020 for cooperation in Son Tinh Residential Area Project - Quang Ngai Province. Accordingly, CII is entitled to a fixed interest rate of 13% per annum on the actual amount contributed to the project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	31/12/2020		Arising during the year		01/01/2020	
	Carrying amount VND	Principal able to be paid off VND	Increase VND	Decrease VND	Carrying amount VND	Principal able to be paid off VND
a. Short-term loans						
Personal loans	277,973,075,000	277,973,075,000	282,123,075,000	4,150,000,000	-	-
Tien Phong Commercial Joint Stock Bank	-	-	-	75,000,000,000	75,000,000,000	75,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	-	-	160,000,000,000	160,000,000,000	-	-
Add: Current portion of long-term loans	23,871,753,384	23,871,753,384			39,943,911,978	39,943,911,978
Total	301,844,828,384	301,844,828,384			114,943,911,978	114,943,911,978
b. Long-term loans						
Tien Phong Commercial Joint Stock Bank	198,711,445,114	198,711,445,114	220,977,454,646	182,041,657,443	159,775,647,911	159,775,647,911
Asia Commercial Joint Stock Bank	42,000,000,000	42,000,000,000	-	-	42,000,000,000	42,000,000,000
Less: Amount due for settlement within 12 months	(23,871,753,384)	(23,871,753,384)			(39,943,911,978)	(39,943,911,978)
Total	216,839,691,730	216,839,691,730			161,831,735,933	161,831,735,933
Total loans	518,684,520,114	518,684,520,114	380,977,454,646	417,041,657,443	553,551,295,822	553,551,295,822

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES** (continued)**Additional information for loans**

Creditors	Closing balance	Duration	Interest rate	Loan purposes	Collaterals and other information
<u>Short-term loans</u>					
Personal loans	277,973,075,000	Upto 31/12/2022 or another duration under argreement	9.00%	Supplement to working capital and finance in operations.	None collateral
<u>Long-term loans</u>					
Asia Commercial Joint Stock Bank - Pham Ngoc Thach Branch	42,000,000,000	60 months	10.50%	Deposit for the Diamond Riverside project.	Three commercial and service floors in Block B of Carina Plaza building owned by Hung Thanh Construction - Trading - Service - Manufacturing Company Limited.
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	53,711,445,114	48 months	10,00% - 12,20%	Payment for the Diamond Riverside project.	Property right derived from Diamond Riverside project.
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	145,000,000,000	24 months	10.00%	Finance in real estate projects.	Land use rights belongs to the project of a high-rise apartment building, commercial services and education in Tan Kien commune, Binh Chanh district, Ho Chi Minh city.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES** (continued)

Long-term loans are repayable on the following schedule

	31/12/2020	01/01/2020
	VND	VND
On demand	23,871,753,384	39,943,911,978
In the second year	210,871,753,384	53,258,549,304
In the third to fifth year inclusive	5,967,938,346	108,573,186,629
	240,711,445,114	201,775,647,911
Less: Amount due for settlement within 12 months	(23,871,753,384)	(39,943,911,978)
Amount due for settlement after 12 months	216,839,691,730	161,831,735,933

21. BONUS AND WELFARE FUNDS

	2020	2019
	VND	VND
Beginning balance	15,014,160,526	17,779,263,112
Appropriation of fund during the year	18,851,903,656	8,531,151,665
Other adjustments	(506,580,651)	-
Utilization of fund during the year	(22,701,073,892)	(11,296,254,251)
Ending balance	10,658,409,639	15,014,160,526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**22. OWNER'S EQUITY****a. Movements of owner's equity**

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings (Restated) VND	Non-controlling interests VND	Total VND
As at 01/01/2019	975,715,740,000	459,600,399,732	(6,891,019,437)	131,477,728,497	318,596,553,292	155,332,146,373	2,033,831,548,457
Increased in capital	29,040,820,000	23,459,180,000	-	-	-	-	52,500,000,000
Repurchased shares	-	-	(132,272,546,777)	-	-	-	(132,272,546,777)
Profit for the year	-	-	-	-	302,878,087,200	(257,372,633)	302,620,714,567
Appropriation of bonus and welfare funds	-	-	-	-	(8,531,151,665)	(44,292,588)	(8,575,444,253)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(1,500,000,000)	-	(1,500,000,000)
Other adjustments	-	(3,500,000,000)	-	-	(14,902,309,653)	-	(18,402,309,653)
Disposal of subsidiary during the year	-	-	-	-	-	(147,015,109,612)	(147,015,109,612)
As at 31/12/2019	1,004,756,560,000	479,559,579,732	(139,163,566,214)	131,477,728,497	596,541,179,174	8,015,371,540	2,081,186,852,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**22. OWNER'S EQUITY** (continued)**a. Movements of owner's equity** (continued)

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings (Restated) VND	Non-controlling interests VND	Total VND
As at 01/01/2020	1,004,756,560,000	479,559,579,732	(139,163,566,214)	131,477,728,497	596,541,179,174	8,015,371,540	2,081,186,852,729
Repurchased shares	-	-	(359,522,715,837)	-	-	-	(359,522,715,837)
Profit for the year	-	-	-	-	327,341,399,480	(50,224,917)	327,291,174,563
Dividends paid	-	-	-	-	(233,303,140,000)	-	(233,303,140,000)
Appropriation of bonus and welfare funds	-	-	-	-	(18,851,903,656)	(79,282,757)	(18,931,186,413)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(3,000,000,000)	-	(3,000,000,000)
Utilization of investment and development fund (i)	-	-	-	(27,873,459,148)	-	-	(27,873,459,148)
Increase due to consolidation of subsidiary in year	-	-	-	-	-	298,830,167	298,830,167
Other adjustments	-	-	-	-	506,580,651	-	506,580,651
As at 31/12/2020	1,004,756,560,000	479,559,579,732	(498,686,282,051)	103,604,269,349	669,234,115,649	8,184,694,033	1,766,652,936,712

(i) Investment and development fund was used to compensate for financial impairments due to legal risks and incidents of Company's operation according to Resolution No. 21/NQ-DHDCD of the Annual General Meeting of Shareholders 2019 on 12 May 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**22. OWNER'S EQUITY** (continued)**b. Shares**

	31/12/2020	01/01/2020
	Shares	Shares
Number of shares authorized to be issued	100,475,656	100,475,656
Number of shares issued to the public	100,475,656	100,475,656
+ <i>Ordinary share</i>	100,475,656	100,475,656
Number of treasury shares	(22,225,740)	(7,154,400)
+ <i>Ordinary share</i>	(22,225,740)	(7,154,400)
Number of outstanding shares in circulation	78,249,916	93,321,256
+ <i>Ordinary share</i>	78,249,916	93,321,256
Par value is of VND 10,000/share		

c. Dividends

According to the Resolution No. 21/NQ-DHDCD of Annual General Meeting 2019 dated 12 May 2020, dividends for 2019 were approved at the rate of 25%, equivalent to VND 2,500 per share

The dividends for 2020 are planned at a rate of 15%, equivalent to VND 1,500 per share and it will be finalised in the Annual General Meeting next year.

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT**1. REVENUE**

	2020	2019
	VND	VND
Revenue from sales of real estate properties	3,482,401,626,524	294,628,322,187
Revenue from goods sold and services rendered	18,268,293,047	35,956,614,500
Total	3,500,669,919,571	330,584,936,687

2. COST OF SALES

	2020	2019
	VND	VND
Cost of real estate properties sold	2,695,478,838,302	215,775,502,136
Cost of goods sold and services rendered	24,231,625,638	35,195,712,540
Total	2,719,710,463,940	250,971,214,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**3. FINANCIAL INCOME**

	2020	2019
	VND	VND
Late payment interest income	16,877,041,096	-
Bank and loan interest income	3,388,559,700	417,056,586
Gain on disposal of financial investment	-	122,878,070,000
Total	20,265,600,796	123,295,126,586

Of which, financial income from transactions with related parties:

CII	4,327,041,096	-
CII Engineering and Construction Joint Stock Company	144,842,466	194,684,932
Total	4,471,883,562	194,684,932

4. FINANCIAL EXPENSES

	2020	2019
	VND	VND
Investment cooperation cost (*)	194,012,329,133	-
Interest expenses	3,650,533,698	81,155,694
Other financial expenses	755,753,424	-
Total	198,418,616,255	81,155,694

(*) Details of investment cooperation cost:

Son Tinh Residential Area project (i)	114,115,801,695	-
Diamond Riverside project (ii)	79,896,527,438	-
Total	194,012,329,133	-

(i) This amount presented the pre-tax profit of Son Tinh Residential Area Project paid to Pearl City Investment Joint Stock Company for investment cooperation in Son Tinh project as described in Note V.7.

(ii) This is the profit that the Company distributed to Mr. Le Van Hoa participating in the investment cooperation contract of Diamond Riverside project, Ward 16, District 8, Ho Chi Minh City.

5. SELLING EXPENSES

	2020	2019
	VND	VND
Real estate brokerage commission	120,222,815,412	3,536,124,415
Cost of show flat	5,383,547,146	-
Outsourced services expenses	16,636,364	-
Other monetary expenses	1,290,422,207	-
Total	126,913,421,129	3,536,124,415

Of which, selling expenses from transactions with the related party:

CII Engineering and Construction Joint Stock Company	169,253,652	-
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**6. GENERAL AND ADMINISTRATION EXPENSES**

	2020	2019
	VND	VND
Management staff costs	27,443,741,593	18,115,625,236
Office stationary expenses	379,797,231	-
Depreciation of fixed assets	2,349,574,319	3,745,232,911
Provision	1,300,000,000	-
Tax, duties and fees	283,521,928	-
Outsourced services expenses	2,897,572,976	7,649,844,708
Other monetary expenses	6,732,965,799	3,127,158,765
Total	41,387,173,846	32,637,861,620

Of which, expenses incurred from transactions with the related party:

NBB Quang Ngai One Member Company Limited	18,430,909	-
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7. OTHER INCOME

	2020	2019
	VND	VND
Income from transferring mining right (i)	14,000,000,000	-
Contractual penalties received	12,223,371,415	18,930,584,565
Gain from disposal of fixed assets	373,547,620	272,727,272
Income from the transfer of the right to participate in investment project	-	255,000,000,000
Other income	2,816,041,167	667,216,408
Total	29,412,960,202	274,870,528,245

(i) The income arised from the transfer of mining right of Ta Zon North Mountain Quarry in Binh Thuan Province to Truong Phuc Hai Investment Construction Company Limited.

8. OTHER EXPENSES

	2020	2019
	VND	(Restated) VND
Tax fines and late payment	5,299,370,414	11,882,459,162
Fine on contractual violation	-	40,000,000,000
Other expenses	1,013,032,659	1,327,676,703
Total	6,312,403,073	53,210,135,865

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**9. CURRENT CORPORATE INCOME TAX EXPENSE**

	2020	2019
	VND	VND
Accounting profit before tax	457,606,402,326	388,314,099,248
Adjustments for taxable income		
Adjustments for taxable revenue	184,748,988,459	-
Addback: Non-deductible expenses	7,989,570,907	52,715,094,486
Offset of assessable loss on consolidation	1,010,278,313	5,429,249,675
Unrealized profit/(loss) from intra-group transactions eliminated on consolidation	(2,973,944,737)	(5,905,286,895)
Taxable income	648,381,295,268	440,553,156,514
Loss carried forward	-	(10,359,970,165)
Assessable income	648,381,295,268	430,193,186,349
Normal tax rate	20%	20%
Corporate income tax payable	129,676,259,054	86,038,637,270
Corporate income tax for the previous year	44,821,709	-
Current corporate income tax expense	129,721,080,763	86,038,637,270

10. BASIC EARNINGS PER SHARE

	2020	2019
	VND	(Restated) VND
Net profit attributable to the owners of parent Company	327,341,399,480	302,878,087,200
Less: Appropriation of bonus and welfare funds and remuneration for the Boards of Management, Supervisory	(36,007,553,943)	(21,851,903,656)
Net profit attributable to Shareholders owning ordinary shares adjusted for the effects of dilution	291,333,845,537	281,026,183,544
Weighted average number of ordinary shares for calculation of earnings per share	91,167,913	95,412,517
Basic earnings per share	3,196	2,945

Profit used to compute earnings per share for comparative year was restated to reflect the appropriation of bonus and welfare funds from net profit for 2019 in accordance with the Resolution of Annual General Meeting of Shareholders 2019 dated 12 May 2020.

Profit used to compute earnings per share for current year was also adjusted to reflect the temporary appropriation of bonus, welfare funds and remuneration for the Boards of Management, Supervisory from net profit for 2020 in accordance with the Resolution of Annual General Meeting of Shareholders 2019 dated 12 May 2020.

VII. ADDITIONAL INFORMATION FOR THE ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

During the year, the Diamond Riverside High-rise Apartment Area project was completed and handed over into use. The value of the basement owned by the Company has been transferred from work in progress to fixed assets with the value of VND 54,734,987,305. This transaction resulted in an increase in fixed assets and a corresponding decrease in inventories on the consolidated balance sheet without affecting the cash flows on the consolidated cash flow statement for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION**1. LIST OF RELATED PARTIES AND TRANSACTIONS**

<u>List of related parties</u>	<u>Relationship</u>
Ho Chi Minh City Infrastructure Investment Joint Stock Company	Parent company
Huong Tra Company Limited	Subsidiary
Quang Ngai Mineral Investment Joint Stock Company	Subsidiary
NBB Quang Ngai One Member Company Limited	Inter-group company
CII Engineering and Construction Joint Stock Company	Inter-group company
CII Infrastructure Service Limited Company	Inter-group company
Sai Gon Dan Kia Water Supply Corporation	Inter-group company

In addition to the balances and transactions with related parties which have been presented in other notes of these consolidated financial statements, during the year, the Company entered into other material transactions with related parties as follows:

	2020	2019
	VND	VND
Ho Chi Minh City Infrastructure Investment Joint Stock Company		
Proceeds from capital contribution for investment cooperation in Son Tinh project	1,050,150,000,000	86,000,000,000
Repayment of capital contribution for investment cooperation in Son Tinh project	901,500,000,000	50,000,000,000
Costs arising from investment cooperation contract in Son Tinh project	26,400,667,122	-
NBB Quang Ngai One Member Company Limited		
Cost of construction in Son Tinh project	9,310,486,999	10,460,839,251
CII Engineering and Construction Joint Stock Company		
Cash outflow for lending	9,500,000,000	9,500,000,000
Cash recovered from lending	9,500,000,000	9,500,000,000
Cost of construction in Son Tinh project	25,641,532,191	3,365,775,504
Purchasing equipment for show flat	169,253,652	-

Remuneration for the Boards of Management, Supervisory and General Directors during the year:

	2020	2019
	VND	VND
Mr. Luu Hai Ca	2,454,054,285	1,496,154,000
Mr. Doan Tuong Trieu	1,095,072,000	1,483,032,148
Mr. Mai Thanh Truc	2,312,415,954	1,495,000,000
Mr. Truong Hai Dang Khoa	2,006,653,846	987,170,632
Mr. Nguyen Quy Binh	871,503,966	-
Ms. Nguyen Quynh Huong	616,153,846	160,000,000
Mr. Hoang Thanh Tung	350,000,000	160,000,000
Mr. Nguyen Phi Thuong	350,000,000	160,000,000
Mr. Hoang Huu Tuong	250,000,000	160,000,000
Mr. Vo Hoang Chuong	250,000,000	120,000,000
Mr. Nguyen Van Tung	200,000,000	60,000,000
Total	8,301,799,612	4,785,202,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**2. SEGMENT REPORT**

For management purposes, the Company is organized into different business units. Accordingly, the primary segment report is based on type of production and business activities.

Segment results include items that are directly allocated to one segment as well as to more than one segment on a reasonable basis. Items are not included in segment report such as: assets, liabilities, financial income, financial expenses, selling expenses, general and administrative expenses, other profit, losses and corporate income tax.

Business divisions of the Company include two (02) divisions, as follows:

- Trading real estate properties: Sales of apartments, land plots and land with related infrastructures.
- Other activities: Selling mineral stone, leasing premises and providing utility services.

The Company prepares segment reports according to 2 these business divisions. The business division information of the Company is presented as below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**2. SEGMENT REPORT** (continued)

For the year ended 31 December 2020

	Trading real estate activities VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
Sales to external customers	3,482,401,626,524	18,268,293,047	-	3,500,669,919,571
Sales of intra-segment	-	3,532,832,136	(3,532,832,136)	-
Net revenue of segment	3,482,401,626,524	21,801,125,183	(3,532,832,136)	3,500,669,919,571
Cost of sales of segment	2,695,478,838,302	24,231,625,638	-	2,719,710,463,940
Gross profit of segment	786,922,788,222	(2,430,500,455)	(3,532,832,136)	780,959,455,631
Financial income				20,265,600,796
Financial expenses				198,418,616,255
Selling expenses				126,913,421,129
General and administration expenses				41,387,173,846
Other income				29,412,960,202
Other expenses				6,312,403,073
Current corporate income tax expense				129,721,080,763
Deferred corporate tax expense				594,147,000
Net profit after tax				327,291,174,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**2. SEGMENT REPORT** (continued)

For the year ended 31 December 2019
(Restated)

	Trading real estate activities VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
Sales to external customers	294,628,322,187	35,956,614,500	-	330,584,936,687
Sales of intra-segment	-	3,947,420,116	(3,947,420,116)	-
Net revenue of segment	294,628,322,187	39,904,034,616	(3,947,420,116)	330,584,936,687
Cost of sales of segment	215,775,502,136	42,605,799,436	(7,410,086,896)	250,971,214,676
Gross profit of segment	78,852,820,051	(2,701,764,820)	3,462,666,780	79,613,722,011
Financial income				123,295,126,586
Financial expenses				81,155,694
Selling expenses				3,536,124,415
General and administration expenses				32,637,861,620
Other income				274,870,528,245
Other expenses				53,210,135,865
Current corporate income tax expense				86,038,637,269
Deferred corporate tax income				(300,960,000)
Net profit after tax				302,576,421,979

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**3. CONTINGENT LIABILITIES**

From 2018 to 2020, 577 Investment Corporation supported to resolve a fire broke out at the Carina Plaza apartment building. Carina Plaza apartment building is owned by Hung Thanh Construction – Trading - Service - Manufacturing Company limited ("Hung Thanh Company") - a subsidiary of NBB with a holding proportion of 95% of charter capital - and is managed and operated by a third party. The fire was objectively caused by an electric problem of a motorbike as the inspection conclusion Notice No. 1732/TB-PC44-Đ3 dated 9 July 2018 issued by the Police Investigation Agency of Ho Chi Minh City Police Department. The legal obligations and compensation for damages related to the incident have been investigated and clarified by the competent authorities. Up to 31 December 2020, Hung Thanh Company, with financial support from NBB, made advance payments for compensation and remedies for the incident with a total amount of VND 104,438,750,348 (as presented at Note V.5 herein). As of the consolidated report date, the Company has not yet recorded any provisions related to this incident as the outcome has not yet presently been determined awaiting the official conclusions from the authorized investigative agencies.

As presented in the Note V.18 the Company has reasonably estimated land use levies for the Diamond Riverside Project and the City Gate Towers Apartment Project with the amount of VND 201 billion and VND 120 billion respectively. As of the date of this report, the Company has not yet finalized the land use fees to accurately determine the amount payable to the State budget. Therefore, the land use fees of the Project may differ from the accounting estimate upon the final decision of the competent authority.

4. COMPARATIVE FIGURES

Comparative figures are those of the audited consolidated financial statements for the year ended 31 December 2019.

Certain reclassifications have been made to the comparative figures to enhance their comparability with the current year's presentation. Details of reclassified items on the consolidated balance sheet are as follows:

ITEMS	Codes	31/12/2019	Reclassification	01/01/2020
		As previously reported VND		As-restated VND
Short-term trade receivables	131	344,225,490,133	49,793,851,642	394,019,341,775
Other short-term receivables	136	266,259,430,109	(49,793,851,642)	216,465,578,467

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**4. COMPARATIVE FIGURES** (continued)

In addition, the Company adjusted retroactively due to some material errors of the previous years, specifically:

- Adjusted the fines on late tax payment incurred before 2015 and not being recognized in the report with the value of VND 36,813,904,249.
- Adjusted the non-deductible input value added tax for the previous year according to the decision of the General Department of Taxation to expenses for the fiscal year 2019 with the value of VND 4,334,203,481.
- Adjusted the fines for breach of contract with the value of VND 40,000,000,000 related to the liquidation of the NBB2 project transfer contract took place in the fiscal year 2019.

The effects of these retrospective adjustments on opening balances of consolidated balance sheet were as follows:

ITEMS	Codes	31/12/2019	Adjustment	01/01/2020
		As previously reported VND		As-restated VND
LIABILITIES	300	3,507,841,743,923	81,148,107,730	3,588,989,851,653
Current liabilities	310	3,154,559,326,261	81,148,107,730	3,235,707,433,991
Taxes and amounts payable to the State budget	313	94,412,503,264	41,148,107,730	135,560,610,994
Other current payables	319	1,263,667,611,402	40,000,000,000	1,303,667,611,402
EQUITY	400	2,162,334,960,459	(81,148,107,730)	2,081,186,852,729
Owner's equity	410	2,162,334,960,459	(81,148,107,730)	2,081,186,852,729
Retained earnings	421	677,689,286,904	(81,148,107,730)	596,541,179,174
-Retained earnings accumulated to the prior year end	421a	330,476,996,223	(36,813,904,249)	293,663,091,974
- Retained earnings of current year	421b	347,212,290,681	(44,334,203,481)	302,878,087,200

The effects of these retrospective adjustments on figures of consolidated income statement for 2019 were as follows:

ITEMS	Codes	2019	Adjustment	2019
		As previously reported VND		As-restated VND
Other expenses	32	8,875,932,384	44,334,203,481	53,210,135,865
Accounting profit before tax	50	432,648,302,729	(44,334,203,481)	388,314,099,248
Net profit after corporate income tax	60	346,910,625,460	(44,334,203,481)	302,576,421,979
Net profit attributable to owners of the parent	61	347,212,290,681	(44,334,203,481)	302,878,087,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

VIII. OTHER INFORMATION (continued)**4. COMPARATIVE FIGURES** (continued)

The effects of these retrospective adjustments on figures of consolidated cash flow statement for 2019 were as follows:

ITEMS	Codes	2019	Adjustment VND	2019
		As previously reported VND		As-restated VND
Accounting profit before tax	01	432,648,302,729	(44,334,203,481)	388,314,099,248
Operating profit before movements in working capital	08	316,460,466,715	(44,334,203,481)	272,126,263,234
Increase in payables	11	843,945,935,403	44,334,203,481	888,280,138,884

5. SUBSEQUENT EVENTS

There have been no significant events occurring after the balance sheet date which would requires adjustments or disclosure in the consolidated financial statements.



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Luu Hai Ca
General Director

Ho Chi Minh City, 15 March 2021