

NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



NO VA LAND INVESTMENT GROUP CORPORATION

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 49th amended Business Registration Certificate No. 0301444753 dated 16 December 2019.

Board of Directors

Mr. Bui Thanh Nhon	Chairman
Mr. Bui Xuan Huy	Member
Ms. Hoang Thu Chau	Member
Ms. Nguyen Thanh Bich Thuy	Independent Member
Mr. Pham Tien Van	Independent Member (from 26 April 2019)
Mr. David Frederick Proctor	Independent Member (to 20 March 2019)

Audit Committee

Ms. Nguyen Thanh Bich Thuy	Head of Audit Committee
Ms. Nguyen Thi Minh Thanh	Member
Ms. Vo Thi Thu Van	Member
Mr. David Frederick Proctor	Member (to 6 March 2019)

Board of Management

Mr. Bui Xuan Huy	General Director
Ms. Hoang Thu Chau	Deputy General Director

Legal representative

Mr. Bui Xuan Huy	General Director
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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

Auditor

PwC (Vietnam) Limited

NO VA LAND INVESTMENT GROUP CORPORATION

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

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing the separate financial statements which give a true and fair view of the financial position of the Company as at 31 December 2019 and the results of its operations and cash flows for the year then ended. In preparing these separate 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 separate financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 Company and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements as set out on pages 5 to 72 which give a true and fair view of the financial position of the Company as at 31 December 2019 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2019 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management



 Bui Xuan Huy
Legal representative 

Ho Chi Minh City, SR Vietnam
24 February 2020



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NO VA LAND INVESTMENT GROUP CORPORATION

We have audited the accompanying separate financial statements of No Va Land Investment Group Corporation ("the Company") which were prepared on 31 December 2019 and approved by the Board of Management of the Company on 24 February 2020. The separate financial statements comprise the separate balance sheet as at 31 December 2019, the separate income statement and separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 72.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these separate financial statements of Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements; and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2019, its separate financial performance and separate cash flows of the Company for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matters

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No:
0849-2018-006-1
Authorised signatory

Report reference number: HCM8775
Ho Chi Minh City, 24 February 2020



Tran Van Thang
Audit Practising Licence No:
3586-2017-006-1

NO VA LAND INVESTMENT GROUP CORPORATION
Form B 01 – DN
SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2019 VND	2018 VND
100	CURRENT ASSETS		5,936,998,024,235	9,842,808,514,571
110	Cash and cash equivalents	3	1,425,533,678,899	6,307,617,528,607
111	Cash		773,882,285,757	4,364,094,540,471
112	Cash equivalents		651,651,393,142	1,943,522,988,136
120	Short-term investments		116,815,000,000	3,317,247,322
123	Investments held to maturity	4(a)	116,815,000,000	3,317,247,322
130	Short-term receivables		1,921,590,321,682	978,301,813,696
131	Short-term trade accounts receivable	5	107,330,909,046	141,867,503,918
132	Short-term prepayments to suppliers	6	345,135,474,007	374,209,855,850
135	Short-term lending	7	-	7,520,000,000
136	Other short-term receivables	8(a)	1,469,123,938,629	454,704,453,928
140	Inventories	10	2,361,253,926,178	2,357,821,074,991
141	Inventories		2,361,253,926,178	2,357,821,074,991
150	Other current assets		111,805,097,476	195,750,849,955
151	Short-term prepaid expenses	11(a)	46,717,810,024	58,028,744,567
152	Value added tax ("VAT") to be reclaimed	18(a)	60,377,552,738	133,012,370,674
153	Tax and other receivables from the State	18(a)	4,709,734,714	4,709,734,714

The notes on pages 10 to 72 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION
Form B 01 – DN
**SEPARATE BALANCE SHEET
(continued)**

Code	ASSETS (continued)	Note	As at 31 December	
			2019 VND	2018 VND
200	LONG-TERM ASSETS		37,393,054,590,184	29,777,511,680,692
210	Long-term receivables		294,943,665,239	25,087,340,239
216	Other long-term receivables	8(b)	294,943,665,239	25,087,340,239
220	Fixed assets		642,536,374,881	567,016,293,701
221	Tangible fixed assets	12(a)	500,907,896,381	485,494,214,215
222	Historical cost		576,656,910,869	542,192,578,806
223	Accumulated depreciation		(75,749,014,488)	(56,698,364,591)
227	Intangible fixed assets	12(b)	141,628,478,500	81,522,079,486
228	Historical cost		168,388,989,622	91,532,544,197
229	Accumulated amortisation		(26,760,511,122)	(10,010,464,711)
230	Investment properties	13	1,291,184,192,405	1,292,989,706,133
231	Historical cost		1,320,322,609,888	1,316,000,730,094
232	Accumulated depreciation		(29,138,417,483)	(23,011,023,961)
240	Long-term assets in progress		219,037,930,780	263,991,199,358
241	Long-term work in progress	14	181,995,269,013	181,962,136,884
242	Construction in progress	15	37,042,661,767	82,029,062,474
250	Long-term investments		34,827,515,277,977	27,496,490,177,977
251	Investments in subsidiaries	4(b)	34,710,359,617,977	27,411,298,117,977
252	Investments in associates and joint ventures	4(b)	75,392,060,000	85,192,060,000
255	Investments held to maturity	4(a)	41,763,600,000	-
260	Other long-term assets		117,837,148,902	131,936,963,284
261	Long-term prepaid expenses	11(b)	116,861,275,330	130,961,089,712
262	Deferred income tax assets	24	975,873,572	975,873,572
270	TOTAL ASSETS		43,330,052,614,419	39,620,320,195,263

The notes on pages 10 to 72 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2019 VND	2018 VND
300	LIABILITIES		26,435,427,681,373	23,324,963,926,892
310	Short-term liabilities		6,053,175,955,559	11,617,464,209,775
311	Short-term trade accounts payable	16	55,875,278,383	132,842,393,354
312	Short-term advances from customers	17	349,802,498,306	376,442,933,681
313	Tax and other payables to the State	18(b)	11,933,446,442	302,622,383,493
314	Payables to employees		30,109,208,993	32,093,345,384
315	Short-term accrued expenses	19	746,330,141,817	1,183,462,917,145
318	Short-term unearned revenue	20(a)	1,439,444,804	1,489,172,289
319	Other short-term payables	21(a)	73,910,814,946	1,001,628,405,420
320	Short-term borrowings	22(a)	4,778,226,256,573	8,581,333,793,714
322	Bonus and welfare funds		5,548,865,295	5,548,865,295
330	Long-term liabilities		20,382,251,725,814	11,707,499,717,117
336	Long-term unearned revenue	20(b)	63,005,509,560	64,377,614,795
337	Other long-term payables	21(b)	7,931,632,016,438	1,540,932,195
338	Long-term borrowings	22(b)	12,376,414,774,350	11,641,581,170,127
342	Provision for long-term liabilities	23	11,199,425,466	-
400	OWNERS' EQUITY		16,894,624,933,046	16,295,356,268,371
410	Capital and reserves		16,894,624,933,046	16,295,356,268,371
411	Owners' capital	25, 26	9,695,407,970,000	9,372,766,740,000
411a	- Ordinary shares with voting rights		9,695,407,970,000	9,304,466,740,000
411b	- Preference shares		-	68,300,000,000
412	Share premium	26	3,860,189,781,026	3,996,839,781,026
421	Undistributed earnings	26	3,339,027,182,020	2,925,749,747,345
421a	- Undistributed post-tax profits of previous years		2,925,749,747,345	1,456,189,367,998
421b	- Post-tax profits of current year		413,277,434,675	1,469,560,379,347
440	TOTAL RESOURCES		43,330,052,614,419	39,620,320,195,263


Do Phuong Thuy
Preparer


Tran Thi Thanh Van
Chief Accountant


Bui Xuan Huy
Legal representative
24 February 2020

The notes on pages 10 to 72 are an integral part of these separate financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December	
		2019 VND	2018 VND
01 Revenue from sales of goods and rendering of services		1,281,618,655,883	3,803,674,313,262
02 Less deductions		(17,808,171,359)	-
10 Net revenue from sales of goods and rendering of services	28	1,263,810,484,524	3,803,674,313,262
11 Cost of goods sold and service rendered	29	(1,018,996,444,728)	(1,546,772,564,425)
20 Gross profit from sales of goods and rendering of services		244,814,039,796	2,256,901,748,837
21 Financial income	30	2,999,762,211,056	1,938,004,182,314
22 Financial expenses	31	(2,527,725,122,469)	(2,157,483,807,684)
23 - Including: Interest expense	31	(1,651,978,253,306)	(1,696,283,554,055)
25 Selling expenses	32	(53,078,292,147)	(90,133,019,101)
26 General and administration expenses	33	(174,242,749,126)	(143,489,558,924)
30 Net operating profit		489,530,087,110	1,803,799,545,442
31 Other income		16,038,666,277	14,239,428,402
32 Other expenses		(71,214,510,493)	(8,644,806,475)
40 Net other (expenses)/income	34	(55,175,844,216)	5,594,621,927
50 Net accounting profit before tax		434,354,242,894	1,809,394,167,369
51 Business income tax ("BIT") - current	35	-	(339,833,788,022)
52 BIT - deferred	24, 35	-	-
60 Net profit after tax		434,354,242,894	1,469,560,379,347


 Do Phuong Thuy
 Preparer


 Tran Thi Thanh Van
 Chief Accountant


 Bui Xuan Huy
 Legal representative
 24 February 2020

The notes on pages 10 to 72 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2019 VND	2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	434,354,242,894	1,809,394,167,369
	Adjustments for:		
02	Depreciation and amortisation	47,216,327,238	33,690,947,426
03	Provisions	8,933,177,392	-
04	Unrealised foreign exchange (gains)/losses	(784,784,154)	136,061,065,597
05	Profits from investing activities	(2,972,657,574,672)	(1,897,940,148,655)
06	Interest expense and bond issue fee allocation	1,762,299,601,550	1,772,653,667,492
08	Operating (loss)/profit before changes in working capital	(720,639,009,752)	1,853,859,699,229
09	Decrease in receivables	38,891,001,788	1,293,779,330,507
10	(Increase)/decrease in inventories	(3,391,585,468)	51,030,948,391
11	Increase in payables	6,735,076,553,069	543,381,565,363
12	Decrease/(increase) in prepaid expenses	25,410,748,925	(8,750,393,929)
14	Interest paid	(1,962,295,970,433)	(1,286,700,996,193)
15	BIT paid	(276,507,937,651)	(5,000,000,000)
20	Net cash inflows from operating activities	3,836,543,800,478	2,441,600,153,368
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(81,501,104,054)	(68,872,576,324)
22	Proceeds from disposals of fixed assets and long-term assets	6,689,068,191	585,107,136
23	Loans granted, purchases of debt instruments of other entities	(158,578,600,000)	(3,317,247,322)
24	Collection of loans, proceeds from sales of debt instruments of other entities	10,837,247,322	655,823,076,974
25	Investments in other entities	(9,271,597,044,327)	(11,579,859,830,510)
26	Proceeds from divestment in other entities	1,491,636,838,396	1,061,304,600,000
27	Dividends and interest received	2,279,624,685,439	1,987,420,867,693
30	Net cash outflows from investing activities	(5,722,888,909,033)	(7,946,916,002,353)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares and capital contribution	186,041,230,000	3,643,414,735,626
33	Proceeds from borrowings	7,689,020,867,748	14,470,993,767,038
34	Repayments of borrowings	(10,855,051,148,910)	(7,757,081,605,185)
40	Net cash (outflows)/inflows from financing activities	(2,979,989,051,162)	10,357,326,897,479
50	Net (decrease)/increase in cash and cash equivalents	(4,866,334,159,717)	4,852,011,048,494
60	Cash and cash equivalents at beginning of year	3	1,455,689,692,352
61	Effect of foreign exchange differences	(15,749,689,991)	(83,212,239)
70	Cash and cash equivalents at end of year	3	1,425,533,678,899
			6,307,617,528,607

Additional information relating to the cash flow statement is presented in Note 38.



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Xuan Huy
Legal representative
24 February 2020

The notes on pages 10 to 72 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 issued by the Department of Planning and Investment of Ho Chi Minh City dated 18 September 1992 and the 49th amendment with Business Registration Certificate No. 0301444753 dated 16 December 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 stock was officially listed on Ho Chi Minh City Stock Exchange (“HOSE”) on 28 December 2018 with stock symbol “NVL” pursuant to Decision No 500/QD-SGDHCM issued by General Director of HOSE on 19 December 2016.

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

The normal business cycle of each project of the Company is within 36 months.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 GENERAL INFORMATION (continued)

As at 31 December 2019, the Company had 33 direct subsidiaries and 2 direct associates as presented in Note 4(b) – Equity investments in other entities. Besides, the Company had 41 indirect subsidiaries and 3 indirect associates as below:

No	Name	Head office	Principal activities	31.12.2019 Voting right (%)	31.12.2018 Voting right (%)
Indirect subsidiaries:					
1	CQ89 Real Estate Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.59	99.59
2	350 Real Estate Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99
3	KM Investment Group Company Limited	Ho Chi Minh City	Investment consulting	99.90	
4	The 21st Century International Development Limited Company	Ho Chi Minh City	Real estate trading	98.97	98.97
5	Dat Viet Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.69	49.51
6	Dinh Phat Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.92
7	Trung Tay Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	-
8	38 Real Estate Investment and Trading Company Limited	Ho Chi Minh City	Real estate trading	99.99	-
9	Delta - Valley Binh Thuan Company Limited	Ho Chi Minh City	Real estate trading	100.00	-
10	Thinh Vuong Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	100.00
11	Nova Riverside Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.98	99.98
12	Phuc Binh Real Estate Company Limited	Ho Chi Minh City	Real estate trading	97.95	97.95
13	Ngoc Uyen Investment and Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	-
14	Aqua City Company Limited	Dong Nai Province	Real estate trading	70.00	-
15	Thai Binh Real Estate Trading Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.96
16	Thuan Phat Investment and Development Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	-
17	Khanh An Real Estate Investment and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	-
18	Bao Phuc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	-
19	Huynh Gia Huy Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	99.98	-
20	Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	99.99
21	Cuu Long Real Estate Development and Investment Company Limited	Ho Chi Minh City	Real estate trading	96.90	-
22	Long Hung Phat Consulting Company Limited	Ho Chi Minh City	Real estate trading	66.67	-
23	Long Hung Phat Real Estate Investment Company Limited	Ho Chi Minh City	Management consulting activities	100.00	-
24	Nova Lexington Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.94	-
25	Van Phat Investment Development Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	97.99	-

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09 – DN

1 GENERAL INFORMATION (continued)

No	Name	Head office	Principal activities	31.12.2019 Voting right (%)	31.12.2018 Voting right (%)
Indirect subsidiaries: (continued)					
26	Nhat Hoa Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98
27	Hoa Thang Tourism Service Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	95.80	-
28	Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	-
29	Carava Resort Company Limited	Khanh Hoa Province	Real estate trading	95.49	-
30	Phu Tri Real Estate Investment Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98
31	Thu Minh Nguyen Investment Joint Stock Company	Binh Thuan Province	Short-term accommodation activities	96.15	-
32	Nha Rong Investment and Trade Joint Stock Company	Ho Chi Minh City	Real estate trading	99.97	99.97
33	Gia Phu Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99
34	Vuong Gia Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.83	99.83
35	Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99
36	Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.89	99.89
37	Merufa-Nova Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90
38	Truong Thanh Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	100.00	-
39	The Forest City Company Limited	Ho Chi Minh City	Real estate trading	99.90	-
40	An Phu Dong Real Estate Development Investment Company Limited	Ho Chi Minh City	Real estate trading	80.00	-
41	Ho Tram Botanic Garden Company Limited	Ho Chi Minh City Ba Ria - Vung Tau Province	Real estate trading Botanical and zoological gardens and nature reserves activities	99.00	-
Indirect associates					
1	Thanh My Loi Joint Stock Company (*)	Ho Chi Minh City	Real estate trading	55.88	55.88
2	SQN Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	49.72	-
3	Saigon Golf Company Limited (**)	Ho Chi Minh City	Real estate trading	50.00	50.00

1 GENERAL INFORMATION (continued)

(*) As at 31 December 2019, the Company held 55.88% interest in Thanh My Loi Joint Stock Company ("Thanh My Loi") and had significant influence but had not controlled due to the terms of shareholders agreement, therefore Thanh My Loi was accounted as an associate of the Company.

(**) On 26 November 2018, Thanh Nhon Real Estate Joint Stock Company (Thanh Nhon Real Estate) – a subsidiary of the Company and Saigon Tourist Corporation - One Member Limited Company ("Saigon Tourist") cancelled a Transferring Capital Contract at Saigon Golf Company Limited ("Saigon Golf"), which had been signed on 3 March 2017 and completed in 2017. According to this agreement, parties agreed to repay all received components from counterparty, collaborate to implement procedures relating to amending the charter and Business Registration Certificate of Saigon Golf, and Saigon Tourist will appoint representative of 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. On 26 June 2019, Saigon Tourist has appointed a representative of the capital contribution at Saigon Golf according to the Cancellation agreement. The next procedures of this Cancellation agreement are continuing to be performed. As at the date of these separate financial statements, according to the content and progress of the Cancellation agreement, the Board of Management evaluated and concluded that the capital transfer transaction and business combination accounting of Saigon Golf in 2017 were cancelled. Accordingly, the Board of Management decided to retrospectively adjust the Note 1 in the separate financial statements in 2018 following the fact that Saigon Golf is an indirect associate, not an indirect subsidiary.

As at 31 December 2019, the Company had 2,155 employees (as at 31 December 2018: 1,074 employees).

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

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

The accompanying separate 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 utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

Separately, the Company has also prepared consolidated financial statements of the Company and its subsidiaries (together, "the Group"), in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.1 Basis of preparation of separate financial statements (continued)**

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2019 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

2.2 Fiscal year

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

2.3 Currency

The separate financial statements are measured and presented in Vietnamese Dong ("VND"). The Company determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, materials and other production or operating costs and normally used as payments of those costs.

In addition, the Company also uses this currency to raise financial resources (such as via issuance of shares or bonds) and/or regularly collects this currency from business operation and savings.

2.4 Exchange rates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

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

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) based on the expected loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.7 Inventories

Properties acquired or being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation are recognised as inventories. Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes land costs and construction costs of infrastructure and apartments, other direct and overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for degraded, slow-moving, defective inventory items and where cost is higher than net realisable values. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of operating expenses in the period.

2.8 Financial investments**(a) Investments held-to-maturity**

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

Investments held-to-maturity include term deposits, treasury bills, bonds, commercial bill preference shares which the issuer is required to buy back in the future, lendings held to maturity for interest earning, and other investments held-to-maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period/fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(b) Investments in subsidiaries**

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies in order to gain future benefits from their activities, 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 Company controls another entity.

Investments in subsidiaries are initially recorded at costs of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Investments in associates

Associates are investments that the Company has significant influence but not control over and would generally have from 20% to less than 50% of the voting rights of the investee. A joint venture is established by a joint venture agreement between two or more parties who have joint control over financial and operating policies.

Investments in associates are accounted for at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(d) Investments in equity of other entities

Investments in 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 accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

2.9 Lendings

Lendings are loans for interest earning granted under agreements among parties but not being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the expected loss that may arise. Changes in the provision balance during the accounting fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lending on the separate balance sheet based on the remaining term of the lending as at the separate balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Business cooperation contract**

A business cooperation contract ("BCC") is a cooperation contract between the Company and other parties to carry out specific business activities without establishing a new legal entity. These activities are jointly controlled by the parties under the BCC.

The BCC states that each party is entitled to profits when the BCC is profitable and is required to bear losses when the BCC is loss making, in substance, the BCC parties share revenues and expense because each party can jointly control the operation and cash flows of the BCC.

- (i) When the Company is in charge of accounting and tax finalisation, the Company is required to recognise the entire revenue and expenses arising from the BCC, and then allocate the proportionate shares of revenue and expenses to the other parties.
- (ii) When the Company is not in charge of accounting and tax finalisation, the Company accounts for its proportionate share of revenue and expenses from the BCC.

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

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, they are charged to the income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off off the historical cost of the fixed assets over their estimated useful lives. The estimated useful live of each asset class are as follows

Buildings and structures	5 – 50 years
Machinery	3 – 7 years
Motor vehicles	4 – 8 years
Office equipment	3 – 8 years
Software and trademark	3 – 7 years
Others	2 – 3 years

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

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

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, including construction costs; costs of tools and equipments; compensation and resettlement costs; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.12 Leased 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 separate income statement on a straight-line basis over the period of the lease.

2.13 Investment properties for leasing

The historical cost of an investment property represents 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. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, they are charged to the income statement when incurred.

Depreciation

Investment properties 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 each asset class are as follows:

Buildings and structures	6 – 50 years
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Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet and are mainly prepaid selling expenses, prepaid interest expenses 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 selling expenses relating to projects which are allocated to expenses on the basis of matching with revenue recorded when the Company has handed over significant risks and rewards of ownership to the buyers.

2.15 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables, and payables not relating to purchases of goods and services.

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

2.16 Borrowings

Borrowings include borrowings from banks, financial institutions, financial companies and other entities.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on their remaining terms from the separate 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.

2.17 Accrued expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Provisions**

Provisions are recognised when the Company 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 recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligations. 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 recognised as a financial expense. Changes in the provision balance during the accounting fiscal year are recorded as an increase or decrease in operating expenses.

2.19 Provisions for severance allowance

In accordance with Vietnamese labour laws, employees of the Company 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 Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

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

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

2.20 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for asset leasing. The Company records unearned revenue for the future obligations that the Company has to fulfill. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the income statement to the extent that it has met the recognition criteria.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Convertible bonds**

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

At initial recognition, the Company 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; the equity component (share options) of convertible bonds is recorded as an owner's equity item. Subsequently, the Company regularly records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted from the bond's liability component and allocated to financial expenses or capitalised on a straight line basis.

At maturity, equity components which area share options are transferred to the share premium account regardless whether the bond holder exercised the option or not.

2.22 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed and is recorded according to the par value of the shares.

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 represent 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 Company's results (profit or loss) after BIT at the reporting date.

2.23 Appropriation of profit

Profit after BIT could be distributed to shareholders after approval at General Meeting of shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Appropriation of profit (continued)**

The Company's funds are as below:

Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company's profit after BIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the balance sheet. 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 real estate sale is recognised in the income statement when all five (5) following conditions are satisfied:

- The real estate asset has been completed, and the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate asset;
- The Company no longer holds the right to manage the real estate asset as the real estate's owner nor the right to control the real estate asset;
- The amount of revenue can be measured reliably;
- The Company has received or entitled to receive economic benefits from the sale of the real estate asset; and
- The costs incurred or to be incurred in respect of the real estate asset can be measured reliably.

(b) Revenue from 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 rendering of services is only recognised when the 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 Company;
- The percentage of completion of the transaction at the separate 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 recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Company has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Sales deductions**

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

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

2.26 Cost of goods sold and services rendered

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudence basis.

2.27 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including: interest expenses; other borrowing related expenses and bond issuance expenses; losses incurred on selling foreign currencies; losses from foreign exchange differences and payment discounts.

2.28 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, 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 staff; social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials, tools and supplies; outside services; and other 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 at the current year tax rates. Current and deferred tax should be recognised 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 recognised, in the same or a different period, directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Current and deferred income tax (continued)**

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 realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

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.

2.31 Dividend distribution

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

2.32 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its related-party relationships, the Company considers the substance of the relationships, not merely the legal form.

2.33 Segment reporting

A segment is a component which can be separated by the Company 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 Company's business segment or the Company's geographical segment.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.34 Accounting estimates**

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.11);
- Estimation of provision (Note 2.18 and Note 23);

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	31.12.2019 VND	31.12.2018 VND
Cash on hand	127,587,035	111,190,397
Cash at bank	773,754,698,722	4,363,983,350,074
Cash equivalents (*)	651,651,393,142	1,943,522,988,136
	<u>1,425,533,678,899</u>	<u>6,307,617,528,607</u>

(*) Cash equivalents are term deposits at banks with an original maturity of 3 months or less and earn an interest rate from 4.3% per annum to 5.0% per annum (as at 31 December 2018: from 4.5% per annum to 5.5% per annum).

As at 31 December 2019, cash and cash equivalents of VND582,679 million (as at 31 December 2018: VND582,679 million) were pledged as collateral assets for the bank loans and VND21,451 million (as at 31 December 2018: VND25,781 million) were managed by banks in relation to borrowings for the specific projects.

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4 INVESTMENTS

(a) Investments held to maturity

	31.12.2019		31.12.2018	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
- Term deposits (*)	116,815,000,000	116,815,000,000	3,317,247,322	3,317,247,322
ii. Long-term				
- Term deposits (**)	41,763,600,000	41,763,600,000	-	-
	158,578,600,000	158,578,600,000	3,317,247,322	3,317,247,322

(*) The short-term investments held to maturity are bank deposits with an original maturity of from 12 months to 21 months and to mature in 2020 with the interest rate from 6.8% per annum to 7.5% per annum (as at 31 December 2018: 5.1% per annum).

As at 31 December 2019, short-term deposits of VND116,815 million (as at 31 December 2018: nil) were pledged as collateral assets and no term deposits (as at 31 December 2018: VND3,317 million) were managed by bank granting loans for specific projects.

(**) The long-term investments held to maturity are bank deposits with an original maturity of from 16 months to 40 months and to mature in 2021, 2022, 2023 with the interest rate at 7.5% per annum (as at 31 December 2018: nil).

As at 31 December 2019, long-term deposits of VND41,764 million (as at 31 December 2018: nil) were pledged as collateral assets.

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries and associates

	31.12.2019			31.12.2018		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Investments in subsidiaries (i)	34,710,359,617,977	(*)	-	27,411,298,117,977	(*)	-
Investments in associates (ii)	75,392,060,000	(*)	-	85,192,060,000	(*)	-
	<u>34,785,751,677,977</u>		<u>-</u>	<u>27,496,490,177,977</u>		<u>-</u>

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries and associates (continued)

(i) Investments in subsidiaries

No	Name	Location	Principal activities	Ownership (%)	31.12.2019			31.12.2018		
					Cost VND	Fair value VND	Provision VND	Ownership (%)	Cost %	Fair value VND
1	No Va My Dinh Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	6,517,386,000,000	(*)	-	99.99	5,501,386,000,000	(*)
2	Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	96.94	5,020,965,000,000	(*)	-	96.94	5,020,965,000,000	(*)
3	No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	99.99	4,637,742,500,000	(*)	-	99.98	1,202,996,000,000	(*)
4	Bach Hop Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.77	2,148,356,560,000	(*)	-	99.77	2,148,356,560,000	(*)
5	Nova Hospitality Joint Stock Company	Ho Chi Minh City	Real estate trading	100.00	1,846,395,720,000	(*)	-	99.98	21,395,720,000	(*)
6	No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	94.45	1,814,300,000,000	(*)	-	91.76	1,188,300,000,000	(*)
7	Thanh Nhon Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	1,419,868,000,000	(*)	-	99.99	1,319,868,000,000	(*)
8	Gia Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	1,243,200,000,000	(*)	-	99.99	1,243,200,000,000	(*)
9	Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	1,078,775,700,000	(*)	-	99.98	1,078,775,700,000	(*)
10	Sun City Investment and Development Real Estate Company Limited (****)	Ho Chi Minh City	Real estate trading	49.00	955,500,000,000	(*)	-	49.00	955,500,000,000	(*)
11	Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Transportation support, real estate trading	59.73	941,511,225,000	(*)	-	59.73	941,511,225,000	(*)
12	Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.77	936,201,410,000	(*)	-	99.77	936,201,410,000	(*)
13	Thanh Nhon Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	51.00	732,869,100,000	(*)	-	51.00	732,869,100,000	(*)
14	The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	709,939,200,000	(*)	-	99.81	338,947,200,000	(*)
15	Ngoc Linh Hoa Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.83	579,000,000,000	(*)	-	99.83	579,000,000,000	(*)

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries and associates (continued)

(i) Investments in subsidiaries (continued)

No	Name	Location	Principal activities	31.12.2019				31.12.2018			
				Ownership (%)	Cost VND	Fair value VND	Provision VND	Ownership (%)	Cost %	Fair value VND	Provision VND
29	Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	99,995,000,000	(*)	-	100.00	99,995,000,000	(*)	-
30	Phong Dien Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	50.99	49,014,100,000	(*)	-	50.99	49,014,100,000	(*)	-
31	Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	45,500,000,000	(*)	-	65.00	45,500,000,000	(*)	-
32	Novaland Agent One Member Company Limited	Ho Chi Minh City	Real estate trading	100.00	20,000,000,000	(*)	-	100.00	20,000,000,000	(*)	-
33	Ky Nguyen Urban Development Joint Stock Company	Ho Chi Minh City	Real estate trading	0.01	510,000,000	(*)	-	51.00	510,000,000	(*)	-
34	No Va Land Company Limited	Ho Chi Minh City	Real estate trading	-	-	(*)	-	99.99	469,967,000,000	(*)	-
35	Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	-	-	(*)	-	100.00	81,600,000,000	(*)	-
					34,710,359,617,977		-		27,411,298,117,977		-

(*) As at 31 December 2019 and 31 December 2018, the Company has not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements do not provide the detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

(**) According to Resolution 68/2019-NQ.HDQT-NVLG and Resolution 69/2019-NQ.HDQT-NVLG dated 21 November 2019, the Company approved the transfer decision and transfer price of the entire contributed capital in Phuoc Long Investment and Development Company Limited.

(***) According to Resolution 49/2019-NQ.HDQT-NVLG dated 25 September 2019 and Resolution 64/2019-NQ.HDQT-NVLG date 14 November 2019, the Company approved the transfer decision and transfer price of the entire contributed capital in No Va Land Company Limited.

(****) The Company holds control over these subsidiaries through ownership of other subsidiaries in the Group.

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries and associates (continued)

(ii) Investments in associates

No	Company	Location	Principal activities	31.12.2019				31.12.2018			
				Ownership	Cost	Fair value	Provision	Ownership	Cost	Fair value	Provision
				%	VND	VND	VND	VND	%	VND	VND
1	Ben Thanh Housing Service and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	25.00	60,600,000,000	(*)	-	25.00	60,600,000,000	(*)	-
2	Saigon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Trading electronic equipment, telecommunications	33.31	14,792,060,000	(*)	-	33.31	14,792,060,000	(*)	-
3	234 Thanh My Loi Joint Stock Company	Ho Chi Minh City	Real estate trading	-	-	-	-	50.00	9,800,000,000	(*)	-
					75,392,060,000		-		85,192,060,000		-

(*) As at 31 December 2019 and 31 December 2018, the Company has not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2019 VND	31.12.2018 VND
Third parties	74,341,482,802	101,843,373,274
Related parties (Note 39(b))	32,989,426,244	40,024,130,644
	<u>107,330,909,046</u>	<u>141,867,503,918</u>

As at 31 December 2019 and 31 December 2018, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

As at 31 December 2019 and 31 December 2018, there was no third party customer who has the balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.12.2019 VND	31.12.2018 VND
Third parties		
<i>Saigon General Service Joint Stock Company</i>	323,024,476,227	323,024,476,227
<i>Others</i>	22,110,997,780	51,185,379,623
	<u>345,135,474,007</u>	<u>374,209,855,850</u>

7 SHORT-TERM LENDING

	As at 1.1.2019 VND	Increase VND	Decrease VND	As at 31.12.2019 VND
Related parties (Note 39(b))	7,520,000,000	-	(7,520,000,000)	-

Short-term lending represents a lending to related parties without collateral assets at the interest rate of 11.2% per annum and fully collected in 2019 (as at 31 December 2018: 11.2% per annum).

8 OTHER RECEIVABLES**(a) Short-term**

	31.12.2019		31.12.2018	
	Book value	Provision	Book value	Provision
	VND	VND	VND	VND
Deposits for share acquisitions and capital contribution	1,170,485,544,327	-	24,000,000,000	-
Deposits	125,794,551,862	-	25,338,241,862	-
Dividend receivables	99,718,412,000	-	50,739,880,000	-
Interest receivables from lendings	8,087,993,851	-	16,631,053,340	-
Advances	2,938,418,453	-	465,814,040	-
Deposits for investment consulting services	-	-	273,253,992,251	-
Others	62,099,018,136	-	64,275,472,435	-
	<u>1,469,123,938,629</u>	<u>-</u>	<u>454,704,453,928</u>	<u>-</u>

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

	31.12.2019		31.12.2018	
	Book value	Provision	Book value	Provision
	VND	VND	VND	VND
Third parties (*)	268,658,633,624	-	338,899,727,115	-
Related parties (Note 39(b))	1,200,465,305,005	-	115,804,726,813	-
	<u>1,469,123,938,629</u>	<u>-</u>	<u>454,704,453,928</u>	<u>-</u>

(*) Details of other short-term receivables from third parties accounting for 10% or more of the total balance were as follows:

Name	31.12.2019	31.12.2018
	VND	VND
Aqua Dona City Company Limited	100,000,000,000	-
Ms. Le Nguyen Diem My	75,000,000,000	-
Nam A Footwear Import Export Joint Stock Company	46,460,461,660	24,000,000,000
SSR Investment and Development Real Estate Company Limited	-	260,733,831,709

8 OTHER RECEIVABLES (continued)**(b) Long-term**

	31.12.2019		31.12.2018	
	Book value VND	Provision VND	Book value VND	Provision VND
Development and Business co-operation projects (*)	265,000,000,000	-	-	-
Others	29,943,665,239	-	25,087,340,239	-
	<u>294,943,665,239</u>	<u>-</u>	<u>25,087,340,239</u>	<u>-</u>

(*) The balance represents the amount paid for project development and investment cooperation with related parties and third-parties. The type of this co-operation contract is BCC in form of shared profits. The Company will be shared profit of the projects based on the agreed sharing ratio between parties in the agreement. The shared profit will be calculated based on the profit of the project and actual investment ratio of each parties. This balance and the shared profit will be received by the Company under the term of BCC.

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

	31.12.2019		31.12.2018	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties (*)	89,261,347,784	-	19,405,022,784	-
Related parties (Note 39(b))	205,682,317,455	-	5,682,317,455	-
	<u>294,943,665,239</u>	<u>-</u>	<u>25,087,340,239</u>	<u>-</u>

(*) Details of other long-term receivable of third party which account for 10% or more of the total balance were as follows:

	31.12.2019 VND	31.12.2018 VND
Da Lat Lake Real Estate Company Limited	65,000,000,000	-
Thanh Nien Viet Nam Tourism One member Company Limited	<u>16,500,000,000</u>	<u>16,500,000,000</u>

As at 31 December 2019 and 31 December 2018, there was no balance of other receivables which was past due or not past due but doubtful.

9 DOUBTFUL DEBTS

The Company had no doubtful debt as at the separate balance sheet date.

10 INVENTORIES

	31.12.2019 VND	31.12.2018 VND
Properties in construction progress (i)	2,209,676,225,738	2,207,809,612,909
Property merchandises	124,255,571,254	140,018,384,477
Completed properties (ii)	25,314,506,462	6,325,993,180
Others	2,007,622,724	3,667,084,425
	<u>2,361,253,926,178</u>	<u>2,357,821,074,991</u>

(i) The properties in construction progress mainly include land costs, construction costs, consulting and designing fees and other costs relating to the projects. As at 31 December 2019, the projects were in construction progress and they were expected to be completed and handed over in 2020 and following years.

(ii) As at 31 December 2019, the balance of completed properties mainly represents the value of Lucky Dragon project which is located at No. 359 Do Xuan Hop, Phuoc Long B Ward, District 9, Ho Chi Minh City and Orchard Garden project which is located at No. 128 Hong Ha, Ward 9, Phu Nhuan District, Ho Chi Minh City.

As at 31 December 2019 and 31 December 2018, there was no interest expenses capitalised into value of properties.

11 PREPAID EXPENSES**(a) Short-term**

	31.12.2019 VND	31.12.2018 VND
Prepaid interest expense	-	27,597,384,840
Deferred expenses which were allocated based on revenue from sale of real estate	13,068,338,572	11,739,059,917
Tools, supplies and deferred expenses	18,689,128,987	9,334,172,012
Others	14,960,342,465	9,358,127,798
	<u>46,717,810,024</u>	<u>58,028,744,567</u>

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11 PREPAID EXPENSES (continued)
(b) Long-term

	31.12.2019 VND	31.12.2018 VND
Renovation	72,207,090,994	82,749,424,868
Tools and supplies	9,565,609,604	1,576,053,604
Deferred expenses which were allocated based on revenue from sale of real estate	579,920,906	579,920,906
Others	34,508,653,826	46,055,690,334
	<u>116,861,275,330</u>	<u>130,961,089,712</u>

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

	2019 VND	2018 VND
Beginning of year	130,961,089,712	73,413,813,498
Addition	42,927,645,145	79,999,138,334
Transfers from construction in progress (Note 15)	-	58,419,635,995
Allocation	(57,027,459,527)	(80,871,498,115)
End of year	<u>116,861,275,330</u>	<u>130,961,089,712</u>

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12 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2019	457,606,051,440	5,872,135,809	50,292,765,336	28,322,626,221	99,000,000	542,192,578,806
New purchases	-	2,994,173,574	-	10,493,626,809	-	13,487,800,383
Transfers from construction in progress (Note 15)	25,229,038,713	10,914,220,240	-	-	-	36,143,258,953
Disposals	-	-	(15,166,727,273)	-	-	(15,166,727,273)
As at 31 December 2019	482,835,090,153	19,780,529,623	35,126,038,063	38,816,253,030	99,000,000	576,656,910,869
Accumulated depreciation						
As at 1 January 2019	(15,633,376,289)	(4,041,095,431)	(23,902,072,064)	(13,022,820,807)	(99,000,000)	(56,698,364,591)
Charge for the year	(10,672,117,617)	(890,263,960)	(6,906,580,378)	(5,869,925,350)	-	(24,338,887,305)
Disposals	-	-	5,288,237,408	-	-	5,288,237,408
As at 31 December 2019	(26,305,493,906)	(4,931,359,391)	(25,520,415,034)	(18,892,746,157)	(99,000,000)	(75,749,014,488)
Net book value						
As at 1 January 2019	441,972,675,151	1,831,040,378	26,390,693,272	15,299,805,414	-	485,494,214,215
As at 31 December 2019	456,529,596,247	14,849,170,232	9,605,623,029	19,923,506,873	-	500,907,896,381

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2019 was VND19,969 million (as at 31 December 2018: VND15,464 million).

As at 31 December 2019, plant and buildings in Can Tho with historical cost amounting to VND415,806,227,569 (as at 31 December 2018: nil) were pledged with Deutsche Investition Und Entwicklung Gsgesellschaft MBH and Ho Chi Minh City Development Joint Stock Commercial Bank as collateral or mortgaged assets for borrowings granted to the Company.

12 FIXED ASSETS (continued)**(b) Intangible fixed assets**

	Land use rights VND	Software and trade mark VND	Total VND
Historical cost			
As at 1 January 2019	68,582,465,587	22,950,078,610	91,532,544,197
New purchases	-	11,093,259,845	11,093,259,845
Transfers from construction in progress (Note 15)	119,702,360	65,643,483,220	65,763,185,580
As at 31 December 2019	<u>68,702,167,947</u>	<u>99,686,821,675</u>	<u>168,388,989,622</u>
Accumulated amortisation			
As at 1 January 2019	-	(10,010,464,711)	(10,010,464,711)
Charge for the year	-	(16,750,046,411)	(16,750,046,411)
As at 31 December 2019	<u>-</u>	<u>(26,760,511,122)</u>	<u>(26,760,511,122)</u>
Net book value			
As at 1 January 2019	<u>68,582,465,587</u>	<u>12,939,613,899</u>	<u>81,522,079,486</u>
As at 31 December 2019	<u>68,702,167,947</u>	<u>72,926,310,553</u>	<u>141,628,478,500</u>

The historical cost of fully amortised intangible fixed assets as at 31 December 2019 was VND9,950 million (as at 31 December 2018: VND2,754 million).

As at 31 December 2019 and 31 December 2018, Land use rights in Can Tho with historical cost amounting to VND33,701, 967,327 (as at 31 December 2018: nil) were pledged with Deutsche Investition Und Entwicklun Gsgesellschaft MBH and Ho Chi Minh City Development Joint Stock Commercial Bank as collateral or mortgaged assets for borrowings granted to the Company.

13 INVESTMENT PROPERTIES FOR LEASING

	Buildings, structures VND	Land use rights VND	Total VND
Historical cost			
As at 1 January 2019	309,950,783,731	1,006,049,946,363	1,316,000,730,094
Transfers from inventories	2,191,850,226	-	2,191,850,226
Others	2,130,029,568	-	2,130,029,568
As at 31 December 2019	<u>314,272,663,525</u>	<u>1,006,049,946,363</u>	<u>1,320,322,609,888</u>
Accumulated depreciation			
As at 1 January 2019	(23,011,023,961)	-	(23,011,023,961)
Charge for the year	(6,127,393,522)	-	(6,127,393,522)
As at 31 December 2019	<u>(29,138,417,483)</u>	<u>-</u>	<u>(29,138,417,483)</u>
Net book value			
As at 1 January 2019	<u>286,939,759,770</u>	<u>1,006,049,946,363</u>	<u>1,292,989,706,133</u>
As at 31 December 2019	<u>285,134,246,042</u>	<u>1,006,049,946,363</u>	<u>1,291,184,192,405</u>

As at 31 December 2019 and 31 December 2018, an investment property with total historical cost amounting to VND933,357,140,000 were pledged with Kien Long Commercial Joint Stock Bank – Sai Gon branch as collateral or mortgaged assets for borrowings granted to the Company.

14 LONG-TERM WORK IN PROGRESS

This balance comprised of the work in progress amount of the projects located at Thao Dien Ward, District 2 and at Phu Huu Ward, District 9, Ho Chi Minh City. These projects are in the progress of completing the legal papers for future developments.

15 CONSTRUCTION IN PROGRESS

	31.12.2019 VND	31.12.2018 VND
Renovation	17,767,992,676	19,493,162,674
Purchase fixed assets	19,029,469,091	62,467,019,800
Others	245,200,000	68,880,000
	<u>37,042,661,767</u>	<u>82,029,062,474</u>

15 CONSTRUCTION IN PROGRESS (continued)

Movements in construction in progress during the year were as follows:

	2019 VND	2018 VND
Beginning of year	82,029,062,474	68,421,691,721
New purchase	56,920,043,826	64,000,655,069
Transfer from inventory	-	463,147,158,451
Transfer from long-term prepaid expense (Note 11(b))	-	(58,419,635,995)
Transfer to tangible fixed asset (Note 12(a))	(36,143,258,953)	(415,806,227,569)
Transfer to intangible fixed asset (Note 12(b))	(65,763,185,580)	(39,314,579,203)
Closing of year	<u>37,042,661,767</u>	<u>82,029,062,474</u>

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2019		31.12.2018	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	55,558,820,483	55,558,820,483	132,294,770,060	132,294,770,060
Related parties (Note 39(b))	316,457,900	316,457,900	547,623,294	547,623,294
	<u>55,875,278,383</u>	<u>55,875,278,383</u>	<u>132,842,393,354</u>	<u>132,842,393,354</u>

(*) Details of short-term trade account payables from third parties accounting for 10% or more of the total balance were as follows:

	31.12.2019 VND	31.12.2018 VND
Binh An Real Estate Investment Development Joint Stock Company	-	41,102,838,283
Standard Chartered Bank (Vietnam) Limited	-	26,266,850,000
	<u>-</u>	<u>67,369,688,283</u>

As at 31 December 2019 and 31 December 2018, there was no balance of short-term trade accounts payable that was past due.

17 SHORT-TERM ADVANCES FROM CUSTOMERS

The short-term advances from customers mainly include advances from customers according to the property transfer agreements of the Company's projects. The amount is recognised as revenue when the Company completes and hands over properties to customers.

As at 31 December 2019 and 31 December 2018, there were no customers accounting for 10% or more of total the short-term advances from customers.

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18 TAX AND OTHER (RECEIVABLES) FROM/PAYABLES TO THE STATE

Movements in tax and other (receivables) from/payables to the State during the year were as follows:

	Opening balance VND	(Receivable)/payable during the year VND	Net off in year VND	Payment during the year VND	Closing balance VND
(a) Tax receivables					
VAT to be reclaimed	(133,012,370,674)	(55,613,655,024)	128,248,472,960	-	(60,377,552,738)
Overpaid VAT	(1,044,485,377)	-	-	-	(1,044,485,377)
BIT temporarily paid 1%	(3,665,249,337)	-	266,404,354	-	(3,398,844,983)
Overpaid BIT	-	-	(266,404,354)	-	(266,404,354)
	<u>(137,722,105,388)</u>	<u>(55,613,655,024)</u>	<u>128,248,472,960</u>	<u>-</u>	<u>(65,087,287,452)</u>
(b) Tax payables					
VAT on domestic sales	-	128,248,472,960	(128,248,472,960)	-	-
BIT	276,161,851,923	346,085,728	-	(276,507,937,651)	-
Personal income tax	13,789,245,236	82,086,659,641	-	(95,019,009,926)	856,894,951
Others	12,671,286,334	93,925,098,163	-	(95,519,833,006)	11,076,551,491
	<u>302,622,383,493</u>	<u>304,606,316,492</u>	<u>(128,248,472,960)</u>	<u>(467,046,780,583)</u>	<u>11,933,446,442</u>

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19 SHORT-TERM ACCRUED EXPENSES

	31.12.2019 VND	31.12.2018 VND
Interest expense	514,440,459,761	857,276,333,771
Construction costs	154,502,730,826	223,943,287,387
Others	77,386,951,230	102,243,295,987
	<u>746,330,141,817</u>	<u>1,183,462,917,145</u>

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

	31.12.2019 VND	31.12.2018 VND
Third parties		
<i>Credit Suisse AG, Singapore Branch</i>	205,705,950,276	118,107,474,349
<i>The Bank of New York Mellon</i>		
<i>– London Branch</i>	112,644,941,628	72,904,490,754
<i>Crane Investments Limited In Respect Of</i>		
<i>Series 211</i>	81,680,064,968	52,180,537,256
<i>Others</i>	346,299,184,945	750,826,049,593
Related parties (Note 39(b))	-	189,444,365,193
	<u>746,330,141,817</u>	<u>1,183,462,917,145</u>

20 UNEARNED REVENUE
(a) Short-term unearned revenue

	31.12.2019 VND	31.12.2018 VND
Third parties	70,350,192	120,077,672
Related parties (Note 39(b))	1,369,094,612	1,369,094,617
	<u>1,439,444,804</u>	<u>1,489,172,289</u>

(b) Long-term unearned revenue

	31.12.2019 VND	31.12.2018 VND
Related parties (Note 39(b))	<u>63,005,509,560</u>	<u>64,377,614,795</u>

21 OTHER PAYABLES**(a) Short-term**

	31.12.2019 VND	31.12.2018 VND
Dividends payables	49,231,808,219	28,155,000,000
Maintenance fund payables (i)	6,069,599,332	53,409,370,899
Deposits (ii)	1,175,000,000	5,031,478,355
Project development and investment co-operation (*)	-	904,000,000,000
Others	17,434,407,395	11,032,556,166
	<u>73,910,814,946</u>	<u>1,001,628,405,420</u>

As at 31 December 2019 and 31 December 2018, there was no balance of other short-term payables that was past due.

- (i) The maintenance fund payables represent 2% of the total net value of the sale contract which the Company 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 are deposits from customers for the purchase; deposit for decoration of apartments and commercial areas.

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

	31.12.2019 VND	31.12.2018 VND
Third parties		
Mr. Nguyen Hieu Liem	38,931,780,822	21,375,000,000
Mr. Truong Ngoc Minh	10,300,027,397	6,780,000,000
Nova Homes Trading Joint Stock Company	-	904,000,000,000
Others	24,679,006,727	69,473,405,420
	<u>73,910,814,946</u>	<u>1,001,628,405,420</u>

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21 OTHER PAYABLES
(b) Long-term

	31.12.2019 VND	31.12.2018 VND
Project development and investment co-operation (*)	7,929,673,616,439	-
Others	1,958,399,999	1,540,932,195
	<u>7,931,632,016,438</u>	<u>1,540,932,195</u>

(*) The balance represents the amount received for project development and investment cooperation with related parties and third-parties. The type of this co-operation contract is BCC in form of shared profits. The Company will share profit of the projects based on the agreed sharing ratio between parties in the agreement. The shared profit will be calculated based on the profit of the project and actual investment ratio of each parties. This balance and the shared profit will be paid by the Company under the term of BCC.

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

	31.12.2019 VND	31.12.2018 VND
Third parties		
<i>Nova Homes Trading Joint Stock Company</i>	3,124,453,616,439	-
<i>Others</i>	1,958,399,999	1,540,932,195
Related parties (Note 39(b))	4,805,220,000,000	-
	<u>7,931,632,016,438</u>	<u>1,540,932,195</u>

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22 BORROWINGS

(a) Short-term

	Opening balance VND	New Drawdowns VND	Foreign exchange VND	Reclassification VND	Current portion of long - term borrowings VND	Repayments/allocation of bond issue fees VND	Closing balance VND
Bank loans (*)	901,177,514,763	342,976,869,652	(652,500,000)	-	100,546,427,908	(900,790,371,105)	443,257,941,218
Borrowings from related parties (**) (Note 39(b))	1,063,545,777,805	-	-	-	-	(1,063,545,777,805)	-
Borrowings from third parties (***)	1,593,312,500,000	2,325,000,000,000	(4,537,500,000)	(464,900,000,000)	2,397,812,500,000	(3,448,875,000,000)	2,397,812,500,000
Bonds (****)	5,041,840,000,000	600,000,000,000	-	-	1,346,000,000,000	(5,041,840,000,000)	1,946,000,000,000
Bond issue fees	(18,541,998,854)	(8,244,320,000)	-	-	(7,847,875,965)	25,790,010,174	(8,844,184,645)
	8,581,333,793,714	3,259,732,549,652	(5,190,000,000)	(464,900,000,000)	3,836,511,051,943	(10,429,261,138,736)	4,778,226,256,573

(b) Long-term loans

	Opening balance VND	New Drawdowns VND	Foreign exchange VND	Reclassification VND	Current portion of long - term borrowings VND	Repayments/allocation of bond issue fees VND	Closing balance VND
Bank loans (*)	317,625,000,000	1,162,380,000,000	(900,000,000)	-	(100,546,427,908)	-	1,378,558,572,092
Borrowings from third parties (***)	3,834,687,500,000	1,393,200,000,000	(500,000,000)	464,900,000,000	(2,397,812,500,000)	-	3,294,475,000,000
Bonds (****)	7,801,555,000,000	1,910,000,000,000	(5,975,000,000)	-	(1,346,000,000,000)	(400,000,000,000)	7,959,580,000,000
Bond issue fees	(312,286,329,873)	(36,291,681,904)	-	-	7,847,875,965	84,531,338,070	(256,198,797,742)
	11,641,581,170,127	4,429,288,318,096	(7,375,000,000)	464,900,000,000	(3,836,511,051,943)	(315,468,661,930)	12,376,414,774,350

22 BORROWINGS (continued)

(*) Details of closing balances of borrowings from banks were as follows:

	31.12.2019 VND	31.12.2018 VND
Short-term borrowings		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Nam Sai Gon Branch (i)	224,711,513,310	226,342,014,763
Industrial and Commercial Bank of China Limited - Ha Noi Branch (ii)	118,000,000,000	-
Kien Long Commercial Joint Stock Bank – Sai Gon Branch (iii)	67,375,000,000	48,125,000,000
Deutsche Investition Und Entwicklun Gsgesellschaft MBH (v)	33,171,427,908	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland	-	313,807,500,000
Maybank International Labuan Branch	-	188,284,500,000
The Shanghai Commercial & Savings Bank, Ltd. – Offshore Banking Branch	-	62,761,500,000
Chailease International Financial Services Co., Ltd	-	41,841,000,000
Malayan Banking Behard - Ho Chi Minh City Branch	-	20,016,000,000
	<u>443,257,941,218</u>	<u>901,177,514,763</u>
Long-term borrowings		
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (iv)	673,380,000,000	-
Deutsche Investition Und Entwicklun Gsgesellschaft MBH (v)	431,228,572,092	-
Kien Long Commercial Joint Stock Bank – Sai Gon Branch (iii)	250,250,000,000	317,625,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 1 (iv)	23,000,000,000	-
Ho Chi Minh City Development Joint Stock Commercial Bank (v)	700,000,000	-
	<u>1,378,558,572,092</u>	<u>317,625,000,000</u>

As at 31 December 2019 and 31 December 2018, there was no balance of short-term borrowings that was past due.

- (i) This is borrowing in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of twelve months (12) to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 31 December 2019, the Company had the outstanding balance of VND224,711,513,310 which bears an interest rate from 6.7% per annum to 7.3% per annum. These borrowings are guaranteed by the Company's deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, not exceed 10%.

22 BORROWINGS (continued)

- (ii) This is borrowing in Vietnamese Dong under a credit facility of VND350,000,000,000 for a term of twelve months (12) to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 31 December 2019, the Company had the outstanding balance of VND118,000,000,000 which bears an interest rate of 8.9% per annum. These borrowings are guaranteed by shares of the companies owned by the Company's shareholders.
- (iii) These are borrowing in Vietnamese Dong with a credit limit of VND385,000,000,000 for a term of sixty (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 (2) 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 31 December 2019, the Company had the outstanding balance of VND317,650,000,000 which bears an interest rate of 11% per annum. These borrowings are secured by a real estate in District 1, Ho Chi Minh City.
- (iv) This is borrowing with Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland, in which Vietnam Joint Stock Commercial Bank for Industry and Trade (Viettinbank) – Branch No.1 is the agent and representative to receive and deal with collaterals. Borrowing amount is USD30 million, in which with respective parties as Viettinbank – Branch No.1 (USD1 million, equivalent to VND23 billion) and Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (USD29 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 rate of personal 12-month savings of Viettinbank – Branch No.1 plus a margin of 4% per annum. These borrowings are secured by parking areas of three (3) Sunrise City projects (South, Central, North) and two (2) commercial blocks of Sunrise City South project.
- (v) These are borrowings with a credit facility of USD20,000,000 and VND700,000,000, including 2 loans as follow:
 - The borrowings in USD with a credit limit of USD20,000,000 from Deutsche Investitions-und Entwicklungsgesellschaft mbH. The loan duration is ninety-six (96) months and does not exceed 15 June 2027. The interest rate is defined as the 6-month LIBOR rate plus the margin of 4.4% per annum. Interest is paid every six (6) months.
 - The borrowings in Vietnamese Dong with a credit limit of VND700,000,000 from Ho Chi Minh City Development Joint Stock Commercial Bank for a term of ninety-six (96) months from the date following the date of drawdown and does not exceed 15 June 2027. The principal is paid on a six-month basis and the grace period is twelve (12) months since the drawdown date. Interest rate is 12% per annum for the first three months and since the fourth month, the interest is defined at a rate of the twelve-month saving deposits from individuals in Vietnamese Dong (paid in arrears) in Ho Chi Minh City Housing Development Joint Stock Commercial Bank plus the margin of 4.7% per annum.

These borrowings are secured by the land use right and the properties associated with the land belonging to a project in Can Tho province.

- (**) These are borrowings from related parties and fully repaid in 2019.

22 BORROWINGS (continued)

(***) Details of closing balances of borrowings from third parties were as follows:

	31.12.2019 VND	31.12.2018 VND
Short-term borrowings		
GPI3 Company Limited (i)	1,392,000,000,000	-
Credit Suisse AG, Singapore Branch(ii)	667,859,500,000	286,225,500,000
Crane Investments Limited In Respect Of Series 211 (ii)	337,953,000,000	144,837,000,000
GW Supernova Pte.Ltd. (iv)	-	1,162,250,000,000
	<u>2,397,812,500,000</u>	<u>1,593,312,500,000</u>
Long-term borrowings		
Credit Suisse AG, Singapore Branch (iii)	1,393,200,000,000	-
Credit Suisse AG, Singapore Branch(ii)	954,085,000,000	1,621,944,500,000
Crane Investments Limited In Respect Of Series 211 (ii)	482,790,000,000	820,743,000,000
GW Supernova Pte.Ltd. (iv)	464,400,000,000	-
GPI3 Company Limited (i)	-	1,392,000,000,000
	<u>3,294,475,000,000</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 31 December 2019, an amount of USD60,000,000 was disbursed partially by GPI3 Co., Ltd.

22 BORROWINGS (continued)

- (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 31 December 2019, these borrowings were paid USD18,750,000.
- (iii) These are borrowings according to the loan agreement and appendices with a credit facility of USD100,000,000, which is arranged by Credit Suisse AG, Singapore Branch. 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 11.5% per annum. These borrowings are secured by shares of the Company owned by shareholders. Until 31 December 2019, an amount of USD60,000,000 was disbursed partially.
- (iv) 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. As at 1 April 2019, the Company settled before due date the convertible borrowings amounting to USD30,000,000 and repurchased convertible right. Cost related to repurchase convertible right was disclosed as financial expense in this financial year (Note 31). As at 31 December 2019, the borrowing of USD30,000,000 was settled and the borrowing of USD20,000,000 was extended to March 2021.

22 BORROWINGS (continued)

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

	31.12.2019 VND	31.12.2018 VND
Short-term bonds		
Bond issued at par value		
Tien Phong Commercial Joint Stock Bank (i)	800,000,000,000	-
MB Securities Joint Stock Company (ii)	400,000,000,000	-
Bao Viet Group (iii)	200,000,000,000	-
Vietnam Public Joint Stock Commercial Bank – Sai Gon Branch (iv)	200,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh Branch (v)	146,000,000,000	295,000,000,000
VietinBank Insurance Joint Stock Company (vi)	100,000,000,000	-
VietinBank Gold and Jewelry Company Limited (vi)	100,000,000,000	-
Vietnam Technological and Commercial Joint Stock Bank	-	1,500,000,000,000
Indovina Bank Limited	-	1,050,000,000,000
Techcom Securities Joint Stock Company	-	750,000,000,000
Military Joint Stock Commercial Bank – North Sai Gon Branch	-	500,000,000,000
MB Securities Joint Stock Company	-	400,000,000,000
IB Securities Joint Stock Company	-	346,840,000,000
VietinBank Insurance Joint Stock Company	-	100,000,000,000
VietinBank Gold and Jewelry Company Limited	-	100,000,000,000
	1,946,000,000,000	5,041,840,000,000

22 BORROWINGS (continued)

(****) Details for the closing balances of issued bonds were as follows: (continued)

	31.12.2019 VND	31.12.2018 VND
Long-term bonds		
Bond issued at par value		
The Bank of New York Mellon – London Branch (vii)	5,549,580,000,000	5,555,555,000,000
Vietnam Public Joint Stock Commercial Bank – Sai Gon Branch (iv)	1,100,000,000,000	-
Tien Phong Commercial Joint Stock Bank (i)	700,000,000,000	1,500,000,000,000
MB Securities Joint Stock Company (viii)	410,000,000,000	-
Agribank Securities Corporation (ix)	200,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh Branch (vi)	-	146,000,000,000
Military Joint Stock Commercial Bank – North Sai Gon Branch	-	400,000,000,000
Bao Viet Group (iii)	-	200,000,000,000
	<u>7,959,580,000,000</u>	<u>7,801,555,000,000</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 Tien Phong Bank 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.

22 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 Baoviet Holdings, 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 (12) 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.
- (iv) 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.
- (v) 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 reference rate 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. As at 31 December 2019, the Company repurchased total VND590,000,000,000 of par value, the remaining balance of bonds is VND146,000,000,000. 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.

22 BORROWINGS (continued)

- (vi) 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.
- (vii) 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 Company (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 31 December 2019, the Group repurchased USD1,000,000 of par value, the remaining balance of bonds is USD239,000,000. As the convertible price is undetermined at issuance date, the Board of Directors assessed that there is no equity portion in these convertible bonds.
- (viii) Bonds issued at par value in Vietnamese Dong, include:
- Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong to MB Securities Joint Stock Company 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.
 - Bonds issued at par value of VND210,000,000,000 in Vietnamese Dong to MB Securities Joint Stock Company maturing in December 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.

22 BORROWINGS (continued)

- (ix) Bonds issued at par value in Vietnamese Dong to Agribank Securities Joint Stock Company with a total par value of VND200,000,000,000, maturing in December 2023. The interest rate for the first interest period is 11% per annum. The interest rate applied for the remaining period will be adjusted every six (6) months and defined as a reference rate plus 4% 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 Bank for Agriculture and Rural Development of Vietnam. These bonds are secured by shares of the Company owned by the shareholders.

23 PROVISION FOR LONG-TERM LIABILITIES

As at 31 December 2019, this balance represented the provision for warranty of properties that have been completed and handed over at the reporting date.

24 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. The details were as follows:

	31.12.2019 VND	31.12.2018 VND
Deferred tax assets:		
Deferred tax assets to be recovered after 12 months	975,873,572	975,873,572

Movements in the deferred income tax were as follows:

	31.12.2019 VND	31.12.2018 VND
Beginning of year	975,873,572	975,873,572
Separate income statement charge	-	-
End of year	975,873,572	975,873,572

The deferred income tax assets mainly arise from the temporary differences relating to depreciation of fixed assets, capitalised interest expense and accrual for other operating expenses. The Company 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.

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24 DEFERRED INCOME TAX (continued)

The Company's tax losses can be carried forward to offset against future taxable profit for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Company's future taxable profit is:

Year of tax loss	Status of tax authorities' review	Tax loss incurred VND	Loss utilised VND	Tax loss carried forward VND
2016	Reviewed	181,172,619,981	(82,691,950,982)	98,480,668,999
2017	Reviewed (*)	876,255,296,654	-	876,255,296,654
2018	Reviewed (*)	1,754,193,537,110	-	1,754,193,537,110
2019	Outstanding (*)	1,781,706,900,865	-	1,781,706,900,865

(*) As at the issuance date of these separate financial statements, the tax loss is not taken to account for the impact of Degree 20/2017/ND-CP dated 27 February 2017 because this degree is on draft.

The Company did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefit through future taxable profit currently cannot be assessed as probable.

25 OWNERS' CAPITAL

(a) Number of shares

	31.12.2019		31.12.2018	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	969,540,797	-	930,446,674	6,830,000
Number of shares issued	969,540,797	-	930,446,674	6,830,000
Number of existing shares in circulation	930,446,674	-	930,446,674	6,830,000

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25 OWNERS' CAPITAL (continued)

(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 1 January 2018	642,828,788	6,830,000	649,658,788
Issuance of ordinary shares under employee stock ownership plan ("ESOP")	32,479,962		32,479,962
Bonus shares issued from share premium	202,317,178		202,317,178
Issuance of ordinary shares	52,500,000	-	52,500,000
Issuance of ordinary shares for converting bonds	320,746	-	320,746
As at 31 December 2018	930,446,674	6,830,000	937,276,674
New shares issued for ESOP 2019	18,604,123	-	18,604,123
New shares issued for converting preference shares	20,490,000	(6,830,000)	13,660,000
As at 31 December 2019	<u>969,540,797</u>	<u>-</u>	<u>969,540,797</u>

Par value per share: VND10,000.

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital			Post-tax undistributed earnings VND	Total VND
	Ordinary shares VND	Preferenceshares VND	Share premium VND		
As at 1 January 2018	6,428,287,880,000	68,300,000,000	3,206,830,905,400	1,476,679,367,998	11,180,098,153,398
Issuance of ordinary shares under ESOP to employees	324,799,620,000	-	(110,000,000)	-	324,689,620,000
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
Convertible bonds into shares	3,207,460,000	-	19,565,540,000	-	22,773,000,000
Dividends paid	-	-	-	(20,490,000,000)	(20,490,000,000)
Profit for the year	-	-	-	1,469,560,379,347	1,469,560,379,347
As at 31 December 2018	9,304,466,740,000	68,300,000,000	3,996,839,781,026	2,925,749,747,345	16,295,356,268,371
Issuance of ordinary shares under ESOP to employees (i)	186,041,230,000	-	-	-	186,041,230,000
Transfer of preference share to ordinary share (ii)	204,900,000,000	(68,300,000,000)	(136,600,000,000)	-	-
Cost related to issuance of shares	-	-	(50,000,000)	-	(50,000,000)
Profit for the year	-	-	-	434,354,242,894	434,354,242,894
Dividends paid	-	-	-	(21,076,808,219)	(21,076,808,219)
As at 31 December 2019	9,695,407,970,000	-	3,860,189,781,026	3,339,027,182,020	16,894,624,933,046

25 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) According to the Resolution No. 12/2019-NQ.DHDCD-NVLG dated 26 April 2019 of the General Meeting of Shareholders and the Resolution No. 54/2019-NQ.HDQT-NVLG dated 17 October 2019, the Board of Directors approved the issuance of Shares under the Employee Stock Ownership Plan ("ESOP") with the maximum number of 18,608,933 shares. In 2019, the Company completed the issue of 18,604,123 ordinary shares to employees at par value of VND10,000 per share under the Resolution No. 70/2019-NQ.HDQT-NVLG. As the issuing price is equal to par value of VND10,000 per share, total value of issued share was recorded as the share capital. As at 27 November 2019, total amount of VND186,041,230,000 was fully received by the Company from employees.
- (ii) According to the Resolution No. 71/2019-NQ.HDQT-NVLG dated 3 December 2019, the Board of Directors has approved the issuance of ordinary shares to convert the dividend preference shares ("preference shares") at a ratio of 1:3 (1 dividend preference share will receive 3 ordinary shares). In 2019, the Company completed the conversion of 6,830,000 preference shares into 20,490,000 ordinary shares for the preference shareholders.

27 OFF BALANCE SHEET ITEMS**(a) Foreign currencies and precious metals**

	31.12.2019	31.12.2018
Foreign currency (USD)	15,119,783.97	62,070,830.21

(b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 40.

The future minimum lease payments under non-cancellable operating leases were VND468,257,108,916 and VND350,315,032,136 for the year ended 31 December 2019 and 31 December 2018, respectively (Note 40).

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2019 VND	2018 VND
Revenue from sales of goods and rendering of services		
Revenue from sale of real estate	10,397,346,718	2,603,905,656,083
Rendering of services for corporate management, project development consultancy, sale consultancy and others	1,177,370,187,099	1,093,113,831,688
Revenue from transfers of real estate sales and purchase agreement	-	39,139,086,989
Revenue from leasing properties	93,851,122,066	67,515,738,502
	<u>1,281,618,655,883</u>	<u>3,803,674,313,262</u>
Sales deductions		
Sales returns	(17,808,171,359)	-
	<u>(17,808,171,359)</u>	<u>-</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sale of real estate	(7,410,824,641)	2,603,905,656,083
Net revenue from rendering of services for corporate management, project development consultancy, sale consultancy and others	1,177,370,187,099	1,093,113,831,688
Net revenue from transfers of real estate sales and purchase agreement	-	39,139,086,989
Net revenue from leasing properties	93,851,122,066	67,515,738,502
	<u>1,263,810,484,524</u>	<u>3,803,674,313,262</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	2019 VND	2018 VND
Cost of transfers of real estate sales and purchase agreement	7,759,868,560	628,401,276,897
Cost of rendering of services for corporate management, project development consultancy and sale consultancy	987,232,248,221	863,410,962,166
Cost of transfers of real estate sales	-	32,329,096,097
Cost of leasing properties	24,004,327,947	22,631,229,265
	<u>1,018,996,444,728</u>	<u>1,546,772,564,425</u>

30 FINANCIAL INCOME

	2019 VND	2018 VND
Dividend income	2,242,916,250,307	1,795,658,195,088
Interest from transferring investments in subsidiaries (*)	656,027,696,911	-
Interest income from deposits and loans	77,143,907,643	101,843,292,961
Gain from foreign exchange	23,627,306,351	1,731,208,959
Interest income from investment co-operation	-	38,738,129,342
Others	47,049,844	33,355,964
	<u>2,999,762,211,056</u>	<u>1,938,004,182,314</u>

(*) The profit presents the gain from transferring the investment in subsidiaries including: Phuoc Long Investment and Development Company Limited, Van Phat Investment Development Real Estate Joint Stock Company and No Va Land Company Limited (Note 4(b)(i)).

31 FINANCIAL EXPENSES

	2019 VND	2018 VND
Interest expenses	1,651,978,253,306	1,696,283,554,055
Borrowing related costs (*)	580,428,315,317	186,624,480,156
Expenses on cross currency swap contracts	158,248,658,756	43,611,441,769
Bond issuance fee	110,321,348,244	76,370,113,437
Realised foreign exchange losses	22,842,522,197	149,502,836,535
Others	3,906,024,649	5,091,381,732
	<u>2,527,725,122,469</u>	<u>2,157,483,807,684</u>

(**) Borrowing related costs included mostly cost incurred for repurchasing the convertible borrowings (Note 22).

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32 SELLING EXPENSES

	2019 VND	2018 VND
Depreciation charge	4,154,583,352	675,226,157
Staff costs	745,663,494	328,787,745
Tools and equipment	2,277,295	386,106,416
Outside services	37,922,349,108	47,840,238,810
Others	10,253,418,898	40,902,659,973
	<u>53,078,292,147</u>	<u>90,133,019,101</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	2019 VND	2018 VND
Depreciation charge	7,671,404,932	731,771,386
Office stationary	3,002,908,863	713,731,331
Staff costs	2,768,228,859	4,920,520,429
Tax and other fees	63,777,384	12,859,182
Outside services	77,781,518,416	67,124,557,371
Others	82,954,910,672	69,986,119,225
	<u>174,242,749,126</u>	<u>143,489,558,924</u>

34 OTHER INCOME AND OTHER EXPENSES

	2019 VND	2018 VND
Other income		
Gains on disposal of fixed assets	-	438,660,606
Fines	15,726,990,934	13,488,034,725
Others	311,675,343	312,733,071
	<u>16,038,666,277</u>	<u>14,239,428,402</u>
Other expenses		
Losses on disposal of fixed assets	(3,189,421,674)	-
Fines	(64,415,930,762)	(8,484,515,923)
Others	(3,609,158,057)	(160,290,552)
	<u>(71,214,510,493)</u>	<u>(8,644,806,475)</u>
Other loss	<u>(55,175,844,216)</u>	<u>5,594,621,927</u>

35 BUSINESS INCOME TAX

The Business income tax ("BIT") on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2018: 20%) is as follows:

	2019 VND	2018 VND
Net accounting profit before tax	434,354,242,894	1,809,394,167,369
Tax calculated at a rate of 20% (2018: 20%)	86,870,848,579	361,878,833,474
Effect of:		
Income not subject to tax	(448,583,250,061)	(359,397,257,889)
Expenses not deductible for tax purposes	5,371,021,309	1,900,165,114
Utilisation of previously unrecognised tax losses	-	(16,116,533,962)
Tax losses for which no deferred income tax asset was recognised	356,341,380,173	351,568,581,285
Business income tax charge (*)	-	339,833,788,022
Charged/(credited) to income statement:		
Business income tax – current	-	339,833,788,022
Business income tax – deferred (**)	-	-
	-	339,833,788,022

The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

36 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represents all costs incurred during the year, excluding cost of merchandises for trading activities. The details are as follows:

	2019 VND	2018 VND
Labour costs	816,616,453,045	664,200,683,223
Depreciation charge	47,216,327,238	33,690,947,426
Construction costs and land costs	6,899,843,753	547,653,194,530
Outside services	159,309,378,658	114,964,796,181
Others	130,438,627,009	112,001,476,127
	1,160,480,629,703	1,472,511,097,487

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37 SEGMENT REPORTING

The Board of Management of the Company determines that the management decisions of the Company are primarily based on the types of products and services provided by the Company. As a result, the primary segment reporting of the Company is presented in respect of the Company's business segment.

Information of segment revenue and cost of sale based on the activities of the Company are as follows:

	2019				
	Transfer of real estate VND	Rendering of services for corporate management, project development consultancy, sale consultancy and others VND	Transfers of real estate sales and purchase agreement VND	Leasing properties VND	Total VND
Net revenue	(7,410,824,641)	1,177,370,187,099	-	93,851,122,066	1,263,810,484,524
Cost of goods sold	(7,759,868,560)	(987,232,248,221)	-	(24,004,327,947)	(1,018,996,444,728)
Gross (loss)/profit	(15,170,693,201)	190,137,938,878	-	69,846,794,119	244,814,039,796

	2018				
	Transfer of real estate VND	Rendering of services for corporate management, project development consultancy, sale consultancy and others VND	Transfers of real estate sales and purchase agreement VND	Leasing properties VND	Total VND
Net revenue	2,603,905,656,083	1,093,113,831,688	39,139,086,989	67,515,738,502	3,803,674,313,262
Cost of goods sold	(628,401,276,897)	(863,410,962,166)	(32,329,096,097)	(22,631,229,265)	(1,546,772,564,425)
Gross profit	1,975,504,379,186	229,702,869,522	6,809,990,892	44,884,509,237	2,256,901,748,837

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(a) Non-cash transactions affect of the cash flow statement

	2019 VND	2018 VND
Transfer preference shares and share premiums to ordinary shares	204,900,000,000	-
Issuance of ordinary shares from share premium	- 2,023,171,780,000	
Issuance of ordinary shares for converting debts	- 22,773,000,000	

	2019 VND	2018 VND
Loans granted, purchases of debt instruments of other entities	158,578,600,000	3,317,247,322

	2019 VND	2018 VND
Collection of loans, proceeds from sales of debt instruments of other entities	10,837,247,322	655,823,076,974

	2019 VND	2018 VND
Proceeds from borrowings following normal borrowing contracts	5,223,556,869,652	6,465,792,014,763
Proceeds from bonds issuance	2,465,463,998,096	8,005,201,752,275
	<u>7,689,020,867,748</u>	<u>14,470,993,767,038</u>

	2019 VND	2018 VND
Repayments for borrowings following normal borrowing contracts	5,413,211,148,910	4,732,081,605,185
Repayments for bonds	5,441,840,000,000	3,025,000,000,000
	<u>10,855,051,148,910</u>	<u>7,757,081,605,185</u>

39 RELATED PARTY DISCLOSURES**(a) Related party transactions**

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

	2019 VND	2018 VND
i) Sales of goods and services		
Nova Hospitality Joint Stock Company	177,087,567,103	83,999,995
Nova Riverside Real Estate Company Limited	51,935,588,713	136,893,362,199
Viet Land Development Corporation	43,955,287,200	-
Sun City Real Estate Investment & Development Company Limited	41,301,979,400	23,445,144,034
The 21st Century International Development Company Limited	36,961,400,978	126,737,599,383
Gia Phu Real Estate Company Limited	36,377,219,857	108,877,777,290
Thai Binh Real Estate Trading Joint Stock Company	36,102,533,507	45,905,171,648
Carava Resort Company Limited	27,347,421,202	-
Nova An Phu Company Limited	25,805,260,800	70,742,688,096
Nova Richstar Joint Stock Company	21,097,164,176	76,574,592,172
Nha Rong Investment and Commercial Joint Stock Company	20,539,721,664	65,673,687,132
Huynh Gia Huy Joint Stock Company	20,323,822,200	-
Novaland Agent One Member Company Limited	17,950,336,072	44,727,314,369
Nhat Hoa Real Estate Joint Stock Company	14,042,484,720	47,984,664,861
Aqua City Company Limited	13,572,079,400	-
Vung Tau Youth Hotel and Travel Joint Stock Company	12,670,670,100	12,391,533,693
Nova Sasco Company Limited	11,186,682,742	46,438,487,456
Nova Nam A Company Limited	9,859,002,791	25,077,481,825
Nova Sagel Company Limited	9,443,842,987	9,518,909,012
Merufa-Nova Company Limited	5,687,773,913	11,082,954,979
Nova Rivergate Company Limited	5,225,733,929	25,013,434,636
Nova Princess Residence Joint Stock Company	4,504,688,430	8,344,649,591
Phu Dinh Port Joint Stock Company	2,585,470,800	5,170,941,600
Long Hung Phat Real Estate Investments Company Limited	2,578,780,600	-
No Va Festival Corporation	2,114,548,835	886,320,285
Nova Lucky Palace Company Limited	1,958,307,179	3,661,730,198
Nova Property Management Company Limited	1,829,669,685	1,896,440,556
No Va Land Investment Joint Stock Company	1,606,434,061	722,010,717
Nova Phuc Nguyen Real Estate Company Limited	1,368,526,830	17,335,732,209
Phuong Dong Building Joint Stock Company	900,474,115	57,222,642,163
The Prince Residence Joint Stock Company	790,115,698	-
Nova Nippon Joint Stock Company	231,000,000	83,999,995

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39 RELATED PARTY DISCLOSURES (continued)
(a) Related party transactions (continued)

	2019 VND	2018 VND
i) Sales of goods and services (continued)		
Thanh Nhon Investment and Real Estate Company Limited	231,000,000	83,999,995
Phu Tri Land Investment Trading Corporation	191,491,667	-
Nova Saigon Royal Real Estate Investment Company Limited	83,999,995	83,999,995
Thanh Nhon Real Estate Joint Stock Company	83,999,995	83,999,995
No Va Thao Dien Company Limited	83,999,995	83,999,995
Mega Housing Joint Stock Company	83,999,995	83,999,995
No Va My Dinh Land Joint Stock Company	83,999,995	83,999,995
Bach Hop Real Estate Company Limited	83,999,995	83,999,995
Gia Duc Real Estate Company Limited	83,999,995	83,999,995
Ngoc Linh Hoa Investment Joint Stock Company	83,999,995	83,999,995
Phuoc Long Investment and Development Company Limited	83,999,995	83,999,995
Ky Nguyen Urban Development Joint Stock Company	83,999,995	83,999,995
Sai Gon Housing and Infrastructure Development Joint Stock Company	83,999,995	-
Dinh Phat Real Estate Joint Stock Company	83,999,995	-
No Va Land One Member Company Limited	62,999,996	83,999,995
350 Investment and Development Real Estate Company Limited	2,785,714	8,000,001
Vuong Gia Investment Real Estate Joint Stock Company	2,785,714	21,214,288
Tuong Minh Investment and Real Estate Company Limited	2,785,714	21,428,572
Ngoc Uyen Investment and Real Estate Joint Stock Company	2,785,714	-
Nova Phu Sa Ecotourism and Hospitality Joint Stock Company	-	-
Phong Dien Real Estate Investment Joint Stock Company	-	495,000,000
Saigon Golf Company Limited	-	271,032,300
	<u>660,446,224,144</u>	<u>974,317,945,195</u>
ii) Purchases of goods and services		
Ben Thanh Housing Development and Service Joint Stock Company	<u>40,563,316,278</u>	<u>55,056,246,652</u>

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	2019 VND	2018 VND
iii) Transferring Real estate		
Gia Phu Real Estate Company Limited	-	28,647,338,698
Nova Phuc Nguyen Real Estate Company Limited	-	3,806,351,217
No Va Festival Corporation	-	2,342,208,385
Nova Rivergate Company Limited	-	766,107,407
	<u>-</u>	<u>35,562,005,707</u>
iv) Collection from lendings		
Sai Gon Electronics and Industrial Servicer Joint Stock Company	7,520,000,000	35,900,000,000
Khai Hung Real Estate Company Limited	-	130,240,000,000
Nova Phuc Nguyen Real Estate Company Limited	-	50,511,600,222
Nova Saigon Royal Real Estate Investment Company Limited	-	8,500,000,000
	<u>7,520,000,000</u>	<u>225,151,600,222</u>
v) Payment for BCCs		
The Forest City Company Limited	200,000,000,000	-
Van Phat Investment Development Real Estate Joint Stock Company	6,000,000,000	-
	<u>206,000,000,000</u>	<u>-</u>
vi) Withdraws from BCCs		
Van Phat Investment Development Real Estate Joint Stock Company	6,000,000,000	-
vii) Received from BCCs		
Thai Binh Real Estate Trading Joint Stock Company	1,461,000,000,000	-
Nova Riverside Real Estate Company Limited	1,341,220,000,000	-
Dinh Phat Real Estate Joint Stock Company	1,015,000,000,000	-
Bao Phuc Real Estate Company Limited	1,004,000,000,000	-
Thanh Nhon Real Estate Joint Stock Company	660,000,000,000	-
Gia Phu Real Estate Company Limited	328,000,000,000	-
	<u>5,809,220,000,000</u>	<u>-</u>

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	2019 VND	2018 VND
viii) Repayments for BCCs		
Nova Richstar Joint Stock Company	-	244,000,000,000
Bao Phuc Real Estate Company Limited	1,004,000,000,000	-
	<u>1,004,000,000,000</u>	<u>244,000,000,000</u>
ix) Borrowings		
Thai Binh Real Estate Trading Joint Stock Company	-	208,600,000,000
	<u>-</u>	<u>208,600,000,000</u>
x) Repayments of borrowings		
Nova Rivergate Company Limited	393,816,832,600	262,548,000,000
The 21st Century International Development Company Limited	355,628,945,205	134,871,054,795
Phuong Dong Building Joint Stock Company	187,600,000,000	140,000,000,000
Gia Phu Real Estate Company Limited	85,000,000,000	55,000,000,000
Thai Binh Real Estate Trading Joint Stock Company	41,500,000,000	167,100,000,000
No Va Festival Corporation	-	104,987,842,770
Nova Sagel Company Limited	-	12,000,000,000
Nova Sasco Company Limited	-	78,000,000,000
	<u>1,063,545,777,805</u>	<u>954,506,897,565</u>
xi) Interest income		
Sai Gon Electronics and Industrial Servicer Joint Stock Company	805,628,445	3,409,254,775
Nova Saigon Royal Real Estate Investment Company Limited	-	29,373,745,228
Nova Sasco Company Limited	-	7,215,661,111
Nova Nam A Company Limited	-	2,535,803,561
Khai Hung Real Estate Company Limited	-	6,666,497,267
Nova Phuc Nguyen Real Estate Company Limited	-	1,350,904,686
	<u>805,628,445</u>	<u>50,551,866,628</u>

39 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	2019 VND	2018 VND
xii) Interest expense		
Nova Rivergate Company Limited	12,472,469,983	35,467,552,975
The 21st Century International Development Company Limited	11,522,549,116	49,363,843,302
Phuong Dong Building Joint Stock Company	3,964,338,889	11,220,360,924
Gia Phu Real Estate Company Limited	2,010,890,412	7,391,095,893
Thai Binh Real Estate Trading Joint Stock Company	976,664,383	5,032,465,753
No Va Festival Corporation	-	9,835,395,594
Nova Sagel Company Limited	-	41,666,667
Nova Sasco Company Limited	-	512,876,712
	<u>30,946,912,783</u>	<u>118,865,257,820</u>
xiii) Compensation of key management		
Gross salaries and other benefits	<u>21,405,636,681</u>	<u>23,726,625,300</u>
(b) Year end balances with related parties		
	31.12.2019 VND	31.12.2018 VND
Short-term trade accounts receivable (Note 5)		
NSQ Investment Development Joint Stock Company	30,410,645,644	40,024,130,644
Long Hung Phat Real Estate Investments Company Limited	2,578,780,600	-
	<u>32,989,426,244</u>	<u>40,024,130,644</u>
Short-term lendings (Note 7)		
Sai Gon Electronics and Industrial Servicer Joint Stock Company	-	7,520,000,000

38 RELATED PARTY DISCLOSURES (continued)**(b) Year end balances with related parties (continued)**

	31.12.2019 VND	31.12.2018 VND
Other short-term receivables (Note 8(a))		
Nova Hospitality Joint Stock Company	1,048,925,082,667	-
No Va Thao Dien Company Limited	63,993,412,000	-
Ben Thanh Housing Development and Service Joint Stock Company	36,821,810,338	38,324,741,374
Nova Phuc Nguyen Real Estate Company Limited	35,725,000,000	50,725,000,000
Sai Gon Electronics and Industrial Servicer Joint Stock Company	15,000,000,000	26,740,105,439
Nova Princess Residence Joint Stock Company	-	14,880,000
	<u>1,200,465,305,005</u>	<u>115,804,726,813</u>
Other long-term receivables (Note 8(b))		
The Forest City Company Limited	200,000,000,000	-
Ben Thanh Housing Development and Service Joint Stock Company	5,682,317,455	5,682,317,455
	<u>205,682,317,455</u>	<u>5,682,317,455</u>
Short-term trade accounts payable (Note 16)		
Ben Thanh Housing Development and Service Joint Stock Company	316,457,900	489,425,295
Nova Riverside Real Estate Company Limited	-	58,197,999
	<u>316,457,900</u>	<u>547,623,294</u>
Short-term accrued expenses (Note 19)		
Nova Rivergate Company Limited	-	79,938,769,976
The 21st Century International Development Company Limited	-	64,202,860,046
Phuong Dong Building Joint Stock Company	-	30,242,187,224
Gia Phu Real Estate Company Limited	-	10,028,082,194
Thai Binh Real Estate Trading Joint Stock Company	-	5,032,465,753
	<u>-</u>	<u>189,444,365,193</u>

38 RELATED PARTY DISCLOSURES (continued)**(b) Year end balances with related parties (continued)**

	31.12.2019 VND	31.12.2018 VND
Short-term unearned revenue (Note 20(a))		
Nova Property Management Company Limited	1,369,094,612	1,369,094,617
	<u> </u>	<u> </u>
Long-term unearned revenue (Note 20(b))		
Nova Property Management Company Limited	63,005,509,560	64,377,614,795
	<u> </u>	<u> </u>
Short-term borrowings (Note 22(a))		
Nova Rivergate Company Limited	-	393,816,832,600
The 21st Century International Development Company Limited	-	355,628,945,205
Phuong Dong Building Joint Stock Company	-	187,600,000,000
Gia Phu Real Estate Company Limited	-	85,000,000,000
Thai Binh Real Estate Trading Joint Stock Company	-	41,500,000,000
	<u> </u>	<u> </u>
	-	1,063,545,777,805
	<u> </u>	<u> </u>
Other long-term payables (Note 21(b))		
Thai Binh Real Estate Trading Joint Stock Company	1,461,000,000,000	-
Nova Riverside Real Estate Company Limited	1,341,220,000,000	-
Dinh Phat Real Estate Joint Stock Company	1,015,000,000,000	-
Thanh Nhon Real Estate Joint Stock Company	660,000,000,000	-
Gia Phu Real Estate Company Limited	328,000,000,000	-
	<u> </u>	<u> </u>
	4,805,220,000,000	-
	<u> </u>	<u> </u>

39 COMMITMENTS UNDER OPERATING LEASES

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

	2019 VND	2018 VND
Within one year	64,589,188,848	30,849,306,236
Between one and five years	106,251,796,092	51,114,516,144
Over five years	297,416,123,976	268,351,209,756
Total minimum payments	<u>468,257,108,916</u>	<u>350,315,032,136</u>

40 CAPITAL COMMITMENTS

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

	2019 VND	2018 VND
Project construction	<u>200,973,123,153</u>	<u>120,334,805,289</u>

41 EVENTS AFTER THE SEPARATE BALANCE SHEET DATE

According to the Decision No. 01/2020-NQ.HDQT-NVLG dated 22 January 2019, the Board of Directors approved the Company utilising 11.833.000 shares of No Va Land Investment Joint Stock Company ("Novaland JSC"), business code 0303579474 to secure for bonds with total maximum value of 1,950 billions Vietnam Dong issued by Novaland JSC to Military Commercial Joint Stock Bank – North Saigon.

The separate financial statements were approved by the Board of Management on 24 February 2020.



Do Phuong Thuy
Preparer



Tran Thi Thanh Van
Chief Accountant



Bui Xuan Huy
Legal representative