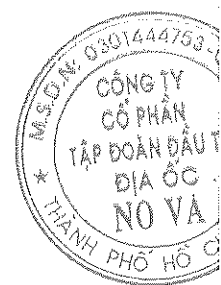


NO VA LAND INVESTMENT GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
QUARTER III 2019**



NO VA LAND INVESTMENT GROUP CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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NO VA LAND INVESTMENT GROUP CORPORATION

CORPORATE INFORMATION

Business Registration Certificate	No. 054350 dated 18 September 1992 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 48th amended Business Registration Certificate No. 0301444753 dated 6 September 2019.	
Board of Directors	Mr. Bui Thanh Nhon Mr. Bui Xuan Huy Ms. Hoang Thu Chau Ms. Nguyen Thanh Bich Thuy Mr. Pham Tien Van Mr. David Frederick Proctor	Chairman Member Member Independent Member Independent Member (from 26 April 2019) Independent Member (to 20 March 2019)
Audit committee	Ms. Nguyen Thanh Bich Thuy Ms. Nguyen Thi Minh Thanh Ms. Vo Thi Thu Van Mr. David Frederick Proctor	Chairman Member Member Member (to 6 March 2019)
Board of Management	Mr. Bui Xuan Huy Ms. Hoang Thu Chau	General Director Deputy General Director
Legal representative	Mr. Bui Xuan Huy	General Director
Registered office	313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3, Ho Chi Minh City, Vietnam	
Operation office	65 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	

NO VA LAND INVESTMENT GROUP CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing consolidated financial statements which give a true and fair view of the financial position of the Company and its subsidiaries (together, "the Group") as at 30 September 2019 and the results of its operations and cash flows for the period then ended. In preparing for these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 3 to 67 which give a true and fair view of the financial position of the Group as at 30 September 2019 and of the results of its operations and cash flows for the period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Bùi Xuân Huy
General Director

Ho Chi Minh City, SR Vietnam
30 October 2019

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30/09/2019 VND	31/12/2018 VND
100	CURRENT ASSETS		56,823,768,158,008	50,860,944,465,153
110	Cash and cash equivalents	4	4,300,966,912,717	12,326,942,295,680
111	Cash		882,840,065,833	7,595,717,278,814
112	Cash equivalents		3,418,126,846,884	4,731,225,016,866
120	Short-term investments		420,864,681,735	95,691,805,879
123	Investments held to maturity	5(a)	420,864,681,735	95,691,805,879
130	Short-term receivables		7,758,582,757,738	4,665,352,597,458
131	Short-term trade accounts receivable	6	1,055,694,248,954	759,035,366,510
132	Short-term prepayments to suppliers	7	813,634,887,029	1,501,273,791,900
135	Short-term lending	8	472,688,727,270	430,653,870,350
136	Other short-term receivables	9(a)	5,426,828,540,263	1,984,653,214,476
137	Provision for doubtful debts - short term	10	(10,263,645,778)	(10,263,645,778)
140	Inventories	11(a)	43,341,218,066,969	32,826,041,845,846
141	Inventories		43,343,292,365,090	32,833,620,893,772
149	Provision for decline in value of inventories		(2,074,298,121)	(7,579,047,926)
150	Other current assets		1,002,135,738,849	946,915,920,290
151	Short-term prepaid expenses	12(a)	93,648,230,515	133,941,405,843
152	Value Added Tax to be reclaimed	20(a)	871,828,860,786	726,686,085,221
153	Taxes and other receivables from the State Budget	20(a)	36,658,647,548	86,288,429,226

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30/09/2019 VND	31/12/2018 VND
200	NON-CURRENT ASSETS		17,754,953,962,143	19,051,268,698,390
210	Long-term receivables		219,814,441,748	255,403,896,052
216	Other long-term receivables	9(b)	219,814,441,748	255,403,896,052
220	Fixed assets		847,872,114,997	787,142,924,879
221	Tangible fixed assets	13	708,750,196,835	705,600,012,062
222	Historical cost		909,413,712,856	875,356,758,139
223	Accumulated depreciation		(200,663,516,021)	(169,756,746,077)
227	Intangible fixed assets	14	139,121,918,162	81,542,912,817
228	Historical cost		160,946,997,817	91,934,799,597
229	Accumulated amortization		(21,825,079,655)	(10,391,886,780)
230	Investment properties	15	3,064,125,997,592	3,056,785,356,717
231	Historical cost		3,235,959,693,260	3,199,456,319,499
232	Accumulated depreciation		(171,833,695,668)	(142,670,962,782)
240	Long-term assets in progress		651,118,155,598	430,179,529,043
241	Long-term work in progress	11(b)	181,995,269,013	181,962,136,884
242	Construction in progress	16	469,122,886,585	248,217,392,159
250	Long-term investments		5,602,942,679,681	7,556,238,420,121
252	Investments in associates, joint ventures	5(c)	5,557,883,842,196	7,548,298,670,121
253	Investment in other entities	5(b)	45,058,837,485	7,939,750,000
260	Other long-term assets		7,369,080,572,527	6,965,518,571,578
261	Long-term prepaid expenses	12(b)	339,028,632,555	414,115,027,558
262	Deferred income tax assets	39(a)	61,655,060,674	70,055,011,414
269	Goodwill	17	6,968,396,879,298	6,481,348,532,606
270	TOTAL ASSETS		74,578,722,120,151	69,912,213,163,543

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30/09/2019 VND	31/12/2018 VND
300	LIABILITIES		52,088,736,460,447	49,452,086,677,765
310	Current liabilities		18,360,394,834,802	27,969,394,567,002
311	Short-term trade accounts payable	18	1,641,161,533,681	2,523,012,259,596
312	Short-term advances from customers	19	1,996,044,485,426	7,779,944,907,345
313	Taxes and other payables to the State Budget	20(b)	264,340,004,513	558,242,968,117
314	Payable to employees	21	58,461,769,880	33,168,157,749
315	Short-term accrued expenses	22	2,547,451,531,791	2,711,170,532,425
318	Short-term unearned revenue		1,769,001,379	1,457,601,871
319	Other short-term payables	23(a)	4,229,874,681,547	2,711,456,498,429
320	Short-term borrowings	24(a)	7,615,742,915,192	11,645,389,730,077
322	Bonus and welfare funds		5,548,911,393	5,551,911,393
330	Non-current liabilities		33,728,341,625,645	21,482,692,110,763
336	Long-term unearned revenue		18,506,141,101	27,058,815,648
337	Other long-term payables	23(b)	10,311,967,752,707	2,495,831,870,100
338	Long-term borrowings	24(b)	18,773,392,884,834	16,262,686,196,964
341	Deferred income tax liabilities	39(a)	4,624,474,847,003	2,697,115,228,051
400	OWNERS' EQUITY		22,489,985,659,704	20,460,126,485,778
410	Capital and reserves		22,489,985,659,704	20,460,126,485,778
411	Owners' capital	25, 26	9,372,766,740,000	9,372,766,740,000
411a	- Ordinary shares with voting rights		9,304,466,740,000	9,304,466,740,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	26	3,996,839,781,026	3,996,839,781,026
421	Undistributed earnings	26	7,214,535,437,753	6,107,694,627,582
421a	- Undistributed post-tax profits of the previous years		6,107,694,627,582	2,886,728,106,652
421b	- Undistributed post-tax profit of the current year		1,106,840,810,171	3,220,966,520,930
429	Non-controlling interests	27	1,905,843,700,925	982,825,337,170
440	TOTAL RESOURCES		74,578,722,120,151	69,912,213,163,543


Nguyen Ngoc Bang
Preparer


Tran Thi Thanh Van
Chief Accountant




Bui Xuan Huy
General Director
30 October 2019

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Quarter 3/2019 VND	Quarter 3/2018 VND	For the period ended	
				30/09/2019 VND	30/09/2018 VND
01	Sales of goods and rendering of services	1,524,634,149,618	2,457,894,591,192	9,639,424,623,173	6,786,683,130,757
02	Less deductions	(18,492,107,248)	(14,481,152,845)	(88,685,160,846)	(53,535,525,600)
10	Net revenue from sales of goods and rendering of services	1,506,142,042,370	2,443,413,438,347	9,550,739,462,327	6,733,147,605,157
11	Cost of sales	(984,330,461,983)	(1,782,335,243,929)	(6,865,914,694,829)	(4,662,245,692,764)
20	Gross profit from sales of goods and rendering of services	521,811,580,387	661,078,194,418	2,684,824,767,498	2,070,901,912,393
21	Financial income	359,693,103,198	85,853,754,076	589,141,286,101	989,558,033,599
22	Financial expenses	(256,267,271,666)	(471,627,580,596)	(1,468,102,233,959)	(1,400,293,443,210)
23	- Including: Interest expenses	(141,373,644,505)	(310,284,104,503)	(755,193,842,804)	(1,023,632,028,876)
24	Share of profit from associates	(10,223,974,166)	814,508,774,570	(9,199,571,986)	1,054,940,097,312
25	Selling expenses	(57,955,501,342)	(89,104,529,492)	(208,515,273,295)	(225,381,547,879)
26	General and administration expenses	(286,579,272,607)	(173,208,477,599)	(868,987,048,556)	(497,416,022,302)
30	Net operating profit	270,478,663,804	827,500,135,377	719,161,925,803	1,992,309,029,913
31	Other income	300,997,852,235	9,713,757,158	1,264,732,458,758	22,994,991,139
32	Other expenses	(14,556,141,351)	(34,112,712,504)	(103,350,380,092)	(45,598,751,230)
40	Net other income	286,441,710,884	(24,398,955,346)	1,161,382,078,666	(22,603,760,091)
50	Net accounting profit before tax	556,920,374,688	803,101,180,031	1,880,544,004,469	1,969,705,269,822
51	Business income tax – current	(127,683,866,155)	(119,071,601,718)	(591,872,111,693)	(465,244,454,988)
52	Business income tax – deferred	(142,683,956,370)	(16,879,385,756)	(214,667,525,129)	(91,993,377,523)
60	Net profit after tax	286,552,552,163	667,150,192,557	1,074,004,367,647	1,412,467,437,311

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02a – DN/HN

CONSOLIDATED INCOME STATEMENT
(continued)

Code	Note	Quarter 3/2019 VND	Quarter 3/2018 VND	For the period ended	
				30/09/2019 VND	30/09/2018 VND
Attributable to:					
61	Shareholders of the parent company	300,610,545,832	657,259,561,851	1,106,922,734,410	1,380,051,684,088
62	Non-controlling interests	(14,057,993,669)	9,890,630,706	(32,918,366,763)	32,415,753,223
70	Basic earnings per share	311	745	1,148	1,517
71	Diluted earnings per share	311	745	1,148	1,517



[Signature]

Nguyen Ngoc Bang
Preparer

[Signature]

Tran Thi Thanh Van
Chief Accountant

[Signature]

Bui Xuan Huy
General Director
30 October 2019

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the period ended	
Code	Note	30/09/2019 VND	30/09/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	1,880,544,004,469	1,969,705,269,822
	Adjustments for:		
02	Depreciation, amortization, goodwill allocation and bargain gain	(485,682,130,430)	332,739,216,846
03	Reversal of provisions	(5,504,749,805)	(2,503,079,944)
04	Foreign exchange losses	14,091,779,333	177,283,928,098
05	Profits from investing activities	(565,036,450,296)	(1,900,059,960,611)
06	Interest expenses, bond issuance costs	780,651,516,868	1,073,875,168,716
08	Operating profit before changes in working capital	1,619,063,970,139	1,651,040,542,927
09	Increase in receivables	2,762,962,249,977	2,595,364,733,472
10	Decrease/(increase) in inventories	3,310,227,165,269	(2,018,038,192,312)
11	(Decrease)/increase in payables	(648,046,575,227)	(2,372,224,292,898)
12	Decrease/(increase) in prepaid expenses	115,922,165,538	(66,089,282,897)
14	Interest paid	(1,988,189,842,907)	(1,295,187,711,196)
15	Business income tax paid	(841,630,320,193)	(574,538,251,226)
20	Net cash flows from operating activities	4,330,308,812,596	(2,079,672,454,130)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(223,913,287,604)	(91,455,402,288)
22	Proceeds from disposals of fixed assets	18,130,107,831	410,877,424
23	Loans granted, purchases of debt instruments of other entities	(547,762,514,413)	(579,671,128,122)
24	Collection of loans, proceeds from sales of debt instruments of other entities	180,554,781,637	2,559,722,268,391
25	Investments in other entities	(10,952,084,091,732)	(7,707,486,692,055)
26	Proceeds from divestment in other entities	432,259,820,000	833,835,774,717
27	Interest and dividend received	277,894,683,347	311,778,754,499
30	Net cash flows from investing activities	(10,814,920,500,934)	(4,672,865,547,434)

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)
(continued)

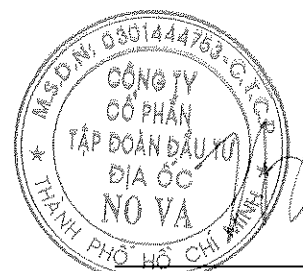
		For the period ended	
Code	Note	30/09/2019 VND	30/09/2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares and capital contribution	1,758,500,000	3,417,756,535,626
32	Proceeds from share returns and repurchases	-	(49,855,482,000)
33	Proceeds from borrowings	10,271,841,303,051	12,952,889,965,029
34	Repayments of borrowings	(11,815,051,077,128)	(11,345,569,804,829)
36	Dividends paid	-	(4,620,091,000)
40	Net cash flows from financing activities	(1,541,451,274,077)	4,970,601,122,826
50	Net decrease in cash and cash equivalents	(8,026,062,962,415)	(1,781,936,878,738)
60	Cash and cash equivalents at beginning of the period	4 12,326,942,295,680	6,650,160,994,741
61	Effect of foreign exchange differences	87,579,452	1,023,983,739
70	Cash and cash equivalents at end of the period	4 4,300,966,912,717	4,869,248,099,742



 Nguyen Ngoc Bang
 Preparer



 Tran Thi Thanh Van
 Chief Accountant





 Bùi Xuân Huy
 General Director
 30 October 2019

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019****1 GENERAL INFORMATION**

No Va Land Investment Group Corporation ("the Company") is a joint stock company which was established in SR Vietnam pursuant to Business Registration Certificate No. 054350 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1992 and the 48th amended Business Registration Certificate No. 0301444753 dated 6 September 2019. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business Registration Certificate as above.

The Company's stock was officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 28 December 2016 with stock symbol "NVL" pursuant to Decision No. 500/QĐ-SGDHCM issued by General Director of HOSE on 19 December 2016.

The principal activities of the Group are residence project development; real estate trading; civil and industrial construction; providing design and management consultancy services; providing real estate brokerage services.

The normal business cycle of the Group's projects is within 36 months.

As at 30 September 2019, the Group had 2,018 employees (as at 31 December 2018: 1,077 employees).

As at 30 September 2019, the Group had 66 subsidiaries and 5 associates (as at 31 December 2018: 53 subsidiaries and 5 associates) as follows:

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

No	Name	Location	The principal activity	30/09/2019		31/12/2018	
				% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries							
1	No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	91.76	91.76	91.76	91.76
2	No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.98	99.98
3	No Va Festival Corporation	Ho Chi Minh City	Real estate trading	94.02	94.02	94.02	94.02
4	No Va Land Company Limited	Ho Chi Minh City	Real estate trading	99.51	99.51	100.00	100.00
5	Nova Saigon Royal Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
6	Sai Gon Housing And Infrastructure Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
7	Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
8	The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.81	99.81	99.81
9	Thanh Nhon Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.72	99.72	99.72	99.72
10	Nova Sagel Company Limited	Ho Chi Minh City	Real estate trading	83.81	74.00	83.81	83.81
11	Novaland Agent Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
12	Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
13	Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	65.00	65.00	65.00
14	Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading, factory and warehouse lease	99.98	99.99	99.97	99.99
15	Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
16	Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
17	Nova Nam A Company Limited	Ho Chi Minh City	Real estate trading	92.71	92.71	92.71	92.71
18	Nova Sasco Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
19	No Va My Dinh Land Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
20	Thanh Nhon Investment Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
21	Nova An Phu Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
22	Nova Phuc Nguyen Real Estate Development and Investment Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.89	99.89	99.89
23	Tuong Minh Investment and Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
24	The 21st Century International Development Company Limited	Ho Chi Minh City	Real estate trading	98.96	98.97	98.96	98.97
25	Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.88	99.89	99.88	99.89
26	Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.77	99.77	99.77	99.77
27	Nova Princess Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

No	Name	Location	The principal activity	30/09/2019		31/12/2018	
				% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)							
28	Nha Rong Investment and Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.97	99.97	99.96	99.97
29	Mega Housing Joint Stock Company	Ho Chi Minh City	Real estate trading	98.60	98.60	98.60	98.60
30	Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	98.59	99.99	98.59	99.99
31	Bach Hop Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
32	Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Support activities related to transportation, real estate trading	83.45	83.45	83.45	83.45
33	Gia Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
34	Gia Phu Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
35	Nova Riverside Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.97	99.98	99.97	99.98
36	Ngoc Linh Hoa Joint Stock Company	Ho Chi Minh City	Real estate trading	99.83	99.83	99.83	99.83
37	Nova Property Management Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
38	Merufa-Nova Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.90	99.89	99.90
39	Nhat Hoa Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.98	99.81	99.98
40	Sai Gon Golf Company Limited (*)	Ho Chi Minh City	Real estate trading	99.72	100.00	99.72	100.00
41	Ky Nguyen Urban Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	99.99	51.00	51.00
42	Vuong Gia Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.83	99.81	99.83
43	Phu Tri Real Estate Investment Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
44	Phuc Binh Real Estate Company Limited	Ho Chi Minh City	Real estate trading	97.77	97.95	97.77	97.95
45	Sun City Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	98.86	100.00	98.86	100.00
46	Dinh Phat Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.91	99.92	99.91	99.92
47	350 Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	99.95	99.99	99.95	99.99
48	CQ89 Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	99.54	99.59	99.54	99.59
49	Gia Huy Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	51.00	51.00	51.00	51.00
50	Phong Dien Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	50.99	50.99	50.99	50.99
51	Thinh Vuong Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	100.00	100.00
52	Thai Binh Real Estate Trading Joint Stock Company	Ho Chi Minh City	Real estate trading	99.95	99.96	99.96	99.96
53	Nova Hospitality Joint Stock Company	Ho Chi Minh City	Real estate trading	100.00	100.00	99.98	99.98
54	Truong Tay Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.97	99.98	-	-
55	Dat Viet Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.67	99.69	49.50	49.51
56	An Phu Dong Real Estate Development Investment Company Limited	Ho Chi Minh City	Real estate trading	73.41	80.00	-	-

NO VA LAND INVESTMENT GROUP CORPORATION

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1 GENERAL INFORMATION (continued)

No	Name	Location	The principal activity	30/09/2019		31/12/2018	
				% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)							
57	Aqua City Company Limited	Dong Nai Province	Real estate trading	69.87	70.00	-	-
58	Huynh Gia Huy Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	99.98	99.98	-	-
59	38 Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	-	-
60	Hoa Thang Tourism Service Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	95.79	95.80	-	-
61	Thu Minh Nguyen Investment Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	96.14	96.15	-	-
62	Khanh An Real Estate Investment and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	97.99	99.99	-	-
63	Carava Resort Company Limited	Khanh Hoa Province	Real estate trading	97.97	99.98	-	-
64	Ho Tram Botanic Garden Company Limited	Ba Ria - Vung Tau Province	Botanical and zoological gardens and nature reserves activities	99.00	99.00	-	-
65	Van Phat Investment Development Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	97.99	97.99	-	-
66	The Forest City Company Limited	Ba Ria - Vung Tau Province	Real estate trading	97.89	99.90	-	-
II - Associates							
1	Sai Gon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Electronic components and telecommunications trading	37.75	37.75	37.75	37.75
2	Ben Thanh Housing Service and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	25.00	25.00	25.00	25.00
3	234 Thanh My Loi Joint Stock Company	Ho Chi Minh City	Real estate trading	49.90	49.90	49.90	49.90
4	Thanh My Loi Joint Stock Company (**)	Ho Chi Minh City	Real estate trading	55.63	55.88	55.63	55.88
5	Dat Viet Development Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	49.50	49.51
6	SQN Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	49.72	49.72	-	-

1 GENERAL INFORMATION (continued)

- (*) On 26 November 2018, Thanh Nhon Real Estate Joint Stock Company ("Thanh Nhon Real Estate") and Saigontourist Holding Company ("Saigon Tourist") signed the agreement to cancel the Capital transfer contract at Saigon Golf Company Limited ("Saigon Golf") which was signed on 3 March 2017 and completed the transfer in 2017. According to this Cancellation agreement, the parties agreed to return to each other all that had been received from the other, the parties will coordinate to carry out the procedures for amending the Company's Charter and Business registration certificate of Saigon Golf, and Saigon Tourist will appoint a representative of the capital contribution at Saigon Golf. On 9 January 2019, Saigon Tourist has refunded to Thanh Nhon Real Estate the capital transfer with the amount of VND645,444,132,075. At the date of these consolidated financial statements, the parties have not completed the remaining procedures regulated in the Cancellation agreement. Therefore, the Board of Management concluded that the Group still holds control at Saigon Golf. Once the cancellation procedures are completed, if the Group no longer control over Saigon Golf it will assess and recognise any impacts of the cancellation in the consolidated financial statements.
- (**) As at 30 September 2019, the Group held 55.63% interest in Thanh My Loi Joint Stock Company ("Thanh My Loi") and had significant influence but had not controlled due to terms of a shareholder agreement, therefore Thanh My Loi was accounted as an associate of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

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

The consolidated financial statements in Vietnamese language are the official statutory financial statements of the Company. The consolidated financial statements in English language have been translated from the Vietnamese language financial statements.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognized in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Group regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Group holds the foreign currency accounts. Foreign exchange differences arising from these translations are recognized in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation**

The Group prepared its consolidated financial statements in accordance with Circular 202/2014/TT-BTC - Guiding on the preparation and presentation of consolidated financial statements issued by the Ministry of finance on 22 December 2014.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received of divestment of the Group's interest in a subsidiary is recorded directly in the undistributed earnings under equity.

Joint ventures and associates

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in reserves is recognized in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation (continued)*****Joint ventures and associates (continued)***

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealized gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Goodwill

Goodwill represents on the consolidated financial statements is initially measured at cost being the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years. Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of subsidiaries or associates, the attributable amount of unamortized goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortization less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation are recognized as inventories. Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes cost of land and construction costs of infrastructure and apartments, direct expenditures and other overhead expenses incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete, slow-moving, defective inventory items and where cost is higher than net realizable values.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments****(a) Investments held to maturity**

Investments held to maturity are investments which the Group's Board of Management has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits, loans held to maturity for interest earning and other held to maturity investments. These investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

(b) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.4).

(c) Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2.10 Lending held-to-maturity

Lending held-to-maturity are lending for interest earning granted under agreements among parties but not being traded as securities in the market.

Allowance for doubtful lending is made for each lending based on overdue days in payment of lending principals according to initial payment commitment (exclusive of the payment rescheduling between parties), or based on expected loss that may arise.

2.11 Fixed assets*Tangible fixed assets and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation/amortization

Fixed assets are depreciated/amortized using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the assets are as follows:

Buildings	5 - 52 years
Machinery	3 - 10 years
Motor vehicles	2 - 10 years
Office equipment	2 - 8 years
Software	2 - 10 years
Trade mark	3 years
Others	3 - 4 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Fixed assets (continued)***Disposals*

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognized as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost mainly includes software development, designing fees and construction costs of show house and office. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.12 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.13 Investment properties

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation and amortization

Investment properties for leasing are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the investment properties are as follows:

Buildings

6 - 50 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

The Group does not depreciate the investment properties held for price appreciation. Impairment of investment properties held for price appreciation is recognized when there are objective evidences of the impairment in the value of investment properties compared to the market price and the impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Investment properties (continued)***Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognized as income or expense in the income statement.

2.14 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly sales commissions, interest expense from issuing bonds, and tools and equipment already put to use. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period, except for sales commissions which are allocated to expenses on the basis of matching with revenue recorded when the Group has handed over significant risks and rewards of ownership to the buyers.

2.15 Payables

Classifications of payables are based on the natures of economic transactions occurred.

Payables are classified into long term and short term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.16 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or sufficient records and documents. Accrued expenses are recorded as an expense in the reporting period.

2.17 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance leases from banks, financial institutions, financial companies and other entities.

Borrowings and finance lease liabilities are classified into long-term and short-term based on remaining period from the balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.18 Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognized for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period, on the basis that a half of an average monthly salary per each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

2.20 Unearned revenue

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Group records unearned revenue for the future obligations that the Group has to conduct.

2.21 Convertible bonds

Convertible bonds are bonds that may be converted into ordinary shares of the same issuer under the conditions identified in the bond issuance plan.

At initial recognition, the Group calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recorded as a liability; equity component (share options) of convertible bonds is recorded as an owners' equity item. Subsequently, the Group regularly records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted to the bond's liability component and allocated to financial expenses/capitalised on straight line basis.

At maturity, the equity component which is a share option is transferred to the share premium account regardless whether the bond holder exercised the option or not.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Owners' capital**

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Share conversion options on bonds is the value of the equity component of the convertible bonds at the reporting date. The value is defined as the difference between the total sums received from the issuance of convertible bonds and the value of the debt component of convertible bonds. At initial recognition, the value of share conversion options on bonds is recorded separately in owners' capital. At the bond maturity, this option is transferred to share premium.

Undistributed earnings record the Group's results (profit, loss) after business income tax at the reporting date.

2.23 Appropriation of net profit

Dividend of the Company is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

Net profit after income tax could be distributed to owners/ shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations.

The bonus and welfare fund is appropriated from the Group's net profit as proposed by the Board of Directors and subject to the shareholders' approval at the Annual General Meeting. This fund is set aside for rewarding, increasing general benefits and improving the welfare for officers and employees.

2.24 Revenue recognition**(a) Revenue from sale of real estate**

Revenue from sale of real estate is recognised in the income statement when the real estate sale has been completed and the Group has handed over significant risks and rewards of ownership to the buyer. Revenue from the sale of real estate is recognised in the income statement when all five (5) following conditions are satisfied:

- The real estate has been completed, and the Group has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Group no longer holds the right to manage the real estate as real estate's owners or the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Group has received or enables to receive economic benefits from the sales of the real estate; and
- The costs incurred or to be incurred in respect of the real estate can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Revenue recognition (continued)****(b) Rendering of services**

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognized on an earned basis.

(d) Dividend income

Income from dividend is recognized when the Group has established the receiving right from investees.

2.25 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the period.

2.26 Cost of sales

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold and cost of services rendered during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.27 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including interest expenses, expenses of borrowing and bond issuance, losses incurred when selling foreign currencies, losses from foreign exchange differences, cost related to repurchase conversion loan and payment discounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Selling expenses**

Selling expenses represent expenses that are incurred in process of selling products, goods, providing services, which mainly include publicity, display, promotions, advertising expenses, and sale commissions.

2.29 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance; medical insurance; labour union fees; unemployment insurance of administrative staff; expenses of office materials; tools and supplies; depreciation of fixed assets used for administration; provision for bad debts; outside services and other cash expenses.

2.30 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and at the current year tax rates. Current and deferred tax should be recognized as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of related party relationship, the Group considers the substance of the relationship not merely the legal form.

2.32 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

2.33 Accounting estimate

The financial statements have been prepared in accordance with Vietnamese Accounting Standards requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and contingent liabilities at the date of the financial statements as well as the amounts of revenues and expenses for the reporting period. Although the accounting estimate is made all the knowledge of the Board of Management, the actual results may differ from those estimates.

3 BUSINESS COMBINATION**(a) Acquisition of a group of companies: Truong Tay Real Estate Investment Joint Stock Company ("Truong Tay") and Dat Viet Development Joint Stock Company ("Dat Viet")**

On 8 January 2019, the Group completed the acquisition in order to obtain 99.97% interest in Truong Tay with a consideration of VND2,535,002,901,000. Through this acquisition, the Group also controlled Dat Viet because Truong Tay held 50.18% interest in Dat Viet, and previously the Group had owned 49.50% in Dat Viet.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	457,548,753,233
Short term receivables	17,271,070,008
Inventories	4,873,984,171,543
Other assets	15,461,347,274
	5,364,265,342,058
Liabilities	
Liabilities	1,234,609,672,568
Deferred tax liabilities	432,805,796,437
	1,667,415,469,005
Total identifiable net assets	3,696,849,873,053
Goodwill	890,051,372,955
Non-controlling interests	(12,009,910,165)
Purchase consideration transferred	4,574,891,335,843
<i>First consideration which measured at equity method at the date had control</i>	2,025,100,993,856
<i>Revaluation of investment in associate at the acquisition date</i>	14,787,440,987
<i>Second consideration at the acquisition date</i>	2,535,002,901,000
Cash acquired	(457,548,753,233)
Accumulated profit after tax shared from associate	(1,025,082,993,856)
Net cash outflow on acquisition	3,077,472,147,767

The goodwill of VND890,051,372,955 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Dat Viet, Truong Tay. Net cash outflow on acquisition includes VND1,000,018,000,000 paid in 2018 and VND2,077,454,147,767 paid in 2019.

3 BUSINESS COMBINATION (continued)**(b) Acquisition of company Aqua City Company Limited ("Aqua City")**

On 28 May 2019, the Group completed the acquisition in order to obtain 69.87% interest in Aqua City with a consideration of VND2,234,786,116,813.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	57,407,001
Short term receivables	14,949,536,928
Inventories	3,642,894,592,897
Other assets	24,743,211,841
	<u>3,682,644,748,667</u>
Liabilities	
Liabilities	286,188,969,156
Deferred tax liabilities	519,746,860,251
	<u>805,935,829,407</u>
Total identifiable net assets	<u>2,876,708,919,260</u>
Goodwill	220,668,749,763
Non-controlling interests	(862,591,552,210)
Purchase consideration transferred	2,234,786,116,813
Cash acquired	(57,407,001)
Net cash outflow on acquisition	<u>2,234,728,709,812</u>

The goodwill of VND220,668,749,763 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Aqua City.

3 BUSINESS COMBINATION (continued)**(c) Acquisition of company Huynh Gia Huy Joint Stock Company ("Huynh Gia Huy")**

On 17 June 2019, the Group completed the acquisition in order to obtain 99.98% interest in Huynh Gia Huy with a consideration of VND383,500,000,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	238,535,024
Short term receivables	186,101,768,268
Inventories	589,601,921,255
Other assets	8,406,736,701
	784,348,961,248
Liabilities	
Liabilities	19,604,361,277
Deferred tax liabilities	109,672,021,624
	129,276,382,901
Total identifiable net assets	655,072,578,347
Bargain gain	(271,440,903,792)
Non-controlling interests	(131,674,555)
Purchase consideration transferred	383,500,000,000
Cash acquired	(238,535,024)
Net cash outflow on acquisition	251,761,464,976
Balance payable	131,500,000,000

Gain on bargain purchase represents the excess of the fair value of the Group's share of the net identifiable assets of the acquired subsidiary over the purchase consideration transferred at the date of acquisition.

3 BUSINESS COMBINATION (continued)

- (d) **Acquisition of a group of companies: 38 Real Estate Investment and Trading Joint Stock Company ("38 Real Estate"), Hoa Thang Tourism Joint Stock Company ("Hoa Thang") and Thu Minh Nguyen Investment Joint Stock Company ("Thu Minh Nguyen")**

On 25 June 2019, the Group completed the acquisition in order to obtain 99.99% interest in 38 Real Estate with a consideration of VND1,625,000,000,000. Through this acquisition, the Group also controlled Hoa Thang and Thu Minh Nguyen because 38 Real Estate held 95.80% interest in Hoa Thang, and held 96.15% interest in Thu Minh Nguyen.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	727,022,761
Short term receivables	787,403,085,820
Inventories	1,274,074,900,495
Other assets	865,469,904,815
	2,927,674,913,891
Liabilities	
Liabilities	396,787,439,348
Deferred tax liabilities	243,591,720,138
	640,379,159,486
Total identifiable net assets	2,287,295,754,405
Bargain gain	(589,413,656,409)
Non-controlling interests	(72,882,097,996)
Purchase consideration transferred	1,625,000,000,000
Cash acquired	(727,022,761)
Net cash outflow on acquisition	1,624,272,977,239

Gain on bargain purchase represents the excess of the fair value of the Group's share of the net identifiable assets of the acquired subsidiary over the purchase consideration transferred at the date of acquisition.

3 BUSINESS COMBINATION (continued)**(e) Acquisition of a group of companies: Khanh An Real Estate Investment and Development Joint Stock Company ("Khanh An") and Carava Resort Company Limited ("Carava Resort")**

On 27 June 2019, the Group completed the acquisition in order to obtain 97.99% interest in Khanh An with a consideration of VND727,900,000,000. Through this acquisition, the Group also controlled Carava Resort because Khanh An held 99.98% interest in Carava Resort.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	13,402,143,534
Short term receivables	309,902,762,596
Inventories	910,029,521,890
Other assets	19,154,382,783
	1,252,488,810,803
Liabilities	
Liabilities	286,677,639,559
Deferred tax liabilities	148,119,490,856
	434,797,130,415
Total identifiable net assets	817,691,680,388
Bargain gain	(87,725,579,836)
Non-controlling interests	(2,066,100,552)
Purchase consideration transferred	727,900,000,000
Cash acquired	(13,402,143,534)
Net cash outflow on acquisition	264,497,856,466
Balance payable	450,000,000,000

Gain on bargain purchase represents the excess of the fair value of the Group's share of the net identifiable assets of the acquired subsidiary over the purchase consideration transferred at the date of acquisition.

3 BUSINESS COMBINATION (continued)**(f) Acquisition of a group of companies: Van Phat Investment Development Real Estate Joint Stock Company ("Van Phat"), The Forest City Company Limited ("Forest City")**

On 20 September 2019, the Group completed the acquisition of additional 48.99% in Van Phat with a consideration of VND324,934,000,000. Through this transaction, the Group obtained 97.99% interest in Van Phat because the Group had previously owned 49% in Van Phat. Moreover, through this transaction the Group also controlled Forest City because Van Phat held 99.9% interest in Forest City .

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognized at acquisition date VND
Assets	
Cash and cash equivalents	7,701,090,616
Short term receivables	7,563,734,003
Inventories	1,438,280,445,091
Other assets	18,450,345,882
	1,471,995,615,592
Liabilities	
Liabilities	47,737,809,851
Deferred tax liabilities	267,156,155,257
	314,893,965,108
Total identifiable net assets	1,157,101,650,484
Bargain gain	(241,339,636,960)
Non-controlling interests	(24,414,843,979)
Purchase consideration transferred	891,347,169,545
<i>First consideration which measured at equity method at the date had control</i>	263,997,262,083
<i>Revaluation of investment in associate at the acquisition date</i>	302,415,907,462
<i>Second consideration at the acquisition date</i>	324,934,000,000
Cash acquired	(7,701,090,616)
Accumulated profit after tax shared from associate	10,485,737,917
Net cash outflow on acquisition	591,715,909,384

Gain on bargain purchase represents the excess of the fair value of the Group's share of the net identifiable assets of the acquired subsidiary over the purchase consideration transferred at the date of acquisition.

4 CASH AND CASH EQUIVALENTS

	30/09/2019	31/12/2018
	VND	VND
Cash on hand	757,691,493	1,259,084,952
Cash at bank	882,082,374,340	7,594,458,193,862
Cash equivalents (*)	<u>3,418,126,846,884</u>	<u>4,731,225,016,866</u>
	<u><u>4,300,966,912,717</u></u>	<u><u>12,326,942,295,680</u></u>

(*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earn an interest rate from 2.5% to 6.0% per annum (at 31 December 2018: from 2.0% to 6.0% per annum).

As at 30 September 2019, cash and cash equivalents of VND699,105 million (as at 31 December 2018: VND754,343 million) were pledged as collateral assets for the bank loans and VND139,804 million (as at 31 December 2018: VND696,931 million) were managed by bank under purpose of borrowings for each project.

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5 INVESTMENTS

(a) Investments held to maturity - short term

	30/09/2019		31/12/2018			
	Cost VND	Provision VND	Carrying value VND	Cost VND	Provision VND	Carrying value VND
Term deposits	420,864,681,735	-	420,864,681,735	95,691,805,879	-	95,691,805,879

Short-term deposits represent bank deposits in VND with original maturity of more than three months and the remaining term not exceed twelve months at the commercial banks with interest rate from 5.5% to 8.25% per annum (as at 31 December 2018: from 4.8% to 8.2% per annum).

As at 30 September 2019, short-term term deposits of VND83,842 million (as at 31 December 2018: VND45,661 million) were pledged as collateral assets and no term deposits (as at 31 December 2018: VND3,317 million) were managed by bank under purpose of borrowings for each project.

(b) Investments in other entities

Name	The principal activity	30/09/2019		31/12/2018	
		Cost VND	Fair value VND	Cost VND	Fair value VND
Long Hung Phat Consulting Company (i)	Consulting services	37,119,087,485	(*)	-	(*)
Hue Travel Corporation	Tourism services	7,939,750,000		7,939,750,000	
		45,058,837,485		7,939,750,000	

(*) As at 30 September 2019 and 31 December 2018, the Group was not able to disclose the fair value of these investments as they have not been listed in the stock market. As a result, their fair value information was not available.

(i) According to the Decision No. 10A/2019-QĐ-NVL dated 1 February 2019, the Board of Directors of No Va Land Investment Joint Stock Company ("No Va Land") approved the capital contribution to Long Hung Phat Consulting Company ("Long Hung Phat") with the amount of VND294,000,000,000, accounting for 49% of the charter capital at Long Hung Phat. As at 30 September 2019, No Va Land contributed VND37,119,087,485, accounting for 14.82% of the contributed capital at Long Hung Phat.

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5 INVESTMENTS (continued)

(c) Investments in associates and joint ventures

Name	The principal activity	30/09/2019		31/12/2018	
		Cost VND	Fair value VND	Cost VND	Fair value VND
Thanh My Loi Joint Stock Company	Real estate trading	5,438,969,672,840	(*)	5,440,688,978,371	(*)
Ben Thanh Housing Service and Development Joint Stock Company	Real estate trading	70,549,716,949	(*)	68,903,452,997	(*)
234 Thanh My Loi Joint Stock Company	Real estate trading	9,576,061,056	(*)	9,455,467,548	(*)
Sai Gon Electronics and Industrial Service Joint Stock Company	Electronic components and telecommunications trading	2,990,901,387	(*)	4,149,777,349	(*)
Dat Viet Development Joint Stock Company (i)	Real estate trading	-	(*)	2,025,100,993,856	(*)
SQN Investment Joint Stock Company (ii)	Real estate trading	35,797,489,964	(*)	-	(*)
		<u>5,557,883,842,196</u>		<u>7,548,298,670,121</u>	

(*) As at 30 September 2019 and 31 December 2018, the Group was not able to disclose the fair value of these investments as they have not been listed in the stock market. As a result, their fair value information was not available.

(i) As at 8 January 2019, Dat Viet became a subsidiary of the Group after the Group completed the acquisition of 99.97% interest in Truong Tay (Note 3(a)).

(ii) According to Decision No.12/2019-QĐ.HPT dated 30 August 2019, the Board of Directors of Nova Hospitality Joint Stock Company ("Nova Hospitality") approved the acquisition of 980,000 shares in SQN Investment Joint Stock Company ("SQN") with the par value of VND9,800,000,000, accounting for 49% of the contributed capital in SQN. According to Decision No.14/2019-QĐ-HPT dated 24 September 2019, the Board of Directors of Nova Hospitality Joint Stock Company approved Nova Hospitality to buy an additional 2,600,000 shares issued by SQN, equivalent to VND26,000,000,000. After buying additional shares, the total contributed capital of Nova Hospitality at SQN is 3,580,000 shares with the total par value of VND35,800,000,000, accounting for 49.72% of the charter capital.

5 INVESTMENTS (continued)**(c) Long term investments (continued)***Investments in associates and joint ventures (continued)*

Movements in the investments in associates during the period/year were as follows:

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	7,548,298,670,121	1,042,972,935,246
Additional investments in the period/year	310,283,000,000	1,341,481,075,000
Increase due to acquisition during the period/year	-	5,444,758,705,148
Profit sharing from investments in associates	(9,199,571,986)	1,322,274,553,324
Transfers from associates to subsidiaries	(2,289,098,255,939)	(1,601,388,598,597)
Dividend received	(2,400,000,000)	(1,800,000,000)
End of the period/year	<u>5,557,883,842,196</u>	<u>7,548,298,670,121</u>

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30/09/2019 VND	31/12/2018 VND
Trade receivables from sales of real estate		
Third parties (*)	894,335,279,765	622,706,858,764
Related parties (Note 42(b))	31,020,779,732	40,173,876,488
Trade receivables from rendering services		
Third parties (*)	130,338,189,457	96,154,631,258
	<u>1,055,694,248,954</u>	<u>759,035,366,510</u>

(*) As at 30 September 2019 and 31 December 2018, there were no third party customers accounting for 10% or more of total the short-term trade accounts receivable balance.

As at 30 September 2019 and 31 December 2018, the balance of short-term trade accounts receivable which was past due amounting to VND10,263,645,778 are presented in Note 10.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/09/2019 VND	31/12/2018 VND
Third parties		
Sai Gon General Services Joint Stock Company	323,024,476,227	323,024,476,227
Sai Gon Coop Investment and Development Joint Stock Company	102,500,000,000	102,500,000,000
Imperia An Phu Company Limited	-	195,617,468,000
Silver Field International Trading Company Limited	-	197,883,347,000
Others	388,110,410,802	682,248,500,673
	<u>813,634,887,029</u>	<u>1,501,273,791,900</u>

As at 30 September 2019 and 31 December 2018, there was no balance of short term prepayments to suppliers which was past due or not past due but doubtful.

8 SHORT-TERM LENDING

	30/09/2019 VND	31/12/2018 VND
Third parties (*)	415,539,723,970	373,504,867,050
Related parties (Note 42(b))	57,149,003,300	57,149,003,300
	<u>472,688,727,270</u>	<u>430,653,870,350</u>

(*) These are the short-term lendings to third parties which are unsecured and earn interest at rate from 5.3% to 18.0% per annum (as at 31 December 2018: from 5.0% to 12.2% per annum). The maturity of these lendings are from 5 to 12 months.

As at 30 September 2019 and 31 December 2018, there was no balance of short-term lending which was past due or not past due but doubtful.

9 OTHER RECEIVABLES**(a) Other short-term receivables**

	30/09/2019		31/12/2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for the acquisition of shares (*)	4,248,712,118,603	-	702,640,000,000	-
Advances for projects	378,989,011,222	-	342,471,627,467	-
Deposits for the contract related to investment consultancy service (**)	260,733,831,709	-	273,253,992,251	-
Deposits for projects	125,198,668,392	-	106,874,918,392	-
Interest receivable from deposits, lending and investment co-operation	69,881,074,764	-	85,134,153,924	-
Project development and investment co-operation (***)	53,219,000,000	-	53,219,000,000	-
Others	290,094,835,573	-	421,059,522,442	-
	<u>5,426,828,540,263</u>		<u>1,984,653,214,476</u>	

In which, the balances with related parties and third parties were as follows:

	30/09/2019		31/12/2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	5,351,261,166,100	-	1,913,125,953,261	-
Related parties (Note 42(b))	75,567,374,163	-	71,527,261,215	-

9 OTHER RECEIVABLES (continued)**(a) Other short-term receivables (continued)**

(*) These deposits for share acquisition of companies which the Group is investing, these deposits will be recognised as investments in subsidiaries or associates when the Group completes share transfers.

(**) This balance represents deposits as an amount guaranteed for the investment consultancy agreements with partners. According to the agreements, the partners will consult, identify and select appropriate projects, consulting fee will be paid based on the percentage of successful transactions.

(***) This balance represents project development and investment co-operation with partners. These amounts will be repaid in full to the Group at the end of the projects. The Group will receive profits at the end of the projects in accordance with agreed sharing ratio in the agreement.

(b) Other long-term receivables

	30/09/2019		31/12/2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for projects (*)	189,311,837,452	-	131,810,982,000	-
Project development and investment co-operation	-	-	46,000,000,000	-
Others	30,502,604,296	-	77,592,914,052	-
	<u>219,814,441,748</u>	<u>-</u>	<u>255,403,896,052</u>	<u>-</u>

(*) This balance represents long-term deposit at the Department of Planning and Investment as an amount guaranteed for performing the projects.

In which, the balances with related parties and third parties were as follows:

	30/09/2019		31/12/2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	214,132,124,293	-	203,721,578,597	-
Related parties (Note 42(b))	<u>5,682,317,455</u>	<u>-</u>	<u>51,682,317,455</u>	<u>-</u>

As at 30 September 2019 and 31 December 2018, there was no balance of other short-term and long-term receivables which was past due or not past due but doubtful.

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10 DOUBTFUL DEBTS

	30/09/2019	31/12/2018
	Cost VND	Provision VND
		Cost VND
		Provision VND
	10,263,645,778	10,263,645,778
	10,263,645,778	10,263,645,778

Short-term trade receivables which were past due
Hoang Phuc House Construction Development Investment
Company Limited

11 INVENTORIES

(a) Inventories

	30/09/2019	31/12/2018
	Cost VND	Provision VND
		Cost VND
		Provision VND
Properties in construction progress (i)	36,271,133,111,693	-
Properties in construction completion (ii)	6,929,516,999,339	20,799,820,785,446
Property merchandises	134,823,529,223	11,871,883,992,461
Other merchandises	7,818,724,835	155,096,506,823
	43,343,292,365,090	6,819,609,042
		32,833,620,893,772

Provision for decline in value of inventories

	(2,074,298,121)	(7,579,047,926)
	43,341,218,066,969	32,826,041,845,846

11 INVENTORIES (continued)

Movements in the provision for decline in value of inventories during the period/year were as follows:

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	(7,579,047,926)	(7,521,680,252)
Increase	-	(3,792,850,224)
Reversal	5,504,749,805	3,735,482,550
End of the period/year	<u>(2,074,298,121)</u>	<u>(7,579,047,926)</u>

(i) As at 30 September 2019, the properties in construction progress mainly include land costs, consulting and designing fees, construction costs and other costs relating to the projects.

(ii) As at 30 September 2019, the balance presents the properties in construction completion for sale.

As at 30 September 2019, the Group's inventories of VND9,485,220 million (as at 31 December 2018: VND7,404,683 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the period ended 30 September 2019 was VND1,138,082 million (year 2018: VND686,510 million).

(b) Long-term work in progress

The balance represents the value of properties in construction progress of projects located in Ho Chi Minh City. These projects are in the progress of completing the legal papers for future developments.

12 PREPAID EXPENSES**(a) Short-term prepaid expenses**

	30/09/2019 VND	31/12/2018 VND
Tools and equipments	2,416,318,682	2,857,427,925
Prepaid interest expenses	-	27,597,380,840
Other deferred expenses	91,231,911,833	103,486,597,078
	<u>93,648,230,515</u>	<u>133,941,405,843</u>

12 PREPAID EXPENSES (continued)**(b) Long-term prepaid expenses**

	30/09/2019 VND	31/12/2018 VND
Deferred expenses in accordance with revenue	42,272,724,445	86,735,761,736
Prepayment expenses for parking lot	112,832,712,133	114,578,565,290
Prepayment expenses for office and rental property renovation	66,514,801,974	82,749,424,868
Compensation cost for land clearance	41,703,539,035	42,449,725,618
Tools and equipments	9,821,848,593	1,935,214,411
Other deferred expenses	65,883,006,375	85,666,335,635
	<u>339,028,632,555</u>	<u>414,115,027,558</u>

Movements in long-term prepaid expenses during the period/year were as follows:

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	414,115,027,558	449,352,171,677
Purchase	147,209,790,916	182,961,420,973
Transferred from construction in progress (Note 16)	-	58,419,635,995
Increase from acquisition of subsidiaries	433,315,679	121,994,349
Allocation	<u>(222,729,501,598)</u>	<u>(276,740,195,436)</u>
End of the period/year	<u>339,028,632,555</u>	<u>414,115,027,558</u>

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13 TANGIBLE FIXED ASSETS

	Buildings VND	Plants and machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Historical cost						
As at 1 January 2019	653,476,267,623	16,106,301,657	171,399,226,014	34,033,353,754	341,609,091	875,356,758,139
New purchases	1,694,313,348	1,119,026,974	6,698,122,000	8,425,523,270	-	17,936,985,592
Transfer from construction in progress (Note 16)	20,372,476,158	10,914,220,240	-	-	-	31,286,696,398
Disposals	-	-	(15,166,727,273)	-	-	(15,166,727,273)
As at 30 September 2019	675,543,057,129	28,139,548,871	162,930,620,741	42,458,877,024	341,609,091	909,413,712,856
Accumulated depreciation						
As at 1 January 2019	(98,225,199,652)	(12,587,320,127)	(40,758,160,541)	(17,862,908,957)	(323,156,800)	(169,756,746,077)
Charge for the period	(13,293,962,234)	(1,025,211,248)	(17,444,898,825)	(4,422,194,486)	(8,740,559)	(36,195,007,352)
Disposals	-	-	5,288,237,408	-	-	5,288,237,408
As at 30 September 2019	(111,519,161,886)	(13,612,531,375)	(52,914,821,958)	(22,285,103,443)	(331,897,359)	(200,663,516,021)
Net book value						
As at 1 January 2019	555,251,067,971	3,518,981,530	130,641,065,473	16,170,444,797	18,452,291	705,600,012,062
As at 30 September 2019	564,023,895,243	14,527,017,496	110,015,798,783	20,173,773,581	9,711,732	708,750,196,835

As at 30 September 2019, cost of fully depreciated fixed assets but still in use was VND29,829 million (as at 31 December 2018: VND26,554 million).

There were no tangible fixed assets pledged as collateral assets for bank loans.

14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Trade mark VND	Software VND	Total VND
Historical cost				
As at 1 January 2019	68,582,465,587	30,000,000	23,322,334,010	91,934,799,597
New purchases	-	-	3,333,130,000	3,333,130,000
Transfer from construction in progress (Note 16)	-	-	65,643,483,220	65,643,483,220
Increase from subsidiary acquisitions	-	-	35,585,000	35,585,000
As at 30 September 2019	68,582,465,587	30,000,000	92,334,532,230	160,946,997,817
Accumulated amortization				
As at 1 January 2019	-	(30,000,000)	(10,361,886,780)	(10,391,886,780)
Charge for the period	-	-	(11,397,607,875)	(11,397,607,875)
Increase from subsidiary acquisitions	-	-	(35,585,000)	(35,585,000)
As at 30 September 2019	-	(30,000,000)	(21,795,079,655)	(21,825,079,655)
Net book value				
As at 1 January 2019	68,582,465,587	-	12,960,447,230	81,542,912,817
As at 30 September 2019	68,582,465,587	-	70,539,452,575	139,121,918,162

As at 30 September 2019, cost of fully depreciated intangible fixed assets but still in use was VND3,477 million (As at 31 December 2018: VND3,071 million).

There were no intangible fixed assets pledged as collateral assets for bank loans.

15 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Total VND
Historical cost			
As at 1 January 2019	1,080,322,321,985	2,119,133,997,514	3,199,456,319,499
Transfers from inventories	-	78,718,267,484	78,718,267,484
Transfers to inventories	-	(37,195,313,098)	(37,195,313,098)
Other decreases	-	(5,019,580,625)	(5,019,580,625)
As at 30 September 2019	<u>1,080,322,321,985</u>	<u>2,155,637,371,275</u>	<u>3,235,959,693,260</u>
Accumulated amortization			
As at 1 January 2019	-	(142,670,962,782)	(142,670,962,782)
Charge for the period	-	(32,973,255,314)	(32,973,255,314)
Disposals	-	30,819,394	30,819,394
Transfers to inventories	-	3,779,703,034	3,779,703,034
As at 30 September 2019	<u>-</u>	<u>(171,833,695,668)</u>	<u>(171,833,695,668)</u>
Net book value			
As at 1 January 2019	<u>1,080,322,321,985</u>	<u>1,976,463,034,732</u>	<u>3,056,785,356,717</u>
As at 30 September 2019	<u>1,080,322,321,985</u>	<u>1,983,803,675,607</u>	<u>3,064,125,997,592</u>

As at 30 September 2019, investment properties pledged as security for bank borrowings granted to the Group was VND2,146,103 million (as at 31 December 2018: VND2,169,471 million).

16 CONSTRUCTION IN PROGRESS

	30/09/2019 VND	31/12/2018 VND
Project in construction progress	260,419,749,801	112,501,193,888
Purchase of fixed assets	142,211,462,060	111,143,618,459
Office renovation	34,195,279,285	19,493,162,674
Showhouses	24,945,023,779	2,303,440,369
Others	7,351,371,660	2,775,976,769
	<u>469,122,886,585</u>	<u>248,217,392,159</u>

16 CONSTRUCTION IN PROGRESS (continued)

Movement of construction in progress during the period/year were as below:

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	248,217,392,159	136,896,442,364
Increase in the period/year	324,766,713,684	686,555,734,213
Transfer to tangible fixed asset (Note 13)	(31,286,696,398)	(476,791,120,805)
Transfer to intangible fixed asset (Note 14)	(65,643,483,220)	(39,314,579,203)
Transfer to long-term prepaid expense (Note 12(b))	-	(58,419,635,995)
Transfer to short-term prepaid expense	-	(314,370,291)
Other decreases	(6,931,039,640)	(395,078,124)
End of the period/year	<u>469,122,886,585</u>	<u>248,217,392,159</u>

17 GOODWILL

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	6,481,348,532,606	2,406,227,189,374
Increase in the period/year (*)	1,110,720,122,718	4,556,626,494,260
Decrease from disposal of subsidiaries	-	(55,496,126,738)
Amortization	(623,671,776,026)	(426,009,024,290)
End of the period/year	<u>6,968,396,879,298</u>	<u>6,481,348,532,606</u>

(*) Details of goodwill arising from business combinations during the period and estimated allocation time are as below:

	Goodwill VND	Allocated time Year
Group of companies: Truong Tay Real Estate Investment Joint Stock Company and Dat Viet Development Joint Stock Company	890,051,372,955	10
Aqua City Company Limited	<u>220,668,749,763</u>	10
	<u>1,110,720,122,718</u>	

Details of goodwill arising from business combinations are presented in Note 3.

18 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30/09/2019 VND	31/12/2018 VND
Third parties		
Henry Enterprise Group Limited	619,680,395,588	619,680,395,588
Nova Homes Trading Joint Stock Company	19,457,865,939	322,726,367,725
Others (*)	1,001,693,831,324	1,580,116,070,988
Related parties (Note 42(b))	329,440,830	489,425,295
	<u>1,641,161,533,681</u>	<u>2,523,012,259,596</u>

As at 30 September 2019 and 31 December 2018, the Company had no short-term trade accounts payable overdue.

(*) As at 30 September 2019 and 31 December 2018, there were no suppliers accounting from 10% or more of the total balance.

19 SHORT-TERM ADVANCES FROM CUSTOMERS

The short-term advances from customers mainly include advances from customers, prepaid amounts or deposits of customers according to the property transfer agreements of the Group's projects. The amount is recognized as revenue when the Group completes and hands over apartments to customers.

As at 30 September 2019 and 31 December 2018, there were no customers accounting from 10% or more of the total balance.

20 TAXES AND OTHER PAYABLES TO THE STATE BUDGET**(a) Taxes and other receivables from the State Budget**

	30/09/2019 VND	31/12/2018 VND
VAT to be reclaimed	871,828,860,786	726,686,085,221
Business income tax temporarily paid 1%	28,571,597,927	76,162,454,487
Overpaid business income tax	6,963,260,714	9,005,080,697
Others	1,123,788,907	1,120,894,042
	<u>908,487,508,334</u>	<u>812,974,514,447</u>

(b) Taxes and other payables to the State Budget

	30/09/2019 VND	31/12/2018 VND
Business income tax	212,230,179,420	510,495,602,928
Value added tax on domestic sales	24,794,573,680	21,120,586,488
Personal income tax	8,682,599,449	13,932,100,758
Others	18,632,651,964	12,694,677,943
	<u>264,340,004,513</u>	<u>558,242,968,117</u>

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20 TAXES AND OTHER PAYABLES TO THE STATE BUDGET (continued)

The movement of tax and other payables to the State Budget during the period were as below:

	As at 01/01/2019 VND	Arose during the period VND	Netted off VND	Settled during the period VND	As at 30/09/2019 VND
(a) Tax receivables					
VAT to be reclaimed	(726,686,085,221)	(384,815,434,658)	239,672,659,093	-	(871,828,860,786)
Business income tax temporarily paid 1%	(76,162,454,487)	-	69,726,425,871	(22,135,569,311)	(28,571,597,927)
Overpaid business income tax	(9,005,080,697)	(19,416,292)	2,061,236,275	-	(6,963,260,714)
Others	(1,120,894,042)	105,135	37,662,851	(40,662,851)	(1,123,788,907)
Total	(812,974,514,447)	(384,834,745,815)	311,497,984,090	(22,176,232,162)	(908,487,508,334)
(b) Tax payables					
Business income tax	510,495,602,928	593,014,889,520	(71,785,562,146)	(819,494,750,882)	212,230,179,420
Value added tax on domestic sales	21,120,586,488	400,796,926,310	(239,672,659,093)	(157,450,280,025)	24,794,573,680
Personal income tax	13,932,100,758	53,469,074,009	(37,662,851)	(58,680,912,467)	8,682,599,449
Land use tax	-	8,481,912,424	-	(7,145,711,809)	1,336,200,615
Others	12,694,677,943	93,120,744,729	(2,100,000)	(88,516,871,323)	17,296,451,349
Total	558,242,968,117	1,148,883,546,992	(311,497,984,090)	(1,131,288,526,506)	264,340,004,513

21 PAYABLES TO EMPLOYEES

	30/09/2019 VND	31/12/2018 VND
Salary	590,991,254	242,838,365
13th month salary, bonus	57,870,778,626	32,925,319,384
	<u>58,461,769,880</u>	<u>33,168,157,749</u>

22 SHORT-TERM ACCRUED EXPENSES

	30/09/2019 VND	31/12/2018 VND
Construction costs	1,642,273,836,069	1,458,085,703,406
Interest expenses on borrowings and investment co-operation	701,190,556,150	793,230,782,566
Others	203,987,139,572	459,854,046,453
	<u>2,547,451,531,791</u>	<u>2,711,170,532,425</u>

In which, the balances with related parties and third parties were as follows:

Third parties	<u>2,547,451,531,791</u>	<u>2,711,170,532,425</u>
	<u>2,547,451,531,791</u>	<u>2,711,170,532,425</u>

23 OTHER PAYABLES**(a) Other short-term payables**

	30/09/2019 VND	31/12/2018 VND
Project development and investment co-operation (Note 23(b)(*))	1,721,385,018,800	1,683,365,000,000
Maintenance fund payables (i)	452,656,872,501	491,047,930,179
Deposits for purchase of properties	111,027,877,962	96,978,456,978
Payables according to capital transfer contract (ii)	1,226,944,132,075	-
Others	717,860,780,209	440,065,111,272
	<u>4,229,874,681,547</u>	<u>2,711,456,498,429</u>

(i) The maintenance fund payables represent 2% of the total net value of the contracts which the Group collected from the residents for the maintenance of apartments. This amount will be transferred to the Residence Committee when the Residence Committee is established.

(ii) These balances include payables to Saigontourist Holding Company - One Member Company Limited (Note 1(*)) and payables to the transferors of shares in subsidiary acquisitions (Note 3).

(b) Other long-term payables

	30/09/2019 VND	31/12/2018 VND
Project development and investment co-operation (*)	10,306,901,409,000	2,491,850,000,000
Others	5,066,343,707	3,981,870,100
	<u>10,311,967,752,707</u>	<u>2,495,831,870,100</u>

(*) The balance represents the capital contribution for project development and investment cooperation from third parties. The Group is obliged to refund this amount in full to counter parties at the end of the projects. The Group shall share profits arising from the projects in accordance with agreed sharing ratios in agreements.

As at 30 September 2019 and 31 December 2018, there was no balance of other short-term and long-term payables which was past due or not past due but doubtful.

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24 BORROWINGS

	As at 01/01/2019 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 30/09/2019 VND
(a) Short-term borrowings					
- Bank loans (*)	1,788,874,788,035	202,262,878,358	(2,021,433,499,091)	1,391,867,541,809	1,361,571,709,111
- Bonds issuance (**)	5,041,840,000,000	600,000,000,000	(4,820,000,000,000)	1,046,000,000,000	1,867,840,000,000
- Borrowings from third parties (***)	4,833,216,940,896	1,527,842,152,113	(4,329,509,093,009)	2,363,975,000,000	4,395,525,000,000
- Bond issuance cost	(18,541,998,854)	(6,600,000,000)	21,692,338,763	(5,744,133,828)	(9,193,793,919)
	11,645,389,730,077	2,323,505,030,471	(11,149,250,253,337)	4,796,098,407,981	7,615,742,915,192
(b) Long-term borrowings					
- Bank loans (*)	3,942,190,026,837	5,692,907,297,506	(244,108,485,028)	(1,391,867,541,809)	7,999,121,297,506
- Bonds issuance (**)	8,801,555,000,000	2,235,975,000,000	(400,000,000,000)	(1,046,000,000,000)	9,591,530,000,000
- Borrowings from third parties (***)	3,834,687,500,000	500,000,000	-	(2,363,975,000,000)	1,471,212,500,000
- Bond issuance cost	(315,746,329,873)	(45,093,272,813)	66,624,556,186	5,744,133,828	(288,470,912,672)
	16,262,686,196,964	7,884,289,024,693	(577,483,928,842)	(4,796,098,407,981)	18,773,392,884,834

24 BORROWINGS (continued)

(*) Details of closing balances of bank loans were as follows:

	30/09/2019 VND	31/12/2018 VND
(a) Short-term borrowings		
Vietnam Prosperity Joint Stock Commercial Bank (i)	519,536,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	104,715,000,000	313,807,500,000
Maybank International Labuan Branch (ii)	62,829,000,000	188,284,500,000
The Shanghai Commercial & Savings Bank, Ltd. Offshore Banking Branch (ii)	20,943,000,000	62,761,500,000
Chailease International Financial Services Co., Ltd (ii)	13,962,000,000	41,841,000,000
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (ii)	6,672,000,000	20,016,000,000
Vietnam Prosperity Joint Stock Commercial Bank (iii)	190,000,000,000	190,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Saigon Branch (iv)	163,367,278,358	226,342,014,763
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	151,731,430,753	151,731,436,000
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (vi)	67,375,000,000	48,125,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (vii)	60,441,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (viii)	-	444,108,485,028
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh City Branch	-	94,666,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch	-	7,191,352,244
	<u>1,361,571,709,111</u>	<u>1,788,874,788,035</u>
(b) Long-term borrowings		
Credit Suisse AG - Singapore Branch (ix)	3,467,230,000,000	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch (ix)	23,500,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank (i)	2,080,464,000,000	2,000,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (x)	1,505,000,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank (iii)	427,500,000,000	570,000,000,000
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (vi)	250,250,000,000	317,625,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (vii)	148,000,000,000	208,441,000,000
Phuong Dong Commercial Joint Stock Bank - District 4 Branch (xi)	97,177,297,506	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (viii)	-	732,325,455,084
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	-	113,798,571,753
	<u>7,999,121,297,506</u>	<u>3,942,190,026,837</u>

24 BORROWINGS (continued)

(i) These are borrowings in Vietnamese Dong with the amount of VND2,600,000,000,000 for a term of thirty six (36) - forty eight (48) months since the first drawdown. As at 30 September 2019, the Group had outstanding balance of VND2,600,000,000,000. The interest rate is applied at the bank's highest rate of the twelve-month normal saving deposit to individuals (paid in arrears) plus a margin of 4.45% to 4.8% per annum. These borrowings are secured by the shares and contributed capital of the Group's subsidiary and associate, and the property rights arising from compensation for land clearance in District 2, Ho Chi Minh City.

(ii) This is syndicated loan between Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch, Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland, Maybank International Labuan Branch, The Shanghai Commercial & Savings Bank, Ltd. Offshore Banking Branch and Chailease International Financial Service Co., Ltd. Maybank – Ho Chi Minh Branch is the agent and representative to receive and deal with collaterals. Loan amount is USD30 million, in which with respective parties as Maybank – Ho Chi Minh Branch (USD1 million, equivalent to VND22.24 billion), Maybank Labuan (USD9 million), Vietinbank Filiale Deutschland (USD15 million), The Shanghai & Savings Bank - Offshore Banking (USD3 million) and Chailease International Financial Service (USD2 million) for a term of 30 months. The borrowing in USD is bearing an interest of 3-month LIBOR plus a margin of 5.5% per annum and borrowing in Vietnamese Dong is bearing an interest of basic lending interest of Maybank – Ho Chi Minh Branch plus a margin of 3.04% per annum. These borrowings are secured by parking areas of three Sunrise City projects (South, Central, North) and two commercial blocks of Sunrise City South project. As at the date of approval of these consolidated financial statements, these borrowings were settled.

(iii) These are borrowings in Vietnamese Dong with a credit limit of VND760,000,000,000 for a term of 60 months since the drawdown on 27 December 2017. The interest is applied at a rate of the twelve-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 4% per annum. These borrowings are secured by the land use right of a real estate in District 2, Ho Chi Minh City and the shares owned by the Company in a subsidiary.

(iv) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of 12 months to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 30 September 2019, the Group had the outstanding balance of VND163,367,278,358 which bears an interest rate from 7.2% to 7.3% per annum. These borrowings are secured by deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, is 10%.

(v) These are borrowings in Vietnamese Dong with a credit limit of VND800,000,000,000, which are due for repayment within 36 months duration since the first drawdown on 28 September 2017. The interest rates of these borrowings are equal to basic interest rate plus a margin of 3.5% per annum. These borrowings are secured by the land use right and assets formed in the future of a Project in District 4, Ho Chi Minh City.

(vi) These are borrowings in Vietnamese Dong with a credit limit of VND385,000,000,000 for a term of 60 months since the drawdown date. Interest rate is 9.65% per annum for the first month and 10.5% per annum for the next two months, then adjusted every three (3) months at a rate of the thirteen-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 3.69% per annum and not lower than current interest rate quoted at the time of adjustment (for loans with the same type and method). As at 30 September 2019, the Group had the outstanding balance of VND317,625,000,000 which bears an interest rate of 10.47% per annum. These borrowings are secured by a real estate in District 1, Ho Chi Minh City.

(vii) These are borrowings in Vietnamese Dong with a credit limit of VND232,000,000,000 for a term of 60 months and the grace period is 12 months since the drawdown date. The principal are paid on a three-month basis. Interest rate is 10.5% per annum for the first three-month period, and at a rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3.5% per annum from the fourth (4th) month onwards. These borrowings are secured by parking areas of Tropic 1 and Lexington project and a part of commercial blocks of three Sunrise City projects (South, Central, North).

24 BORROWINGS (continued)

(viii) These are borrowings in Vietnamese Dong with a credit limit of VND3,400,000,000,000, which are due for repayment within forty-eight (48) months duration since the first drawdown on 3 August 2016. The interest rates of these borrowings are equal to basic interest rate plus a margin of 4% per annum. These borrowings are secured by the total value of assets formed in the future of Binh Khanh Project. Until 30 September 2019, these borrowings were early repaid.

(ix) These are borrowings with a credit facility of USD251,000,000 to Nova Hospitality Joint Stock Company, including 2 loans as follow:

- The borrowings in USD arranged by Credit Suisse AG, Singapore Branch; Industrial and Commercial Bank of China Limited, Hanoi City Branch; Taichung Commercial Bank Co, Ltd., Offshore Banking Branch; Taiwan Business Bank, Offshore Banking Branch; Taiwan Cooperative Bank, Offshore Banking Branch and other syndicated lenders. The loan duration is forty-two (42) months from the first date of drawdown. Interest rate is defined as LIBOR rate plus a margin of 4.25% per annum and repayable every six (6) months. These borrowings are secured by shares and the contributed capital of 3 subsidiaries of the Group, receivables of a subsidiary of the Group and are guaranteed for payment by the Company and the Group's subsidiary. Until 30 September 2019, these borrowings was disbursed partially by USD149,000,000.

- The borrowings in Vietnamese Dong from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch with a credit limit of VND23,500,000,000 (equivalent to USD1,000,000) for a term of forty eight (48) months and ten (10) days since the drawdown date. Interest rate are adjusted every 6 months at a rate of twelve-month saving deposits from individuals plus a margin of 3.5% per annum. These borrowings are secured by deposit contracts at the lender and the total value of assets formed in the future of a project in District 2, Ho Chi Minh City.

(x) These are borrowings in Vietnamese Dong with the amount of VND1,505,000,000,000 for a term of forty eight (48) months since the first drawdown. As at 30 September 2019, the Group had outstanding balance of VND1,505,000,000,000. The interest rate is applied at the bank's interest rate of the thirteen-month saving deposit to individuals (paid in arrears) plus a margin of 4.0% per annum. These borrowings are secured by the contributed capital of the Group's subsidiary, real estates and property rights of a project in Long Hung Commune, Bien Hoa City, Dong Nai Province.

(xi) These are borrowings in Vietnamese Dong with a credit limit of VND300,000,000,000 for a term of 12 years and the grace period is 24 months since the drawdown date. After the grace period, the principal is paid on a three-month basis. Interest rates are being specified in each drawdown and are adjusted every three (3) months at a rate of twelve-month saving deposits from individuals in Vietnamese Dong (paid in arrears) of OCB plus a margin of 3.5% per annum. These borrowings are secured by shares of the Company owned by shareholders, shares in the Developer Company, and total value of assets formed in the future of Ibis Vung Tau Project.

24 BORROWINGS (continued)

(**) Details for the balances of issued bonds are as follows:

	30/09/2019 VND	31/12/2018 VND
(a) Short-term bonds issuance		
Bonds issued at par		
Tien Phong Commercial Joint Stock Bank (i)	500,000,000,000	-
MB Securities Joint Stock Company (ii)	400,000,000,000	400,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch (iii)	221,000,000,000	295,000,000,000
Bao Viet Group (iv)	200,000,000,000	-
VietinBank Insurance Joint Stock Company (v)	100,000,000,000	100,000,000,000
VietinBank Gold & Jewellery Company Limited (v)	100,000,000,000	100,000,000,000
Vietnam Public Joint Stock Commercial Bank - Sai Gon Branch (vi)	200,000,000,000	-
IB Securities Limited Company (vii)	146,840,000,000	346,840,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch (viii)	-	500,000,000,000
Vietnam Technological and Commercial Joint Stock Bank	-	1,500,000,000,000
Techcom Securities Limited Company	-	750,000,000,000
Indovina Bank Limited	-	1,050,000,000,000
	<u>1,867,840,000,000</u>	<u>5,041,840,000,000</u>

(b) Long-term bonds issuance

	30/09/2019 VND	31/12/2018 VND
Bonds issued at par		
The Bank of New York Mellon, London Branch (ix)	5,561,530,000,000	5,555,555,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch (x)	1,730,000,000,000	1,000,000,000,000
Vietnam Public Joint Stock Commercial Bank - Sai Gon Branch (vi)	1,100,000,000,000	-
Tien Phong Commercial Joint Stock Bank (i)	1,000,000,000,000	1,500,000,000,000
MB Securities Joint Stock Company (xi)	200,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch (iii)	-	146,000,000,000
Military Commercial Joint Stock Bank (xii)	-	400,000,000,000
Bao Viet Group (iv)	-	200,000,000,000
	<u>9,591,530,000,000</u>	<u>8,801,555,000,000</u>

(i) Bonds issued at par value in Vietnamese Dong, including three (3) bonds with total par value of VND1,500,000,000,000. The details are as follows:

- Bond A: total par value of VND500,000,000,000 with a term of 18 months, maturing in 2020.
- Bond B: total par value of VND300,000,000,000 with a term of 24 months, maturing in 2020.
- Bond C: total par value of VND700,000,000,000 with a term of 36 months, maturing in 2021.

The interest rate of these bonds is 10.5% per annum for the first period. The interest period is three (3) months. The interest rate applied for the remaining period will be defined at a rate of the twelve-month saving deposits in Vietnamese Dong from individuals (paid in arrears) of TPBank plus a margin of 4.0% per annum. These bonds are secured by the development right of the project Grand Manhattan and shares of the Developer of this project owned by shareholders.

24 BORROWINGS (continued)

(ii) Bonds issued at par value of VND400,000,000,000 in Vietnamese Dong include bonds with par value of VND200,000,000,000 maturing in March 2020, bearing fixed interest rate at 10.8% per annum, and bonds with par value of VND200,000,000,000 maturing in May 2020, bearing interest rate at 11.0% per annum for the first interest period. The interest rate then will be adjusted on a six-month basis and will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by the average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by shares of the Company owned by shareholders.

(iii) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch. Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) on the date of interest rate determination. Until 30 September 2019, the Company repurchased total VND515,000,000,000 of par value, the remaining balance of bonds is VND221,000,000,000. These bonds are secured by shares of the Company owned by shareholders, receivables relating to a Company's project, part of shares owned by the Company in subsidiary.

(iv) Bonds issued at par value in Vietnamese Dong to Bao Viet Group, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest period. The interest rate applied for the remaining period will be adjusted every twelve (12) months and defined as a reference rate plus 2.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by Ho Chi Minh City branches of four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders.

(v) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, advised by Vietinbank Securities which will be matured in September 2020, bearing an interest rate of 10.75% per annum. These bonds are secured by shares of the Company owned by shareholders.

(vi) Bonds issued at par value in Vietnamese Dong to Vietnam Public Joint Stock Commercial Bank - Sai Gon Branch. Bond package has a total value of VND1,300,000,000,000 and the final maturity date in 2023. The interest rate for the first interest period is 11.75% per annum. The interest rate for remaining periods is adjusted on a three-month basis and is defined as base rate at the time of adjustment plus 4.25% per annum. Base rate is the highest interest rate of "Public Bank Deposit" twelve-month saving deposits (paid in arrears), with the currency corresponding to that of borrowings, according to the deposit interest rate schedule of Vietnam Public Joint Stock Commercial Bank published from time to time. These bonds are secured by shares of the Company owned by the shareholders.

(vii) These are bonds issued at par value in Vietnamese Dong, advised by IB Securities, with par value of VND146,840,000,000 which will be matured in October 2019. These bonds bear an interest rate of 10.6% per annum and are secured by shares of the Company owned by shareholders. As at the date of approval of these consolidated financial statements, these bonds were repurchased.

24 BORROWINGS (continued)

(viii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch include package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10.0% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders. Until 30 September 2019, these bonds were repurchased.

(ix) These are 800 convertible bonds issued on 27 April 2018 ("Issue Date") and additional 400 convertible bonds issued on 14 December 2018 at par value in USD to international investors which The Bank of New York Mellon - London Branch is trustee, Credit Suisse - Singapore Branch is arranger and issuance agents. The package of convertible bonds amounted of USD240,000,000 with a par value of USD200,000 per bond will mature on 27 April 2023 ("Maturity Date"), subject to a bond coupon interest of 5.5% per annum which will be repaid every 6 months and a redemption yield of 6.25% per annum which is calculated on a 6 month basis. These bonds are unsecured and could be converted into shares of No Va Land Investment Group Corporation (NVL) since the 41st day from the Issue Date until the 10th day before the Maturity Date. The initial conversion price was determined at VND74,750 per share, and was adjusted to VND71,000 per share on 27 October 2018, corresponding to the conversion rate of 64,149.3 shares per convertible bond and may be adjusted in the following cases: (1) Business events resulting in a change in the share value, and/or (2) adjustment corresponding to the decrease in NVL share price with an adjustment not exceeding 75% of the Initial Conversion Price, VND56,062.5 per share. Until 30 September 2019, total bonds converted into shares was USD1,000,000 of par value, the remaining balance of bonds is USD239,000,000.

(x) Bonds issued at par value in Vietnamese Dong, advised by MB Securities Joint Stock Company, with a total par value of VND1,730,000,000,000, maturing in December 2022. The interest rate for the first 3 months is 7.5% per annum. Then, the interest rate is adjusted to 10.0% per annum for the following 9 months and after that, it is adjusted every three (3) months and defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Military Joint Stock Commercial Bank. These bonds are secured by the capital contribution of the Company at the issuing company.

(xi) Bonds issued at par value in Vietnamese Dong to MB Securities Joint Stock Company, with a total par value of VND200,000,000,000, maturing in May 2021. The interest rate for the first interest period is 11.0% per annum. Then, the interest rate is adjusted every six (6) months and defined as a reference rate plus 4.0% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Military Joint Stock Commercial Bank. These bonds are secured by shares of the Company owned by shareholders.

(xii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch ("MB"). The package of bonds with a par value of VND400,000,000,000 have the last maturity in 2021, bearing an interest rate of 10.0% per annum for the first year. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by shares of the Company owned by shareholders, the collateral assets including assets of The 21st Century International Development Company Limited relating to Lakeview City project, part of shares owned by the Company in subsidiary. Until 30 September 2019, these bonds were repurchased.

24 BORROWINGS (continued)

(***) Details for the balances of third parties are as follows:

	30/09/2019 VND	31/12/2018 VND
(a) Short-term borrowings		
GPI3 Co., Ltd (i)	1,392,000,000,000	-
Credit Suisse AG, Singapore Branch (ii)	954,085,000,000	286,225,500,000
Crane Investment .Ltd (ii)	482,790,000,000	144,837,000,000
Credit Suisse AG, Singapore Branch (iii)	814,450,000,000	1,627,150,000,000
Nova Homes Trading Joint Stock Company (iv)	407,800,000,000	1,563,454,440,896
GW Supernova Pte. Ltd. (v)	-	1,162,250,000,000
Others (iv)	344,400,000,000	49,300,000,000
	<u>4,395,525,000,000</u>	<u>4,833,216,940,896</u>
(b) Long-term borrowings		
GPI3 Co., Ltd (i)	-	1,392,000,000,000
Credit Suisse AG, Singapore Branch (ii)	667,859,500,000	1,621,944,500,000
Crane Investment .Ltd (ii)	337,953,000,000	820,743,000,000
GW Supernova Pte. Ltd. (v)	465,400,000,000	-
	<u>1,471,212,500,000</u>	<u>3,834,687,500,000</u>

(i) These are borrowings in Vietnamese Dong with a credit limit of USD90,000,000, in which Standard Chartered Bank is the arranger and bookrunner and Standard Chartered Bank (Hong Kong) Limited is the facility agent and security agent. The borrowings will be matured in September 2020 with the principal being paid on the maturity date. The interest of these borrowings is paid on every six (6) month at the rate of 6% per annum. At maturity or early repayment, the Company would pay an additional amount to ensure that lender receives a target internal rate of return of 11% per annum. These borrowings are secured by shares of the Company owned by shareholders. Until 30 September 2019, an amount of USD60,000,000 was disbursed partially by GPI3 Co., Ltd.

(ii) These are borrowings according to the loan agreement and appendices with a credit facility of USD125,000,000, which Credit Suisse AG, Singapore Branch is the facility agent and the arranger agent. In 2017, Credit Suisse AG, Singapore Branch transferred a portion of borrowing amounting to USD42,000,000 to Crane Investments Limited In Respect Of Series 211. The loan duration is forty-two (42) months from the first date of drawdown, the principal is repayable every six (6) months from the eighteenth (18th) month since the first date of drawdown to maturity. Interest rate is defined as LIBOR rate plus a margin of 5.5% per annum and repayable every three (3) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 13% per annum. These borrowings are unsecured. Until 30 September 2019, these borrowings were paid USD18,750,000.

(iii) These are borrowings with the credit facility of USD150,000,000 between Nova Hospitality Joint Stock Company and Credit Suisse AG, Singapore Branch, who is the lender and the facility agent. The loan duration is extended to November 2019. The interest rate is defined as: (a) LIBOR rate plus a margin of 1.75% per annum for the first 3 months from the date of maturity adjustment, (b) LIBOR rate plus a margin of 3.25% per annum from the 4th month to the 6th month. Interest will be repayable every month. These borrowings are secured by shares of the Company owned by shareholders and are guaranteed for payment by the Company. Until 30 September 2019, these borrowings were disbursed partially by USD70,000,000 to Nova Hospitality Joint Stock Company and Nova Hospitality Joint Stock Company has paid USD35,000,000.

(iv) These are borrowings in Vietnamese Dong, maturing in 5 months, bearing interest at the rate from 5.0% to 9.9% per annum and are unsecured.

24 BORROWINGS (continued)

(v) This borrowing is denominated in USD from GW Supernova Pte. Ltd., with a credit facility of USD50,000,000, maturing in thirty-six (36) months since the first drawdown in December 2016, including a portion of non-convertible borrowing amounting to USD20,000,000 and the other portion of convertible borrowing amounting to USD30,000,000. These borrowings are unsecured. The maturity date of the borrowing of USD20,000,000 was adjusted to 31 March 2021. This borrowing bears an interest rate of 6% per annum and is repayable every six (6) months, the principal is repayable at the maturity date. If the Company makes repayment or early repayment at any time before 21 December 2019, the Company has to pay an additional amount to ensure that lender receives a target IRR of 15% per annum for the period from 1 April 2019 to the date of repayment or early repayment. If the Company makes repayment or early repayment at any time from 21 December 2019, the Company has to pay a fee to ensure the target IRR is the sum of: 15% per annum calculated for the period from 1 April 2019 to and including 21 December 2019 and 13% per annum for the period from 22 December 2019 to the date of repayment or early repayment. Until 30 September 2019, the borrowing of USD30,000,000 were settled.

25 OWNERS' CAPITAL**(a) Number of shares**

	30/09/2019		31/12/2018	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	930,446,674	6,830,000	930,446,674	6,830,000
Number of shares issued	930,446,674	6,830,000	930,446,674	6,830,000
Number of existing shares in circulation	930,446,674	6,830,000	930,446,674	6,830,000

(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 1 January 2018	642,828,788	6,830,000	649,658,788
New shares issued for ESOP 2017	9,809,962	-	9,809,962
Bonus shares issued	202,317,178	-	202,317,178
Issuance of ordinary shares	52,500,000	-	52,500,000
New shares issued for converting bonds	320,746	-	320,746
New shares issued for ESOP 2018	22,670,000	-	22,670,000
As at 31 December 2018	930,446,674	6,830,000	937,276,674
As at 30 September 2019	930,446,674	6,830,000	937,276,674

Par value per share: VND10,000.

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26 MOVEMENTS IN OWNERS' EQUITY

	Ordinary shares	Preference shares	Share premium	Post-tax Undistributed earnings	Total
	VND	VND	VND	VND	VND
As at 1 January 2018	6,428,287,880,000	68,300,000,000	3,206,830,905,400	2,907,218,106,652	12,610,636,892,052
Issuance of ordinary shares for ESOP 2017	98,099,620,000	-	-	-	98,099,620,000
Bonus shares issued from share premium	2,023,171,780,000	-	(2,023,171,780,000)	-	-
Issuance of ordinary shares	525,000,000,000	-	2,793,725,115,626	-	3,318,725,115,626
Issuance of ordinary shares for converting bonds	3,207,460,000	-	19,565,540,000	-	22,773,000,000
Issuance of ordinary shares for ESOP 2018	226,700,000,000	-	(110,000,000)	-	226,590,000,000
Profit for the year	-	-	-	3,227,004,714,155	3,227,004,714,155
Dividends paid	-	-	-	(20,490,000,000)	(20,490,000,000)
Change in ownership of subsidiaries	-	-	-	(6,038,193,225)	(6,038,193,225)
As at 31 December 2018	9,304,466,740,000	68,300,000,000	3,996,839,781,026	6,107,694,627,582	19,477,301,148,608
Profit for the period	-	-	-	1,106,922,734,410	1,106,922,734,410
Change in ownership of subsidiaries	-	-	-	(81,924,239)	(81,924,239)
As at 30 September 2019	9,304,466,740,000	68,300,000,000	3,996,839,781,026	7,214,535,437,753	20,584,141,958,779

27 NON - CONTROLLING INTERESTS

The non-controlling interests represent the holdings of the other shareholders for the value of the net assets and results of operations of the subsidiaries at period/year end.

Movements in non-controlling interests are as below:

	For the period ended 30/09/2019 VND	For the year ended 31/12/2018 VND
Beginning of the period/year	982,825,337,170	645,753,611,368
Net profit allocated to non-controlling interest for the period/year	(32,918,366,763)	40,065,474,562
Increase due to acquisition and establishment of new subsidiaries	974,296,179,457	453,995,837,235
Decrease due to change in ownership of subsidiaries	1,360,424,239	(144,080,939,285)
Divestment of subsidiaries	-	115,202
Decrease due to dividend received	(19,719,873,178)	(12,908,761,912)
End of the period/year	1,905,843,700,925	982,825,337,170

28 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Group and held as treasury shares.

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Net profit attributable to shareholders (VND)	1,106,922,734,410	1,380,051,684,088
Dividend on preference shares (VND)	(15,367,500,000)	(15,367,500,000)
Profit calculation of basic earnings per share (VND)	1,091,555,234,410	1,364,684,184,088
Weighted average number of ordinary shares in issue (shares)	930,446,674	879,046,573
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Weighted average number of ordinary shares including mandatorily convertible shares (shares)	950,936,674	899,536,573
Basic earnings per share (VND)	1,148	1,517

28 EARNINGS PER SHARE (continued)**(b) Diluted earnings per share**

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period and the ordinary shares expected to be issued via conversion of other financial instruments into ordinary shares.

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Net profit attributable to shareholders (VND)	1,106,922,734,410	1,380,051,684,088
Dividend on preference shares (VND)	(15,367,500,000)	(15,367,500,000)
Adjustment (VND) (*)	-	-
Profit calculation of basic earnings per share (VND)	<u>1,091,555,234,410</u>	<u>1,364,684,184,088</u>
Weighted average number of ordinary shares	930,446,674	879,046,573
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Potential shares (shares) (*)	-	-
Weighted average number of ordinary shares including potential shares (shares)	<u>950,936,674</u>	<u>899,536,573</u>
Diluted earnings per share (VND)	<u>1,148</u>	<u>1,517</u>

(*) The Company considered each issue or series of potential ordinary shares in determining whether potential ordinary shares are dilutive. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

In the nine-month period ended 30 September 2019 and nine-month period ended 30 September 2018, there were potential ordinary shares but they are not dilutive.

29 OFF BALANCE SHEET ITEMS

	30/09/2019	31/12/2018
Foreign currencies (USD)	1,259,033	132,996,989

30 REVENUE

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Sales of goods and rendering of services		
Sale of real estate	9,083,330,475,002	6,495,928,812,127
Rendering of services for corporate management, project development and sales consultancy	428,188,573,606	183,718,302,956
Sales from leasing properties	84,072,837,406	63,170,244,977
Others	43,832,737,159	43,865,770,697
	<u>9,639,424,623,173</u>	<u>6,786,683,130,757</u>
Sales deductions		
Trade discounts	(57,878,526,623)	(43,870,299,037)
Sales rebates	(1,378,181,818)	-
Sale returns	(29,428,452,405)	(9,665,226,563)
	<u>(88,685,160,846)</u>	<u>(53,535,525,600)</u>
Net revenue from sale of goods and rendering of services		
Net sales of real estate	8,994,645,314,156	6,442,393,286,527
Net sales of rendering of services for corporate management, project development and sales consultancy	428,188,573,606	183,718,302,956
Net sales from leasing properties	84,072,837,406	63,170,244,977
Others	43,832,737,159	43,865,770,697
	<u>9,550,739,462,327</u>	<u>6,733,147,605,157</u>

31 COST OF SALES

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Cost of real estate sold	6,378,804,951,899	4,417,035,087,098
Cost of rendering of services for corporate management, project development and sales consultancy	379,109,398,599	150,677,874,794
Cost of leasing properties	54,801,401,224	39,377,652,509
Others	53,198,943,107	55,155,078,363
	<u>6,865,914,694,829</u>	<u>4,662,245,692,764</u>

32 FINANCIAL INCOME

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Revaluation investments at each business combination stage	317,203,348,449	558,381,287,952
Interest income from deposits at banks	224,739,783,094	177,667,642,688
Interest income from lending	34,916,837,942	62,188,714,824
Foreign exchange gains	8,395,867,793	1,609,926,765
Interest income from co-operation contracts	372,602,740	67,820,619,208
Interest income from late payment	694,003,345	59,479,284,043
Gain from divestment of subsidiaries	-	61,630,398,838
Others	2,818,842,738	780,159,281
	<u>589,141,286,101</u>	<u>989,558,033,599</u>

33 FINANCIAL EXPENSES

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Interest expenses	755,193,842,804	1,023,632,028,876
Borrowings related costs (*)	467,367,282,367	60,796,325,339
Expenses on cross currency swap contracts	116,853,115,631	17,843,686,583
Interest expenses on investment co-operation contracts	75,069,185,340	42,974,652,992
Foreign exchange losses	22,487,647,126	184,199,251,474
Cost of issuing bonds	25,457,674,064	50,243,139,840
Payment discount	-	14,067,215,115
Others	5,673,486,627	6,537,142,991
	<u>1,468,102,233,959</u>	<u>1,400,293,443,210</u>

(*) For the nine-month period ended 30 September 2019, the borrowing related costs included mostly the cost related to repurchasing conversion loans (Note 24).

34 SHARE OF PROFIT FROM ASSOCIATES

For the period ended 30 September 2018, share of profit from associates included VND1,039,930,267,217 which is the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment in Thai Binh Real Estate Trading Joint Stock Company and Dat Viet Development Joint Stock

For the period ended 30 September 2019, share of profit from associates did not have the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment.

35 SELLING EXPENSES

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Staff costs	19,964,214,356	25,978,572,495
Material, package costs	7,950,000	80,825,801
Tool and supplies	16,629,896	684,557,561
Depreciation expense	2,717,641,820	1,316,086,865
Outside services expenses	110,491,462,880	94,611,491,555
Other cash expenses	75,317,374,343	102,710,013,602
	<u>208,515,273,295</u>	<u>225,381,547,879</u>

36 GENERAL AND ADMINISTRATION EXPENSES

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Staff costs	47,671,263,765	47,452,008,488
Tools and supplies	994,254,721	460,383,108
Stationery expenses	2,136,066,859	3,157,501,129
Depreciation expenses	9,499,393,673	10,082,830,578
Tax and other fees	3,870,225,524	5,368,958,839
Provision	1,793,500,167	1,683,129,415
Outside services expenses	112,203,924,504	116,772,850,531
Other cash expenses	67,146,643,317	49,699,174,978
Allocation of goodwill (Note 17)	623,671,776,026	262,739,185,236
	<u>868,987,048,556</u>	<u>497,416,022,302</u>

37 OTHER INCOME

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Gain on bargain purchase (*)	1,189,919,776,997	-
Collection of penalties on contract violation	70,765,571,994	16,159,769,605
Gains on disposal of fixed assets	1,090,909	587,816,657
Gains on disposal of tools and scrap	143,627,727	1,019,973,504
Others	3,902,391,131	5,227,431,373
	<u>1,264,732,458,758</u>	<u>22,994,991,139</u>

(*) For the period ended 30 September 2019, gain on bargain purchase is the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment in Huynh Gia Huy; group of companies 38 Real Estate, Hoa Thang and Thu Minh Nguyen; group of companies Khanh An and Carava Resort; group of companies Van Phat and Forest City (Note 3).

38 OTHER EXPENSES

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Penalty expenses on contract violation	93,286,166,399	28,606,645,123
Loss on disposal of fixed assets	3,189,421,674	15,335,997,660
Others	6,874,792,019	1,656,108,447
	<u>103,350,380,092</u>	<u>45,598,751,230</u>

39 BUSINESS INCOME TAX**(a) Deferred income tax**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Movement in deferred income tax is as follows:

	For the period ended 30/09/2019 VND	For the period ended 30/09/2018 VND
Deferred tax assets	70,055,011,414	115,783,534,333
Deferred tax liabilities	(2,697,115,228,051)	(1,659,990,918,872)
Beginning of the period	(2,627,060,216,637)	(1,544,207,384,539)
Income statement charge	(214,667,525,129)	(91,993,377,523)
Business combination during the period (*)	(1,721,092,044,563)	(418,006,009,789)
End of the period	<u>(4,562,819,786,329)</u>	<u>(2,054,206,771,851)</u>
In which:		
Deferred tax assets	61,655,060,674	99,612,388,926
Deferred tax liabilities	<u>(4,624,474,847,003)</u>	<u>(2,153,819,160,777)</u>

The deferred income tax assets and liabilities mainly arise from the temporary differences relating to unrealised profits from business combination.

The Group uses tax rate of 20% in year 2019 (2018: 20%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(*) This is deferred tax liabilities incurred from business combination during the period (Note 3).

39 BUSINESS INCOME TAX (continued)**(b) Business income tax expense**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	For the period ended	
	30/09/2019 VND	30/09/2018 VND
Net accounting profit before tax	1,880,544,004,469	1,969,705,269,822
Tax calculated at a rate of 20%	376,108,800,894	393,941,053,964
Effect of:		
Allocation of goodwill	124,734,355,205	52,547,837,047
Expenses not deductible for tax purposes	9,243,885,878	2,708,268,291
Income not subject to tax	-	-
Tax loss utilisation	(8,710,798,375)	(11,090,814,178)
Tax loss for which no deferred tax asset was recognised	540,035,805,974	327,202,883,729
Difference from share transfer of subsidiaries	-	(292,488,368)
Share of profit from associates	1,839,914,397	(210,988,019,462)
Gain on subsidiary acquisitions in the period	(237,983,955,399)	(4,433,687)
Adjustment of tax expense in previous years	1,271,628,248	3,213,545,175
Business income tax charge (*)	806,539,636,822	557,237,832,511
Charged/(credited) to income statement:		
Business income tax - current	591,872,111,693	465,244,454,988
Business income tax - deferred	214,667,525,129	91,993,377,523
	806,539,636,822	557,237,832,511

- (*) The business income tax charge for the period is based on estimated taxable income including the elimination of the assessable income charge determined by the Group. The records has yet to be audited by the tax authorities.

40 COST OF OPERATION BY FACTOR

	For the period ended	
	30/09/2019	30/09/2018
	VND	VND
Real estate development costs for selling	16,811,033,229,434	10,437,556,423,483
Labor costs	557,191,851,487	581,571,527,494
Outside services expenses	308,094,515,296	271,238,019,732
Depreciation expense and goodwill allocation	704,237,646,567	332,761,385,283
Other cash expenses	149,489,144,660	162,161,415,018
	18,530,046,387,444	11,785,288,771,010

41 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT**(a) Non-cash transactions affect the cash flow statement:**

	For the period ended	
	30/09/2019	30/09/2018
	VND	VND
Bonus shares issued from share premium	-	2,023,171,780,000

(b) Amount of borrowings actually withdrawn during the period

	For the period ended	
	30/09/2019	30/09/2018
	VND	VND
Proceeds from borrowings following normal borrowing contracts	7,493,534,575,864	8,259,027,014,763
Proceeds from bonds issuance	2,778,306,727,187	4,693,862,950,266

(c) Amount of borrowings actually repaid during the period

	For the period ended	
	30/09/2019	30/09/2018
	VND	VND
Repayments for borrowings following normal borrowing contracts	(6,595,051,077,128)	(8,965,569,804,829)
Repayments for bonds	(5,220,000,000,000)	(2,380,000,000,000)

42 RELATED PARTY TRANSACTIONS

During the period, the Group had transactions and balances with following related parties:

Relationship	Name
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Ben Thanh Housing Service and Development Joint Stock Company
Associate	Dat Viet Development Joint Stock Company (*)
Associate	Thanh My Loi Joint Stock Company
Company owned by the shareholder	NSQ Investment Development Joint Stock Company (separated from Diamond Properties Joint Stock Company)

(a) Related party transactions

During the period, the following transactions were carried out with related parties:

	For the period ended	
	30/09/2019	30/09/2018
	VND	VND
i) Purchase of services		
Ben Thanh Housing Service and Development Joint Stock Company	39,245,412,438	56,337,039,833
ii) Interest on lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	638,698,667	3,194,015,664
Thanh My Loi Joint Stock Company	4,528,612,558	120,328,768
	5,167,311,225	3,314,344,432
iii) Compensation of key management		
Gross salaries and other benefits	15,971,229,227	17,591,686,542

42 RELATED PARTY TRANSACTIONS (continued)**(b) Ending balances with related parties**

	30/09/2019 VND	31/12/2018 VND
i) Trade accounts receivable (Note 6)		
NSQ Investment Development Joint Stock Company	30,410,645,644	40,024,130,644
Ben Thanh Housing Service and Development Joint Stock Company	610,134,088	149,745,844
	<u>31,020,779,732</u>	<u>40,173,876,488</u>
ii) Short-term lending (Note 8)		
Sai Gon Electronics and Industrial Service Joint Stock Company	7,520,000,000	7,520,000,000
Thanh My Loi Joint Stock Company	49,629,003,300	49,629,003,300
	<u>57,149,003,300</u>	<u>57,149,003,300</u>
iii) Other short-term receivables (Note 9(a))		
Ben Thanh Housing Service and Development Joint Stock Company	37,197,543,097	38,324,741,374
Sai Gon Electronics and Industrial Service Joint Stock Company	27,378,804,106	26,740,105,439
Thanh My Loi Joint Stock Company	10,991,026,960	6,462,414,402
	<u>75,567,374,163</u>	<u>71,527,261,215</u>
iv) Other long-term receivables (Note 9(b))		
Dat Viet Development Joint Stock Company (*)	-	46,000,000,000
Ben Thanh Housing Service and Development Joint Stock Company	5,682,317,455	5,682,317,455
	<u>5,682,317,455</u>	<u>51,682,317,455</u>
v) Short-term trade accounts payable (Note 18)		
Ben Thanh Housing Service and Development Joint Stock Company	329,440,830	489,425,295

(*) During the period and as at 30 September 2019, this company became the Group's subsidiary and was consolidated in the consolidated financial statement of the Group.

43 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	30/09/2019 VND	31/12/2018 VND
Within one year	67,831,326,799	31,642,142,336
From one to five years	124,795,283,345	52,541,621,124
Over five years	306,691,374,160	268,351,209,756
	<u>499,317,984,304</u>	<u>352,534,973,216</u>

44 CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognized in the consolidated financial statements is as follows:

	30/09/2019 VND	31/12/2018 VND
Construction cost of projects	<u>3,520,575,704,000</u>	<u>3,579,134,581,403</u>

45 SEGMENT REPORTING*Business activity segments:*

As the Group's revenue and profit are mainly derived from the business activities of the real estate while other sources of revenue are not material as a whole, the Board of Management accordingly believes that the Group's real estate and supporting activities for real estate are in a sole business segment only.

Geographical segments:

The Group's activities are mainly segmented by domestic activities. The Group does not monitor its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

46 COMPARATIVE FIGURES

Certain immaterial comparative figures have been reclassified to conform to the current period's presentation.

47 EVENTS AFTER THE BALANCE SHEET DATE**(a) Divestment at No Va Real Estate Company Limited**

According to the Decision No. 49/2019-NQ.HDQT-NVLG dated 25 September 2019, the Board of Directors approved the transfer of all contributed capital at No Va Real Estate Company Limited with the total value of transferred capital is VND81,600,000,000, representing 99.51% of the charter capital in this company. As at the date of approval of these consolidated financial statements, the transfer is underway.

(b) Issuance of Shares under the Employee Stock Ownership Plan ("ESOP")

According to Decision No. 54/2019-NQ.HDQT-NVLG dated 17 October 2019, the Board of Directors approved the regulations on issuing shares under the Employee Stock Ownership Plan ("ESOP") with the expected number of shares issued being 18,608,933 shares. In particular, the number of unrestricted shares is 808,933 shares and the number of restricted shares is 17,800,000 shares. These shares are expected to be issued in the fourth quarter of 2019.

The consolidated financial statements were approved by the Board of Management on 30 October 2019.



Nguyen Ngoc Bang
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Xuan Huy
General Director
30 October 2019