

# **Vinhomes Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2022



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# Vinhomes Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vinhomes Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 35<sup>th</sup> amendment dated 18 May 2022 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company’s head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company’s parent (also referred to as “the Parent Company”). Vingroup JSC and its subsidiaries are hereafter collectively referred to as “the Group”.

### BOARD OF DIRECTORS

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

Mr. Pham Thieu Hoa	Chairman	Appointed on 10 May 2022
Ms. Nguyen Dieu Linh	Chairwoman	Resigned on 10 May 2022
	Member	
Mr. Pham Nhat Vuong	Member	
Ms. Cao Thi Ha An	Member	
Mr. Ashish Jaiprakash Shastry	Member	
Mr. Tran Kien Cuong	Member	
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	
Mr. Hoang D. Quan	Independent member	

### SUPERVISORY BOARD

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

Ms. Nguyen Le Van Quynh	Head of the Supervisory Board
Ms. Le Thi Duyen	Member
Ms. Pham Ngoc Lan	Member

### MANAGEMENT

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

Ms Nguyen Thu Hang	Chief Executive Officer	Appointed on 10 May 2022
	Deputy Chief Executive Officer	Resigned on 10 May 2022
Mr. Pham Thieu Hoa	Chief Executive Officer	Resigned on 10 May 2022
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Mai Thu Thuy	Deputy Chief Executive Officer	
Mr. Nguyen Ba Tin	Deputy Chief Executive Officer	Appointed on 8 March 2022
Mr. Nguyen Anh Dung	Deputy Chief Executive Officer	Resigned on 8 March 2022

# Vinhomes Joint Stock Company

## GENERAL INFORMATION (continued)

### LEGAL REPRESENTATIVES

The legal representatives of the Company during the year and at the date of this report are:

Mr. Pham Thieu Hoa	Chairman	
Ms. Nguyen Dieu Linh	Member of Board of Director	Resigned on 18 May 2022
Ms. Nguyen Thu Hang	Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	Resigned on 18 May 2022
Mr. Nguyen Ba Tin	Deputy Chief Executive Officer	Appointed on 11 March 2022
Mr. Nguyen Anh Dung	Deputy Chief Executive Officer	Resigned on 11 March 2022

### AUDITORS

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

Ernst & Young Vietnam Limited



# Vinhomes Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2022 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



The stamp is a red circular seal. The outer ring contains the text 'CÔNG TY CỔ PHẦN VINHOMES' at the top and 'HÀ NỘI' at the bottom. Inside the ring, there is a stylized red bird logo. Overlaid on the stamp is a blue ink signature.

Nguyễn Thu Hằng  
Chief Executive Officer

Hanoi, Vietnam

11 March 2023

Reference: 11536456/22965743-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Vinhomes Joint Stock Company**

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 11 March 2023 and set out on pages 6 to 95, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

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

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



### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

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



Phung Manh Phu  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2598-2023-004-1



Nguyen Hoang Linh  
Auditor  
Audit Practising Registration  
Certificate No. 3835-2021-004-1



Hanoi, Vietnam

13 March 2023

CONSOLIDATED BALANCE SHEET  
as at 31 December 2022

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>196,535,229</b>	<b>94,437,005</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>10,816,783</b>	<b>4,625,760</b>
111	1. Cash		1,844,902	589,868
112	2. Cash equivalents		8,971,881	4,035,892
<b>120</b>	<b>II. Short-term investments</b>		<b>6,296,725</b>	<b>4,979,444</b>
121	1. Held-for-trading securities	6.1	2,352,947	2,326,552
123	2. Held-to-maturity investments	6.2	3,943,778	2,652,892
<b>130</b>	<b>III. Current accounts receivable</b>		<b>96,208,736</b>	<b>37,750,127</b>
131	1. Short-term trade receivables	7.1	15,044,170	15,248,468
132	2. Short-term advances to suppliers	7.2	14,830,404	8,580,390
135	3. Short-term loan receivables	8	5,039,256	3,921,463
136	4. Other short-term receivables	9	61,530,117	10,143,797
137	5. Provision for doubtful short-term receivables		(235,211)	(143,991)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>64,362,407</b>	<b>28,578,815</b>
141	1. Inventories		64,414,043	28,645,955
149	2. Provision for obsolete inventories		(51,636)	(67,140)
<b>150</b>	<b>V. Other current assets</b>		<b>18,850,578</b>	<b>18,502,859</b>
151	1. Short-term prepaid expenses	12	5,316,477	1,550,691
152	2. Value-added tax deductible	22	462,667	433,669
153	3. Tax and other receivables from the State	22	36,814	22,330
155	4. Other current assets	13	13,034,620	16,496,169

Vinhomes Joint Stock Company

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>165,277,418</b>	<b>136,079,466</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>22,797,226</b>	<b>14,955,143</b>
215	1. Long-term loan receivables	8	1,568,000	8,937,663
216	2. Other long-term receivables	9	21,229,226	6,017,480
<b>220</b>	<b>II. Fixed assets</b>		<b>9,339,806</b>	<b>7,497,824</b>
221	1. Tangible fixed assets	14	8,225,149	6,271,368
222	Cost		9,269,589	6,856,426
223	Accumulated depreciation		(1,044,440)	(585,058)
227	2. Intangible fixed assets	15	1,114,657	1,226,456
228	Cost		1,368,945	1,391,675
229	Accumulated amortisation		(254,288)	(165,219)
<b>230</b>	<b>III. Investment properties</b>	<b>16</b>	<b>15,523,727</b>	<b>12,078,894</b>
231	1. Cost		16,933,397	13,058,837
232	2. Accumulated depreciation		(1,409,670)	(979,943)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>50,683,336</b>	<b>45,032,886</b>
242	1. Construction in progress	18	50,683,336	45,032,886
<b>250</b>	<b>V. Long-term investments</b>	<b>19</b>	<b>7,491,325</b>	<b>10,940,392</b>
252	1. Investments in associates	19.1	147,257	3,556,961
253	2. Investments in other entities	19.2	7,625,468	7,263,751
254	3. Provision for long-term investments	19.2	(381,080)	-
255	4. Held-to-maturity investments	19	99,680	119,680
<b>260</b>	<b>VI. Other long-term assets</b>		<b>59,441,998</b>	<b>45,574,327</b>
261	1. Long-term prepaid expenses	12	1,954,686	1,725,206
262	2. Deferred tax assets	36.3	1,297,097	556,352
268	3. Other long-term assets	13	54,986,306	41,882,440
269	4. Goodwill	20	1,203,909	1,410,329
<b>270</b>	<b>TOTAL ASSETS</b>		<b>361,812,647</b>	<b>230,516,471</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>213,290,804</b>	<b>99,109,060</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>187,762,383</b>	<b>75,400,658</b>
311	1. Short-term trade payables	21.1	15,031,434	12,506,633
312	2. Short-term advances from customers	21.2	61,962,655	8,865,372
313	3. Statutory obligations	22	18,321,324	3,794,450
315	4. Short-term accrued expenses	23	25,088,744	16,360,513
318	5. Short-term unearned revenues	24	514,831	516,444
319	6. Other short-term payables	25	51,461,949	31,905,317
320	7. Short-term loans	26	15,330,097	250,820
321	8. Short-term provisions	27.1	51,349	1,201,109
<b>330</b>	<b>II. Non-current liabilities</b>		<b>25,528,421</b>	<b>23,708,402</b>
333	1. Long-term accrued expenses	23	414,597	1,638,709
336	2. Long-term unearned revenues	24	917,180	1,251,448
337	3. Other long-term liabilities	25	267,921	222,517
338	4. Long-term loans	26	20,876,302	19,667,987
341	5. Deferred tax liabilities	36.3	926,018	608,707
342	6. Long-term provisions	27.2	2,126,403	319,034

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022

Currency: VND million

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>148,521,843</b>	<b>131,407,411</b>
<b>410</b>	<b>I. Capital</b>	<b>28</b>	<b>148,521,843</b>	<b>131,407,411</b>
411	1. Issued share capital		43,543,675	43,543,675
411a	- Ordinary shares with voting rights		43,543,675	43,543,675
412	2. Share premium		1,260,023	1,260,023
420	3. Other funds belonging to owners' equity		475,942	524,355
421	4. Undistributed earnings		99,933,635	79,413,446
421a	- Undistributed earnings by the end of prior year		70,704,711	41,181,599
421b	- Undistributed earnings of current year		29,228,924	38,231,847
429	5. Non-controlling interests		3,308,568	6,665,912
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>361,812,647</b>	<b>230,516,471</b>



Nguyen Hoang Son  
Preparer



Le Tien Cong  
Chief Accountant



Nguyen Thu Hang  
Chief Executive Officer

Hanoi, Vietnam

11 March 2023



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2022

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	29.1	62,392,603	84,985,606
02	2. Deductions	29.1	-	-
10	3. Net revenue from sale of goods and rendering of services	29.1	62,392,603	84,985,606
11	4. Cost of goods sold and services rendered	30	(31,696,276)	(36,526,042)
20	5. Gross profit from sale of goods and rendering of services		30,696,327	48,459,564
21	6. Finance income	29.2	16,690,167	7,994,896
22	7. Finance expenses	31	(4,394,119)	(2,785,675)
23	In which: Interest expenses and bond issuance cost		(2,075,514)	(2,348,161)
24	8. Shares of profit of associates	19.1	56,384	53,759
25	9. Selling expenses	32	(2,431,780)	(2,289,008)
26	10. General and administrative expenses	32	(2,643,927)	(3,768,594)
30	11. Operating profit		37,973,052	47,664,942
31	12. Other income	33	1,133,744	616,722
32	13. Other expenses	34	(464,097)	(98,687)
40	14. Other profit		669,647	518,035
50	15. Accounting profit before tax		38,642,699	48,182,977
51	16. Current corporate income tax expense	36.1	(9,820,841)	(8,978,371)
52	17. Deferred tax income/(expense)	36.3	339,732	(256,128)
60	18. Net profit after tax		29,161,590	38,948,478





CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2022

Currency: VND million

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		28,830,869	38,824,562
62	20. Net profit after tax attributable to non-controlling interests		330,721	123,916

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	38	6,621	9,015



Nguyen Hoang Son  
Preparer



Le Tien Cong  
Chief Accountant



Nguyen Thu Hang  
Chief Executive Officer

Hanoi, Vietnam

11 March 2023

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2022

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>38,642,699</b>	<b>48,182,977</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	35	1,216,548	1,087,692
03	Provisions		1,114,361	519,326
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(3,474)	(5,785)
05	Profits from investing activities		(13,710,128)	(7,761,492)
06	Interest expenses and bond issuance cost	31	2,075,514	2,348,161
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>29,335,520</b>	<b>44,370,879</b>
09	Increase receivables		(49,977,318)	(7,504,351)
10	(Increase)/decrease in inventories		(30,770,024)	15,113,996
11	Increase/(decrease) in payables (other than interest, corporate income tax)		94,343,943	(21,599,280)
12	(Increase)/decrease in prepaid expenses		(3,998,609)	796,778
13	Increase in held-for-trading securities		(26,395)	(1,967,230)
14	Interest paid		(3,768,556)	(2,386,255)
15	Corporate income tax paid	22	(4,135,049)	(9,751,018)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>31,003,512</b>	<b>17,073,519</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2022

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(18,299,050)	(17,897,772)
22	Proceeds from disposals of fixed assets and other long-term assets		48,256	46,313
23	Loans to other entities and payments for purchase of debt instruments of other entities		(7,989,295)	(16,805,425)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		10,476,298	12,837,606
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(54,766,770)	(11,582,408)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)		38,362,523	7,582,472
27	Interest and dividends received		5,339,217	3,822,950
30	<b>Net cash flows used in investing activities</b>		<b>(26,828,821)</b>	<b>(21,996,264)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Reissuance of treasury shares and capital contribution	28.1	-	6,514,952
33	Drawdown of borrowings		25,276,890	13,819,877
34	Repayment of borrowings		(13,876,813)	(19,301,251)
36	Dividends paid and profit distributed		(9,383,745)	(5,198,724)
40	<b>Net cash flows from/(used in) financing activities</b>		<b>2,016,332</b>	<b>(4,165,146)</b>

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CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2022

Currency: VND million

Code	ITEMS	Notes	Current year	Previous year
50	Net increase/(decrease) in cash for the year		6,191,023	(9,087,891)
60	Cash and cash equivalents at the beginning of the year		4,625,760	13,713,651
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	10,816,783	4,625,760



Nguyen Hoang Son  
Preparer



Le Tien Cong  
Chief Accountant



Nguyen Thu Hang  
Chief Executive Officer

Hanoi, Vietnam

11 March 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2022 and for the year then ended

**1. CORPORATE INFORMATION**

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 35<sup>th</sup> amendment dated 18 May 2022 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereafter collectively referred to as "the Group".

The Company's normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 60 months.

The Company's normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2022: 9,689 (31 December 2021: 7,676).

***Corporate structure***

As at 31 December 2022, the Company has 33 subsidiaries (as at 31 December 2021: 32 subsidiaries). The information on these subsidiaries and their short names, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary are detailed in the Appendix 1.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

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

### 2.2 *Applied accounting documentation system*

The Company and its subsidiaries' applied accounting documentation system is the General Journal.

### 2.3 *Fiscal year*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**2. BASIS OF PREPARATION (continued)**

**2.4 Accounting currency**

The consolidated financial statements are prepared in VND which is also the Company and its subsidiaries' accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2022, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

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

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.

Gains resulting from contribution of non-monetary asset or sales of asset to associate or joint-ventures are recognized in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an investment in other entities, the Company's investment is accounted for using the cost method. Profit/loss from this transaction is recognised in the consolidated income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

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

#### 3.2 *Inventories*

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

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

##### *Inventory property*

Property acquired or being constructed for sale, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

Cost of inventory property includes:

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

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

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

##### *Construction inventory*

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the consolidated financial statements.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.2 Inventories (continued)**

*Other inventories*

In respect of inventory of stone mining and production activities, the Company and its subsidiaries use perpetual method to record other inventories which are valued as follows:

- |                               |   |  |
|-------------------------------|---|--|
| Raw materials and consumables | - | cost of purchase on a weighted average basis.  |
| Finished goods                | - | costs of materials and direct labour cost plus related general production cost which are allocated based on the ordinary course of business on a weighted average basis. |

The value of inventories which are materials supplied to the investor of the projects is measured on the specific identification basis; while the value of other inventories is measured on a weighted average basis.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of finished goods, and other inventories owned by the Company and its subsidiaries, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.5 Leased assets**

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

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company and its subsidiaries are the lessors*

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amounts of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

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

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

*Where the Company and its subsidiaries are the lessees*

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.7 Depreciation and amortisation**

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

Buildings and structures	15 - 50 years
Mining exploration rights	15 - 30 years
Machinery and equipment	3 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.8 Investment properties**

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

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company and its subsidiaries.

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

Definite land use rights, buildings and structures	10 - 50 years
Machinery and equipment	7 - 10 years

No amortisation is charged on the land use rights presented as investment properties with indefinite terms.

For long-term lease of investment properties which the Company and its subsidiaries receive rental fee in advance for many periods and rental income is recognised one at the entire rental amount received in advance as presented in Note 3.20, depreciation and amortisation of these investment properties are recognised with entire amount at the point of revenue recognition.

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

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

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.10 Prepaid expenses**

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

Short-term prepaid expenses include selling expenses related to inventory properties not yet handed over and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year or one ordinary course of business cycle.

*Prepaid land rental*

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Additionally, prepaid land rental also comprises land lease incurred from a business combination, in which, the acquiree is a lessee having operating leases with lease terms more favourable than other leases in the market at the date of business combination.

**3.11 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evidence.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Company and its subsidiaries conduct the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.11 *Business combinations and goodwill* (continued)

##### *Business combinations involving entities or businesses under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity can be under common control of an individual or a group of individuals following a contractual agreement.

Business combinations involving entities or businesses under common control are accounted for as follows:

- ▶ In case both two combined entities are ultimately controlled by the same company "The parent company", the assets and liabilities of the combined entities are reflected at their carrying amounts in the consolidated financial statements of the parent company on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

#### 3.12 *Assets acquisitions and business combinations*

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

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

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the parent company shall not remeasure the previously held equity interests. Instead, previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

#### 3.13 *Investments*

##### *Investments in associates*

The Company and its subsidiaries' investment in their associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem they have significant influence if they have over 20% of the voting rights.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.13 Investments (continued)**

*Investments in associates (continued)*

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company and its subsidiaries' share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

Gains resulting from contribution of non-monetary assets or sales of asset to associate or joint-ventures are recognised in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

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

The Company and its subsidiaries cease to use the equity method of accounting from the date that the investee is no longer an associate of the Company and its subsidiaries. Upon cessation of the equity method, the Company and its subsidiaries reclassify all amounts previously recognised directly in equity to the consolidated income statement in the same manner as when the investee liquidates the related assets and liabilities. The remaining balance of unrealised gains resulting from contribution of non-monetary assets or sale of assets to associates or joint ventures at the time of ceasing application of the equity method is also recognised in the consolidated income statement.

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

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

*Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the consolidated balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

*Held-to-maturity investments*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.14 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

**3.15 Provision**

*General provisions*

Provisions are recognised when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company and its subsidiaries expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

The Company and its subsidiaries assess onerous contracts are those contracts in which, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The Company and its subsidiaries recognise and assess obligations under onerous contracts as provisions and these provisions are made for each onerous contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

*Warranty provision for inventory properties*

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

*Warranty provision for construction*

Warranty provision for construction is estimated at the rate of 1% of the construction cost.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.16 Foreign currency transactions**

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

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

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

**3.17 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.18 Appropriation of net profits**

Net profit after tax (excluding negative goodwill arising from bargain purchases) is available for appropriation to shareholders after approval by shareholders at the General Shareholders' Meeting and after making appropriation to reserve funds in accordance with the Company's Charter, each subsidiary's Charter and Vietnam's regulatory requirements.

The Company and its subsidiaries recognise the distribution of cash dividends when such appropriation is approved by the shareholders at the General Shareholders' Meeting; and recognise the distribution of stock dividends when such appropriation is approved by the shareholders at the General Shareholders' Meeting and authorised State bodies.

The Company and its subsidiaries maintain the reserve funds which are appropriated from the Company and its subsidiaries' net profit after approval by shareholders at the General Shareholders' Meeting.

**3.19 Advances from customers purchasing inventory properties**

Payments received from customers as deposits for purchasing inventory properties in the future, that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.20 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

*Revenue from sale of inventory properties*

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer.

*Rental income*

*Periodic rental income*

Rental income arising from leased properties is recognised in the consolidated income statement on a straight-line basis over the lease terms of ongoing leases.

*Rental income recognised one time*

For lease of assets which the Group receives rental fee in advance for many periods and the lease periods cover more than 90% of the useful life of the assets, rental income is recognised one time at the entire rental amount received in advance when all these conditions are met:

- ▶ The lessee is not entitled to cancel the lease contract and the Company and its subsidiaries has no obligation to repay the amount received in advance in all cases and in all forms;
- ▶ The amount received in advance from the lease is not less than 90% of the total rental amount expected to be fulfilled under the contract during the lease term and the lessee must pay the entire amount of lease within 12 months from the beginning of the lease;
- ▶ Almost all the risks and benefits associated with ownership of the leased asset are transferred to the lessee; and
- ▶ The Company and its subsidiaries must estimate relatively the full cost of the lease.

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Rendering of services*

Revenue from rendering of services is recognised when the services are rendered for customers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

#### 3.20 *Revenue recognition* (continued)

*Income from Business and Investment Co-operation contracts in which the Company and its subsidiaries are entitled to revenue, profit before tax or profit after tax.*

Under Business and Investment Co-operation contracts not in the form of jointly controlled asset or jointly controlled operations in which the Company and its subsidiaries contribute capital in cash, distributed income is recognised as finance income in the consolidated income statement.

Under Business and Investment Co-operation contracts not in the form of jointly controlled asset or jointly controlled operations in which the Company and its subsidiaries contribute assets, distributed income is recognised as revenue in the consolidated income statement.

#### *Interest*

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

#### *Dividends*

Income is recognised when the Company and its subsidiaries' entitlement as an investor to receive the dividend is established

#### *Income from capital transfer*

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on date when the transaction arises being the date when the transfer contract is exercised.

#### *Revenue from goods and services and/or attached goods in multiple elements package*

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the product and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the service. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.21 *Cost of inventory properties sold and investment/business cooperation activities relating to real estate projects***

Cost of inventory properties sold includes cost of properties transferred during the year and profits are shared to a counterparty under investment/business cooperation contracts by the Company and its subsidiaries relating to real estate projects.

For investment/business cooperation contracts for real estate projects in which the Company and its subsidiaries are the controllers of the project's activities and assets, the profits distributed to the partner according to the periodic settlement are recognized as the cost of goods sold on the consolidated business results statement. Funds received from counterparties for investment/business cooperation are recognized in the liabilities section of the consolidated balance sheet if the Company is obliged to repay those capital contributions.

**3.22 *Construction contract***

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by reference to the work performed that has been agreed by customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.



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

*Current income tax*

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.23 Taxation (continued)**

*Deferred tax (continued)*

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company and its subsidiaries intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.24 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**3.25 Segment information**

A segment is a component determined separately by the Company and its subsidiaries which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

**3.26 Related parties**

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

**3.27 Demerger**

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

**3.28 Bond issuance transaction cost**

Transaction costs relating to bond issuance are charged to the consolidated income statement on a straight-line basis over the term of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

#### 4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR

##### 4.1 Acquisition of group of assets

During the year, the Company and its subsidiaries acquired shares of the following companies from counterparties. Management has reviewed and assessed this transaction as group of assets and liabilities acquisition rather than business combination. The total consideration for the transaction was allocated to the assets and liabilities acquired based on their relative fair values at the acquisition date. Accordingly, a part of the consideration was recognized in inventories and construction in progress. The non-controlling interests were also recognized at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by Company and its subsidiaries.

##### *Acquisition of SV West Hanoi Joint Stock Company (SV West Hanoi JSC), a new subsidiary*

In March 2022, the Company and its subsidiaries acquired 96% shares of SV West Hanoi for a total consideration of VND2,750 billion, in which VND2,640 billion is paid in cash and VND110 billion is the carrying amount of the 4% previous holding of the Company and its subsidiaries in SV West Hanoi. Thereby, SV West Hanoi became a subsidiary of the Company. At the date of acquisition, SV Tay Hanoi is the owner of a real estate project.

##### *Acquisition of Muoi Cam Ranh Joint Stock Company (Muoi Cam Ranh JSC), a new subsidiary*

In November 2022, the Company and its subsidiaries acquired 100% shares of Muoi Cam Ranh JSC for a total consideration of VND3,470 billion. Thereby, Muoi Cam Ranh JSC became a subsidiary of the Company. At the date of acquisition, Muoi Cam Ranh JSC is having a lease agreement for a land lot located in Khanh Hoa province and planned to convert this leased land into a Social Housing project.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.2 Significant disposals with loss of control**

*Transfer of shares in Newco Investment and Development Joint Stock Company ("Newco JSC")*

In March 2022, according to the share transfer contracts signed between a number of subsidiaries and counterparties, these subsidiaries transferred all shares in Newco JSC to the aforementioned counterparties for a total consideration of VND5,026 billion. Accordingly, the Company and its subsidiaries recorded a gain of VND2,888 billion from this transaction in the consolidated income statement (Note 29.2). After this transaction, the Company and its subsidiaries ceased to control Newco JSC.

*Transfer of capital contribution in Dai Duong Xanh Real Estate Investment and Development Limited Liability Company ("Dai Duong Xanh LLC"), Hai Dang Real Estate Investment and Development Limited Liability Company ("Hai Dang LLC") and Truong Minh Real Estate Investment and Development Limited Liability Company ("Truong Minh LLC").*

In August 2022, the Company has incorporated and completed capital contribution in three (03) subsidiaries: Dai Duong Xanh LLC, Hai Dang LLC and Truong Minh LLC with 99.9% charter capital of these subsidiaries using land use right of certain land lots in the Company's project. In September 2022, the Company has fully transferred capital contribution in these three (03) subsidiaries to counterparties for a total consideration of VND11,090 billion. Accordingly, the Company has recorded a gain of VND8,572 billion from this transaction in the consolidated income statement (Note 29.2). After this transaction, the Company and its subsidiaries no longer control the above three (03) subsidiaries.

**4.3 Business combination transactions under common control**

*Acquisition of VinCons Construction Development and Investment JSC ("Vincons JSC"), a new subsidiary*

In November 2022, the Company and its subsidiaries acquired 100% shares in Vincons JSC from Vingroup JSC - the parent company and some affiliates, for a total consideration of VND50 billion. Accordingly, Vincons JSC becomes a new subsidiary of the Company. The main operating activities of Vincons JSC are consulting, brokerage, real estate auction and land use right auction.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.3 Business combination transactions under common control (continued)**

*Acquisition of Vincons JSC, new subsidiary (continued)*

Management assessed this transaction as a business combination involving two entities under common control. Thereby, the net asset acquired of Vincons JSC is measured at its carrying amount in the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and net assets of Vincons JSC is recognised in other funds belonging to owners' equity in the consolidated financial statements.

The carrying amount of identifiable assets and liabilities of Vincons JSC in the consolidated financial statements of Vingroup JSC at acquisition date is presented below:

Currency: million VND

Carrying value at  
acquisition date

**Assets**

Cash and cash equivalents	69,541
Short-term trade receivables	3,129
Advances to suppliers	383,074
Inventories	645,994
Other receivables	4,176
Other current assets	121,400
Fixed assets	105,015
Construction in progress	8,462

**1,340,791**

**Liabilities**

Short-term trade payables	245,150
Advances from customers	385,932
Statutory obligations	11,831
Payable to employees	10,947
Short-term accrued expenses	74,764
Short-term loans	615,000
Other payables	580

**1,344,204**

**Total net assets**

**(3,413)**

Difference between consideration and net assets acquired  
recognised in other funds belonging to owners' equity (Note 28)

53,413

**Total purchase consideration**

**50,000**

**Cash flow on acquisition**

Cash acquired with the subsidiary	69,541
Cash paid for acquiring the subsidiary	(50,000)

**Net cash flow on acquisition**

**19,541**

Total purchase consideration is VND 50 billion and settled by cash.

Revenue and net loss before tax of Vincons JSC from 1 January 2022 to the acquisition date are VND 0 and VND 24 billion, respectively; and from the acquisition date to 31 December 2022 are not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.4 Significant disposal of investment in associates**

During the year, the Company and its subsidiaries has completely dispose 43.7% shares in Cam Ranh Investment Joint Stock Company ("Cam Ranh JSC") for a total consideration of VND4,671 billion. Accordingly, Cam Ranh JSC is no longer the Company's associate. The loss of VND1,641 billion from this transaction has been recorded in the consolidated income statements (Note 31).

**5. CASH AND CASH EQUIVALENTS**

Currency: million VND

	Ending balance	Beginning balance
Cash on hand	1,224	702
Cash at banks	1,843,678	589,166
Cash equivalents	8,971,881	4,035,892
<b>TOTAL</b>	<b>10,816,783</b>	<b>4,625,760</b>

Cash equivalents as at 31 December 2022 comprise bank deposits in VND with original terms ranging from 1 month to 3 months, earning interests at rates ranging from 4% to 6% per annum (as at 31 December 2021: original terms ranging from 1 month to 3 months, earning interests at rates ranging from 3% to 4% per annum) and short-term investments in corporate bonds in VND with collection due not more than 3 months, earning interest at rates ranging from 6% to 8.5% per annum (as at 31 December 2021: cash equivalents with a maturity of not more than 3 months, earning interest at rate of 6% per annum).

Cash and cash equivalents as at 31 December 2022 comprise some restricted deposits and cash at banks related to the production and business activities of the Company with a total value of VND831 billion.

Details of each type of foreign currency in original currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	1,862,119	125,222
- Euro (EUR)	216,684	-

**6. SHORT-TERM INVESTMENTS**

**6.1 Held-for-trading securities**

Currency: million VND

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate bonds	2,352,947	(*)	-	2,326,552	(*)	-
<b>TOTAL</b>	<b>2,352,947</b>	<b>(*)</b>	<b>-</b>	<b>2,326,552</b>	<b>(*)</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**6. SHORT-TERM INVESTMENTS (continued)**

**6.1 Held-for-trading securities (continued)**

Details of held-for-trading securities which are more than 10% of total balance

	Ending balance			Beginning balance		
	Currency: million VND					
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate counterparty No.1	-	(*)	-	2,147,535	(*)	-
Corporate counterparty No.2	1,749,852	(*)	-	-	(*)	-
Corporate counterparty No.3	291,752	(*)	-	-	(*)	-
Corporate counterparty No.4	250,148	(*)	-	-	(*)	-

(\*) Balance as at 31 December 2022 includes unlisted corporate bonds which are held for trading with maturity of more than 3 months to 12 months and earning interests at rate of 9.3% annum (as at 31 December 2021: unlisted corporate bonds with maturity of more than 3 months to 12 months and earning interest at ranging from 6.3% to 8.7% per annum). As at 31 December 2022, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

**6.2 Held-to-maturity investments**

	Ending balance		Beginning balance	
	Currency: million VND			
	Cost	Carrying value	Cost	Carrying value
Short-term bank deposits (i)	1,575,510	1,575,510	2,652,892	2,652,892
Other investments (ii)	2,368,268	2,368,268	-	-
<b>TOTAL</b>	<b>3,943,778</b>	<b>3,943,778</b>	<b>2,652,892</b>	<b>2,652,892</b>

(i) Short-term bank deposits in VND as at 31 December 2022 have original terms ranging from more than 6 months to 12 months or remaining terms less than 12 months, earning interests at rates ranging from 5.9% to 9.5% per annum (as at 31 December 2021: original terms ranging from more than 3 months to 12 months or remaining terms less than 12 months, earning interests at rates ranging from 3.3% to 6.5% per annum).

(ii) These are lending receivables from corporate counterparties earning interest rate of 10.5% per annum under Debt purchase agreements between the Company and Saigon - Hanoi Commercial Joint Stock Bank. These lending receivables are secured by listed shares of a company within the group and rights arising from a real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

### 7.1 Short-term trade receivables

	Currency: million VND	
	Ending balance	Beginning balance
Sale of inventory properties	9,016,224	12,043,334
Disposal of investments	4,755,583	1,700,000
Rendering construction services and related services	383,154	944,864
Rendering real estate management services and related services	334,853	245,681
Leasing activities and rendering related services	73,009	93,897
Others	481,347	220,692
<b>TOTAL</b>	<b>15,044,170</b>	<b>15,248,468</b>
<i>In which:</i>		
Trade receivables from others	13,908,448	11,258,778
Trade receivables from related parties (Note 37)	1,135,722	3,989,690
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	3,409,883	-
Another corporate counterparty (Note 37)	505,325	3,601,722
Provision for doubtful short-term trade receivables	(35,301)	(24,584)

### 7.2 Short-term advances to suppliers

	Currency: million VND	
	Ending balance	Beginning balance
Advances to other suppliers	14,158,142	8,114,305
Advances to related parties (Note 37)	672,262	466,085
<b>TOTAL</b>	<b>14,830,404</b>	<b>8,580,390</b>
Provision for doubtful advances to suppliers	(62,392)	(45,308)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**8. LOAN RECEIVABLES**

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Loans to corporate counterparties and individuals (i)	4,900,256	3,921,463
<i>In which:</i>		
Current portion of long-term loan receivables	3,107,013	3,921,463
Loans to related parties (Note 37)	139,000	-
<b>TOTAL</b>	<b>5,039,256</b>	<b>3,921,463</b>
Provisions for doubtful loan receivables	(42,050)	(33,895)
<b>Long-term</b>		
Loans to related parties (Note 37)	1,568,000	8,937,663
<b>TOTAL</b>	<b>1,568,000</b>	<b>8,937,663</b>

- (i) Balances as at 31 December 2022 mainly includes Loans to corporate counterparties amounting to VND4,017 billion, due in June 2023 and earning interests at rate of 9% per annum. These loans are secured by a number of listed shares, a number of non-listed shares and a portion of capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

9. OTHER RECEIVABLES

Currency: million VND

Ending balance Beginning balance

**Short-term**

Advances under Investment and Business Co-operation contracts (i)	34,332,810	-
Advances for land clearance	14,029,751	611,671
Deposits and capital contribution for Business and Investment Co-operation Contracts (ii)	8,930,066	751,705
Receivables from collection and payment on behalf (iii)	1,675,375	1,945,677
Receivables from lending interest, bank interest and interest from other contracts	825,708	1,513,726
Receivables from financial leases (iv)	518,244	-
Receivables from deposit contracts	-	3,685,123
Others	1,218,163	1,635,895
<b>TOTAL</b>	<b>61,530,117</b>	<b>10,143,797</b>

Provision for doubtful other short-term receivables	(95,468)	(40,204)
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*In which:*

Receivables from others	51,862,055	8,279,660
Receivables from related parties (Note 37)	9,668,062	1,864,137

**Long-term**

Receivables from financial leases (iv)	14,524,223	129,318
Deposits and capital contribution for Business and Investment Co-operation Contract (v)	5,790,000	5,790,000
Others	915,003	98,162
<b>TOTAL</b>	<b>21,229,226</b>	<b>6,017,480</b>

*In which:*

Receivables from others	1,549,947	87,022
Receivables from related parties (Note 37)	19,679,279	5,930,458

- (i) These are advances to counterparties under investment and business cooperation agreements in which the counterparties are entitled to a distribution of profits under contractual agreements between the Company and its subsidiaries and these counterparties. The capital contribution receipts from these counterparties are classified as other payables (Note 25). These advances include:

- ▶ VND25,122 billion of profit advances according to investment and business cooperation agreements; and
- ▶ VND9,211 billion in excess of advanced profit, earning an interest at rate of 10% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**9. OTHER RECEIVABLES** (continued)

(ii) The balance comprises:

- ▶ Capital contribution with a total amount of VND8,170 billion to a company within the Group under an investor consortium agreement in relation to development of a real estate project;
- ▶ Deposits and capital contributions with a value of VND410.2 billion to a company in the Group for the purpose of investment and development of a number of real estate projects under investment and business cooperation contracts; and
- ▶ A deposit of VND341.5 billion to a counterparty to guarantee the signing of a share transfer agreement to purchase additional capital contribution in a subsidiary.

(iii) Mainly include receivables from construction fee payment on behalf according to reimbursement agreements with counterparties receiving part of transferred project and construction – transferring contract.

(iv) This is receivables from financial leases with counterparties in the Group.

(v) Mainly includes deposits and capital contribution to some companies within the Group for the purpose of investing in several real estate projects under Construction, Business and Investment Co-operation Contracts.

**10. BAD DEBTS**

The Company and its subsidiaries' bad debts mainly include overdue or may be not collected receivables, advances, deposits and loan principals:

*Currency: million VND*

<i>Debtor</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Corporate and individual counterparties	280,537	45,326	209,074	65,083
<b>TOTAL</b>	<b>280,537</b>	<b>45,326</b>	<b>209,074</b>	<b>65,083</b>

Details of overdue receivables more than 10% of ending balance:

<i>An individual</i>	75,000	22,500	75,000	37,500
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

# 11. INVENTORIES

*Currency: million VND*

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Inventory properties under construction (i)	60,891,136	-	24,830,175	-
Work in progress (ii)	2,240,153	-	2,129,398	-
Completed inventory properties	565,588	(7,073)	802,740	(7,073)
Inventories acquired for sales (iii)	126,287	(1,190)	256,336	(4,820)
Others (iv)	590,879	(43,373)	627,306	(55,247)
<b>TOTAL</b>	<b>64,414,043</b>	<b>(51,636)</b>	<b>28,645,955</b>	<b>(67,140)</b>

- (i) Mainly includes land use fee, land clearance costs, consideration for acquisition of subsidiaries allocated as a part of project acquisition costs, construction and development costs of Dream City Eco-Urban Area Project, Dai An Urban Area Project, Vinhomes Grand Park Project, Vinhomes Ocean Park Project, Vinhomes Smart City Project and other projects.
- (ii) Mainly includes the costs incurred related to the rendering of general constructor services, consultancy services to investors of real estate projects.
- (iii) Includes villas, apartments and shophouses acquired for sales at certain real estate projects in the Northern of Vietnam.
- (iv) Mainly includes inventories, material to provide to the developers of projects, products from white marble and other products.

As at 31 December 2022, inventories with carrying value of VND13,497 billion are pledged with banks to secure the loans of the Company and its subsidiaries.

Detail movements of provision for obsolete inventories:

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	67,140	37,579
Add: Provision made during the year	-	29,561
Less: Utilisation of provision during the year	(15,504)	-
Ending balance	51,636	67,140



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 12. PREPAID EXPENSES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Selling expenses related to inventory properties not yet handed over	5,115,891	1,253,498
Bond management service fees	126,509	119,065
Others	74,077	178,128
<b>TOTAL</b>	<b>5,316,477</b>	<b>1,550,691</b>
<b>Long-term</b>		
Prepaid land rental (i)	1,596,415	1,567,150
Tools and supplies	234,304	37,998
Others	123,967	120,058
<b>TOTAL</b>	<b>1,954,686</b>	<b>1,725,206</b>

- (i) These are mainly prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, Dream City Eco-Urban Area Project and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

## 13. OTHER ASSETS

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits for investment purpose (i)	13,034,620	15,463,833
Deposits for commercial purpose	-	1,032,336
<b>TOTAL</b>	<b>13,034,620</b>	<b>16,496,169</b>
<i>In which:</i>		
Deposits to others	12,566,964	2,029,649
Deposits to related parties (Note 37)	467,656	14,466,520
<b>Long-term</b>		
Deposits for investment purpose (ii)	53,953,970	41,882,440
Deposits for commercial purpose (iii)	1,032,336	-
<b>TOTAL</b>	<b>54,986,306</b>	<b>41,882,440</b>
<i>In which:</i>		
Deposits to others	1,032,336	299,088
Deposits to related parties (Note 37)	53,953,970	41,583,352



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**13. OTHER ASSETS** (continued)

(i) Mainly comprises:

- ▶ Deposit of VND6,000 billion to a counterparty for the purpose of acquiring land use rights;
- ▶ Deposit of VND6,000 billion to a counterparty for the purpose of securing the performance of a cooperation contract in relation to a real estate project;
- ▶ Deposits of VND667 billion to counterparties for the purpose of developing a potential real estate project and acquiring shares in two companies that own real estate projects;

(ii) Comprises:

- ▶ Deposits of VND35,002 billion to a company within the Group for the purpose of cooperation in development of potential real estate projects;
- ▶ Deposits of VND13,383 billion to a company within the Group for the purpose of acquiring shares of certain companies that own real estate projects of the Group;
- ▶ Deposits of VND5,569 billion to a company within the Group for the purpose of potential real estate projects transfer.

The deposits described in points (i) and (ii) are interest free.

- (iii) An unsecured deposit to a counterparty earning interest at rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**14. TANGIBLE FIXED ASSETS**

Currency: million VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
<b>Cost:</b>						
Beginning balance	4,524,843	2,174,071	103,314	23,546	30,652	6,856,426
Newly purchased	87,186	64,114	52,812	2,221	-	206,333
Newly constructed	1,829,417	290,710	-	-	-	2,120,127
Sold, disposed	(6,747)	(2,348)	(76,233)	(10,542)	-	(95,870)
Increase from acquisition of new subsidiary	93,085	3,184	12,362	-	5,499	114,130
Other increase, decrease	102,813	(131,936)	82,285	19,282	(4,001)	68,443
Ending balance	6,630,597	2,397,795	174,540	34,507	32,150	9,269,589
<i>In which:</i>						
<i>Fully depreciated</i>	10,502	190,590	5,099	11,149	10,607	227,947
<b>Accumulated depreciation:</b>						
Beginning balance	206,495	321,617	29,524	16,423	10,999	585,058
Depreciation for the year	167,189	295,842	16,931	7,802	6,027	493,791
Sold, disposed	(5,944)	(1,570)	(23,384)	(1,364)	-	(32,262)
Other increase, decrease	5,770	(10,743)	6,843	(271)	(3,746)	(2,147)
Ending balance	373,510	605,146	29,914	22,590	13,280	1,044,440
<b>Net carrying amount:</b>						
Beginning balance	4,318,348	1,852,454	73,790	7,123	19,653	6,271,368
Ending balance	6,257,087	1,792,649	144,626	11,917	18,870	8,225,149

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

15. INTANGIBLE FIXED ASSETS

Currency: million VND

	Land use rights	Mining exploration rights	Software	Licenses, patents	Others	Total
<b>Cost:</b>						
Beginning balance	4,087	1,165,109	166,052	4,138	52,289	1,391,675
Newly purchase	-	-	21,096	-	-	21,096
Other increase/(decrease)	-	-	4,140	-	(47,966)	(43,826)
Ending balance	4,087	1,165,109	191,288	4,138	4,323	1,368,945
<i>In which:</i>						
Fully depreciated	-	-	23,298	117	434	23,849
<b>Accumulated amortisation:</b>						
Beginning balance	-	48,868	112,779	3,380	192	165,219
Depreciation for the year	-	48,744	36,659	707	657	86,767
Other decreases	-	-	1,523	-	779	2,302
Ending balance	-	97,612	150,961	4,087	1,628	254,288
<b>Net carrying amount:</b>						
Beginning balance	4,087	1,116,241	53,273	758	52,097	1,226,456
Ending balance	4,087	1,067,497	40,327	51	2,695	1,114,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

16. INVESTMENT PROPERTIES

Currency: million VND

	Land use rights, buildings and structures	Machinery and equipment	Total
<b>Cost:</b>			
Beginning balance	11,310,107	1,748,730	13,058,837
Newly purchased	2,619,070	-	2,619,070
Newly constructed	1,235,564	146,321	1,381,885
Sold, disposed	(45,013)	-	(45,013)
Other decrease	(74,926)	(6,456)	(81,382)
Ending balance	15,044,802	1,888,595	16,933,397
<i>In which:</i>			
Fully depreciated	51,739	-	51,739
<b>Accumulated depreciation:</b>			
Beginning balance	614,192	365,751	979,943
Depreciation for the year	279,444	150,123	429,567
Sold, disposed	(789)	-	(789)
Other increase, decrease	(43,091)	44,040	949
Ending balance	849,756	559,914	1,409,670
<b>Net carrying amount:</b>			
Beginning balance	10,695,915	1,382,979	12,078,894
Ending balance (i)	14,195,046	1,328,681	15,523,727

- (i) As at 31 December 2022, investment properties mainly include factories in industrial zone, parking components, offices for lease, observation deck, cuisine and convention centre and apartments, villas, shophouses for lease.

As at 31 December 2022, investment properties with net carrying amount of VND490 billion have been mortgaged at the bank to secure the payment obligation of the Company and an affiliate.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2022 due to insufficient market information for fair value determination purpose.

17. CAPITALISED BORROWING COSTS

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of VND521 billion (for the year ended 31 December 2021: VND260 billion). These borrowing costs are mainly related to specific borrowings and deposits taken to finance the construction of Dream City Eco-Urban Area Project, Dai An Urban Area Project, Vinhomes Ocean Park, Vinhomes Smart City Project, Vinhomes Grand Park Project and Vinhomes Long Beach Can Gio Projects. The capitalised borrowing costs are determined by applying capitalisation rates ranging from 7.5% per annum to 13.5% per annum (for the year ended 31 December 2021: 7.6% per annum to 10% per annum).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

# 18. CONSTRUCTION IN PROGRESS

Construction in progress comprises construction costs, land clearance costs, land use fee, other costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

Details of construction in progress which are higher than 10% of total balance are as follows:

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Project Urban area in Ho Chi Minh City	13,463,380	12,353,019
Vinhomes Long Beach Can Gio Project	12,978,854	12,707,507

As at 31 December 2022, construction in progress with carrying amount of VND1,615 billion have been pledged with bank to secure the loans of the Company and its subsidiaries.

# 19. LONG-TERM INVESTMENTS

	<i>Currency: million VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investments in associates (Note 19.1)	147,257	-	3,556,961	-
Investments in other entities (Note 19.2)	7,625,468	(381,080)	7,263,751	-
Held-to-maturity investments (i)	99,680	-	119,680	-
<b>TOTAL</b>	<b>7,872,405</b>	<b>(381,080)</b>	<b>10,940,392</b>	<b>-</b>

- (i) Balance at 31 December 2022 includes investments in bank bonds in VND having terms ranging from 8 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum (as at 31 December 2021: terms ranging from 8 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**19.1 Investments in associates**

The Company has the following associates:

As at 31 December 2022:

No.	Company name	No of shares	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Tuong Phu Natural Stone Exploiting and Processing LLC ("Tuong Phu LLC")	(*)	40.00	38.97	Sub-quarter 13, Yen The Townlet, Luc Yen District, Yen Bai Province	Exploiting, processing and trading stones, sand, gravel and clay
2	Ca Tam Tourism JSC ("Ca Tam JSC")	3,102,948	48.67	48.67	No 2 Nguyen Thi Minh Khai, Loc Tho Ward, Nha Trang City, Khanh Hoa Province	Trading real estate properties, land use rights belonging to owners, users or renters
3	Hiep Thanh Cong Investment JSC ("Hiep Thanh Cong JSC")	2,651,390	49.00	49.00	No 57-59-61 Phan Boi Chau, Xuong Huan Ward, Nha Trang City, Khanh Hoa Province	Trading real estate properties, land use rights belonging to owners, users or renters

(\*) This is a limited liability company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**19.1 Investments in associates (continued)**

As at 31 December 2021:

No.	Company name	No of shares	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Tuong Phu LLC	(*)	40.00	31.44	Sub-quarter 13, Yen The Townlet, Luc Yen District, Yen Bai Province	Exploiting, processing and trading stones, sand, gravel and clay
2	Cam Ranh JSC	164,028,749	43.74	43.74	Hon Tre Islands, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	Trading real estate properties, land use rights belonging to owners, users or renters

(\*) This is a limited liability company.



## 19.1 Investments in associates (continued)

Currency: million VND

(\*) During the year, the Company and its subsidiaries disposed all the investment in Cam Ranh JSC to counterparties (Note 4.4).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**19.2 Investments in other entities**

	Ending balance				Beginning balance					
	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Fair value (million VND)	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Fair value (million VND)
MV Vietnam Real Estate Trading JSC ("MV JSC") (i)	19,82	19,82	614,959	-	(*)	19,82	19,82	2,179,637	-	(*)
MV1 Real Estate Trading LLC ("MV1 LLC") (ii)	19,83	19,83	2,593,324	-	(*)	19,83	19,83	2,392,849	-	(*)
MV2 Vietnam Real Estate Trading JSC ("MV2 JSC") (iii)	19,73	19,73	1,874,790	-	(*)	10,00	10,00	950,395	-	(*)
Vietnam Exhibition Fair Centre JSC	4,66	4,66	900,144	(381,080)	519,064	4,66	4,66	900,144	-	1,835,111
S-Vin Viet Nam Real Estate Trading JSC	10,00	10,00	363,620	-	(*)	10,00	10,00	363,621	-	(*)
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iv)	-	51,00	342,908	-	(*)	-	51,00	342,909	-	(*)
SV West Hanoi Real Estate Business Development JSC ("SV West Hanoi JSC")	-	-	-	-	-	4,00	4,00	70,000	-	(*)
Xavinco Land JSC ("Xavinco JSC")	1,00	1,00	22,223	-	(*)	1,00	1,00	22,223	-	(*)
AIC Real Estate JSC	-	-	-	-	(*)	1,00	1,00	28,473	-	(*)
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	10,00	10,00	13,500	-	(*)	10,00	10,00	13,500	-	(*)
VMI Real Estate Management and Investment JSC ("VMI JSC")	5,00	5,00	900,000	-	(*)	-	-	-	-	-
TOTAL			7,625,468	(381,080)				7,263,751		

(\*) As at 31 December 2022, the fair value of these investments has not been determined due to insufficient market information for fair value determination purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**19.2 Investments in other entities (continued)**

- (i) On 10 November 2022, MV JSC's General Meeting of Shareholders has issued Resolution No. 07/2022/NQ-DHDCD-MV in which approve the decrease in capital of MV JSC. Accordingly, the Company and its subsidiaries has received the repayment of capital amounting to VND1,564 billion from MV JSC.
- (ii) On 9 December 2022, MV1 JSC's Members' Council has issued the Resolution No. 01/2022/NQ-HDTV-MV1 in which approve the increase in capital of MV1 JSC. Accordingly, the Company and its subsidiaries has completed the capital contribution amounting to VND200 billion.
- (iii) On 30 May 2022, the Company completed the acquisition of 9.73% shares in MV2 JSC from individuals at a total consideration of VND924.4 billion, thereby increasing the equity interest of the Company in MV2 JSC from 10% to 19.73%.
- (iv) As at 31 December 2022, the Company no longer holds control or significant influence over Phat Loc Company. Therefore, the investment in Phat Loc Company is presented as another investment.
- (v) During the year, the Company and its subsidiaries completed the acquisition of 96% equity interest in SV West Hanoi JSC (Note 4). As a result, SV West Hanoi JSC has become a subsidiary of the Company.
- (vi) On 26 December 2022, the Company has completed the capital contribution of 5% of shares in VMI JSC with a total amount of VND900 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

20. GOODWILL

Currency: million VND

	Goodwill arising from business combination transactions									
	Ecology JSC	Vietnam Investment JSC	Gia Lam LLC	Vinhomes Management JSC (*)	Tan Lien Phat JSC (*)	Millenium LLC	VinITIS JSC	Sai Dong JSC	Bao Lai JSC	Total
<b>Cost:</b>										
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	200,770	2,063,561
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	200,770	2,063,561
<b>Accumulated amortisation:</b>										
Beginning balance	186,555	145,338	623	45,340	132,331	54,928	13,438	54,602	20,077	653,232
Amortisation for the year	36,925	28,767	123	11,557	33,731	15,278	7,656	52,324	20,059	206,420
Ending balance	223,480	174,105	746	56,897	166,062	70,206	21,094	106,926	40,136	859,652
<b>Net carrying amount:</b>										
Beginning balance	183,312	142,811	612	70,388	205,436	98,116	63,199	465,762	180,693	1,410,329
Ending balance	146,387	114,044	489	58,831	171,705	82,838	55,543	413,438	160,634	1,203,909

(\*) These companies were merged into the Company in 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 21. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 21.1 Short-term trade payables

	Currency: million VND	
	Balance, also payable amount	
	Ending balance	Beginning balance
Short-term trade payables	14,401,724	11,610,375
Trade payables to related parties (Note 37)	629,710	896,258
<b>TOTAL</b>	<b>15,031,434</b>	<b>12,506,633</b>

### 21.2 Short-term advances from customers

	Currency: million VND	
	Ending balance	Beginning balance
Down payments from customers under sales and purchase agreements (i)	58,369,347	7,461,131
Advances from customers for construction services	3,112,059	1,361,772
Others	481,249	42,469
<b>TOTAL</b>	<b>61,962,655</b>	<b>8,865,372</b>
<i>In which:</i>		
Advances from others	53,680,918	8,865,372
Advances from related parties	8,281,737	-

(i) These mainly represent down payments from customers who signed sales and purchase agreements to purchase inventory properties at real estate projects of the Company and its subsidiaries.

## 22. STATUTORY OBLIGATIONS

	Currency: million VND			
	Beginning balance	Payable/offset during the year	Payment made during the year	Ending balance
<b>Payables</b>				
Corporate income tax	3,190,130	9,770,585	(4,135,049)	8,825,666
Value added tax	144,799	8,149,924	(906,904)	7,387,819
Land use fee	448,773	32,000,401	(30,437,274)	2,011,900
Other taxes	10,748	436,248	(351,057)	95,939
<b>TOTAL</b>	<b>3,794,450</b>	<b>50,357,158</b>	<b>(35,830,284)</b>	<b>18,321,324</b>
	Beginning balance	Receivable during the year	Offset during the year	Ending balance
<b>Receivables</b>				
Value added tax	433,669	4,026,244	(3,997,246)	462,667
Corporate income tax	21,901	9,587	-	31,488
Other taxes	429	4,897	-	5,326
<b>TOTAL</b>	<b>455,999</b>	<b>4,040,728</b>	<b>(3,997,246)</b>	<b>499,481</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**23. ACCRUED EXPENSES***Currency: million VND**Ending balance    Beginning balance***Short-term**

Accrued costs for operating tangible fixed  
assets, investment properties and handed over  
inventory properties

13,975,755      10,852,708

Accrued construction costs

5,397,289      1,943,790

Accrued commission fees and other expenses  
related to inventory properties

4,584,763      2,848,320

Accrued bond and loan interest expenses

405,155      124,800

Others

725,782      590,895

**TOTAL****25,088,744      16,360,513***In which:*

*Short-term accrual to others*

25,061,587      16,316,333

*Short-term accrual to related parties*

27,157      44,180

**Long-term**

Accrued loan interest expenses

392,464      1,616,848

Others

22,133      21,861

**TOTAL****414,597      1,638,709***In which:*

*Long-term accrued expenses for others*

414,597      1,626,353

*Long-term accrued expenses for related parties*

-      12,356

**24. UNEARNED REVENUE***Currency: million VND**Ending balance    Beginning balance***Short-term**

Unearned revenue from real estate  
management service

494,848      485,077

Unearned revenue from leasing service

19,983      31,367

**TOTAL****514,831      516,444****Long-term**

Unearned revenue from real estate  
management service

685,590      1,006,346

Unearned revenue from leasing service

231,590      245,102

**TOTAL****917,180      1,251,448**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**25. OTHER PAYABLES**

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits and other agreements related to real estate projects (i)	32,240,644	25,896,201
Capital contribution and deposits under agreements (ii)	14,025,159	2,060,820
Apartment maintenance funds held on behalf of customers (iii)	2,007,562	2,253,471
Deposit for transfer of investments	897,895	561,000
Others	2,290,689	1,133,825
<b>TOTAL</b>	<b>51,461,949</b>	<b>31,905,317</b>
<i>In which:</i>		
Other short-term payables to others	50,450,228	29,715,441
Other short-term payables to related parties (Note 37)	1,011,721	2,189,876
<b>Long-term</b>		
Deposits and other agreements related to real estate projects (i)	202,172	163,000
Long-term deposits for real estate leasing purposes	59,683	53,451
Others	6,066	6,066
<b>TOTAL</b>	<b>267,921</b>	<b>222,517</b>
<i>In which:</i>		
Other long-term payables to others	104,921	59,517
Other long-term payables to related parties (Note 37)	163,000	163,000

(i) Balance as at 31 December 2022 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.

(ii) In which:

- Capital contribution of VND13,331 billion from some corporate counterparties under business and investment co-operation contracts and share profit before tax, from the business of the hotel and real estate component part of the Company and its subsidiaries, including: Vinhomes Grand Park project, Dream City Eco-Urban Area project, Dai An Urban Area project.
- Deposits of VND692 billion from a corporate counterparty for the purpose of acquiring a potential real estate project from a subsidiary.

(iii) These pertain to maintenance funds held on behalf of customers of real estate projects of the Company and its subsidiaries for area that has been handed over to customers and area that has been kept, not yet sold or leased, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 26. LOANS

	Beginning balance		Movement during the year				Ending balance	
	Balance	Payable amount	Increase due to acquisition of subsidiary	Increase due to disposal of subsidiary	Other increase	Decrease	Balance	Payable amount
<b>Short-term</b>								
Short-term loans from banks (Note 26.1)	105,170	105,170	-	-	14,901,975	(7,124,844)	7,882,301	7,882,301
Current portion of long-term loan from banks (Note 26.1)	145,650	145,650	-	-	5,225,083	(1,895,790)	3,474,943	3,474,943
Loans from counterparties (Note 26.2)	-	-	1,339,500	798,000	4,717,000	(6,228,500)	626,000	626,000
Current portion of long-term corporate bonds (Note 26.3)	-	-	-	-	3,846,853	(500,000)	3,346,853	3,346,853
Short-term loans from related parties (Note 37)	-	-	-	-	8,115,000	(8,115,000)	-	-
	<b>250,820</b>	<b>250,820</b>	<b>1,339,500</b>	<b>798,000</b>	<b>36,805,911</b>	<b>(23,864,134)</b>	<b>15,330,097</b>	<b>15,330,097</b>
<b>Long-term</b>								
Long-term loans from banks (Note 26.1)	641,780	641,780	1,379,187	-	9,429,913	(5,185,730)	6,265,150	6,265,150
Loans from counterparties (Note 26.2)	7,716,000	7,716,000	-	4,065,000	1,208,220	(7,011,000)	5,978,220	5,978,220
Corporate bonds (Note 26.3)	10,290,207	10,290,207	-	-	33,477	(3,861,580)	6,462,104	6,462,104
Loans from related parties (Note 37)	1,020,000	1,020,000	-	-	20,199,166	(19,048,338)	2,170,828	2,170,828
	<b>19,667,987</b>	<b>19,667,987</b>	<b>1,379,187</b>	<b>4,065,000</b>	<b>30,870,776</b>	<b>(35,106,648)</b>	<b>20,876,302</b>	<b>20,876,302</b>
<b>TOTAL</b>	<b>19,918,807</b>	<b>19,918,807</b>	<b>2,718,687</b>	<b>4,863,000</b>	<b>67,676,687</b>	<b>(58,970,782)</b>	<b>36,206,399</b>	<b>36,206,399</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**26. LOANS** (continued)

**26.1 Loans from banks**

Details of short-term loans from banks are presented below:

<i>Lender</i>	<i>Ending balance</i>		<i>Maturity date</i>	<i>Collateral</i>
	<i>Currency</i>	<i>million VND</i>		
Vietnam Joint Stock Commercial Bank For Industry And Trade	VND	2,800,000	From February to April 2023	None
Vietnam Technological and Commercial Joint Stock Bank	VND	1,826,484	From March to June 2023	None
Vietnam Prosperity Joint Stock Commercial Bank	VND	1,460,000	From January to June 2023	(i)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	963,380	From March to June 2023	(i)
Military Commercial Joint Stock Bank	VND	675,996	From April to June 2023	(i)
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	156,441	July 2023	(ii)
<b>TOTAL</b>		<b>7,882,301</b>		

Details of interests on short-term loans from banks as at 31 December 2022 are as follows:

<i>Loans</i>	<i>Currency</i>	<i>Interest</i>
Secured loans	VND	Interest rate during the period is from 7.5% to 13.4% per annum
Unsecured loans	VND	Interest rate during the period is from 8.5% to 13.5% per annum
(i) As at 31 December 2022, these short-term loans are secured by a number of listed shares of a company within the Group owned by Vingroup JSC.		
(ii) As at 31 December 2022, these short-term loan is secured by the Letter of Guarantee of Vingroup JSC.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**26. LOANS** (continued)

**26.1 Loans from banks** (continued)

Details of long-term and current portion of long-term loans from banks are presented below:

Lender	Ending balance		Maturity date	Collateral
	Original currency	million VND		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	9,102,809	From April 2023 to June 2027	(i)
<i>In which: Current portion of long-term loans</i>		3,054,943	April 2023	
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	637,284	From January 2023 to October 2024	(i)
<i>In which: Current portion of long-term loans</i>		420,000	From January 2023 to October 2023	
<b>TOTAL</b>		<b>9,740,093</b>		
<i>In which:</i>				
Long-term loans		6,265,150		
Current portion of long-term loans		3,474,943		

Details of interests on long-term loans from banks as at 31 December 2022 are as follows:

Loan	Currency	Interest
Secured loan	VND	Floating interest, interest rate during the period ranges from 7.5% to 10.5% per annum

(i) As at 31 December 2022, these long-term loans are secured by the following collaterals:

- Inventories (Note 11), construction in progress (Note 18), income and other benefits related to a project owned by the Company.
- A number of listed shares of a company within the Group owned by another company within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**26. LOANS** (continued)

**26.2 Loans from counterparties**

Short-term loans from five (05) corporate counterparties with total principal of VND626 billion, bearing the interest rate from 9% to 10% per annum with maturity date from February 2023 to July 2023.

Long-term loans from four (04) corporate counterparties with a total principal of VND5,978 billion, bearing the interest rate at 9% per annum with maturity date in June 2024.

**26.3 Corporate bonds**

	Currency: million VND	
	Ending balance	Beginning balance
Long-term corporate bonds	9,808,957	10,290,207
<i>In which: Current portion of long-term corporate bonds</i>	(3,346,853)	-
<b>TOTAL</b>	<b>6,462,104</b>	<b>10,290,207</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**26. LOANS (continued)**

**26.3 Corporate bonds (continued)**

		Ending balance		Maturity date	Interest	Collaterals	
Underwriter		(million VND)					
Techcom Securities Joint Stock Company		3,346,853		May 2023	Interest rate for the first four periods is 9% to 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 3 months.	(i)	
In which: Current portion of corporate long-term bonds		3,346,853					
Techcom Securities Joint Stock Company		2,258,731		October 2024	Interest rate for the first four periods is 8.8% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.8% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.	(ii)	
Techcom Securities Joint Stock Company		2,141,100		September 2024	Interest rate for the first four periods is 8.8% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.8% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.	(ii)	
Techcom Securities Joint Stock Company		2,062,273		November 2026	Interest rate for the first four periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.0% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.	(ii)	

**TOTAL** **9,808,957**

In which:

Long-term bonds 6,462,104  
Current portion of long-term bonds 3,346,853

- (i) As at 31 December 2022, these corporate bonds are secured by a part of a commercial project.  
(ii) These bonds are secured by land use rights and attached assets related to a hospitality real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**27. PROVISIONS**

**27.1 Short-term provisions**

The short-term provision balance as at 31 December 2022 includes the provision for warranty costs for inventory properties at the Company and its subsidiaries' projects in accordance with the warranty clause in sales and purchase agreements.

**27.2 Long-term provisions**

The long-term provision balance as at 31 December 2022 includes the provision related to a deposit for payments under commercial purchase contracts and the provision for warranty costs for inventory properties at the Company and its subsidiaries' projects in accordance with the warranty clause in sales and purchase agreements. The Company also made provision for real estate projects where the Company provides general construction contractor services in accordance with the warranty clause in the corresponding contracts.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 28. OWNERS' EQUITY

### 28.1 Increase and decrease in owners' equity

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
Previous year							
Beginning balance	33,495,139	295,000	(5,549,929)	1,200,896	56,259,405	3,664,891	89,365,402
- Acquisition of new subsidiaries	-	-	-	(681,541)	-	60	(681,481)
- Net profit for the year	-	-	-	-	38,824,562	123,916	38,948,478
- Change in equity interest in existing subsidiaries without loss of control	-	-	-	-	(592,715)	-	2,461,827
- Cash dividends declared	-	-	-	-	(5,024,270)	-	(5,024,270)
- Profit and dividends attributable to non-controlling interests by subsidiaries	-	-	-	-	-	(174,497)	(174,497)
- Share dividends declared	10,048,536	-	-	-	(10,048,536)	-	-
- Reissuance of treasury shares	-	965,023	5,549,929	-	-	-	6,514,952
- Appropriation to other reserves	-	-	-	5,000	(5,000)	-	-
- Other decrease	-	-	-	-	-	(3,000)	(3,000)
Ending balance	43,543,675	1,260,023	-	524,355	79,413,446	6,665,912	131,407,411

Currency: million VND

### Current year

Beginning balance	43,543,675	1,260,023	-	524,355	79,413,446	6,665,912	131,407,411
- Acquisition of new subsidiaries (Note 4)	-	-	-	(53,413)	-	-	(53,413)
- Net profit for the year	-	-	-	-	28,830,869	330,721	29,161,590
- Change in equity interest in existing subsidiaries without loss of control (i)	-	-	-	-	388,100	(3,013,055)	(2,624,955)
- Cash dividends declared	-	-	-	-	(8,708,735)	-	(8,708,735)
- Profit and dividends attributable to non-controlling interests by subsidiaries	-	-	-	-	-	(675,010)	(675,010)
- Other increase	-	-	-	5,000	9,955	-	14,955
Ending balance	43,543,675	1,260,023	-	475,942	99,933,635	3,308,568	148,521,843



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**28. OWNER'S EQUITY (continued)**

**28.1 Increase and decrease in owners' equity (continued)**

(i) Transactions resulting in change of equity interest in the existing subsidiaries without loss of control mainly include:

- ▶ Transfer of 3.59% shares in Can Gio JSC between Metropolis Hanoi LLC, Tay Tang Long LLC and Cam Ranh JSC;
- ▶ Acquisition of 3% shares in Can Gio JSC between Cam Ranh JSC and Vinhomes JSC; and
- ▶ Acquisition of 19.5% shares in Green City JSC between Cam Ranh JSC, Can Gio JSC and Vinhomes JSC.

**28.2 Capital transactions with owners**

	Currency: million VND	
	Current year	Previous year
<b>Contributed share capital from owners</b>		
Beginning balance	43,543,675	33,495,139
Share dividends declared	-	10,048,536
Ending balance	43,543,675	43,543,675

**28.3 Ordinary shares and preference shares**

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	4,354,367,488	4,354,367,488
Issued shares	4,354,367,488	4,354,367,488
Ordinary shares	4,354,367,488	4,354,367,488
Preference shares	-	-
Shares in circulation	4,354,367,488	4,354,367,488
Ordinary shares	4,354,367,488	4,354,367,488
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2021: VND10,000 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**28. OWNERS' EQUITY (continued)**

**28.4 Dividends**

	Currency: million VND	
	Ending balance	Beginning balance
<b>Dividends declared and paid during the year</b>	<b>8,708,735</b>	<b>15,072,806</b>
<i>Dividends on ordinary shares</i>		
Cash dividends in 2022: VND2,000 per share (2021: VND1,500 per share) (i)	8,708,735	5,024,270
Stock dividends in 2022: 0 share (2021: 300 shares per 1,000 shares)	-	10,048,536
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December</b>	<b>-</b>	<b>-</b>

- (i) According to Resolution No. 01/2022/NQ-ĐHĐCĐ-VHM dated 12 May 2022 and Resolution No.13/2022/NQ-HĐQT-VH dated 18 May 2022, the Company's General Meeting of Shareholders and the Board of Directors have approved the plan to use the net profit after tax in 2021. Accordingly, the Company paid cash dividends at rate of 20%/share (1 share is entitled to VND2,000).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 29. REVENUES

### 29.1 Revenues from sale of goods and rendering of services

	Currency: million VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>62,392,603</b>	<b>84,985,606</b>
<i>In which:</i>		
Revenue from sales of inventory properties	51,202,018	73,318,810
Revenue from rendering general contractor, construction consultancy and supervision services	5,235,200	6,847,160
Revenue from rendering real estate management and related services	2,463,603	2,216,789
Revenue from leasing activities and rendering related services	1,185,736	1,031,904
Others	2,306,046	1,570,943
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>62,392,603</b>	<b>84,985,606</b>
<i>In which:</i>		
Revenue from others	61,010,673	83,624,507
Revenue from related parties	1,381,930	1,361,099

### 29.2 Finance income

	Currency: million VND	
	Current year	Previous year
Gain from sales of investment (i)	11,587,263	4,656,724
Interest income from deposits and lending	2,820,346	1,477,255
Income from Business and Investment Co-operation Contracts (ii)	1,672,633	1,743,767
Other finance income	609,925	117,150
<b>TỔNG CỘNG</b>	<b>16,690,167</b>	<b>7,994,896</b>

(i) Pertains to gain from transfer of shares in subsidiaries (Note 4.2).

(ii) Pertains to income from Business and Investment Co-operation Contracts with Vingroup JSC for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Star City Thanh Hoa and Revenue from Business and Investment Co-operation Contracts with some affiliates.

### 29.3 Revenues and expenses relating to investment properties

	Currency: million VND	
	Current year	Previous year
Rental income from investment properties	1,601,082	1,140,920
Direct operating expenses of investment properties that generated rental income during the year	(653,556)	(577,351)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**30. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of inventory properties sold	22,755,797	26,252,150
Cost of rendering general contractor, construction consultancy and supervision services	4,496,796	6,515,770
Cost of rendering real estate management and other related services	1,817,737	1,693,006
Cost of leasing activities and other related costs	532,130	544,886
Others	2,093,816	1,520,230
<b>TOTAL</b>	<b>31,696,276</b>	<b>36,526,042</b>

**31. FINANCIAL EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loans interest and bond issuance costs	2,075,514	2,348,161
Loss from dispose of investment (i)	1,641,438	-
Provision/(reversal of provision) for investment	381,080	(235,991)
Others	296,087	673,505
<b>TOTAL</b>	<b>4,394,119</b>	<b>2,785,675</b>

(i) Pertains to loss from disposal of shares in an associate (Note 4.4)

**32. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
Consultancy, guarantee and commission fees	1,294,686	1,334,660
Advertising, marketing expenses	724,470	580,257
Labour costs	147,370	173,787
Operating, rental costs	195,028	107,445
Others	70,226	92,859
	<b>2,431,780</b>	<b>2,289,008</b>
<b>General and administrative expenses</b>		
Donation fee	997,434	2,135,812
Expenses for external services	929,305	777,579
Labour costs	263,654	238,844
Depreciation and amortisation (including amortisation of goodwill)	243,828	253,045
Others	209,706	363,314
	<b>2,643,927</b>	<b>3,768,594</b>
<b>TOTAL</b>	<b>5,075,707</b>	<b>6,057,602</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**33. OTHER INCOME**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Income from penalty, compensation, contract cancellation	1,051,981	347,320
Others	81,763	269,402
<b>TOTAL</b>	<b>1,133,744</b>	<b>616,722</b>

**34. OTHER EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loss from disposal of fixed assets	230,155	26,536
Penalty expenses	178,681	39,288
Others	55,261	32,863
<b>TOTAL</b>	<b>464,097</b>	<b>98,687</b>

**35. PRODUCTION AND OPERATING COSTS**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	50,484,480	9,712,959
Expenses for external service	10,102,290	11,642,793
Labour costs	1,657,041	1,415,510
Depreciation and amortisation (including amortisation of goodwill)	1,216,548	1,087,692
Others	1,771,258	3,274,150
<b>TOTAL</b>	<b>65,231,617</b>	<b>27,133,104</b>

**36. CORPORATE INCOME TAX**

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

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

**36.1 CIT expenses**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	9,820,841	8,978,371
Deferred tax (income)/expense	(339,732)	256,128
<b>TOTAL</b>	<b>9,481,109</b>	<b>9,234,499</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**36.1 CIT expenses (continued)**

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	Currency: million VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>38,642,699</b>	<b>48,182,977</b>
At CIT rate of 20% applicable to the Company and its subsidiaries	7,728,540	9,636,595
<i>Adjustment for:</i>		
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	712,924	(531,090)
Non-deductible interest expense	503,837	105,443
Adjustment of CIT according to Decree No. 132/2020/ND-CP	(10,160)	(313,849)
Unrecognised deferred tax assets related to tax loss	266,777	117,990
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements arising from merger and acquisition transactions	87,928	538,221
Goodwill amortisation in the consolidated financial statements	41,284	41,271
Shared profit from associates	(11,277)	(10,752)
Tax losses carried forward	(79,510)	(14,449)
Reversal of provision for investment in subsidiaries	(132,729)	(4,630)
Dividend income and shared profit	(292,074)	(261,937)
Non-deductible expenses	547,491	44,465
CIT exempted according to Decree No. 92/2021/ND-CP	-	(55,673)
Others	118,078	(57,106)
<b>CIT expenses</b>	<b>9,481,109</b>	<b>9,234,499</b>

**36.2 Current CIT expense**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**36.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years :

	Consolidated balance sheet			Consolidated income statement		Currency: million VND
	Ending balance	Beginning balance		Current year	Previous year	
<b>Deferred tax assets</b>						
Provisional CIT for real estate activities	616,413	-		532,711	-	
Accrued expenses and unearned revenue	538,120	392,130		145,990	195,562	
Differences arising from selling expenses for real estate projects	22,762	13,631		9,131	(38,383)	
Differences arising from unrealised profit	93,610	69,946		23,664	(327,757)	
Differences arising from revaluation of net assets of subsidiaries at acquisition date	20,760	72,167		(51,407)	(226)	
Differences from temporarily non-deductible expenses	5,432	8,478		(3,046)	-	
	<b>1,297,097</b>	<b>556,352</b>				
<b>Deferred tax liabilities</b>						
Differences arising from revaluation of net assets of subsidiaries at acquisition date	(460,548)	(488,226)		27,678	35,157	
Differences arising from unrealised loss	(241,619)	(120,481)		(121,138)	(120,481)	
Differences arising from finance lease contract	(223,851)	-		(223,851)	-	
	<b>(926,018)</b>	<b>(608,707)</b>				
<b>Net deferred tax assets/(liabilities)</b>	<b>371,079</b>	<b>(52,355)</b>				
<b>Net deferred tax credit/(charge) to consolidated income statement</b>				<b>339,732</b>	<b>(256,128)</b>	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**36.4 Unrecognised deferred tax assets**

***Tax losses carried forward***

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the consolidated balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND3,204 billion (31 December 2021: VND1,976 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

***Interest expense exceeds the prescribed threshold***

Non-deductible interest expense under Decree 132/2020/ND-CP shall be carried forward to the next tax period when determining total deductible interest expense in case the total interest expense deducted for the next tax period is lower than the level prescribed in this Decree. The Company and its subsidiaries are allowed to transfer the non-deductible interest expenses exceeding the cap within the following 5 years since the year when such expense has been incurred.

The deferred tax assets have not been recognised in respect of this non-deductible interest expense because future taxable profits and the conditions to deduct in subsequent tax periods cannot be ascertained at this stage.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES**

The list of related individuals of the Company and its subsidiaries on 31 December 2022 is presented in Appendix 1 and Appendix 2 in Management Report No. 01/2023/BC-VH publicly announced on 18 January 2023.

**37.1 Significant transactions of the Company and its subsidiaries with related parties**

Significant transactions with related parties during this year and previous year were as follows:

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vingroup JSC	Parent company	Lending	1,500,000	20,899,800
		Collection of lending	7,950,000	13,837,195
		Management service payables	798,362	633,338
		Receivables from shared profit from Business and Investment Co-operation Contracts	1,589,690	1,389,781
		Receipts from shared profit from Business and Investment Co-operation Contracts	1,724,544	1,260,188
		Receivables from construction consultancy and management service fee	179,996	265,855
		Repayments of deposit for project development agreements, project transfer agreements and share transfer agreements	16,109,684	-
		Deposit under project development agreements, project transfer agreements and share transfer agreements	42,170,447	14,389,175
		Dividends paid in cash	5,804,965	3,349,018
		Advance for management service	540,566	-
		Payables for donated goods purchased	746,631	-
		Marketing consulting service fee	105,442	-
		Penalty for disposing of deposit contract	574,960	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.1 Significant transactions of the Company and its subsidiaries with related parties (continued)**

Significant transactions with related parties during the current and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vinpearl JSC	Affiliate	Lending	18,025,379	-
		Collections of lending	16,457,379	-
		Borrowings	24,308,338	-
		Repayment of borrowings	24,308,338	-
		Collection of deposit refund for share transfer agreements	3,850,000	-
		Transfer of lending	-	9,701,843
Vincom Retail JSC	Affiliate	Deposits received for Investment Co-operation Contract	-	192,118
		Repayment of deposit for Investment Co-operation Contract	-	242,172
		Receivables from of inventory properties transferred	214,872	131,396
Vinfast Trading and Production JSC ("VinFast JSC")	Affiliate	Repayment of borrowings	-	575,000
		Receivables from shared profit from Business Co-operation Contracts	56,000	336,000
		Receipts from shared profits from Business Co-operation Contracts	123,902	383,034
		Receivables from shared profit from Finance Lease Contracts	1,202,202	-
		Receipts from shared profit from Finance Lease Contracts	459,065	-
		Collection of lending	2,348,663	1,900,000
		Repayment of deposit for project transfer agreements	968,773	-
VinFast Commercial and Services Trading LLC ("VinFast Trading LLC")	Affiliate	Payables for goods purchased	5,339,181	3,547,980
		Payment for goods purchased	5,345,953	2,808,670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.1 Significant transactions of the Company and its subsidiaries with related parties (continued)**

Significant transactions with related parties during the current and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Payables for goods purchased	-	453,099
		Payment for goods purchased	526,125	348,175
		Payables for transferred assets and provided services	-	341,762
Kind Heart Foundation	Under common owner	Charity expenses	-	83,963
		Advance for charity expenses	90,405	1,155,000
		Refund of charity expenses	194,985	1,465,757
Xavinco JSC	Affiliate	Borrowings	-	932,000
		Repayment of borrowings	596,000	336,000
Xalivico LLC	Affiliate	Borrowings	-	825,000
		Repayment of borrowings	424,000	401,000
Vinschool JSC	Affiliate	Receivables from shared profit from Business Co-operation Contracts	226,958	161,098
		Repayment of deposit of Business Co-operation Contracts	-	200,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.1 Significant transactions of the Company and its subsidiaries with related parties (continued)**

Significant transactions with related parties during the current and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
SV Real Estate JSC	Key management personnel in common	Collection from of inventory properties transferred	3,039,042	2,775,431
VinES Energy Solutions Joint Stock Company	Affiliate	Lending Collections of lending	1,725,000 1,725,000	- -
VMI JSC	Under common owner	Capital contribution Advances for the purpose of inventory properties transferred Deposits received for the purpose of inventory properties transferred Payables for brokerage service fees	900,000 1,956,036 135,059 217,505	- - - -
Cam Ranh JSC	Associate until 20 December 2022	Receivables from share transfer Collection from shares transfer	3,957,834 1,332,880	- -
Green Urban construction and Trading Joint Stock Company (Green Urban JSC)	Key management personnel in common	Add-on interest Repayment of borrowing Interest payables Advances for the purpose of inventory properties transferred	500,828 815,000 221,348 3,294,233	- - - -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.1 Significant transactions of the Company and its subsidiaries with related parties (continued)**

Currency: million VND

Related parties	Relationship	Transactions	Current year	Previous year
Long Hai Trading Investment and Investment JSC ("Long Hai JSC")	Key management personnel in common	Advances for the purpose of inventory properties transferred	2,899,468	-
Individual No.1	Chairman cum Chief Executive Officer in a subsidiary	Acquisition of shares	3,435,600	-
Individual No.2	Member of Board of Director in a subsidiary (*)	Deposit for land clearance	4,045,000	-
Individual No.3	Member of Board of Director in a subsidiary (*)	Acquisition of shares	873,000	-
Individual No.4	Member of Board of Director in a subsidiary	Deposit for acquisition of shares	343,170	-

(\*) These individuals are no longer related parties of the Company and its subsidiaries on consolidated balance sheet date.

*Terms and conditions of transactions with related parties*

The Company and its subsidiaries have sold/purchased goods and rendered/purchased services to/from related parties based on negotiated market prices and contract terms.

Payables and receivables (except for some lending, borrowings and deposits for share transfer are secured as disclosed in other notes) as at 31 December 2022 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2022, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2021: Nil). This assessment is undertaken each financial period through the examination of the financial position of the related parties and the market in which the related parties operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.2 Amounts due to and due from related parties**

Amounts due to and due from related parties as at 31 December 2022 and 31 December 2021 were as follows:

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables (Note 7.1)</b>				
SV Real Estate JSC	Under common owner	Receivables from sales of inventory properties	505,325	3,601,722
Vincom Retail JSC	Affiliate	Receivables from sales of inventory properties	225,698	10,826
		Other receivables	20,314	18,681
Vinschool JSC	Affiliate	Receivables from Business Co-operation Contract	91,468	-
Vingroup JSC	Parent company	Receivables from management consultancy and construction contractor services	41,429	235,206
Other affiliates		Other receivables (i)	251,488	123,255
			<b>1,135,722</b>	<b>3,989,690</b>

(i) Other receivables mainly comprise receivables from shared profit, general contractor and technological services.

**Short-term advances to suppliers (Note 7.2)**

Vingroup JSC	Parent company	Advances for management service fee	540,566	-
VinFast JSC	Affiliate	Advances for purchasing goods and rendering services	97,800	-
Other affiliates		Other advances	33,896	466,085
			<b>672,262</b>	<b>466,085</b>





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES** (continued)

**37.2 Amount due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2022 and 31 December 2021 were as follows: (continued)

Currency: million VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Other short-term receivables</b> (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation and project development purpose	8,580,668	410,230
		Receivables from shared profit	-	129,592
Kind Heart Foundation	Under common owner	Advance for charity expenses	-	104,580
VinFast JSC	Affiliate	Receivable from finance lease contracts	476,097	-
		Other receivables	402,107	968,773
Other affiliates		Other receivables	209,190	250,962
			<b>9,668,062</b>	<b>1,864,137</b>
<b>Other long-term receivables</b> (Note 9)				
Vingroup JSC	Parent company	Deposit for Business and Investment Co-operation Contract	3,000,000	3,000,000
VinAcademy Education and Training LLC	Affiliate	Capital contribution for Business and Investment Co-operation Contract	2,790,000	2,790,000
VinFast JSC	Affiliate	Receivables from finance lease contract	13,759,137	-
Other affiliates		Other receivables	130,142	140,458
			<b>19,679,279</b>	<b>5,930,458</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES** (continued)

**37.2 Amount due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2022 and 31 December 2021 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Other current assets (Note 13)</b>				
Vingroup JSC	Parent company	Deposit for project development purpose	-	8,599,366
Vinpearl JSC	Affiliate	Deposit for share transfer and investment purpose	100,000	3,950,000
VinFast JSC	Affiliate	Deposit for project transfer purpose	-	1,917,154
Others	Member of Board of Director of a subsidiary	Deposit for share transfer purpose	367,656	-
			<b>467,656</b>	<b>14,466,520</b>
<b>Other non-current assets (Note 13)</b>				
Vingroup JSC	Parent company	Deposit for project transfer purpose, investment and share transfer purpose	53,953,970	27,464,279
VinFast JSC	Affiliate	Deposit for project transfer purpose	-	14,119,073
			<b>53,953,970</b>	<b>41,583,352</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.2 Amounts due to and due from related parties (continued)**

Amounts due to and due from related parties as at 31 December 2022 and 31 December 2021 were as follows: (continued)

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade payables (Note 21.1)</b>				
Vingroup JSC	Parent company	Management service fee payables	167,329	167,329
		Other service fee payables	197,799	75,597
VinFast Trading LLC	Affiliate	Payables for goods purchased	91,039	-
Vinmec JSC	Affiliate	Donation fee payables	-	117,029
Vinsmart JSC	Affiliate	Payables for goods purchased	16,844	355,803
Other affiliates		Other payables	156,699	180,500
			<b>629,710</b>	<b>896,258</b>
<b>Short-term advances from customers (Note 21.2)</b>				
VMI JSC	Under common owner	Advances from sales of inventory properties	1,956,036	-
Vinpearl JSC	Affiliate	Advances from sale consulting contract	132,000	-
Long Hai JSC	Key management personnel in common	Advances from sales of inventory properties	2,899,468	-
Green Urban JSC	Key management personnel in common	Advances from sales of inventory properties	3,294,233	-
			<b>8,281,737</b>	<b>-</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.2 Amounts due to and due from related parties (continued)**

Amounts due to and due from related parties as at 31 December 2022 and 31 December 2021 were as follows: (continued)

Currency: million VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other short-term payables (Note 25)</b>				
Vincom Retail JSC (*)	Affiliate	Deposit for investment co-operation and project transfer	657,420	1,860,820
		Other payables	208,653	48,235
VMI JSC	Under common owner	Deposit received for sales of inventory properties	135,059	-
Vinwonders JSC	Affiliate (**)	Deposit received for Investment Co-operation Contract	-	200,000
Other affiliates		Other payables	10,589	80,821
			<b>1,011,721</b>	<b>2,189,876</b>

(\*) Deposits for shopping mall components bear the interest at 10% per annum.

(\*\*) No longer an affiliate on consolidated balance sheet date.

**Other long-term payables (Note 25)**

Other long-term payables comprise deposit received from an affiliate for the purpose of co-operation and transfer of shopping mall component of Vinhomes Long Beach Can Gio Project, bearing the interest rate of 10% per annum.

**37.3 Details of lending to related parties (Note 8)**

Details of short-term lending as at 31 December 2022:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Thang Long Real Estate JSC	Affiliate	139,000	9%	May 2023	None
		<b>139,000</b>			

Details of long-term lending as at 31 December 2022:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Vinpearl JSC	Affiliate	1,568,000	9%	February 2024	None
		<b>1,568,000</b>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.3 Details of lending to related parties (Note 8) (continued)**

The Company and its subsidiaries have no short-term lending to related parties at 31 December 2021.

Details of long-term lending as at 31 December 2021:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	6,450,000	9%	From February to June 2023	(i)
Vinfast JSC	Affiliate	2,348,663	9%	February 2023	(i)
Thang Long Real Estate JSC	Affiliate	139,000	9%	January 2023	(i)
		<b>8,937,663</b>			

(i) This lending is secured by capital contribution of companies within the Group held by borrowers or other companies within the Group.

**37.4 Details of borrowings from related parties (Note 26)**

The Company and its subsidiaries have no short-term borrowings from related parties at 31 December 2022.

Details of long-term borrowings as at 31 December 2022:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Green Urban JSC	Key management personnel in common	2,170,828	9%	June 2024	None
		<b>2,170,828</b>			

The Company and its subsidiaries have no short-term borrowings from related parties at 31 December 2021.

Details of long-term borrowings as at 31 December 2021:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xavinco JSC	Affiliate	596,000	9%	From January to February 2023	(i)
Xalivico LLC	Affiliate	424,000	9%	From January to February 2023	(i)
		<b>1,020,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**37. TRANSACTIONS WITH RELATED PARTIES (continued)**

**37.5 Other related party transactions**

Remuneration to members of Board of Directors:

*Currency: million VND*

	<i>Position</i>	<i>Remuneration (*)</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr. Pham Thieu Hoa	Chairman	3,967	-
Ms. Nguyen Dieu Linh	Member	3,458	3,411
Mr. Pham Nhat Vuong	Member	-	-
Ms. Cao Thi Ha An	Member	1,266	1,489
Mr. Ashish Jaiprakash Shastri	Member	-	-
Mr. Tran Kien Cuong	Member	930	1,147
Mr. Varun Kapur	Independent member	1,166	1,052
Mr. Mueen Uddeen	Independent member	1,166	1,149
Mr. Hoang D. Quan	Independent member	1,038	1,052
<b>TOTAL</b>		<b>12,991</b>	<b>9,300</b>

(\*) Only includes remuneration paid for title of Board of Director.

Remuneration to General Director and other members of management:

*Currency: million VND*

	<i>Position</i>	<i>Salary</i>	
		<i>Current year</i>	<i>Previous year</i>
Ms. Nguyen Thu Hang	Chief Executive Officer	11,679	5,560
Other members		57,732	50,368
<b>TOTAL</b>		<b>69,411</b>	<b>55,928</b>

Remuneration and operating expenses of Supervisory Board:

*Currency: million VND*

	<i>Position</i>	<i>Current year</i>	<i>Previous year</i>
Ms. Nguyen Le Van Quynh	Head of the Supervisory Board	241	-
Members of Supervisory Board		314	240
<b>TOTAL</b>		<b>555</b>	<b>240</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

### 38. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

<i>Currency: million VND</i>		
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary shareholders	28,830,869	38,824,562
Adjust for the effect of dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>28,830,869</b>	<b>38,824,562</b>
<i>Currency: shares</i>		
	<i>Current year</i>	<i>Previous year</i>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	4,354,367,488	4,306,713,063
Adjust for the effect of dilution	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>4,354,367,488</b>	<b>4,306,713,063</b>
<i>Currency: VND</i>		
	<i>Current year</i>	<i>Previous year</i>
Basic earnings per share	6,621	9,015

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the consolidated financial statements.

### 39. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2022 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and its subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**40. COMMITMENTS AND CONTINGENCIES**

***Commitment under operating leases where the Company and its subsidiaries are lessees***

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the consolidated balance sheet date under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	240,239	140,517
From 1-5 years	810,393	720,831
More than 5 years	7,752,398	7,568,554
<b>TOTAL</b>	<b>8,803,030</b>	<b>8,429,902</b>

The Company and its subsidiaries have been allocated land by the State in the form of land lease with annual payment to implement a number of projects. For a portion of allocated land areas that have received the Notice of land rental unit price but have not yet entered any lease contract, the minimum lease commitment related to the obligations of the Company and its subsidiaries according to the Notice of land rental unit price as at the consolidated balance sheet date is VND340 billion.

***Commitment under operating leases where the Company and its subsidiaries are lessors***

The Company and its subsidiaries, as lessor, leases offices, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the consolidated balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	901,710	653,160
From 1-5 years	1,259,197	928,330
More than 5 years	2,555,853	2,720,434
<b>TOTAL</b>	<b>4,716,760</b>	<b>4,301,924</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**40. COMMITMENTS AND CONTINGENCIES (continued)**

**Finance lease commitment**

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. As at 31 December 2022, the present values of the minimum lease payment receivables under these agreements are as follows:

		Currency: million VND					
		Ending balance			Beginning balance		
		Total minimum lease payments	Finance income	Present value of payment	Total minimum lease payments	Finance income	Present value of payment
<b>Current receivables</b>							
Less than 1 year		21,397	22,704	18,805	21,397	23,358	18,805
<b>Non-current receivables</b>							
From 1-5 years		92,006	92,969	50,034	89,867	92,394	48,786
More than 5 years		453,237	324,183	57,945	476,773	347,461	58,144
<b>TOTAL</b>		<b>566,640</b>	<b>439,856</b>	<b>126,784</b>	<b>588,037</b>	<b>463,213</b>	<b>125,735</b>

In 2022, VHIZ JSC, a subsidiary, entered into a financial lease contract with Vinfast regarding the lease of plant and factory of industrial project part. As at 31 December 2022, the present values of the minimum lease payment receivables under these agreements are as follows:

		Currency: million VND		
		31 December 2022		
		Total minimum lease payments	Finance income	Present value of payment
<b>Current receivables</b>				
Less than 1 year		547,497	1,606,411	518,244
<b>Non-current receivables</b>				
From 1-5 years		2,302,680	7,756,594	1,678,524
More than 5 years		145,178,234	123,714,505	12,726,820
<b>TOTAL</b>		<b>148,028,411</b>	<b>133,077,510</b>	<b>14,923,588</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

40. COMMITMENTS AND CONTINGENCIES (continued)

***Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects***

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2022 amounts to approximately VND10,001 billion (as at 31 December 2021: VND8,137 billion). In addition, according to a land lease agreement between a subsidiary and a counterparty, the remaining consideration payable under this agreement as at 31 December 2022 is USD112,000,000.

Under Build – Transfer Contract in 2016 between Hanoi Construction Department and a subsidiary and a counterparty, the outstanding commitment of this contract as at 31 December 2022 is VND330 billion.

Under a Business Co-operation Contract dated November 2017 between a subsidiary and a counterparty, the subsidiary commits to contribute 100% investment capital for a potential real estate project in Hanoi. The project will be implemented within 2 years commencing from the date the subsidiary receives land parcel for construction. In accordance with this agreement, upon the completion of the project, the subsidiary will be entitled to manage and operate a portion of the project's asset. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2022 is VND782.1 billion.

In May 2018, the Company and Can Gio JSC, a subsidiary, have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of the subsidiary equity interest. At 31 December 2022, the remaining consideration payable under this agreement is VND503.7 billion.

In June 2019, a subsidiary has entered into an Investment Co-operation Contract with counterparties for the purpose of investing in a real estate project. Accordingly, the subsidiary commits to deposit to secure the call option of capital contribution in this project. At 31 December 2022, the remaining commitment under this agreement amounts to VND172.5 billion.

As disclosed in Note 13, a subsidiary has entered into Share Transfer Agreement with an affiliate for the purpose of acquiring shares in a company owning real estate project. At 31 December 2022, the remaining commitment under this agreement amounts to VND6,028 billion.

As disclosed in Note 13, in 2020, the Company has entered into a Joint-name Investors Agreement with Vingroup JSC for the purpose of co-investing developing real estate project, with the total project investment capital of VND232,369 billion. Accordingly, the Company and Vingroup JSC would share the capital contribution at the rate of 70% and 30% respectively, which is equivalent to 15% of the total project investment capital.

As disclosed in Note 13, a subsidiary has entered into a agreement with a counterparty for the purpose of receiving the transfer of land use rights of land plots in Ho Chi Minh city. As at 31 December 2022, the remaining commitment under this agreement amount to VND1,000 billion.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

#### 40. COMMITMENTS AND CONTINGENCIES (continued)

***Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries***

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes Ocean Park, Dream City Eco-Urban Area Project, Dai An Urban Area Project, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes West Point, Vinhomes Symphony, Vinhomes New Center, Vinhomes Marina) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

***Commitment under the agreement for partners to buyers of inventory properties at real estate projects of the Company and its subsidiaries***

The Company has signed an agreement to support a portion of borrowing interest and early repayment fees for a counterparty related to the partner's loan contract to deposit for the purpose of receiving the transfer real estate projects.

***Commitment to securing assets for payment obligation of corporate counterparties***

The Company and some subsidiaries have committed to use assets of either the Company and these subsidiaries to secure for loans and debts related to deposits from corporate counterparties to transfer real estate projects.

***Commitments under Business Co-operation Contracts***

Under the Business Co-operation Contracts signed in February 2012 between Royal City JSC and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City. Royal City JSC is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement. The duration of the Business Co-operation Contracts is from February 2012 to the end of August 2043.

Under the Business Co-operation Contracts between the Company and its subsidiaries and Vinschool LLC on the exploitation of the school component of real estate projects, the Company and its subsidiaries are entitled to the share of Vinschool LLC's revenue and can be adjusted according to the agreement.

***Commitment related to non-controlling owner of a subsidiary***

In accordance with the agreement between the two owners of a subsidiary, the non-controlling owner has the right to contribute capital equivalent to 15% equity ownership together with right, obligation in this subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**41. ADDITIONAL INFORMATION REGARDING THE INTERIM CONSOLIDATED CASH FLOW STATEMENT**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Actual cash received from loans during the year:</b>		
Cash received from normal loan agreements	25,276,890	7,365,544
Cash received for principal of bonds	-	6,454,333
<b>Actual cash payment of loans during the year:</b>		
Cash payment for normal loan agreements	(13,376,813)	(7,162,251)
Cash payment for principal of bonds	(500,000)	(12,139,000)

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

The Company and its subsidiaries have the following events after the consolidated balance sheet date:

In March 2023, the Company's Board of Directors approved the plan to contribute capital to establish two new subsidiaries, namely Truong Loc Real Estate Investment and Development LLC and Phat Dat Real Estate Investment and Development LLC. Accordingly, the Company will contribute assets to hold 99% of charter capital in these subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**42. EVENTS AFTER THE INTERIM BALANCE SHEET DATE** (continued)

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



\_\_\_\_\_  
Nguyen Hoang Son  
Preparer



\_\_\_\_\_  
Le Tien Cong  
Chief Accountant



\_\_\_\_\_  
Nguyen Thu Hang  
Chief Executive Officer

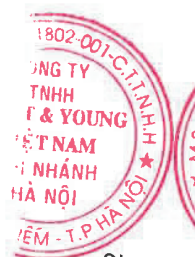
Hanoi, Vietnam

11 March 2023

## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2022

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company (i) (iii)	Gia Lam LLC	99.39	99.00	2 <sup>nd</sup> Floor, Vincom Mega Mall Ocean Park Shopping Center in land plot CCTP-10 of Gia Lam Urban Project, Trau Quy Town and Duong Xa, Kieu Ky, Da Ton Communes, Gia Lam District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company (i)	Ecology JSC	100.00	99.61	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company (i)	Vietnam Investment JSC	70.00	69.73	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation (i)	Can Gio JSC	99.89	99.66	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate Company Limited Liability Company	Tay Tang Long LLC	100.00	90.00	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township Limited Liability Company (i)	Berjaya VIUT LLC	97.90	97.57	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment Joint Stock Company (i)	Royal City JSC	97.85	97.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment Joint Stock Company (i)	Lang Van JSC	100.00	98.84	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi Limited Liability Company	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties





## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2022 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
10	Berjaya Vietnam Financial Center Limited Liability Company (i)	Berjaya VFC LLC	67.50	67.27	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction Corporation (i)	Thai Son JSC	100.00	99.66	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millennium Trading Investment and Development Limited Liability Company	Millennium LLC	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing, trading real estate properties and office leasing
13	GS Cu Chi Development Joint Stock Company (i)	GS Cu Chi JSC	100.00	99.90	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Green City Development Joint Stock Company (i)	Green City JSC	100.00	99.68	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
15	Delta Joint Stock Company (i)	Delta JSC	100.00	99.89	No. 110, Dang Cong Binh Street, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Vinhomes Industrial Zone Investment Joint Stock Company (i)	VHIZ JSC	100.00	99.99	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties

## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2022 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
17	Dai An Investment Construction Joint Stock Company	Dai An JSC	100.00	100.00	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province	Investing, developing and trading real estate properties
18	Ecology Development and Trading Joint Stock Company (i) (ii)	Ecology Trading JSC	100.00	99.98	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
19	VinITIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company	VinITIS JSC	61.00	61.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities
20	Sai Dong Urban Development and Investment Joint Stock Company (i)	Sai Dong JSC	100.00	99.95	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
21	Central Park Development Limited Liability Company (i)	Central Park LLC	100.00	99.95	Room 900, 9 <sup>th</sup> Floor, IPH Tower, No. 241 Xuan Thuy Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	Investing, developing and trading real estate properties
22	Bao Lai Investment Joint Stock Company (i)	Bao Lai JSC	96.48	96.17	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem District, Hanoi	Exploiting, manufacturing and trading white marble
23	Bao Lai Marble One Member Company Limited (i)	Bao Lai Marble LLC	100.00	96.17	Hop Nhat Village, Thinh Hung Commune, Yen Binh District, Yen Bai Province	Exploiting, manufacturing and trading white marble
24	An Phu White Marble Company Limited (i)	An Phu White Marble LLC	100.00	96.17	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
25	Doc Thang Marble Joint Stock Company (i)	Doc Thang JSC	100.00	97.19	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
26	Phan Thanh Mineral Joint Stock Company (i)	Phan Thanh JSC	100.00	96.47	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble

## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2022 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
27	Bao Lai Luc Yen Mineral Exploitation One Member Company Limited (i)	Bao Lai Luc Yen LLC	100.00	96.17	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
28	Van Khoa Investment Joint Stock Company (i)	Van Khoa Investment JSC	100.00	97.42	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem, District, Hanoi	Exploiting, manufacturing and trading white marble
29	Son Thai Investment and Trading Joint Stock Company (i)	Son Thai JSC	99.99	99.66	No. 65, Hai Phong Street, Thach Thang Ward, Hai Chau District, Da Nang City	Investing real estate properties and leasing offices
30	SV West Hanoi Real Estate Business Development JSC (i)	SV West Hanoi JSC	100.00	99.84	2 <sup>nd</sup> Floor, Almaz Market Area, Hoa Lan street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Hanoi, Vietnam	Investing, developing and trading real estate properties
31	Muoi Cam Ranh JSC	Muoi Cam Ranh JSC	100.00	100.00	Km 15, Km 1497, Cam Nghia Ward, Cam Ranh city, Khanh Hoa province, Vietnam	Manufacturing salt, selling products from salt and launching projects.
32	VinCons Construction Development and Investment JSC	Vincons JSC	100.00	100.00	10 <sup>th</sup> Floor, TechnoPark Tower, Gia Lam Urban Area, Da Ton Commune, Gia Lam District, Hanoi, Vietnam	Consulting, brokering and auctioning real estate and right of use.
33	VinCons 2 Construction Development JSC	Vincons 2 JSC	99.00	99.00	Km 15, Hung Vuong Avenue, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province, Vietnam	Consulting, brokering and auctioning real estate and right of use.

- (i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.
- (ii) These companies are in the process of completing dissolution procedures.
- (iii) Non-controlling owner in this subsidiary has the right to contribute capital as disclosed in Note 40.



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# **Vinhomes Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2021



# **Vinhomes Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2021





# Vinhomes Joint Stock Company

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# Vinhomes Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 34<sup>th</sup> amendment dated 11 March 2022 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent (also referred to as "the Parent Company"). Vingroup JSC and its subsidiaries are hereby referred as "the Group".

### BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman
Mr. Pham Nhat Vuong	Member
Ms. Cao Thi Ha An	Member
Mr. Pham Thieu Hoa	Member
Mr. Ashish Jaiprakash Shastri	Member
Mr. Tran Kien Cuong	Member
Mr. Varun Kapur	Independent member
Mr. Mueen Uddeen	Independent member
Mr. Hoang D. Quan	Independent member

### SUPERVISORY BOARD

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

Ms. Nguyen Le Van Quynh	Head of the Supervisory Board	Appointed on 12 August 2021
Mr. Pham Khoi Nguyen	Head of the Supervisory Board	Resigned on 12 August 2021
Ms. Le Thi Duyen	Member	
Ms. Pham Ngoc Lan	Member	Appointed on 12 August 2021
Ms. Doan Thi Thu Mai	Member	Resigned on 12 August 2021

# Vinhomes Joint Stock Company

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Mr. Pham Thieu Hoa	Chief Executive Officer	
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Nguyen Thu Hang	Deputy Chief Executive Officer	
Ms. Mai Thu Thuy	Deputy Chief Executive Officer	
Mr. Nguyen Ba Tin	Deputy Chief Executive Officer	Assigned on 8 March 2022
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer	Resigned on 28 October 2021
Mr. Nguyen Anh Dung	Deputy Chief Executive Officer	Assigned on 28 October 2021 Resigned on 8 March 2022

### LEGAL REPRESENTATIVES

The legal representatives of the Company during the year and at the date of this report are:

Ms. Nguyen Dieu Linh	Chairwoman	
Mr. Pham Thieu Hoa	Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Ms. Nguyen Thu Hang	Deputy Chief Executive Officer	Assigned on 2 July 2021
Mr. Nguyen Ba Tin	Deputy Chief Executive Officer	Assigned on 11 March 2022
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer	Resigned on 1 November 2021
Mr. Nguyen Anh Dung	Deputy Chief Executive Officer	Assigned on 1 November 2021 Resigned on 11 March 2022

### AUDITORS

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

# Vinhomes Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

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

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

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



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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2021 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:

  
  
Phạm Thiệu Hòa  
Chief Executive Officer

Hanoi, Vietnam

31 March 2022

Reference: 60871645/22574678-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Vinhomes Joint Stock Company**

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 31 March 2022 and set out on pages 6 to 86, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

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

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

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

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

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

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

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



Phung Manh Phu  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2598-2018-004-1

A handwritten signature in black ink, consisting of a stylized 'N' followed by a long horizontal stroke.

Nguyen Hoang Linh  
Auditor  
Audit Practising Registration  
Certificate No. 3835-2021-004-1

Hanoi, Vietnam

31 March 2022

CONSOLIDATED BALANCE SHEET  
as at 31 December 2021

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>94,437,005</b>	<b>102,312,109</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>4,625,760</b>	<b>13,713,651</b>
111	1. Cash		589,868	4,146,738
112	2. Cash equivalents		4,035,892	9,566,913
<b>120</b>	<b>II. Short-term investments</b>		<b>4,979,444</b>	<b>2,054,219</b>
121	1. Held-for-trading securities	6.1	2,326,552	359,322
123	2. Held-to-maturity investments	6.2	2,652,892	1,694,897
<b>130</b>	<b>III. Current accounts receivable</b>		<b>37,750,127</b>	<b>34,592,470</b>
131	1. Short-term trade receivables	7.1	15,248,468	10,674,408
132	2. Short-term advances to suppliers	7.2	8,580,390	8,504,424
135	3. Short-term loan receivables	8	3,921,463	8,272,493
136	4. Other short-term receivables	9	10,143,797	7,190,939
137	5. Provision for doubtful short-term receivables		(143,991)	(49,794)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>28,578,815</b>	<b>42,983,662</b>
141	1. Inventories		28,645,955	43,021,241
149	2. Provision for obsolete inventories		(67,140)	(37,579)
<b>150</b>	<b>V. Other current assets</b>		<b>18,502,859</b>	<b>8,968,107</b>
151	1. Short-term prepaid expenses	12	1,550,691	1,784,595
152	2. Value-added tax deductible	22	433,669	309,066
153	3. Tax and other receivables from the State	22	22,330	41,971
155	4. Other current assets	13	16,496,169	6,832,475

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance (Restated)
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>136,079,466</b>	<b>113,574,265</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>14,955,143</b>	<b>11,084,368</b>
215	1. Long-term loan receivables	8	8,937,663	4,130,000
216	2. Other long-term receivables	9	6,017,480	6,954,368
<b>220</b>	<b>II. Fixed assets</b>		<b>7,497,824</b>	<b>7,451,232</b>
221	1. Tangible fixed assets	14	6,271,368	6,062,713
222	Cost		6,856,426	6,252,772
223	Accumulated depreciation		(585,058)	(190,059)
227	2. Intangible fixed assets	15	1,226,456	1,388,519
228	Cost		1,391,675	1,477,841
229	Accumulated amortisation		(165,219)	(89,322)
<b>230</b>	<b>III. Investment properties</b>	<b>16</b>	<b>12,078,894</b>	<b>8,699,597</b>
231	1. Cost		13,058,837	9,231,822
232	2. Accumulated depreciation		(979,943)	(532,225)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>45,032,886</b>	<b>32,361,351</b>
242	1. Construction in progress	18	45,032,886	32,361,351
<b>250</b>	<b>V. Long-term investments</b>	<b>19</b>	<b>10,940,392</b>	<b>9,833,775</b>
252	1. Investments in associates	19.1	3,556,961	5,916,051
253	2. Investments in other entities	19.2	7,263,751	3,969,035
254	3. Provision for long-term investments	19.2	-	(235,991)
255	4. Held-to-maturity investments	19	119,680	184,680
<b>260</b>	<b>VI. Other long-term assets</b>		<b>45,574,327</b>	<b>44,143,942</b>
261	1. Long-term prepaid expenses	12	1,725,206	2,287,994
262	2. Deferred tax assets	35.3	556,352	727,156
268	3. Other long-term assets	13	41,882,440	39,512,106
269	4. Goodwill	20	1,410,329	1,616,686
<b>270</b>	<b>TOTAL ASSETS</b>		<b>230,516,471</b>	<b>215,886,374</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (Restated)
<b>300</b>	<b>C. LIABILITIES</b>		<b>99,109,060</b>	<b>126,520,972</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>75,400,658</b>	<b>103,385,277</b>
311	1. Short-term trade payables	21.1	12,506,633	11,401,484
312	2. Short-term advances from customers	21.2	8,865,372	26,968,735
313	3. Statutory obligations	22	3,794,450	5,035,067
315	4. Short-term accrued expenses	23	16,360,513	13,912,784
318	5. Short-term unearned revenues	24	516,444	531,699
319	6. Other short-term payables	25	31,905,317	34,032,822
320	7. Short-term loans	26	250,820	10,997,726
321	8. Short-term provisions	27.1	1,201,109	504,960
<b>330</b>	<b>II. Non-current liabilities</b>		<b>23,708,402</b>	<b>23,135,695</b>
333	1. Long-term accrued expenses	23	1,638,709	1,409,698
336	2. Long-term unearned revenues	24	1,251,448	3,325,997
337	3. Other long-term liabilities	25	222,517	3,537,548
338	4. Long-term loans	26	19,667,987	13,957,735
341	5. Deferred tax liabilities	35.3	608,707	523,383
342	6. Long-term provisions	27.2	319,034	381,334

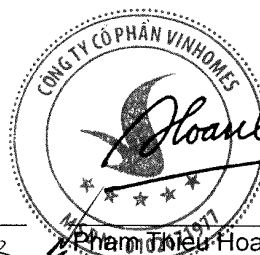
CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2021

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (Restated)
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>131,407,411</b>	<b>89,365,402</b>
<b>410</b>	<b>I. Capital</b>	<b>28</b>	<b>131,407,411</b>	<b>89,365,402</b>
411	1. Issued share capital		43,543,675	33,495,139
411a	- Ordinary shares with voting rights		43,543,675	33,495,139
412	2. Share premium		1,260,023	295,000
415	3. Treasury shares		-	(5,549,929)
420	4. Other funds belonging to owners' equity		524,355	1,200,896
421	5. Undistributed earnings		79,413,446	56,259,405
421a	- Undistributed earnings by the end of prior year		41,181,599	27,964,411
421b	- Undistributed earnings of current year		38,231,847	28,294,994
429	6. Non-controlling interests		6,665,912	3,664,891
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>230,516,471</b>	<b>215,886,374</b>

Nguyen Ha Yen  
Preparer

Le Tien Cong  
Chief Accountant



Phạm Diệu Hoa  
Chief Executive Officer

Hanoi, Vietnam

31 March 2022

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2021

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	29.1	84,985,606	71,546,737
02	2. Deductions	29.1	-	-
10	3. Net revenue from sale of goods and rendering of services	29.1	84,985,606	71,546,737
11	4. Cost of goods sold and services rendered	30	(36,526,042)	(45,610,660)
20	5. Gross profit from sale of goods and rendering of services		48,459,564	25,936,077
21	6. Finance income	29.2	7,994,896	20,244,792
22	7. Finance expenses	31	(2,785,675)	(4,019,261)
23	<i>In which: Interest expenses and bond issuance cost</i>		(2,348,161)	(3,001,572)
24	8. Shares of profit of associates	19.1	53,759	18,526
25	9. Selling expenses	32	(2,289,008)	(2,680,833)
26	10. General and administrative expenses	32	(3,768,594)	(2,193,460)
30	11. Operating profit		47,664,942	37,305,841
31	12. Other income		616,722	221,432
32	13. Other expenses	33	(98,687)	(1,010,436)
40	14. Other profit/(loss)		518,035	(789,004)
50	15. Accounting profit before tax		48,182,977	36,516,837
51	16. Current corporate income tax expense	35.1	(8,978,371)	(8,778,070)
52	17. Deferred tax (expense)/income	35.3	(256,128)	467,773
60	18. Net profit after tax		38,948,478	28,206,540

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2021

Currency: million VND

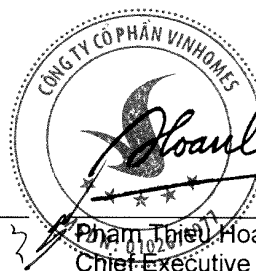
Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		38,824,562	27,351,280
62	20. Net profit after tax attributable to non-controlling interests		123,916	855,260

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
70	21. Basic earnings per share	37	9,015	6,396

Nguyen Ha Yen  
Preparer

Le Tien Cong  
Chief Accountant



Phạm Thiệu Hoa  
Chief Executive Officer

Hanoi, Vietnam

31 March 2022

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2021

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>48,182,977</b>	<b>36,516,837</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	34	1,087,692	541,936
03	Provisions		519,326	938,172
04	Foreign exchange (gains)/losses arisen from revaluation of monetary accounts denominated in foreign currency		(5,785)	681
05	Profits from investing activities		(7,761,492)	(20,212,609)
06	Interest expenses and bond issuance cost	31	2,348,161	3,001,572
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>44,370,879</b>	<b>20,786,589</b>
09	(Increase)/decrease in receivables		(7,504,351)	5,598,479
10	Decrease in inventories		15,113,996	13,823,705
11	Decrease in payables (other than interest, corporate income tax)		(21,599,280)	(7,057,322)
12	Decrease in prepaid expenses		796,778	410,876
13	Increase in held-for-trading securities		(1,967,230)	-
14	Interest paid		(2,386,255)	(2,423,545)
15	Corporate income tax paid	22	(9,751,018)	(6,256,733)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>17,073,519</b>	<b>24,882,049</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(17,897,772)	(3,499,515)
22	Proceeds from disposals of fixed assets and other long-term assets		46,313	430,202
23	Loans to other entities and payments for purchase of debt instruments of other entities		(16,805,425)	(4,826,147)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		12,837,606	16,411,373
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(11,582,408)	(53,487,656)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)		7,582,472	21,317,425
27	Interest and dividends received		3,822,950	1,234,721
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(21,996,264)</b>	<b>(22,419,597)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Reissuance of treasury shares and capital contribution	28.1	6,514,952	62,000
32	Capital redemption, reacquisition of treasury shares	28.1	-	(848,308)
33	Drawdown of borrowings		13,819,877	19,662,865
34	Repayment of borrowings		(19,301,251)	(20,739,963)
36	Dividends paid and profit distributed		(5,198,724)	(217,694)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(4,165,146)</b>	<b>(2,081,100)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2021

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease)/increase in cash for the year		(9,087,891)	381,352
60	Cash and cash equivalents at the beginning of the year		13,713,651	13,332,299
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	4,625,760	13,713,651

Nguyen Ha Yen  
Preparer

Le Tien Cong  
Chief Accountant



Phạm Thu Hoa  
Chief Executive Officer

Hanoi, Vietnam

31 March 2022



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2021 and for the year then ended

## 1. CORPORATE INFORMATION

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates, with the 34<sup>th</sup> amendment dated 11 March 2022 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as "the Group".

The Company's normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company's normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2021: 7,676 (31 December 2020: 7,688).

### ***Corporate structure***

As at 31 December 2021, the Company has 32 subsidiaries (as at 31 December 2020: 33 subsidiaries). The information on these subsidiaries and their short names, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary are detailed in the Appendix 1.

### ***Important event in the year***

#### ***Covid-19 pandemic***

The Covid-19 pandemic is adversely impacting the whole economy and most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company and its subsidiaries operate. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these consolidated financial statements.

Due to the unprecedented circumstance of the Covid-19 pandemic, the assumptions made for the preparation of the prospective financial information are less certain and require a higher degree of caution of management/independent valuers in preparing those information than under normal market conditions. Management/independent valuers make assumptions based on the best information available at the consolidated balance sheet date. Changes to those assumptions may affect the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## **2. BASIS OF PREPARATION**

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

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

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

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

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

The Company and its subsidiaries' applied accounting documentation system is the General Journal.

### **2.3 *Fiscal year***

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

### **2.4 *Accounting currency***

The consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2021, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**2. BASIS OF PREPARATION** (continued)

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

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

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.

Gains resulting from contribution of non-monetary asset or sales of asset to associate or joint-ventures are recognized in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an investment in other entities, the Company's investment is accounted for using the cost method. Profit/loss from this transaction is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Company and its subsidiaries in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2020 except for the change in the accounting policy in relation to appropriation of net profits (Note 3.19).

#### 3.2 *Cash and cash equivalents*

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

#### 3.3 *Inventories*

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

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

##### *Inventory property*

Property acquired or being constructed for sale, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

Cost of inventory property includes:

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

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

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

##### *Construction inventory*

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.3 Inventories (continued)**

*Other inventories*

In respect of inventory of stone mining and production activities, the Company and its subsidiaries use perpetual method to record other inventories which are valued as follows:

- Raw materials and consumables - cost of purchase on a weighted average basis.
- Finished goods - costs of materials and direct labour cost plus related general production cost which are allocated based on the ordinary course of business on a weighted average basis.

The value of inventories which are materials supplied to the investor of the projects is measured on the specific identification basis; while the value of other inventories is measured on a weighted average basis.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of finished goods, and other inventories owned by the Company and its subsidiaries, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

**3.4 Receivables**

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

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

**3.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.6 Leased assets**

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

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company and its subsidiaries are the lessors*

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amounts of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

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

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

*Where the Company and its subsidiaries are the lessees*

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

**3.7 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.8 Depreciation and amortisation**

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

Buildings and structures	15 - 48 years
Mining exploration rights	15 - 30 years
Machinery and equipment	5 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	3 - 5 years



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Investment properties**

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

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company and its subsidiaries.

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 years

No amortisation is charged on the land use rights presented as investment properties with indefinite terms.

For long-term lease of investment properties which the Company and its subsidiaries receive rental fee in advance for many periods and rental income is recognised one at the entire rental amount received in advance as presented in Note 3.21, depreciation and amortisation of these investment properties are recognised with entire amount at the point of revenue recognition.

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

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

**3.10 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company and its subsidiaries incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.11 Prepaid expenses**

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

Short-term prepaid expenses include selling expenses related to inventory properties not yet handed over and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

*Prepaid land rental*

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

**3.12 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evidence.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Company and its subsidiaries conduct the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

*Business combinations involving entities or businesses under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity can be under common control of an individual or a group of individuals following a contractual agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.12 Business combinations and goodwill (continued)**

Business combinations involving entities or businesses under common control are accounted for as follows:

- ▶ The assets and liabilities of the combined entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

**3.13 Assets acquisitions and business combinations**

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

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

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the parent company shall not remeasure the previously held equity interests. Instead, previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

**3.14 Investments**

*Investments in associates*

The Company and its subsidiaries' investment in their associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company and its subsidiaries' share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.14 Investments (continued)***Investments in associates (continued)*

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

Gains resulting from contribution of non-monetary assets or sales of asset to associate or joint-ventures are recognised in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

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

The Company and its subsidiaries cease to use the equity method of accounting from the date that the investee is no longer an associate of the Company and its subsidiaries. Upon cessation of the equity method, the Company and its subsidiaries reclassify all amounts previously recognised directly in equity to the consolidated income statement in the same manner as when the investee liquidates the related assets and liabilities. The remaining balance of unrealised gains resulting from contribution of non-monetary assets or sale of assets to associates or joint ventures at the time of ceasing application of the equity method is also recognised in the consolidated income statement.

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

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

*Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the consolidated balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

*Held-to-maturity investments*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.15 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

**3.16 Provisions**

*General provisions*

Provisions are recognised when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company and its subsidiaries expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

The Company and its subsidiaries assess onerous contracts are those contracts in which, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The Company and its subsidiaries recognise and assess obligations under onerous contracts as provisions and these provisions are made for each onerous contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

*Warranty provision for inventory properties*

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.17 Foreign currency transactions**

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

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

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

**3.18 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.19 Appropriation of net profits**

Net profit after tax (excluding negative goodwill arising from bargain purchases) is available for appropriation to shareholders after approval by shareholders at the General Shareholders' Meeting and after making appropriation to reserve funds in accordance with the Company's Charter, each subsidiary's Charter and Vietnam's regulatory requirements.

The Company and its subsidiaries recognise the distribution of cash dividends when such appropriation is approved by the shareholders at the General Shareholders' Meeting; and recognise the distribution of stock dividends when such appropriation is approved by the shareholders at the General Shareholders' Meeting and authorised State bodies.

The Company and its subsidiaries maintain the reserve funds which are appropriated from the Company and its subsidiaries' net profit after approval by shareholders at the General Shareholders' Meeting.

**3.20 Advances from customers purchasing inventory properties**

Payments received from customers as deposits for purchasing inventory properties in the future, that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

#### 3.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Revenue from sale of inventory properties*

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer.

##### *Rental income*

###### *Periodic rental income*

Rental income arising from leased properties is recognised in the consolidated income statement on a straight-line basis over the lease terms of ongoing leases.

###### Rental income recognised one time

For lease of assets which the Group receives rental fee in advance for many periods and the lease periods cover more than 90% of the useful life of the assets, rental income is recognised one time at the entire rental amount received in advance when all these conditions are met:

- ▶ The lessee is not entitled to cancel the lease contract and the Company and its subsidiaries has no obligation to repay the amount received in advance in all cases and in all forms;
- ▶ The amount received in advance from the lease is not less than 90% of the total rental amount expected to be fulfilled under the contract during the lease term and the lessee must pay the entire amount of lease within 12 months from the beginning of the lease;
- ▶ Almost all the risks and benefits associated with ownership of the leased asset are transferred to the lessee; and
- ▶ The Company and its subsidiaries must estimate relatively the full cost of the lease.

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Revenue from rendering of services is recognised when the services are rendered for customers.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.21 Revenue recognition** (continued)

*Income from Business and Investment Co-operation contracts in which the Company and its subsidiaries are entitled to revenue, profit before tax or profit after tax.*

Under Business and Investment Co-operation contracts not in the form of jointly controlled asset or jointly controlled operations in which the Company and its subsidiaries contribute capital in cash, distributed income is recognised as finance income in the consolidated income statement.

Under Business and Investment Co-operation contracts not in the form of jointly controlled asset or jointly controlled operations in which the Company and its subsidiaries contribute assets, distributed income is recognised as revenue in the consolidated income statement.

*Interest*

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

*Dividends*

Income is recognised when the Company and its subsidiaries' entitlement as an investor to receive the dividend is established

*Income from capital transfer*

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on date when the transaction arises being the date when the transfer contract is exercised.

*Revenue from goods and services and/or attached goods in multiple elements package*

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the product and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the service. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

**3.22 Construction contract**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by reference to the work performed that has been agreed by customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.23 Taxation**

*Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.23 Taxation (continued)**

*Deferred tax (continued)*

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company and its subsidiaries intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.24 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**3.25 Segment information**

A segment is a component determined separately by the Company and its subsidiaries which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

**3.26 Related parties**

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

**3.27 Demerger**

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

**3.28 Bond issuance transaction cost**

Transaction costs relating to bond issuance are charged to the consolidated income statement on a straight-line basis over the term of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR**

**4.1 Acquisition of group of assets**

*Acquisition of Son Thai JSC, new subsidiary*

In September 2021, the Company and its subsidiaries completed the acquisition of a 99.99% stake in Son Thai JSC from counterparty for a total consideration of VND522.4 billion. Accordingly, Son Thai JSC became a subsidiary of the Company. The main activities of Son Thai JSC are real estate investment and office leasing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR** (continued)

**4.2 Business combination transactions under common control**

*Acquisition of Times Trading LLC, new subsidiary*

In June 2021, the Company and its subsidiaries acquired 100% capital contribution in Times Trading LLC from Vingroup JSC, the parent company, for a total consideration of VND561 billion. Thereby, Times Trading LLC became a subsidiary of the Company. At the date of acquisition, Times Trading LLC is the owner of investment properties for lease.

The Company's management assesses this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Times Trading LLC is measured at their carrying value in the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and net assets of Times Trading LLC is recognised in other funds belonging to owners' equity in the consolidated financial statements.

According to Decision No. 02/2021/QĐ-CSH-VHM dated 27 September 2021 and the Merger Contract dated 19 October 2021, Times Trading LLC was merged into Millennium JSC; accordingly, Millennium JSC has inherited all assets, rights, obligations and legitimate interests of Times Trading LLC. On 23 November 2021, the transaction was completed, and Times Trading LLC has ceased to exist since this date.

The carrying value of identifiable assets and liabilities of Times Trading LLC at acquisition date carried from the consolidated financial statements of Vingroup JSC are presented below:

*Currency: million VND*

*Carrying value at  
acquisition date*

**Assets**

Cash and cash equivalents	26,822
Investment properties (Note 16)	172,389
Investments in other entities (Note 19.2)	8,366
Other assets	2,840
	<b>210,417</b>

**Liabilities**

Long-term loans and financial leases	(318,000)
Other payables	(12,958)
	<b>(330,958)</b>

**Total net assets**

	<b>(120,541)</b>
Difference between consideration and net assets acquired recognised in other funds belonging to owners' equity (Note 28.1)	681,541

**Total purchase consideration**

**561,000**

**Cash flow on acquisition**

Cash acquired with the subsidiary	26,822
Cash paid for acquiring the subsidiary up to 31 December 2021	(561,000)

**Net cash flow on acquisition**

**(534,178)**

Revenue and net loss before tax of Times Trading LLC from 1 January 2021 to the date being acquired are VND15 billion and VND4 billion respectively; and from the date of acquisition to 23 November 2021 are not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR** (continued)

**4.3 Significant disposals with loss of control**

*Transfer of shares in Hon Mot Tourism Joint Stock Company ("Hon Mot JSC"):*

During the year, according to the share transfer contracts signed between some subsidiaries and some counterparties, the Company and the aforementioned subsidiaries have transferred all shares in Hon Mot JSC to the counterparties for total consideration of VND3,700 billion. Accordingly, the Company has recorded the gain from this transaction in the consolidated income statement (Note 29.2).

**4.4 Completion of the provisional accounting for business combinations**

*Acquisition of Bao Lai Investment Joint Stock Company ("Bao Lai JSC")*

In December 2020, the Company and its subsidiaries completed the acquisition of 96.48% shares of Bao Lai JSC from individuals for total consideration of VND2,780 billion and applied provisional accounting to consolidate Bao Lai JSC and its subsidiaries in the consolidated financial statements for the year ended 31 December 2020.

In 2021, the Company and its subsidiaries have completed the determination of the fair value of net assets acquired with changes compared to provisional fair value determined previously, and made retrospective adjustments as follows:

*Currency: million VND*

	<i>Provisional fair value at acquisition date</i>	<i>Adjustment</i>	<i>Fair value after adjustment</i>
<b>Assets</b>			
Cash and cash equivalents	44,594	-	44,594
Short-term trade receivable	65,421	-	65,421
Prepaid expense	113,679	-	113,679
Construction in progress	120,116	-	120,116
Inventory	178,318	-	178,318
Tangible fixed assets	1,532,157	379,508	1,911,665
Intangible assets	4,087	1,165,109	1,169,196
Other current assets	96,240	77,933	174,173
	<b>2,154,612</b>	<b>1,622,550</b>	<b>3,777,162</b>
<b>Liabilities</b>			
Trade payables	(37,598)	-	(37,598)
Other payables	(48,043)	-	(48,043)
Short term loans and borrowings	(504,793)	-	(504,793)
Deferred tax liabilities	-	(324,510)	(324,510)
	<b>(590,434)</b>	<b>(324,510)</b>	<b>(914,944)</b>
<b>Total net assets</b>	<b>1,564,178</b>	<b>1,298,040</b>	<b>2,862,218</b>
Non-controlling interest	(47,501)	(235,487)	(282,988)
Goodwill (Note 19)	1,263,323	(1,062,553)	200,770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 5. CASH AND CASH EQUIVALENTS

Currency: million VND

	Ending balance	Beginning balance
Cash on hand	702	2,315
Cash at banks	589,166	4,144,423
Cash equivalents	4,035,892	9,566,913
<b>TOTAL</b>	<b>4,625,760</b>	<b>13,713,651</b>

Cash equivalents as at 31 December 2021 comprise bank deposits in VND with original terms ranging from 1 month to 3 months, earning interests at rates ranging from 3% to 4% per annum (as at 31 December 2020: original terms ranging from 1 month to 3 months, earning interests at rates ranging from 2.2% to 4% per annum) and short-term investments in corporate bonds in VND with a maturity of not more than 3 months, earning interest rates ranging from 6% per annum (as at 31 December 2020: cash equivalents excluding short-term investments in corporate bonds in VND with a maturity of no more than 3 months).

Details of each type of foreign currency in original currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	125,222	99,046

## 6. SHORT-TERM INVESTMENTS

### 6.1 Held-for-trading securities

Currency: million VND

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate bonds	2,326,552	(*)	-	359,322	359,322	-
<b>TOTAL</b>	<b>2,326,552</b>	<b>(*)</b>	<b>-</b>	<b>359,322</b>	<b>359,322</b>	<b>-</b>

Details of held-for-trading securities which are more than 10% of total balance

Currency: million VND

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate counterparty No.1	2,147,535	(*)	-	-	-	-
Corporate counterparty No.2	-	-	-	359,322	359,322	-

(\*) Balance as at 31 December 2021 includes unlisted corporate bonds of companies which are held for trading with maturity of more than 3 months and earning interests at rates ranging from 6.3% to 8.7% per annum (as at 31 December 2020: listed corporate bonds earnings interest at 7.3% per annum). As at 31 December 2021, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**6. SHORT-TERM INVESTMENTS (continued)**

**6.2 Held-to-maturity investments**

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Short-term bank deposits	2,652,892	2,652,892	1,694,897	1,694,897
<b>TOTAL</b>	<b>2,652,892</b>	<b>2,652,892</b>	<b>1,694,897</b>	<b>1,694,897</b>

Short-term bank deposits in VND as at 31 December 2021 have original terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 3.3% to 6.5% per annum (as at 31 December 2020: original terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 2% to 7.1% per annum).

**7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**

**7.1 Short-term trade receivables**

	Currency: million VND	
	Ending balance	Beginning balance
Sale of inventory properties	12,043,334	7,142,800
Disposal of investments	1,700,000	2,906,619
Rendering construction services and related services	944,864	92,875
Rendering real estate management services and related services	245,681	195,782
Leasing activities and rendering related services	93,897	146,691
Others	220,692	189,641
<b>TOTAL</b>	<b>15,248,468</b>	<b>10,674,408</b>
<i>In which:</i>		
Trade receivables from others	11,258,778	10,359,176
Trade receivables from related parties (Note 36)	3,989,690	315,232
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	-	2,906,619
Another corporate counterparty (Note 36)	3,601,722	-
Provision for doubtful short-term trade receivables	(24,584)	(9,215)

**7.2 Short-term advances to suppliers**

	Currency: million VND	
	Ending balance	Beginning balance
Advances to other suppliers	8,114,305	8,058,810
Advances to related parties (Note 36)	466,085	445,614
<b>TOTAL</b>	<b>8,580,390</b>	<b>8,504,424</b>
Provision for doubtful advances to suppliers	(45,308)	(24,079)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

8. LOAN RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Loans to corporate counterparties and individuals (i)	3,921,463	8,261,293
<i>In which:</i>		
<i>Current portion of long-term loan receivables</i>	3,921,463	8,187,493
Loans to related parties (Note 36)	-	11,200
<b>TOTAL</b>	<b>3,921,463</b>	<b>8,272,493</b>
Provisions for doubtful loan receivables	(33,895)	(16,000)
<b>Long-term</b>		
Loans to corporate counterparties	-	3,770,000
Loans to related parties (Note 36)	8,937,663	360,000
<b>TOTAL</b>	<b>8,937,663</b>	<b>4,130,000</b>

- (i) Balances as at 31 December 2021 mainly includes loans to corporate counterparties amounting to VND3,770 billion, due in April 2022 and earning interests at rate 9% per annum. These loans are secured by a number of listed shares, a number of shares and a portion of capital contribution in the borrowers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**9. OTHER RECEIVABLES**

*Currency: million VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Receivables from liquidation of deposit contracts (i)	3,685,123	-
Interest income on loans, deposits and bank deposits	1,513,726	2,878,953
Advances for land clearance	611,671	1,871,338
Receivables from collection and payment on behalf (ii)	1,945,677	330,335
Deposits and capital contribution for Business and Investment Co-operation Contracts (iii)	751,705	751,705
Short-term deposits, mortgage	640,755	612,730
Receivables from advance sponsorship and charity activities	104,580	499,300
Others	890,560	246,578
<b>TOTAL</b>	<b>10,143,797</b>	<b>7,190,939</b>
Provision for doubtful other short-term receivables	(40,204)	(500)
<i>In which:</i>		
<i>Receivables from others</i>	<i>8,279,660</i>	<i>6,051,346</i>
<i>Receivables from related parties (Note 36)</i>	<i>1,864,137</i>	<i>1,139,593</i>
<b>Long-term</b>		
Deposits and capital contribution for Business and Investment Co-operation Contract (iv)	5,790,000	5,790,000
Receivables from long-term lease	129,318	129,019
Deposits for rental purpose	73,357	73,357
Interest income on long-term loans and bank deposits	10,287	946,204
Others	14,518	15,788
<b>TOTAL</b>	<b>6,017,480</b>	<b>6,954,368</b>
<i>In which:</i>		
<i>Receivables from others</i>	<i>87,022</i>	<i>1,022,258</i>
<i>Receivables from related parties (Note 36)</i>	<i>5,930,458</i>	<i>5,932,110</i>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**9. OTHER RECEIVABLES (continued)**

- (i) The balance comprises:
- ▶ Receivables of VND2,716.4 billion incurred from the liquidation of deposit contracts acquiring shares with counterparties; and
  - ▶ Receivables of VND968 billion from a company within the Group after finalisation of the contract transferring of a portion of a real estate project.
- (ii) Mainly includes receivables from the payment of construction costs under the compensation agreements with the counterparties acquiring part of the project.
- (iii) The balance comprises:
- ▶ Deposits and capital contribution of VND410.2 billion to a company within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts; and
  - ▶ A deposit of VND341.5 billion to a counterparty to guarantee the signing of a share transfer agreement to purchase additional capital contribution in a subsidiary.
- (iv) Mainly includes deposits and capital contribution to some companies within the Group for the purpose of investing in several real estate projects under Construction, Business and Investment Co-operation Contracts.

**10. BAD DEBTS**

The Company and its subsidiaries' bad debts mainly include overdue receivables, advances, loan principals and interest receivable from corporate counterparties:

*Currency: million VND*

<i>Debtor</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
Corporate counterparties	209,074	65,083	49,794	-
<b>TOTAL</b>	<b>209,074</b>	<b>65,083</b>	<b>49,794</b>	<b>-</b>

Details of overdue receivables more than 10% of ending balance:

<i>An individual</i>	75,000	37,500	-	-
<i>A corporate counterparty</i>	21,215	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

# 11. INVENTORIES

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	24,830,175	-	39,606,536	-
Completed inventory properties	802,740	(7,073)	1,440,753	(9,706)
Inventories acquired for sales (ii)	256,336	(4,820)	334,462	(1,190)
Work in progress (iii)	2,129,398	-	978,351	-
Others (iv)	627,306	(55,247)	661,139	(26,683)
<b>TOTAL</b>	<b>28,645,955</b>	<b>(67,140)</b>	<b>43,021,241</b>	<b>(37,579)</b>

- (i) Mainly includes land use fee, land clearance costs, consideration for acquisition of subsidiaries allocated as a part of project acquisition costs, construction and development costs of Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Ocean Park, Vinhomes Dream City, Dai An Urban Area and other projects.
- (ii) Includes villas, apartments and shophouses acquired for sales of some real estate projects in Northern Vietnam.
- (iii) Mainly includes the costs incurred related to the rendering of general constructor services, consultancy services to investors of real estate projects.
- (iv) Mainly includes inventories, material to provide to the developers of projects, products from white marble and other products.

As at 31 December 2021:

- Inventories with carrying value of VND1,780 billion are pledged with banks to secure the loans of the Company and its subsidiaries; and
- Inventories with carrying value of VND2,000 billion are pledged with banks to secure for the deposit from a counterparty for the purpose of real estate project transfer.

Detail movements of provision for obsolete inventories:

	Currency: million VND	
	Current year	Previous year
Beginning balance	37,579	9,768
Add: Provision made during the year	29,561	27,811
Less: Utilisation of provision during the year	-	-
Ending balance	67,140	37,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**12. PREPAID EXPENSES**

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Selling expenses related to inventory properties not yet handed over	1,253,498	1,378,412
Bond management service fees	119,065	58,513
Others	178,128	347,670
<b>TOTAL</b>	<b>1,550,691</b>	<b>1,784,595</b>
<b>Long-term</b>		
Prepaid land rental (i)	1,567,150	2,202,159
Tools and supplies	37,998	37,271
Others	120,058	48,564
<b>TOTAL</b>	<b>1,725,206</b>	<b>2,287,994</b>

- (i) These are mainly prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

**13. OTHER ASSETS**

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits for investment purpose (i)	15,463,833	6,832,475
Deposits for commercial purpose (ii)	1,032,336	-
<b>TOTAL</b>	<b>16,496,169</b>	<b>6,832,475</b>
<i>In which:</i>		
Deposits to others	2,029,649	2,682,775
Deposits to related parties (Note 36)	14,466,520	4,149,700
<b>Long-term</b>		
Deposits for investment purpose (iii)	41,882,440	38,479,770
Deposits for commercial purpose (ii)	-	1,032,336
<b>TOTAL</b>	<b>41,882,440</b>	<b>39,512,106</b>
<i>In which:</i>		
Deposits to others	299,088	1,032,336
Deposits to related parties (Note 36)	41,583,352	38,479,770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**13. OTHER ASSETS** (continued)

(i) Mainly comprises:

- Deposits of VND4,524 billion to some companies within the Group for the purpose of acquiring shares of several companies that own real estate projects of the Group;
- Deposits of VND7,187 billion to some companies within the Group for the purpose of cooperation in the development and transfer of potential real estate projects;
- Deposit of VND729 billion to counterparties for the purpose of real estate projects transfer; and
- A deposit of VND737.5 billion to a company within the Group for the purpose of real estate projects transfer. In 2022, the Company and its subsidiaries have liquidated this deposit contract.

(ii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months, The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

(iii) Comprises:

- Deposits of VND16,474 billion to a company within the Group for the purpose of acquiring shares of several companies that own real estate projects of the Group;
- Deposits of VND24,108 billion to some companies within the Group for the purpose of potential real estate projects transfer;
- Capital contribution of VND1,002 billion to a company within the Group for the purpose of cooperation in the development of a potential real estate project; and
- Deposits of VND299 billion to an auction company for the auction of land use rights to develop a potential real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**14. TANGIBLE FIXED ASSETS**

	Currency: million VND				
	<i>Buildings and structures (Restated)</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>
<i>Total</i>					
<b>Cost:</b>					
Beginning balance (Restated)	4,461,661	1,648,906	97,915	23,546	20,744
Newly purchased	-	187,982	7,421	-	10,432
Newly constructed	293,800	167,245	-	-	-
Reclassification	(241,361)	241,361	-	-	-
Sold, disposed	(5,894)	(17,243)	(2,174)	-	(419)
Other increase, decrease	16,637	(54,180)	152	-	(105)
Ending balance	4,524,843	2,174,071	103,314	23,546	30,652
<i>In which:</i>					
<i>Fully depreciated</i>	-	27,747	3,262	15,807	10,634
<b>Accumulated depreciation:</b>					
Beginning balance	89,547	72,070	10,929	9,155	8,358
Depreciation for the year	90,781	221,528	18,928	7,268	3,053
Reclassification	(29,306)	29,306	-	-	-
Sold, disposed	(222)	(9,521)	(333)	-	(412)
Other increase, decrease	55,695	8,234	-	-	-
Ending balance	206,495	321,617	29,524	16,423	10,999
<b>Net carrying amount:</b>					
Beginning balance (Restated)	4,372,114	1,576,836	86,986	14,391	12,386
Ending balance	4,318,348	1,852,454	73,790	7,123	19,653

As at 31 December 2021, tangible fixed assets with net carrying value of VND1,361 billion are pledged with banks to secure loans of the Company and its subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

15. INTANGIBLE FIXED ASSETS

Currency: million VND

	Land use rights	Mining exploration rights (Restated)	Software	Licenses, patents	Others	Total
<b>Cost:</b>						
Beginning balance (Restated)	100,434	1,165,109	157,841	4,138	50,319	1,477,841
Newly purchase	-	-	24,817	-	1,970	26,787
Disposal of subsidiaries	(96,347)	-	-	-	-	(96,347)
Sold, disposed	-	-	(16,606)	-	-	(16,606)
Ending balance	4,087	1,165,109	166,052	4,138	52,289	1,391,675
<i>In which:</i>						
Fully depreciated	-	-	20,761	523	55	21,339
<b>Accumulated amortisation:</b>						
Beginning balance	532	-	80,009	2,311	6,470	89,322
Depreciation for the year	-	48,868	41,754	1,069	-	91,691
Disposal of subsidiaries	(532)	-	-	-	-	(532)
Sold, disposed	-	-	(8,984)	-	-	(8,984)
Other decreases	-	-	-	-	(6,278)	(6,278)
Ending balance	-	48,868	112,779	3,380	192	165,219
<b>Net carrying amount:</b>						
Beginning balance (Restated)	99,902	1,165,109	77,832	1,827	43,849	1,388,519
Ending balance	4,087	1,116,241	53,273	758	52,097	1,226,456

As at 31 December 2021, intangible fixed assets with net carrying value of VND731 billion are pledged with banks to secure loans of the Company and its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**16. INVESTMENT PROPERTIES**

Currency: million VND

	<i>Land use rights, Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	8,118,713	1,113,109	9,231,822
Newly purchased	1,176	-	1,176
Newly constructed	2,460,368	623,968	3,084,336
Acquisition of subsidiaries	689,796	157	689,953
Sold, disposed	(4,271)	-	(4,271)
Other increase	85,238	11,847	97,085
Other decrease	(40,913)	(351)	(41,264)
Ending balance	11,310,107	1,748,730	13,058,837
<i>In which:</i>			
Fully depreciated	40,540	-	40,540
<b>Accumulated depreciation:</b>			
Beginning balance	370,814	161,411	532,225
Depreciation for the year	243,746	204,340	448,086
Sold, disposed	(368)	-	(368)
Ending balance	614,192	365,751	979,943
<b>Net carrying amount:</b>			
Beginning balance	7,747,899	951,698	8,699,597
Ending balance	10,695,915	1,382,979	12,078,894

As at 31 December 2021, investment properties mainly include parking components, offices for lease, observation deck, cuisine and convention centre and apartments, villas, shophouses for lease.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2021 because of insufficient market information for fair value determination purpose.

**17. CAPITALISED BORROWING COSTS**

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND260 billion (for the year ended 31 December 2020: VND370.1 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park, Vinhomes Smart City, Vinhomes Grand Park and Vinhomes Long Beach Can Gio projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 7.6% per annum to 10% per annum (for the year ended 31 December 2020: 7.78% per annum to 10.35% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

# 18. CONSTRUCTION IN PROGRESS

Construction in progress comprises construction costs, land clearance costs, land use fee, other costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

Details of construction in progress which are higher than 10% of total balance are as follows:

*Currency: million VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,707,507	12,534,630
Project Urban area No. 1 in Ho Chi Minh City	12,353,019	82,748
Project Urban area No. 2 in Ho Chi Minh City	4,123,130	4,109,548
Vinhomes Grand Park Project	3,641,603	3,378,915

# 19. LONG-TERM INVESTMENTS

*Currency: million VND*

	<i>Ending balance</i>		<i>Beginning balance (Restated)</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investments in associates (Note 19.1)	3,556,961	-	5,916,051	-
Investments in other entities (Note 19.2)	7,263,751	-	3,969,035	(235,991)
Held-to-maturity investments (i)	119,680	-	184,680	-
<b>TOTAL</b>	<b>10,940,392</b>	<b>-</b>	<b>10,069,766</b>	<b>(235,991)</b>

- (i) Balance at 31 December 2021 includes investments in bank bonds in VND having terms ranging from 8 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum (as at 31 December 2020: terms ranging from 7 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**19.1 Investments in associates**

Details of associates, voting rights and equity interest of the Company and its subsidiaries in associates as at 31 December 2021 are as follows:

No.	Company name	No of shares	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Cam Ranh Investment Joint Stock Company ("Cam Ranh JSC")	164,028,749	43.74%	43.74%	Hon Tre Islands, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Viet Nam	Trading real estate properties, land use rights belonging to owners, users or renters
2	Tuong Phu Natural Stone Exploiting and Processing LLC ("Tuong Phu LLC")	(*)	40.00%	31.44%	Sub-quarter 13, Yen The Townlet, Luc Yen District, Yen Bai Province, Viet Nam	Exploiting, processing and trading stones, sand, gravel and clay

(\*) These are limited liability companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 19. LONG-TERM INVESTMENTS (continued)

### 19.1 Investments in associates (continued)

Details of investments in associates are as follows:

	Currency: million VND		
	Investments in		Total
	Cam Ranh JSC	MV1 Real Estate LLC (Restated)	Tuong Phu LLC (Restated)
<b>Cost of investment:</b>			
Beginning balance (Restated)	3,395,395	2,412,849	89,281
Decrease (*)	-	(2,412,849)	-
Ending balance	3,395,395	-	89,281
<b>Accumulated share in post-acquisition profit of the associates:</b>			
Beginning balance	18,526	-	-
Share in post-acquisition profit of the associates for the year	53,478	-	281
Ending balance	72,004	-	281
<b>Net carrying amount:</b>			
Beginning balance (Restated)	3,413,921	2,412,849	89,281
Ending balance	3,467,399	-	89,562

(\*) During the year, the Company and its subsidiaries disposed part of the investment in MV1 Vietnam Real Estate Trading LLC ("MV1 Real Estate LLC") to a counterparty. Thereby, the Company and its subsidiaries no longer held significant influence in this investee and reclassified the remaining investment in this entity to investment in other entities (Note 19.2). Accordingly, deferred gain incurred from a transfer transaction with the associate in 2020 of VND1,735 billion was recognised into the consolidated income statement (Note 29.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**19.2 Investments in other entities**

	Ending balance				Beginning balance					
	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Fair value (million VND)	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Fair value (million VND)
MV Vietnam Real Estate Trading JSC	19.82	19.82	2,179,637	-	(*)	19.82	19.82	2,179,638	-	(*)
MV1 Real Estate LLC	19.83	19.83	2,392,849	-	(*)	-	-	-	-	(*)
MV2 Vietnam Real Estate Trading JSC ("MV2 JSC") (i)	10.00	10.00	950,395	-	(*)	-	-	-	-	(*)
Vietnam Exhibition Fair Centre JSC ("VEFAC JSC")	4.66	4.66	900,144	-	1,835,111	4.66	4.66	900,144	(235,991)	664,153
S-Vin Viet Nam Real Estate Trading JSC	10.00	10.00	363,621	-	(*)	10.00	10.00	363,621	-	(*)
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (ii)	-	51.00	342,909	-	(*)	-	51.00	342,909	-	(*)
SV Real Estate Investment Development Business JSC ("SV Real Estate JSC") (i)	-	-	-	-	-	4.00	4.00	77,000	-	(*)
SV West Hanoi Real Estate Business Development JSC ("SV West Hanoi JSC")	4.00	4.00	70,000	-	(*)	4.00	4.00	70,000	-	(*)
Xavinco Land JSC ("Xavinco JSC")	1.00	1.00	22,223	-	(*)	1.00	1.00	22,223	-	(*)
AIC Real Estate JSC	1.00	1.00	28,473	-	(*)	-	-	-	-	(*)
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC")	10.00	10.00	13,500	-	(*)	10.00	10.00	13,500	-	(*)
TOTAL			7,263,751	-				3,969,035	(235,991)	

(\*) As at 31 December 2021, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(i) In April 2021, the General Meeting of Shareholders of SV Real Estate JSC issued Resolution No. 02/2021/NQ-ĐHĐCĐ-SV dated 15 April 2021 approving its charter capital increase. Accordingly, the Company has completed an additional capital contribution of VND20 billion into SV Real Estate JSC.

In October 2021, the Company contributed capital to MV2 JSC using the Company's shares in SV Real Estate JSC with the value of VND97 billion. On the same day, the Company also contributed capital of VND658 billion to MV2 JSC. In October 2021, the Company also completed the acquisition of 2.4% shares in MV2 JSC from individual shareholders for a total consideration of VND195 billion. Accordingly, as at 31 December 2021, the Company owns 10% of shares in MV2 JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 19. LONG-TERM INVESTMENTS (continued)

### 19.2 Investments in other entities (continued)

- (ii) As at 31 December 2021, the Company no longer has control or significant influence over Phat Loc LLC. Thereby, the Company presented this investment as an other long-term investment.

## 20. GOODWILL

	Goodwill arising from business combination transactions								Currency: million VND	
	Ecology JSC	Vietnam Investment JSC	Gia Lam LLC	Vinhomes Management JSC (*)	Tan Lien Phat JSC (*)	Millenium LLC	VinITIS JSC	Sai Dong JSC	Bao Lai JSC (Restated)	Total
<b>Cost:</b>										
Beginning balance (Restated)	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	200,770	2,063,561
Increase from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	200,770	2,063,561
<b>Accumulated amortisation:</b>										
Beginning balance	149,568	116,523	499	33,767	98,554	39,624	5,774	2,566	-	446,875
Amortisation for the year	36,987	28,815	124	11,573	33,777	15,304	7,664	52,036	20,077	206,357
Ending balance	186,555	145,338	623	45,340	132,331	54,928	13,438	54,602	20,077	653,232
<b>Net carrying amount:</b>										
Beginning balance (Restated)	220,299	171,626	736	81,961	239,213	113,420	70,863	517,798	200,770	1,616,686
Ending balance	183,312	142,811	612	70,388	205,436	98,116	63,199	485,762	180,693	1,410,329

(\*) These companies were merged into the Company in 2018.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 21. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 21.1 Short-term trade payables

	Currency: million VND	
	Balance (Payable amount)	
	Ending balance	Beginning balance
Short-term trade payables	11,610,375	10,235,689
<i>In which:</i>		
- A corporate counterparty rendering construction services	889,487	737,367
- Others	10,720,888	9,498,322
Trade payables to related parties (Note 36)	896,258	1,165,795
<b>TOTAL</b>	<b>12,506,633</b>	<b>11,401,484</b>

### 21.2 Advances from customers

	Currency: million VND	
	Ending balance	Beginning balance
Down payments from customers under sales and purchase agreements (i)	7,461,131	25,677,901
Advances from customers for construction services	1,361,772	1,267,859
Others	42,469	22,975
<b>TOTAL</b>	<b>8,865,372</b>	<b>26,968,735</b>
<i>In which:</i>		
Advances from others	8,865,372	26,968,735
Advances from related parties	-	-

- (i) These mainly represent down payments from customers who signed sales and purchase agreements to purchase inventory properties at real estate projects of the Company and its subsidiaries.

## 22. STATUTORY OBLIGATIONS

	Currency: million VND			
	Beginning balance	Payable for the year	Payment made in the year	Ending balance
<b>Payables</b>				
Corporate income tax	4,207,140	8,734,008	(9,751,018)	3,190,130
Value added tax	375,268	1,903,582	(2,134,052)	144,798
Other taxes	452,659	690,720	(683,857)	459,522
<b>TOTAL</b>	<b>5,035,067</b>	<b>11,328,310</b>	<b>(12,568,927)</b>	<b>3,794,450</b>
	Beginning balance	Receivable for the year	Offset during the year	Ending balance
<b>Receivables</b>				
Value added tax	309,066	1,700,223	(1,575,620)	433,669
Corporate income tax	41,680	-	(19,779)	21,901
Other taxes	291	138	-	429
<b>TOTAL</b>	<b>351,037</b>	<b>1,700,361</b>	<b>(1,595,399)</b>	<b>455,999</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**23. ACCRUED EXPENSES**

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Accrued costs for operating tangible fixed assets, investment properties and handed over inventory properties	10,852,708	9,238,457
Accrued construction costs	1,943,790	2,087,810
Accrued commission fees and other expenses related to inventory properties	2,848,320	1,952,247
Accrued bond and loan interest expenses	124,800	306,178
Others	590,895	328,092
<b>TOTAL</b>	<b>16,360,513</b>	<b>13,912,784</b>
<i>In which:</i>		
Short-term accrual to others	16,316,333	13,675,857
Short-term accrual to related parties	44,180	236,927
<b>Long-term</b>		
Accrued loan interest expenses	1,616,848	1,368,029
Others	21,861	41,669
<b>TOTAL</b>	<b>1,638,709</b>	<b>1,409,698</b>
<i>In which:</i>		
Long-term accrued expenses for others	1,626,353	1,119,163
Long-term accrued expenses for related parties	12,356	290,535

**24. UNEARNED REVENUE**

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Unearned revenue from real estate management service	485,077	507,131
Unearned revenue from leasing service	31,367	24,568
<b>TOTAL</b>	<b>516,444</b>	<b>531,699</b>
<b>Long-term</b>		
Unearned revenue from real estate management service	1,006,346	1,334,326
Unearned revenue from leasing service	245,102	256,266
Unrealised profit from transactions with associates (Note 36)	-	1,735,405
<b>TOTAL</b>	<b>1,251,448</b>	<b>3,325,997</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**25. OTHER PAYABLES**

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits and other agreements related to real estate projects (i)	25,896,201	28,590,821
Apartment maintenance funds held on behalf of customers (ii)	2,253,471	2,106,981
Deposits under business and investment co-operation contracts (iii)	2,060,820	1,868,702
Deposits for transfer of investments	561,000	-
Deposits from brokerage agents and tenants	395,578	190,782
Payables for receipt on behalf	65,163	156,599
Others	673,084	1,118,937
<b>TOTAL</b>	<b>31,905,317</b>	<b>34,032,822</b>
<i>In which:</i>		
Other short-term payables to others	29,715,441	31,379,064
Other short-term payables to related parties (Note 36)	2,189,876	2,653,758
<b>Long-term</b>		
Deposits under business and investment co-operation contracts (iii)	163,000	163,000
Long-term deposits for real estate leasing purposes	53,451	85,410
Deposits and other agreements related to real estate projects (i)	-	2,728,138
Deposits for transfer of investments	-	561,000
Others	6,066	-
<b>TOTAL</b>	<b>222,517</b>	<b>3,537,548</b>
<i>In which:</i>		
Other long-term payables to others	59,517	3,374,548
Other long-term payables to related parties (Note 36)	163,000	163,000

- (i) Balance as at 31 December 2021 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.
- (ii) These pertain to maintenance funds held on behalf of customers of real estate projects of the Company and its subsidiaries for area that has been handed over to customers and area that has been kept, not yet sold or leased, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.
- (iii) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to business and investment co-operation contracts for purpose of operating and transferring co-operation of shopping mall, hotel and other components of the Company and its subsidiaries' projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 26. LOANS

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
	Currency: million VND					
<b>Short-term</b>						
Short-term loans from banks (Note 26.1)	590,000	590,000	669,927	(1,154,757)	105,170	105,170
Current portion of long-term loan from banks (Note 26.1)	1,380,950	1,380,950	587,840	(1,823,140)	145,650	145,650
Loans from counterparties (Note 26.2)	-	-	1,750,000	(1,750,000)	-	-
Current portion of long-term corporate bonds (Note 26.3)	8,442,360	8,442,360	87,640	(8,530,000)	-	-
Loans from related parties (Note 36)	584,416	584,416	12,345,000	(12,929,416)	-	-
	<b>10,997,726</b>	<b>10,997,726</b>	<b>15,440,407</b>	<b>(26,187,313)</b>	<b>250,820</b>	<b>250,820</b>
<b>Long-term</b>						
Long-term loans from banks (Note 26.1)	510,814	510,814	891,900	(760,934)	641,780	641,780
Loans from counterparties (Note 26.2)	5,320,000	5,320,000	4,796,000	(2,400,000)	7,716,000	7,716,000
Corporate bonds (Note 26.3)	7,389,921	7,389,921	6,509,286	(3,609,000)	10,290,207	10,290,207
Loans from related parties (Note 36)	737,000	737,000	1,338,000	(1,055,000)	1,020,000	1,020,000
	<b>13,957,735</b>	<b>13,957,735</b>	<b>13,535,186</b>	<b>(7,824,934)</b>	<b>19,667,987</b>	<b>19,667,987</b>
<b>TOTAL</b>	<b>24,955,461</b>	<b>24,955,461</b>	<b>28,975,593</b>	<b>(34,012,247)</b>	<b>19,918,807</b>	<b>19,918,807</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 26. LOANS (continued)

### 26.1 Loans from banks

Details of short-term loans from banks are presented below:

Lender	Ending balance		Maturity date	Collateral
	Currency	Million VND		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	105,170	January 2022	(i)
<b>TOTAL</b>		<b>105,170</b>		

Details of interests on short-term loans from banks as at 31 December 2021 are as follows:

Loans	Currency	Interest
Secured loans	VND	5.5% per annum

(i) As at 31 December 2021, these short-term loans are secured by a number of listed shares of a company within the Group owned by Vingroup JSC.

Details of long-term loans and current portion of long-term loans from banks are presented below:

Lender	Ending balance		Maturity date	Collateral
	Currency	Million VND		
Bank for Investment and Development of Vietnam	VND	681,780	January 2022 to October 2024	(ii)
<i>In which: Current portion of long-term loans</i>		40,000		
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	65,409	March 2022 to June 2022	(ii)
<i>In which: Current portion of long-term loans</i>		65,409		
Vietnam Technological and Commercial Joint Stock Bank	USD	40,241	March 2022 to June 2022	(ii)
<i>In which: Current portion of long-term loans</i>		40,241		
<b>TOTAL</b>		<b>787,430</b>		
<i>In which:</i>				
Long-term loans		641,780		
Current portion of long-term loans		145,650		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**26. LOANS** (continued)

**26.1 Loans from banks** (continued)

Details of interests on long-term loans and current portion of long-term loans from banks as at 31 December 2021 are as follows:

<i>Loans</i>	<i>Currency</i>	<i>Interest</i>
Secured loans	VND	Floating interest, interest rate during the year ranges from 7.6% to 10% per annum
Secured loans	USD	Floating interest, interest rate during the year ranges from 5% to 5.5% per annum

(i) As at 31 December 2021, these long-term loans are secured by the following collaterals:

- Tangible fixed assets (*Note 14*), intangible fixed assets (*Note 15*), inventories (*Note 11*) and other benefits related to these assets.

**26.2 Loans from counterparties**

Long-term loans from six (06) corporate counterparties with total principal of VND7,716 billion, bearing the interest rate at 9% per annum with maturity date from February 2023 to June 2023.

**26.3 Corporate bonds**

	<i>Ending balance</i>	<i>Currency: million VND</i> <i>Beginning balance</i>
Long-term corporate bonds	10,290,207	15,832,281
<i>In which: Current portion of long-term corporate bonds</i>	-	(8,442,360)
<b>TOTAL</b>	<b>10,290,207</b>	<b>7,389,921</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) as at 31 December 2021 and for the year then ended

### 26. LOANS (continued)

#### 26.3 Corporate bonds (continued)

		Currency: million VND	
Underwriter	Ending balance	Maturity date	Interest
Techcom Securities Joint Stock Company	3,331,657	May 2023	Interest rate for the first four periods is 9% to 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 3 months.
Techcom Securities Joint Stock Company	2,258,875	October 2024	Interest rate for the first four periods is 8.8% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.8% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.
Techcom Securities Joint Stock Company	2,130,300	September 2024	Interest rate for the first four periods is 8.8% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 2.8% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.
Techcom Securities Joint Stock Company	2,069,797	November 2026	Interest rate for the first four periods is 9.2% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.0% per annum. If the law applies a ceiling rate with an interest rate lower than the rate specified in the contract, this interest rate will apply. Interest is payable every 3 months.
KB Securities Vietnam Joint Stock Company	499,578	May 2023	Interest rate from issuance date to 31 December 2021 is 9.5% per annum. Interest rate for the following periods is calculated as regular saving rate and 12-month VND individual saving rate plus 2.3% per annum. Interest is payable every 3 months.
<b>TOTAL</b>	<b>10,290,207</b>		
<i>In which:</i>			
Long-term bonds	10,290,207		
Current portion of long-term bonds	-		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**26. LOANS** (continued)

**26.3 Corporate bonds** (continued)

(i) As at 31 December 2021, these corporate bonds are secured by the following collaterals:

- Asset rights, project development rights and bank balance related to a functional urban area project in Northern Vietnam; all legal rights and benefits related to the aforementioned project as stipulated in the Build-Transfer contract for the construction of Ring Road 2 project; and
- A part of a commercial project.

(ii) These bonds are secured by land use rights and attached assets related to a hospitality real estate project.

**27. PROVISIONS**

**27.1 Short-term provisions**

The short-term provisions balance at 31 December 2021 includes the provision related to a deposit for payments under commercial purchase contracts.

**27.2 Long-term provisions**

The long-term provisions balance at 31 December 2021 mainly includes provisions for warranty costs for inventory properties at the Company and its subsidiaries' projects in accordance with the warranty clause in sales and purchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**28. OWNERS' EQUITY**

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

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
<b>Previous year</b>							
Beginning balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
- Acquisition of new subsidiaries (Restated)	-	-	-	(625,373)	2,878,447	(4,899,232)	(2,646,158)
- Net profit for the year	-	-	-	-	27,351,280	855,260	28,206,540
- Cash dividends declared	-	-	-	-	-	(63,715)	(63,715)
- Capital contribution from non-controlling interest	-	-	-	-	-	62,000	62,000
- Disposal of subsidiaries	-	-	-	-	-	(60,000)	(60,000)
- Appropriation to other reserved	-	-	-	10,000	(10,000)	-	-
- Refund of capital contribution to non-controlling interests	-	-	-	-	-	(848,308)	(848,308)
Ending balance (Restated)	33,495,139	295,000	(5,549,929)	1,200,896	56,259,405	3,664,891	89,365,402
<b>Current year</b>							
Beginning balance (Restated)	33,495,139	295,000	(5,549,929)	1,200,896	56,259,405	3,664,891	89,365,402
- Acquisition of new subsidiaries (Note 4)	-	-	-	(681,541)	-	60	(681,481)
- Net profit for the year	-	-	-	-	38,824,562	123,916	38,948,478
- Change in equity interest in existing subsidiaries with no loss of control (i)	-	-	-	-	(592,715)	3,054,542	2,461,827
- Cash dividends declared	-	-	-	-	(5,024,270)	-	(5,024,270)
- Profit and share dividends by non-controlling interest	-	-	-	-	-	(174,497)	(174,497)
- Share dividends declared	10,048,536	-	-	-	(10,048,536)	-	-
- Reissuance of treasury shares	-	965,023	5,549,929	-	-	-	6,514,952
- Appropriation to other reserved	-	-	-	5,000	(5,000)	-	-
- Other decrease	-	-	-	-	-	(3,000)	(3,000)
Ending balance	43,543,675	1,260,023	-	524,355	79,413,446	6,665,912	131,407,411

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**28. OWNER'S EQUITY** (continued)

**28.1 Increase and decrease in owners' equity** (continued)

- (i) Transactions resulting in change of equity interest in existing subsidiaries without loss of control mainly include:

- Transfer of 19.5% contributed capital in Green City JSC between Metropolis Hanoi LLC and Cam Ranh JSC.

**28.2 Capital transactions with owners**

	Currency: million VND	
	Current year	Previous year
<b>Contributed share capital from owners</b>		
Beginning balance	33,495,139	33,495,139
Share dividends declared	10,048,536	-
Ending balance	<u>43,543,675</u>	<u>33,495,139</u>

**28.3 Ordinary shares and preference shares**

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	4,354,367,488	3,349,513,918
Issued shares	4,354,367,488	3,349,513,918
<i>Ordinary shares</i>	4,354,367,488	3,349,513,918
<i>Preference shares</i>	-	-
Treasury shares	-	60,000,000
<i>Ordinary shares</i>	-	60,000,000
<i>Preference shares</i>	-	-
Shares in circulation	4,354,367,488	3,289,513,918
<i>Ordinary shares</i>	4,354,367,488	3,289,513,918
<i>Preference shares</i>	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2020: VND10,000 per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**28. OWNERS' EQUITY** (continued)

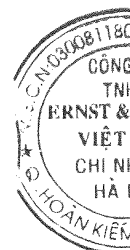
**28.4 Dividends**

	Currency: million VND	
	Current year	Previous year
<b>Dividends declared and paid during the year</b>	<b>15,072,806</b>	<b>-</b>
<i>Dividends on ordinary shares</i>		
Cash dividends for 2021: VND1,500 per share (2020: VND0 per share) (i)	5,024,270	-
Stock dividends for 2021: 300 shares/1000 shares (2020: 0 share) (ii)	10,048,536	-
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December</b>	<b>-</b>	<b>-</b>

(i) According to Resolution No. 01/2021/NQ-ĐHĐCĐ-VHM dated 25 June 2021, the Company's General Meeting of Shareholders has approved the plan to use the undistributed earnings as of 31 December 2020. Accordingly, the Company would pay cash dividends at rate of 15%/share (1 share is entitled to VND1,500). Then, according to Resolution No. 03/2021/NQ-ĐHĐCĐ-VH dated 12 August 2021 and Resolution No. 22/2021/NQ-HĐQT-VH dated 16 August 2021, the General Meeting of Shareholders and the Board of Directors of the Company have approved the cash dividend payment plan with a total amount of VND5,024 billion.

(ii) According to Resolutions No. 01/2021/NQ-ĐHĐCĐ-VHM dated 25 June 2021 and No. 03/2021/NQ-ĐHĐCĐ-VH dated 12 August 2021 issued by the General Meeting of Shareholders, and Resolution No. 12/2021/NQ-HĐQT-VH dated 28 June 2021 and Resolution No. 22/2021/NQ-HĐQT-VH dated 16 August 2021 issued by the Board of Directors, the General Meeting of Shareholders and the Board of Directors of the Company have approved the plan to pay 1,004,854,175 share dividends from undistributed earnings as of 31 December 2020, equivalent to a total par value of VND10,048 billion.

On 1 October 2021, the Board of Directors of the Company issued Resolution No. 25/2021/NQ-HĐQT-VH approving the increase of the Company's charter capital after the issuance of shares to pay dividends and approving amendments to the Company's current charter to accommodate the increase in charter capital; accordingly, the Company's charter capital increased to VND43,543,674,880,000. The aforementioned charter capital increase of the Company has also been approved pursuant to the 32<sup>nd</sup> amendment to the Enterprise Registration Certificate No. 010267977 issued by the Hanoi Department of Planning and Investment on 8 October 2021.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**29. REVENUES**

**29.1 Revenue from sale of goods and rendering of services**

Currency: million VND		
	Current year	Previous year
<b>Gross revenue</b>	<b>84,985,606</b>	<b>71,546,737</b>
<i>In which:</i>		
Revenue from sales of inventory properties	73,318,810	67,309,531
Revenue from rendering general contractor, construction consultancy and supervision services	6,847,160	708,643
Revenue from rendering real estate management and related services	2,216,789	1,678,240
Revenue from leasing activities and rendering related services	1,031,904	898,466
Others	1,570,943	951,857
<b>Deductions</b>	<b>-</b>	<b>-</b>
<b>Net revenue</b>	<b>84,985,606</b>	<b>71,546,737</b>
<i>In which:</i>		
Revenue from others	83,624,507	70,766,593
Revenue from related parties	1,361,099	780,144

**29.2 Finance income**

Currency: million VND		
	Current year	Previous year
Gain from sales of investment (i)	4,656,724	16,886,238
Interest income from deposits and lending	1,477,255	2,430,615
Income from Business and Investment Co-operation Contracts (ii)	1,743,767	751,151
Other finance income	117,150	176,788
<b>TOTAL</b>	<b>7,994,896</b>	<b>20,244,792</b>

- (i) Pertains to gain from the sales of investment in subsidiaries owning real estate project (Note 4.3) and gain from transfer capital contribution in an associate (Note 19.1).
- (ii) Income from Business and Investment Co-operation Contracts with Vingroup JSC and some affiliates for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and other projects.

**29.3 Revenues and expenses relating to investment properties**

Currency: million VND		
	Current year	Previous year
Rental income from investment properties	1,140,920	932,760
Direct operating expenses of investment properties that generated rental income during the year	(577,351)	(360,573)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**30. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of inventory properties sold	26,252,150	42,214,202
Cost of rendering general contractor, construction consultancy and supervision services	6,515,770	653,657
Cost of rendering real estate management and other related services	1,693,006	1,574,858
Cost of leasing activities and other related costs	544,886	429,330
Others	1,520,230	738,613
<b>TOTAL</b>	<b>36,526,042</b>	<b>45,610,660</b>

**31. FINANCE EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loans interest and bond issuance costs	2,348,161	3,001,572
(Reversal of provision)/provision for investment	(235,991)	235,991
Other finance expenses	673,505	781,698
<b>TOTAL</b>	<b>2,785,675</b>	<b>4,019,261</b>

**32. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
Consultancy, guarantee and commission fees	1,334,660	1,834,879
Advertising, marketing expenses	580,257	366,474
Labour costs	173,787	293,853
Rental expenses of retail outlets	107,445	147,194
Others	92,859	38,433
	<b>2,289,008</b>	<b>2,680,833</b>
<b>General and administrative expenses</b>		
Donation fee	2,135,812	888,435
Expenses for external services	777,579	801,758
Labour costs	238,844	229,184
Depreciation and amortisation (including amortisation of goodwill)	253,045	175,256
Others	363,314	98,827
	<b>3,768,594</b>	<b>2,193,460</b>
<b>TOTAL</b>	<b>6,057,602</b>	<b>4,874,293</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**33. OTHER EXPENSES**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Penalty expenses	39,288	936,541
Others	59,399	73,895
<b>TOTAL</b>	<b>98,687</b>	<b>1,010,436</b>

**34. PRODUCTION AND OPERATING COSTS**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	9,712,959	29,813,130
Expenses for external service	11,642,793	5,781,411
Labour costs	1,415,510	1,418,624
Depreciation and amortisation (including amortisation of goodwill)	1,087,692	541,936
Others	3,274,150	1,111,803
<b>TOTAL</b>	<b>27,133,104</b>	<b>38,666,904</b>

**35. CORPORATE INCOME TAX**

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

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

**35.1 CIT expenses**

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	8,978,371	8,778,070
Deferred tax expense/(income)	256,128	(467,773)
<b>TOTAL</b>	<b>9,234,499</b>	<b>8,310,297</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**35.1 CIT expenses (continued)**

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b>48,182,977</b>	<b>36,516,837</b>
At CIT rate of 20% applicable to the Company and its subsidiaries	9,636,595	7,303,367
<i>Adjustment for:</i>		
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	(531,090)	627,814
Unrecognised deferred tax assets related to tax loss	117,990	25,204
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements arising from merger and acquisition transactions	538,221	367,781
Tax losses carried forward	(14,449)	(7,240)
Shared profit from associates	(10,752)	(3,705)
Goodwill amortisation in the consolidated financial statements	41,271	27,053
Dividend income and shared profit	(261,937)	(87,942)
Non-deductible expenses	44,465	419,766
Non-deductible expense according to Decree No. 132/2020/ND-CP	105,443	-
Adjustment of CIT according to Decree No. 132/2020/ND-CP	(313,849)	(208,815)
CIT exempted according to Decree No. 92/2021/ND-CP	(55,673)	(166,243)
Others	(61,736)	13,257
<b>CIT expenses</b>	<b>9,234,499</b>	<b>8,310,297</b>

**35.2 Current CIT expense**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

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

**35.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance (Restated)	Current year	Previous year
<b>Deferred tax assets</b>				
Provision for obsolete inventories	-	-	-	(1,622)
Accrued expenses and unearned revenue	392,130	196,568	195,562	161,234
Differences arising from selling expenses for real estate projects	13,631	52,014	(38,383)	(117,713)
Differences arising from revaluation of net assets of subsidiaries at acquisition date	72,167	72,393	(226)	1,743
Differences arising from revaluation of net assets of subsidiaries under legal merge transaction	-	-	-	(77)
Differences arising from unrealised profit	69,946	397,703	(327,757)	353,070
Differences from temporarily non-deductible expenses	8,478	8,478	-	(292)
	<b>556,352</b>	<b>727,156</b>		
<b>Deferred tax liabilities</b>				
Differences arising from unrealised loss	(120,481)	-	(120,481)	-
Differences arising from revaluation of net assets of subsidiaries at acquisition date	(488,226)	(523,383)	35,157	71,430
	<b>(608,707)</b>	<b>(523,383)</b>		
<b>Net deferred tax (liabilities)/assets</b>	<b>(52,355)</b>	<b>203,773</b>		
<b>Net deferred tax (charge)/credit to consolidated income statement</b>			<b>(256,128)</b>	<b>467,773</b>

Currency: million VND

### 35.4 Unrecognised deferred tax assets

The deferred tax assets have not been recognised in respect of this non-deductible interest expense because future taxable profits and the conditions to deduct in subsequent tax periods cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 36. TRANSACTIONS WITH RELATED PARTIES

#### 36.1 Significant transactions with related parties

Significant transactions with related parties during this year and previous year were as follows:

Related parties	Relationship	Transactions	Current year	Previous year
Currency: million VND				
Vingroup JSC	Parent company	Lending	20,899,800	23,143,253
		Collection of lending	13,837,195	22,783,253
		Deposit under project development agreements, project transfer agreements and share transfer agreements	14,389,175	13,592,179
		Borrowings	11,608,000	10,108,500
		Repayment of borrowings	11,608,000	10,108,500
		Offset receivables/payables	762,867	-
		Offset lending receivables	620,000	-
		Dividends paid in shares	6,698,036	-
		Dividends paid in cash	3,349,018	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	1,389,781	624,909
		Receipt from shared profit from Business and Investment Co-operation Contracts	1,260,188	1,727,545
		Management service payables	633,338	657,993
		Payables from acquisition of an investment	561,000	-
		Receivables on behalf	126,086	-
		Receivables from construction consulting and management service fee	265,855	39,419
Vinpearl JSC	Affiliate	Lending	-	12,399,000
		Collection of lending	-	16,356,900
		Deposit under project development agreements and share transfer agreements	-	3,950,000
		Transfer of lending	9,701,843	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

**36.1 Significant transactions with related parties (continued)**

Significant transactions with related parties during this year and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	192,118	1,775,996
		Repayment of deposit for Investment Co-operation Contract	242,172	122,728
Vinwonders JSC	Affiliate	Deposit received for Business Co-operation Contract	-	200,000
VinFast Trading and Production JSC ("VinFast JSC") (formerly VinFast Trading and Production LLC)	Affiliate	Repayment of borrowings	575,000	-
		Deposit for investment and project transfer purpose	-	17,005,000
		Lending	6,170,000	2,110,000
		Collection of lending	1,900,000	3,760,000
		Offset lending and receivables/payables	1,921,337	-
		Receivables from shared profit from Business Co-operation Contracts	336,000	-
		Profit sharing from Business Co-operation Contracts	383,034	-
VinFast Commercial and Services Trading LLC ("VinFast Trading LLC")	Affiliate	Payables for goods purchased	3,547,980	2,357,140
		Payment for goods purchased	2,808,670	-
		Offset lending and other receivables/payables	1,158,470	-

# Vinhomes Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 36. TRANSACTIONS WITH RELATED PARTIES (continued)

### 36.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows: (continued)

			Currency: million VND	
Related parties	Relationship	Transactions	Current year	Previous year
Vinsmart Research and Manufacture JSC ("Vinsmart JSC")	Affiliate	Collection of lending	-	3,355,000
		Lending	-	1,100,000
		Payables for goods purchased	453,099	-
		Payables for goods purchased	348,175	-
Kind Heart Foundation	Under common owner	Payables for transferred assets and provided services	341,762	-
		Charity expenses	83,963	817,000
		Advance for charity expenses	1,155,000	-
		Refund of charity expenses	1,465,757	-
Xavinco JSC	Affiliate	Borrowings	932,000	-
		Repayment of borrowings	336,000	-
Xalivico Limited Liability Company ("Xalivico LLC")	Affiliate	Borrowings	825,000	-
		Repayment of borrowings	401,000	-
Vinschool One Member LLC ("Vinschool LLC")	Affiliate	Receivables from shared profit from Business Co-operation Contracts	161,098	-
		Refund deposit of Business Co-operation Contracts	200,000	-

# Vinhomes Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

## 36. TRANSACTIONS WITH RELATED PARTIES (continued)

### 36.1 Significant transactions of the Company and its subsidiaries with related parties (continued)

Significant transactions with related parties during this year and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vincom Retail Operation LLC ("Vincom Retail Operation Company") (formerly Northern Vincom Retail LLC)	Affiliate	Sales of inventory properties received	131,396	-
Vinmec International Hospital JSC ("Vinmec JSC")	Affiliate	Donation expenses	117,029	-
Thang Long Real Estate JSC	Affiliate	Lending	139,000	-
SV Real Estate JSC	Under common owner since 20 October 2021	Collection of receivables from transfer of inventory properties	2,775,431	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

**36.1 Significant transactions of the Company and its subsidiaries with related parties (continued)**

*Terms and conditions of transactions with related parties*

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

Payables and receivables (except for some receivables, lending, borrowings and deposits for share transfer) as at 31 December 2021 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2021, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2020: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

**36.2 Amounts due to and due from related parties**

Amounts due to and due from related parties as at 31 December 2021 and 31 December 2020 were as follows:

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables (Note 7.1)</b>				
SV Real Estate JSC	Under common owner since 20 October 2021	Receivables from sales of inventory properties	3,601,722	-
Vincom Retail JSC	Affiliate	Receivables from sales of inventory properties	10,826	122,728
		Other receivables	18,681	5,533
Vingroup JSC	Parent company	Receivables from management consultancy and construction contractor services	235,206	594
Other affiliates		Other receivables (i)	123,255	186,377
			<b>3,989,690</b>	<b>315,232</b>

(i) Other short-term receivables mainly comprise receivables from shared profit, general contractor and technological services.

**Short-term advances to supplier (Note 7.2)**

Short-term advances to suppliers mainly include advances for goods and services purchases.

**Other short-term receivables (Note 9)**

Vingroup JSC	Parent company	Capital contribution and deposits for Business and Investment Co-operation Contract (ii)	410,230	410,230
		Receivables from shared profit from Business Co-operation Contracts	129,592	-
Kind Heart Foundation	Under common owner	Advance for charity expenses	104,580	499,300
VinFast JSC	Affiliate	Other receivables	968,773	-
Other affiliates		Other receivables	250,962	230,063
			<b>1,864,137</b>	<b>1,139,593</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES** (continued)

**36.2 Amount due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2021 and 31 December 2020 were as follows: (continued)

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Other long-term receivables</i> (Note 9) (ii)</b>				
Vingroup JSC	Parent company	Deposit for Business and Investment Co-operation Contract	3,000,000	3,000,000
VinAcademy Education and Training LLC	Affiliate	Capital contribution for Business and Investment Co-operation Contract	2,790,000	2,790,000
Other affiliates		Other receivables	140,458	142,110
			<b>5,930,458</b>	<b>5,932,110</b>
<b><i>Other current assets</i> (Note 13) (ii)</b>				
Vingroup JSC	Parent company	Deposit for project development, share transfer and investment purpose	8,599,366	199,700
Vinpearl JSC	Affiliate	Deposit for share transfer and investment purpose	3,950,000	3,950,000
VinFast JSC	Affiliate	Deposit for project transfer purpose	1,917,154	-
			<b>14,466,520</b>	<b>4,149,700</b>
<b><i>Other non-current assets</i> (Note 13) (ii)</b>				
Vingroup JSC	Parent company	Deposit for project transfer purpose, investment and share transfer purpose	27,464,279	21,474,770
VinFast JSC	Affiliate	Deposit for project transfer purpose	14,119,073	17,005,000
			<b>41,583,352</b>	<b>38,479,770</b>

- (ii) The deposits to Vingroup JSC amounting to VND3,062.8 billion for share transfer of some companies within the Group which are the owners of potential real estate projects are secured by shares of these companies with all rights and interests attached thereto. The remaining deposits are unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES** (continued)

**36.2 Amounts due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2021 and 31 December 2020 were as follows: (continued)

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade payables</b> (Note 21.1)				
Vingroup JSC	Parent company	Management service fee payables	167,329	368,319
		Other service fee payables	75,597	99,170
VinFast Trading LLC	Affiliate	Payables for goods purchased	-	210,000
Vinmec JSC	Affiliate	Donation fee	117,029	-
Vinsmart JSC	Affiliate	Payables for goods purchased	355,803	407,628
Other affiliates		Others	180,500	80,678
			<b>896,258</b>	<b>1,165,795</b>
<b>Unearned revenue</b> (Note 24)				
MV1 Real Estate LLC	Associate until 31 March 2021	Unearned revenue from transaction with associates	-	1,735,405
			<b>-</b>	<b>1,735,405</b>
<b>Other short-term payables</b> (Note 25)				
Vincom Retail JSC (*)	Affiliate	Deposit received for Investment Co-operation Contract	1,860,820	1,668,702
		Other payables	48,235	269,833
Vinschool LLC	Affiliate	Other payables	63,198	271,338
Vinwonders JSC	Affiliate	Deposit received for Investment Co-operation Contract	200,000	200,000
Other affiliates		Other payables (**)	17,623	243,885
			<b>2,189,876</b>	<b>2,653,758</b>

(\*) Deposits for shopping mall components bear the interest at 10% per annum.

(\*\*) Other payables mainly include deposits received for Investment Co-operation Contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

**36.2 Amounts due to and due from related parties (continued)**

***Other long-term payables (Note 25)***

Other long-term payables comprise deposit received from an affiliate for the purpose of co-operation and transfer of shopping mall component of Vinhomes Long Beach Can Gio.

**36.3 Details of lending to related parties (Note 8)**

The Company and its subsidiaries have no short-term lending to related parties at 31 December 2021.

Details of long-term lending as at 31 December 2021:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	6,450,000	9%	From February 2023 to June 2023	(i)
VinFast JSC	Affiliate	2,348,663	9%	February 2023	(i)
Thang Long Real Estate JSC	Affiliate	139,000	9%	January 2023	(i)
		<b>8,937,663</b>			

(i) These lending balances are secured by capital contribution/shares of some companies within the Group held by the borrowers or other companies within the Group.

Details of short-term lending as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Thang Long Real Estate JSC	Affiliate	11,200	9%	December 2021	(i)
		<b>11,200</b>			

(i) This lending is secured by capital contribution of a company within the Group.

Details of long-term lending as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	360,000	9%	September 2022	(i)
		<b>360,000</b>			

(i) This lending is secured by capital contribution of a company within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

**36.4 Details of borrowings from related parties (Note 26)**

The Company and its subsidiaries have no short-term borrowings from related parties at 31 December 2021.

Details of long-term borrowings as at 31 December 2021:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xavinco JSC	Affiliate	596,000	9%	From January to February 2023	(i)
Xalivico LLC	Affiliate	424,000	9%	From January to February 2023	(i)
		<b>1,020,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.

Details of short-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	9,416	9%	August 2021	None
VinFast LLC	Affiliate	575,000	9%	December 2021	None
		<b>584,416</b>			

Details of long-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xavinco JSC	Affiliate	336,000	9%	July 2022	(i)
Xalivico LLC	Affiliate	401,000	9%	July 2022	(i)
		<b>737,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.

**36.5 Other related party transactions**

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	65,229	47,956
<b>TOTAL</b>	<b>65,229</b>	<b>47,956</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 37. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary shareholders	38,824,562	27,351,280
Adjust for the effect of dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>38,824,562</b>	<b>27,351,280</b>
		<i>Unit: Share</i>
	<i>Current year</i>	<i>Previous year (Restated)</i>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	4,306,713,063	4,276,368,093
Adjust for the effect of dilution	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>4,306,713,063</b>	<b>4,276,368,093</b>

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
Basic earnings per share	9,015	6,396

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

### 38. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2021 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and its subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

### 39. COMMITMENTS AND CONTINGENCIES

***Commitments under operating leases where the Company and its subsidiaries are lessees***

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	140,517	111,672
From 1 to 5 years	720,831	505,354
More than 5 years	7,568,554	5,759,524
<b>TOTAL</b>	<b>8,429,902</b>	<b>6,376,550</b>

***Commitments under operating leases where the Company and its subsidiaries are lessors***

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	653,160	537,615
From 1 to 5 years	928,330	653,775
More than 5 years	2,720,434	2,174,135
<b>TOTAL</b>	<b>4,301,924</b>	<b>3,365,525</b>

***Lease commitment***

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. As at 31 December 2021, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND18.8 billion, VND48.8 billion and VND58.1 billion. As at 31 December 2021, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21.4 billion, VND89.9 billion and VND476.8 billion.

***Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects***

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2021 amounts to approximately VND8,137 billion (as at 31 December 2020: VND9,704 billion). In addition, according to a land lease agreement between a subsidiary and a counterparty, the remaining consideration payable under this agreement as at 31 December 2021 is USD110,000,000.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**39. COMMITMENTS AND CONTINGENCIES (continued)**

***Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)***

Under Build – Transfer Contract in 2016 between Hanoi Construction Department and a subsidiary and a counterparty, the outstanding commitment of this contract as at 31 December 2021 is VND362 billion.

Under a Business Co-operation Contract dated November 2017 between a subsidiary and a counterparty, the subsidiary commits to contribute 100% investment capital for a potential real estate project in Hanoi. The project will be implemented within 2 years commencing from the date the subsidiary receives land parcel for construction. In accordance with this agreement, upon the completion of the project, the subsidiary will be entitled to manage and operate a portion of the project's asset. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2021 is VND782.1 billion.

In May 2018, the Company and a subsidiary have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. As at 31 December 2021, the remaining consideration payable under this agreement is VND503.7 billion.

In June 2019, a subsidiary has entered into an Investment Co-operation Contract with counterparties for the purpose of investing in a real estate project. Accordingly, the subsidiary commits to deposit to secure the call option of capital contribution in this project. As at 31 December 2021, the remaining commitment under this agreement amounts to VND172.5 billion.

As disclosed in Note 13, a subsidiary has entered into Share Transfer Agreement with a company within the Group for the purpose of acquiring shares in a company owning real estate project. As at 31 December 2021, the remaining commitment under this agreement amounts to VND2,263 billion.

As disclosed in Note 13, a subsidiary has entered into Deposit Agreement with a company within the Group for the purpose of developing real estate project. As at 31 December 2021, the remaining commitment under this agreement amounts to VND115 billion.

As disclosed in Note 13, in 2020, the Company has entered into a Joint-name Investors Agreement with Vingroup JSC for the purpose of co-investing developing real estate project, with the Total project investment capital of VND232,369 billion. Accordingly, the Company and Vingroup JSC would share the capital contribution at the rate of 70% and 30% respectively, which is equivalent to 15% of the Total project investment capital.

As disclosed in Note 13, in 2021, the Company has made a deposit to an auction company to implement the Southern area of Bac Luan II Bridge Project, Mong Cai city, Quang Ninh province. At 31 December 2021, the remaining commitment under this agreement amounts to VND275.9 billion.

***Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries***

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Symphony, Vinhomes New Center and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**39. COMMITMENTS AND CONTINGENCIES (continued)**

***Commitment to securing assets for payment obligation of corporate counterparties***

The Company and some subsidiaries have committed to use assets of either the Company and these subsidiaries to secure for loans and debts related to deposits from corporate counterparties to transfer real estate projects.

***Commitments under Business Co-operation Contracts***

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of 2043.

Under the Business Co-operation Contracts between the Company and its subsidiaries with Vinschool LLC regarding the school components of real estate projects, the Company and its subsidiaries are entitled to the share of Vinschool LLC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement.

***Commitment related to non-controlling owner of a subsidiary***

In accordance with the agreement between the two owners of a subsidiary, the non-controlling owner has the right to contribute capital equivalent to 15% equity ownership together with right, obligation in this subsidiary.

**40. ADDITIONAL INFORMATION REGARDING THE CONSOLIDATED CASH FLOW STATEMENT**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
<b>Actual cash received from loans during the year:</b>		
Cash received from normal loan agreements	7,365,544	5,996,930
Cash received from issuance of bonds	6,454,333	13,665,935
<b>Actual cash payment of loans during the year:</b>		
Cash payment for normal loan agreements	(7,162,251)	(7,539,963)
Cash payment for principal of bonds	(12,139,000)	(13,200,000)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

#### 41. RESTATEMENT OF CORRESPONDING FIGURES

In the consolidated financial statements for the year ended 31 December 2020, the Company applied provisional accounting to account for the business combination transaction with Bao Lai JSC and its subsidiaries in 2020. In 2021, the Company finalised such provisional accounting applied for this transaction (*Note 4.4*). Thereby, restatement of certain corresponding figures is presented as follows:

*Currency: million VND*

<i>Code</i>	<i>Items</i>	<i>31 December 2020 (Previously presented)</i>	<i>Adjustment</i>	<i>31 December 2020 (Restated)</i>
<b>CONSOLIDATED BALANCE SHEET</b>				
221	Tangible fixed assets	5,683,205	379,508	6,062,713
222	Cost - Tangible fixed assets	5,873,264	379,508	6,252,772
227	Intangible fixed assets	223,410	1,165,109	1,388,519
228	Cost - Intangible fixed assets	312,732	1,165,109	1,477,841
252	Investments in associates, jointly controlled entities	5,838,118	77,933	5,916,051
269	Goodwill	2,679,239	(1,062,553)	1,616,686
341	Deferred tax liabilities	198,873	324,510	523,383
429	Non-controlling interests	3,429,404	235,487	3,664,891

#### 42. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, the Company and its subsidiaries have the following events after the consolidated balance sheet date:

In February 2022, the Company has established two new subsidiaries, Vinpearl Landmark 81 Joint Stock Company and Vincom Retail Landmark 81 Joint Stock Company; thereby, the Company holds 99.88% and 99.85% voting rights in these subsidiaries, respectively.

In February 2022, Vinhomes Industrial Zone JSC ("VHIZ JSC") received a part of the project under the VinFast Automobile Production Complex Project under the Project Transfer Agreement signed between VHIZ JSC and VinFast JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2021 and for the year then ended

**42. EVENTS AFTER THE BALANCE SHEET DATE** (continued)

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



Nguyen Ha Yen  
Preparer



Le Tien Cong  
Chief Accountant



Phạm Thiệu Hoa  
Chief Executive Officer

Hanoi, Vietnam

31 March 2022

1/2/2022

# Vinhomes Joint Stock Company

## APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2021

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company (i) (iii)	Gia Lam LLC	99.39	99.00	2 <sup>nd</sup> Floor, Vincom Mega Mall Ocean Park Shopping Center in land plot CCTP-10 of Gia Lam Urban Project, Trau Quy Town and Duong Xa, Kieu Ky, Da Ton Communes, Gia Lam District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company (i)	Ecology JSC	100.00	99.61	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company (i)	Vietnam Investment JSC	70.00	69.73	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation (i)	Can Gio JSC	99.89	99.73	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate Company Limited Liability Company	Tay Tang Long LLC	100.00	90.00	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township Limited Liability Company (i)	Berjaya VIUT LLC	97.90	97.64	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment Joint Stock Company	Royal City JSC	97.85	97.85	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment Joint Stock Company (i)	Lang Van JSC	100.00	99.84	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi Limited Liability Company	Metropolis Hanoi LLC	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2021 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
10	Berjaya Vietnam Financial Center Limited Liability Company (i)	Berjaya VFC LLC	67.50	67.32	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction Corporation (i)	Thai Son JSC	100.00	99.73	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millennium Trading Investment and Development Limited Liability Company	Millennium LLC	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing, trading real estate properties and office leasing
13	GS Cu Chi Development Joint Stock Company (i)	GS Cu Chi JSC	100.00	99.90	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company (i) (ii)	Phu Gia LLC	98.00	97.62	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	Green City Development Joint Stock Company (i)	Green City JSC	80.50	80.28	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Delta Joint Stock Company (i)	Delta JSC	100.00	99.92	No. 110, Dang Cong Binh Street, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Vinhomes Industrial Zone Investment Joint Stock Company (i)	VHIZ JSC	100.00	99.99	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties

## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2021 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
18	Dai An Investment Construction Joint Stock Company (i)	Dai An JSC	100.00	100.00	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province	Investing, developing and trading real estate properties
19	Ecology Development and Trading Joint Stock Company (i) (ii)	Ecology Trading JSC	100.00	99.98	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
20	ViniTIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company	ViniTIS JSC	61.00	61.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities
21	Newco Development and Investment Joint Stock Company (i)	Newco JSC	100.00	90.26	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
22	Sai Dong Urban Development and Investment Joint Stock Company (i)	Sai Dong JSC	100.00	99.98	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
23	Central Park Development Limited Liability Company (i)	Central Park LLC	100.00	99.98	Room 900, 9 <sup>th</sup> Floor, IPH Tower, No. 241 Xuan Thuy Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	Investing, developing and trading real estate properties
24	Bao Lai Investment Joint Stock Company (i)	Bao Lai JSC	96.48	77.67	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem District, Hanoi	Exploiting, manufacturing and trading white marble



## Vinhomes Joint Stock Company

### APPENDIX 1 – THE COMPANY'S SUBSIDIARIES AS AT 31 DECEMBER 2021 (continued)

No.	Full name	Short name	Voting right (%)	Equity interest (%)	Registered office's address	Principal activities
25	Bao Lai Marble One Member Company Limited (i)	Bao Lai Marble LLC	100.00	77.67	Hop Nhat Village, Tinh Hung Commune, Yen Binh District, Yen Bai Province	Exploiting, manufacturing and trading white marble
26	An Phu White Marble Company Limited (i)	An Phu White Marble LLC	100.00	77.67	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
27	Doc Thang Marble Joint Stock Company (i)	Doc Thang JSC	100.00	81.61	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
28	Phan Thanh Mineral Joint Stock Company (i)	Phan Thanh JSC	100.00	77.96	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
29	Bao Lai Luc Yen Mineral Exploitation One Member Company Limited (i)	Bao Lai Luc Yen LLC	100.00	77.67	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
30	Van Khoa Investment Joint Stock Company (i)	Van Khoa Investment JSC	100.00	78.60	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem, District, Hanoi	Exploiting, manufacturing and trading white marble
31	Van Khoa Luc Yen One Member Company Limited (i)	Van Khoa Luc Yen LLC	100.00	78.60	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
32	Son Thai Investment and Trading Joint Stock Company (i)	Son Thai JSC	99.99	80.27	No. 65, Hai Phong Street, Thach Thang Ward, Hai Chau District, Da Nang City	Investing real estate properties and leasing offices

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) These companies are in the process of completing dissolution procedures.

(iii) Non-controlling owner in this subsidiary has the right to contribute capital as disclosed in Note 39.



# **Vinhomes Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2020



# Vinhomes Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2020



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# Vinhomes Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30<sup>th</sup> amendment dated 12 June 2020 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent (also referred to as "the Parent Company"). Vingroup JSC and its subsidiaries are hereby referred to as "the Group".

### BOARD OF DIRECTORS

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

Ms. Nguyen Dieu Linh	Chairwoman	
Mr. Pham Nhat Vuong	Member	
Ms. Cao Thi Ha An	Member	
Mr. Pham Thieu Hoa	Member	appointed on 8 July 2020
Mr. Ashish Jaiprakash Shastry	Member	appointed on 8 July 2020
Mr. Tran Kien Cuong	Member	appointed on 8 July 2020
Mr. Nguyen Viet Quang	Member	resigned on 8 July 2020
Mr. Varun Kapur	Independent member	
Mr. Mueen Uddeen	Independent member	
Mr. Hoang D. Quan	Independent member	appointed on 8 July 2020

### SUPERVISORY BOARD

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

Mr. Pham Khoi Nguyen	Head of the Supervisory Board
Ms. Doan Thi Thu Mai	Member
Ms. Le Thi Duyen	Member

# Vinhomes Joint Stock Company

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Mr. Pham Thieu Hoa	Chief Executive Officer	
Mr. Douglas John Farrell	Deputy Chief Executive Officer	
Mr. Nguyen Duc Quang	Deputy Chief Executive Officer	
Mr. Pham Van Khuong	Deputy Chief Executive Officer	
Mr. Nguyen Vu Hung	Deputy Chief Executive Officer	appointed on 15 April 2020
Ms. Nguyen Thu Hang	Standing Deputy Chief Executive Officer	appointed on 21 October 2020
Ms. Mai Thu Thuy	Deputy Chief Executive Officer	appointed on 21 October 2020
Mr. Nguyen Van Trai	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Phi Thi Thuc Nga	Deputy Chief Executive Officer	resigned on 15 April 2020
Ms. Nguyen Ngoc Thuy Linh	Deputy Chief Executive Officer	resigned on 6 June 2020

### LEGAL REPRESENTATIVES

The legal representatives of the Company:

- ▶ from 01 January 2020 to 19 April 2020 are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Van Trai, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer; and
- ▶ from 20 April 2020 to the date of this report are Ms. Nguyen Dieu Linh, Chairwoman, Mr. Pham Thieu Hoa, Chief Executive Officer, Mr. Nguyen Vu Hung, Deputy Chief Executive Officer and Mr. Pham Van Khuong, Deputy Chief Executive Officer.

### AUDITORS

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

# Vinhomes Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vinhomes Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

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

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

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

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

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

### STATEMENT BY MANAGEMENT

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

For and on behalf of management:

  
  
Phạm Diệu Hoa  
Chief Executive Officer

Hanoi, Vietnam

19 March 2021





Reference: 60871645/22157028-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Vinhomes Joint Stock Company**

We have audited the accompanying consolidated financial statements of Vinhomes Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Company and its subsidiaries") as prepared on 19 March 2021 and set out on pages 6 to 87, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

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

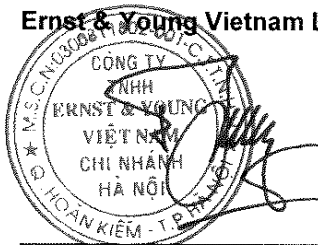
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### Opinion

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

### Ernst & Young Vietnam Limited



Le Vu Trường  
Deputy General Director  
Audit Practising Registration  
Certificate No. 1588-2018-004-1

Nguyen Trung Dung  
Auditor  
Audit Practising Registration  
Certificate No. 4657-2018-004-1

Hanoi, Vietnam

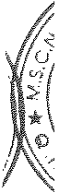
19 March 2021



CONSOLIDATED BALANCE SHEET  
as at 31 December 2020

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>102,312,109</b>	<b>139,555,054</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>13,713,651</b>	<b>13,332,299</b>
111	1. Cash		4,146,738	2,788,220
112	2. Cash equivalents		9,566,913	10,544,079
<b>120</b>	<b>II. Short-term investments</b>		<b>2,054,219</b>	<b>360,611</b>
121	1. Held-for-trading securities	6.1	359,322	-
123	2. Held-to-maturity investments	6.2	1,694,897	360,611
<b>130</b>	<b>III. Current accounts receivable</b>		<b>34,592,470</b>	<b>47,467,976</b>
131	1. Short-term trade receivables	7.1	10,674,408	8,811,344
132	2. Short-term advances to suppliers	7.2	8,504,424	8,802,736
135	3. Short-term loan receivables	8	8,272,493	16,507,454
136	4. Other short-term receivables	9	7,190,939	13,465,638
137	5. Provision for doubtful short-term receivables	10	(49,794)	(119,196)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>42,983,662</b>	<b>60,296,848</b>
141	1. Inventories		43,021,241	60,306,616
149	2. Provision for obsolete inventories		(37,579)	(9,768)
<b>150</b>	<b>V. Other current assets</b>		<b>8,968,107</b>	<b>18,097,320</b>
151	1. Short-term prepaid expenses	12	1,784,595	2,089,245
152	2. Value-added tax deductible	21	309,066	673,229
153	3. Tax and other receivables from the State	21	41,971	41,933
155	4. Other current assets	13	6,832,475	15,292,913



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: million VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>113,014,268</b>	<b>57,685,974</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>11,084,368</b>	<b>8,114,996</b>
215	1. Long-term loan receivables	8	4,130,000	7,863,900
216	2. Other long-term receivables	9	6,954,368	251,096
<b>220</b>	<b>II. Fixed assets</b>		<b>5,906,615</b>	<b>690,347</b>
221	1. Tangible fixed assets	14	5,683,205	624,738
222	Cost		5,873,264	678,311
223	Accumulated depreciation		(190,059)	(53,573)
227	2. Intangible fixed assets		223,410	65,609
228	Cost		312,732	108,952
229	Accumulated amortisation		(89,322)	(43,343)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>8,699,597</b>	<b>6,626,630</b>
231	1. Cost		9,231,822	6,959,536
232	2. Accumulated depreciation		(532,225)	(332,906)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>32,361,351</b>	<b>28,212,527</b>
242	1. Construction in progress	17	32,361,351	28,212,527
<b>250</b>	<b>V. Long-term investments</b>	<b>18</b>	<b>9,755,842</b>	<b>773,312</b>
252	1. Investments in associates	18.1	5,838,118	-
253	2. Investments in other entities	18.2	3,969,035	558,632
254	3. Provision for long-term investments	18.2	(235,991)	-
255	4. Held-to-maturity investments	18	184,680	214,680
<b>260</b>	<b>VI. Other long-term assets</b>		<b>45,206,495</b>	<b>13,268,162</b>
261	1. Long-term prepaid expenses	12	2,287,994	2,511,706
262	2. Deferred tax assets	34.3	727,156	330,794
268	3. Other long-term assets	13	39,512,106	9,471,481
269	4. Goodwill	19	2,679,239	954,181
<b>270</b>	<b>TOTAL ASSETS</b>		<b>215,326,377</b>	<b>197,241,028</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>126,196,462</b>	<b>132,525,985</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>103,385,277</b>	<b>121,556,854</b>
311	1. Short-term trade payables	20.1	11,401,484	6,078,324
312	2. Short-term advances from customers	20.2	26,968,735	40,245,699
313	3. Statutory obligations	21	5,035,067	2,095,296
315	4. Short-term accrued expenses	22	13,912,784	7,839,911
318	5. Short-term unearned revenues	23	531,699	465,696
319	6. Other short-term payables	24	34,032,822	46,669,574
320	7. Short-term loans	25	10,997,726	18,162,354
321	8. Short-term provisions	26.1	504,960	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>22,811,185</b>	<b>10,969,131</b>
333	1. Long-term accrued expenses	22	1,409,698	588,885
336	2. Long-term unearned revenues	23	3,325,997	1,534,550
337	3. Other long-term liabilities	24	3,537,548	90,376
338	4. Long-term loans	25	13,957,735	8,343,025
341	5. Deferred tax liabilities	34.3	198,873	270,303
342	6. Long-term provisions	26.2	381,334	141,992

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

Currency: million VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>89,129,915</b>	<b>64,715,043</b>
<b>410</b>	<b>I. Capital</b>	<b>27</b>	<b>89,129,915</b>	<b>64,715,043</b>
411	1. Share capital		33,495,139	33,495,139
411a	- Shares with voting rights		33,495,139	33,495,139
412	2. Share premium		295,000	295,000
415	3. Treasury shares		(5,549,929)	(5,549,929)
420	4. Other funds belonging to owners' equity		1,200,896	1,816,269
421	5. Undistributed earnings		56,259,405	26,039,678
421a	- Undistributed earnings by the end of prior year		27,964,411	4,277,445
421b	- Undistributed earnings of current year		28,294,994	21,762,233
429	6. Non-controlling interests		3,429,404	8,618,886
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>215,326,377</b>	<b>197,241,028</b>

Hoàng Minh Thái  
Preparer

Lê Tiến Công  
Chief Accountant



Phạm Tiến Hòa  
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	71,546,737	51,626,931
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	71,546,737	51,626,931
11	4. Cost of goods sold and services rendered	29	(45,610,660)	(24,171,323)
20	5. Gross profit from sale of goods and rendering of services		25,936,077	27,455,608
21	6. Finance income	28.2	20,244,792	9,045,787
22	7. Finance expenses	30	(4,019,261)	(2,548,827)
23	In which: Interest expenses and bond issuance expenses		(3,001,572)	(2,377,698)
24	8. Shares of profit of associates	18.1	18,526	-
25	9. Selling expenses	31	(2,680,833)	(2,080,673)
26	10. General and administrative expenses	31	(2,193,460)	(2,156,421)
30	11. Operating profit		37,305,841	29,715,474
31	12. Other income		221,432	185,728
32	13. Other expenses	32	(1,010,436)	(155,508)
40	14. Other (loss)/profit		(789,004)	30,220
50	15. Accounting profit before tax		36,516,837	29,745,694
51	16. Current corporate income tax expense	34.1	(8,778,070)	(5,766,161)
52	17. Deferred tax income	34.3	467,773	339,567
60	18. Net profit after tax		28,206,540	24,319,100

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

Currency: million VND

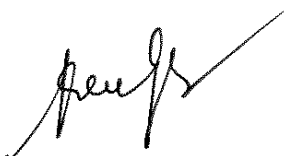
Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		27,351,280	21,747,376
62	20. Net profit after tax attributable to non-controlling interests		855,260	2,571,724

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
70	21. Basic earnings per share	36	8,315	6,502



Hoàng Minh Thái  
Preparer



Lê Tiến Công  
Chief Accountant



Phạm Thiệu Hoà  
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2020

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>36,516,837</b>	<b>29,745,694</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)	33	541,936	351,846
03	Provisions/(reversal of provisions)		938,172	(197,023)
04	Foreign exchange losses/(gains) arisen from revaluation of monetary accounts denominated in foreign currency		681	(899)
05	Profits from investing activities		(20,212,609)	(9,115,700)
06	Interest expenses and bond issuance expenses	30	3,001,572	2,377,698
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>20,786,589</b>	<b>23,161,616</b>
09	Decrease/(increase) in receivables		5,598,479	(3,032,812)
10	Decrease/(increase) in inventories		13,823,705	(7,354,995)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(7,057,322)	51,451,474
12	Decrease/(increase) in prepaid expenses		410,876	(2,885,248)
14	Interest paid		(2,423,545)	(3,309,171)
15	Corporate income tax paid	21	(6,256,733)	(6,102,455)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>24,882,049</b>	<b>51,928,409</b>

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

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(3,499,515)	(3,846,972)
22	Proceeds from disposals of fixed assets and other long-term assets		430,202	205,848
23	Loans to other entities and payments for purchase of debt instruments of other entities		(4,826,147)	(14,077,010)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		16,411,373	30,762,019
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(53,487,656)	(61,164,624)
26	Proceeds from sale of investments in other entities (net of cash hold by entity being disposed)		21,317,425	19,568,901
27	Interest and dividends received		1,234,721	1,232,061
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(22,419,597)</b>	<b>(27,319,777)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution	27.1	62,000	-
32	Capital redemption, reacquisition of treasury shares	27.1	(848,308)	(5,549,929)
33	Drawdown of borrowings		19,662,865	6,847,057
34	Repayment of borrowings		(20,739,963)	(12,402,281)
36	Dividends paid		(217,694)	(3,686,552)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(2,081,100)</b>	<b>(14,791,705)</b>



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

Currency: million VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash for the year		381,352	9,816,927
60	Cash and cash equivalents at the beginning of the year	5	13,332,299	3,515,372
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	13,713,651	13,332,299



Hoang Minh Thai  
Preparer



Le Tien Cong  
Chief Accountant



Phạm Triệu Hoa  
Chief Executive Officer

Hanoi, Vietnam

19 March 2021

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

**1. CORPORATE INFORMATION**

Vinhomes Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0103022741 issued by the Hanoi Department of Planning and Investment on 6 March 2008 and the Enterprise Registration Certificate No. 0102671977 dated 5 August 2010 on registration of a shareholding company. The Company also subsequently received amended Enterprise Registration Certificates with the 30th amendment dated 12 June 2020 as the latest.

The current principal activities of the Company are to develop real estate property for sale, provide leasing of offices, render real estate management and related services, provide general contractor services, consulting and designing construction services, supervision and construction management services.

The Company's head office is located at Symphony Office Tower, Chu Huy Man Street, Vinhomes Riverside Eco-urban Area, Phuc Loi Ward, Long Bien District, Hanoi, Vietnam.

Vingroup JSC is the Company's parent. Vingroup JSC and its subsidiaries are hereby referred as the Group.

The Company and its subsidiaries' normal course of business cycle of real estate development activity begins when the Company receives investment certificate, carries out land clearance and construction works until the project is completed. Accordingly, the normal course of business cycle of real estate development activity ranges from 12 months to 36 months.

The Company and its subsidiaries' normal course of business cycle of other activities is normally within 12 months.

The number of the Company's employees as at 31 December 2020: 7,688 (31 December 2019: 7,116).

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

1. CORPORATE INFORMATION (continued)

**Corporate structure**

As at 31 December 2020, the Company has 33 subsidiaries (as at 31 December 2019: 18 subsidiaries). The information on these subsidiaries, along with the Company's direct and indirect voting rights and direct and indirect equity interest in each subsidiary is as follows:

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	Gia Lam Urban Development and Investment Limited Liability Company ("Gia Lam LLC") (i)	99.39	99.36	2 <sup>nd</sup> Floor, Vincom Mega Mall Ocean Park Shopping Center in land plot CCTP-10 of Gia Lam Urban Project, Trau Quy Town and Duong Xa, Kieu Ky, Da Ton Communes, Gia Lam District, Hanoi	Investing, developing and trading real estate properties
2	Ecology Development and Investment Joint Stock Company ("Ecology JSC") (i)	100.00	99.97	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
3	Vietnam Investment and Consulting Investment Joint Stock Company ("Vietnam Investment JSC") (i)	70.00	69.97	No. 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	Investing, developing and trading real estate properties
4	Can Gio Tourist City Corporation ("Can Gio JSC")	99.89	99.89	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
5	Tay Tang Long Real Estate Company Limited Liability Company ("Tay Tang Long LLC")	90.00	90.00	No.72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
6	Berjaya Vietnam International University Township Limited Liability Company ("Berjaya VIUT LLC") (i)	97.90	97.80	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
7	Royal City Real Estate Development and Investment Joint Stock Company ("Royal City JSC") (i)	97.85	97.84	No. 72A Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Investing, developing and trading real estate properties
8	Lang Van Development and Investment Joint Stock Company ("Lang Van JSC") (i)	99.00	98.84	No. 7 Truong Sa Street, Hoa Hai Ward, Ngu Hanh Son District, Da Nang City	Investing, developing and trading real estate properties
9	Metropolis Hanoi Limited Liability Company ("Metropolis Hanoi LLC")	100.00	100.00	HH land area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	Investing, developing and trading real estate properties

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

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

<i>No.</i>	<i>Company</i>	<i>Voting rights (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
10	Berjaya Vietnam Financial Center Limited Liability Company ("Berjaya VFC LLC") (i)	67.50	67.43	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
11	Thai Son Investment and Construction Joint Stock Company ("Thai Son JSC") (i)	100.00	99.90	No. 7 Bang Lang 1 Street, Vinhomes Riverside Eco-urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
12	Millennium Trading Investment and Development Limited Liability Company ("Millennium LLC")	100.00	100.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing, trading real estate properties and office leasing
13	GS Cu Chi Development Joint Stock Company ("GS Cu Chi JSC") (i)	100.00	99.90	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
14	Phu Gia Property Trading Limited Liability Company ("Phu Gia LLC") (i) (ii)	98.00	97.97	No. 63 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Hanoi	Investing, developing and trading real estate properties
15	An Thinh Trading and Commercial Development Joint Stock Company ("An Thinh JSC") (ii)	85.00	85.00	20A Floor, Vincom Center Dong Khoi, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
16	Green City Development Joint Stock Company ("Green City JSC") (i)	100.00	99.92	No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
17	Delta Joint Stock Company ("Delta JSC") (i)	100.00	99.91	No. 110, Dang Cong Binh Street, 6th Hamlet, Xuan Thoi Thuong Ward, Hoc Mon District, Ho Chi Minh City	Investing, developing and trading real estate properties
18	Vinhomes Industrial Zone Investment Joint Stock Company ("VHIZ JSC") (i)	100.00	99.96	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties

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

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

<i>No.</i>	<i>Company</i>	<i>Voting rights (%)</i>	<i>Equity interest (%)</i>	<i>Registered office's address</i>	<i>Principal activities</i>
19	Dai An Investment Construction Joint Stock Company ("Dai An JSC") (i)	100.00	99.92	Highway 5A, Dinh Du Village, Dinh Du Commune, Van Lam District, Hung Yen Province	Investing, developing and trading real estate properties
20	Ecology Development and Trading Joint Stock Company ("Ecology Trading JSC") (i) (ii)	100.00	99.97	Symphony Office Building, Chu Huy Man Street, Vinhomes Riverside Eco-Urban Area, Phuc Loi Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
21	ViniTIS Information Technology and Transmission Infrastructure Solutions Joint Stock Company ("ViniTIS JSC")	61.00	61.00	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities.
22	Hon Mot Tourism Joint Stock Company ("Hon Mot JSC") (i)	100.00	99.90	Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province	Investing, developing and trading real estate properties
23	Newco Development and Investment Joint Stock Company ("Newco JSC") (i)	100.00	99.92	No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Investing, developing and trading real estate properties
24	Sai Dong Urban Development and Investment Joint Stock Company ("Sai Dong JSC") (i)	100.00	98.92	No. 7, Bang Lang 1 Street, Vinhomes Riverside Eco-Urban Area, Viet Hung Ward, Long Bien District, Hanoi	Investing, developing and trading real estate properties
25	Central Park Development Limited Liability Company ("Central Park LLC") (i)	100.00	98.92	Room 900, 9 <sup>th</sup> Floor, IPH Tower, No. 241 Xuan Thuy Street, Dich Vong Hau Ward, Cau Giay District, Hanoi	Investing, developing and trading real estate properties
26	Bao Lai Investment Joint Stock Company ("Bao Lai JSC") (i)	96.48	96.39	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem District, Hanoi	Exploiting, manufacturing and trading white marble
27	Bao Lai Marble One Member Company Limited (i)	100.00	96.39	Hop Nhat Village, Thinh Hung Commune, Yen Binh District, Yen Bai Province	Exploiting, manufacturing and trading white marble

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

**1. CORPORATE INFORMATION (continued)**

**Corporate structure (continued)**

No.	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
28	An Phu White Marble Company Limited (i)	100.00	96.39	Khau Ca Village, An Phu Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
29	Doc Thang Marble Joint Stock Company (i)	57.58	55.50	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
30	Phan Thanh Mineral Joint Stock Company (i)	91.36	88.07	Ban Ro Village, Phan Thanh Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
31	Bao Lai Luc Yen Mineral Exploitation One Member Company Limited (i)	100.00	96.39	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble
32	Van Khoa Investment Joint Stock Company (i)	64.29	61.97	No. 166, Pham Van Dong Street, Xuan Dinh Ward, Bac Tu Liem, District, Hanoi	Exploiting, manufacturing and trading white marble
33	Van Khoa Luc Yen One Member Company Limited (i)	100.00	61.97	Ngoi Ken Village, Lieu Do Commune, Luc Yen District, Yen Bai Province	Exploiting, manufacturing and trading white marble

(i) The equity interest in these subsidiaries differs from voting right since the Company controls over these subsidiaries indirectly through other subsidiaries.

(ii) These companies are in the process of completing dissolution procedures.

**2. BASIS OF PREPARATION**

**2.1 Accounting standards and system**

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

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

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

**2. BASIS OF PREPARATION (continued)**

**2.1 Accounting standards and system (continued)**

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

**2.2 Applied accounting documentation system**

The Company and its subsidiaries' applied accounting documentation system is the General Journal system.

**2.3 Fiscal year**

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

**2.4 Accounting currency**

The consolidated financial statements are prepared in VND which is also the Company's accounting currency. For the purpose of presenting the consolidated financial statements as at 31 December 2020, the figures are rounded to the nearest millions and presented in millions of Vietnam dong ("million VND").

**2.5 Basis of consolidation**

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until such control ceases, except when the Company only obtains temporary control and the subsidiary is acquired with a view of resale within 12 months from acquisition.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

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

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

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

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an associate, the Company's investment is accounted for using the equity method of accounting. Profit/loss from this transaction is recognised in the consolidated income statement.



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

**2. BASIS OF PREPARATION** (continued)

**2.5 Basis of consolidation** (continued)

Gains resulting from contribution of non-monetary asset or sales of asset to associate or joint-ventures are recognized in the consolidated income statement only to the extent of unrelated interest in the associate or joint-venture. Unrealised profits related to interest by the Company and its subsidiaries are realised to the consolidated income statement according to the progress of asset recovery in the financial statements of these associates or joint-ventures.

In case the Company disposes a partial interest in a subsidiary and loses control but retains an interest as an investment in other entities, the Company's investment is accounted for using the cost method. Profit/loss from this transaction is recognised in the consolidated income statement.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Inventories**

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

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

*Inventory property*

Property acquired or being constructed for sale or to be held for long-term lease that meets the requirements of outright revenue recognition in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

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

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

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on reasonable relative cost basis.



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

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

**3.2 Inventories (continued)**

*Construction inventory*

The Company and its subsidiaries use perpetual method to record raw materials and merchandise which are valued at cost of purchase on a weighted average basis.

Work in progress of construction contracts comprises costs of materials, labour costs, construction costs payable to sub-contractors and other related costs which have not been accepted by the investors at the date of the consolidated financial statements.

*Other inventories*

The Company and its subsidiaries use perpetual method to record other inventories which are valued as follows:

- Raw materials and consumables - cost of purchase on a weighted average basis.
- Finished goods - costs of materials and direct labour cost plus related general production cost which are allocated based on the ordinary course of business on a weighted average basis.

*Provision for obsolete inventories*

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company and its subsidiaries, based on appropriate evidence of impairment available at the balance sheet date.

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

**3.3 Receivables**

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

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

**3.5 Leased assets**

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

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Company and its subsidiaries are the lessors*

The net investment under finance lease contracts is included as a receivable in the consolidated balance sheet. The interest amount of the leased payments are recognised in the consolidated income statement over the period of the lease contracts to achieve a constant rate of interest on the net investment outstanding.

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

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

*Where the Company and its subsidiaries are the lessees*

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.7 Depreciation and amortisation**

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

Buildings and structures	15 - 48 years
Machinery and equipment	5 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Others	2 - 5 years

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

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

**3.8 Investment properties**

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

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company and its subsidiaries.

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

Definite land use rights, buildings and structures	27 - 50 years
Machinery and equipment	7 - 10 years

No amortisation is charged on the land use rights presented as investment properties with indefinite terms.

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

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

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

**3.10 Prepaid expenses**

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

Short-term prepaid expenses include selling expenses related to inventory properties not yet handed over, provisional corporate income tax for down payments from customers for the purchase of inventory properties at the Company and its subsidiaries' real estate projects and other prepaid expenses that are expected to generate future economic benefit within one ordinary course of business cycle.

Long-term prepaid expenses include tools and supplies, long-term prepaid rental fee and other prepaid expenses that generate future economic benefits for more than one year.

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

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

**3.10 Prepaid expenses (continued)**

*Prepaid land rental*

The prepaid land rental represents the remaining unamortised balance of advance payment made in accordance with the lease contract signed with the authorities. Such prepaid rental is recognised as a long-term prepaid expense and is amortised to the consolidated income statement over the remaining lease period according to Circular 45/2013/TT-BTC. Besides, prepaid land rental also comprises land lease incurred from business combination, in which, the acquiree is a lessee under operating leases with favourable lease terms compared with the fair value at the date of business combination.

**3.11 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Where equity instruments are issued by the acquirer as consideration, fair value of the consideration shall be measured at fair value of these instruments at the exchange date. In case the published price at the date of exchange is an unreliable indicator of fair value, the fair value of those instruments could, for example, be estimated by reference to their proportional interest in the fair value of the acquirer or by reference to the proportional interest in the fair value of the acquiree obtained, whichever is the more clearly evidence.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The Company and its subsidiaries conduct the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

*Business combinations involving entities or businesses under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity can be under common control of an individual or a group of individuals following a contractual agreement.

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

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

**3.11 Business combinations and goodwill (continued)**

Business combinations involving entities or businesses under common control are accounted for as follows:

- ▶ The assets and liabilities of the combined entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognised from the business combination;
- ▶ The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- ▶ Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

After the date of business combination, if the Company and its subsidiaries transfer and lose control of investment in these entities, the difference between the cost of a business combination and net assets, which was previously recognised in owners' equity, is recognised in the consolidated income statement.

**3.12 Assets acquisitions and business combinations**

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

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

In case prior to the date that control is obtained, the investment is an investment in associate or a long-term investment and the acquisition of the subsidiary is not a business combination, when preparing the consolidated financial statements, the parent company shall not remeasure the previously held equity interests. Instead previously held equity interests at carrying value and the consideration are allocated to the assets and liabilities acquired based on their relative fair values as at acquisition date.

**3.13 Investments**

*Investments in associates*

The Company and its subsidiaries' investment in their associate is accounted for using the equity method of accounting. An associate is an entity in which the Company and its subsidiaries have significant influence that is neither subsidiaries nor joint ventures. The Company and its subsidiaries generally deem they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company and its subsidiaries' share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.



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

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

**3.13 Investments (continued)**

*Investments in associates (continued)*

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

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

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

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

*Held-to-maturity investments*

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

*Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

**3.14 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries. Payables to construction contractors are recognised for amounts certified by the construction work certificate signed with contractors, whether or not billed to the Company and its subsidiaries.

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

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

**3.15 Provisions**

*General provisions*

Provisions are recognised when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company and its subsidiaries expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

The Company and its subsidiaries assess onerous contracts are those contracts in which, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The Company and its subsidiaries recognise and assess obligations under onerous contracts as provisions and these provisions are made for each onerous contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance expense.

*Warranty provision for inventory properties*

The Company and its subsidiaries estimate provision for warranty expenses based on revenues and available information about the repair of inventory properties sold in the past.

**3.16 Foreign currency transactions**

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

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

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

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

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

#### 3.17 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.18 Appropriation of net profits

Net profit after tax (excluding gain arising from a bargain purchase) is available for appropriation to shareholders pursuant to decision of the Board of Directors (approved by General Meeting of Shareholders), and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

#### 3.19 Advances from customers purchasing inventory properties

Payments received from customers as deposits for purchase of inventory properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet. Incentives under promotion programs which are, in substance, revenue deductions are offset against account "Advances from customers" which are not qualified to be recognised as revenue for the year.

#### 3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Revenue from sale of inventory properties*

Revenue from sale of inventory properties is recognised when the significant risks and rewards incident to ownership of the properties have been passed to the buyer.

Revenue from sale of inventory properties also includes long-term lease of investment property qualified for recognition of outright sales. If the lease term is greater than 90% of the asset's useful life, the Company and its subsidiaries recognise the revenue for the entire prepaid lease payment if all following conditions are met:

- Lessee is not allowed to cancel the lease contract during the lease term, and the lessor is not responsible for reimbursing the prepaid lease payments under any circumstances;
- The prepaid lease payment is not less than 90% of the total estimated lease payment collected under contract over the lease period and lessee must pay all rental within 12 months from the commencement of the lease;
- Almost all risks and rewards associated with the ownership of leased assets are transferred to the lessee; and
- Lessor must estimate the full cost of leasing activity.

##### *Rental income*

Rental income arising from operating lease of properties is recognised in the consolidated income statement on a straight-line basis over the lease term of ongoing leases.

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.



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

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

**3.20 Revenue recognition (continued)**

*Rendering of services*

Revenue from rendering of services is recognised when the services are rendered for customers.

*Interest*

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

*Dividends*

Income is recognised when the Company and its subsidiaries' entitlement as an investor to receive the dividend is established.

*Income from capital transfer*

Income from capital transfer is identified as difference between transfer consideration and cost of capital transfer. This income is recognised on date when the transaction arises being the date when the transfer contract is exercised.

*Income from Business and Investment Co-operation Contracts in which the Company and its subsidiaries are entitled to profit before tax or profit after tax*

Income from the profit before tax or profit after tax of real estate business under Business and Investment Co-operation Contracts is recognised as finance income in the consolidated income statement.

In the transaction in which the Company and its subsidiaries provide multiple products and services to the customer in the same arrangement, the Company and its subsidiaries determine the obligation to sell the product and the obligation to render the services separately and only recognises the revenue when each individual obligation is completed by the Company and its subsidiaries. The contract value is allocated to individual product by taking the total contract value minus the estimated fair value of the service. Payments from customers under contracts corresponding to the unfulfilled obligations are presented as "Advances from customers" or "Unearned revenues" in the consolidated balance sheet.

**3.21 Construction contract**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the consolidated balance sheet date, as measured by reference to the work performed that has been agreed by customers. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

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

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

**3.22 Taxation**

*Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to offset current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle their current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

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

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

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

**3.22 Taxation (continued)**

*Deferred tax (continued)*

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company and its subsidiaries intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.23 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

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

**3.24 Segment information**

A segment is a component determined separately by the Company and its subsidiaries which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Real estate trading and related services are principal sources of revenue and profit of the Company and its subsidiaries, while revenue from other activities accounts for a minimal portion in the Company and its subsidiaries' total revenue. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

**3.25 Related parties**

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

**3.26 Demerger**

Demerger transactions where the Company is the demerged company are carried out as follows:

- ▶ Assets, liabilities transferred to the new company is deducted from the respective items in the consolidated balance sheet by the carrying value at the date of demerger;
- ▶ Difference between assets and liabilities transferred to the new company is deducted from equity in the consolidated balance sheet; and
- ▶ No gain or loss is recognised for the demerger transaction.

**3.27 Bond issuance transaction cost**

Transaction costs relating to bond issuance are charged to the consolidated income statement on a straight-line basis over the term of the bond. At initial recognition, these transaction costs are deducted from liability component of the bond.

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR**

**4.1 Acquisition of group of assets**

During the year, the Company and its subsidiaries have acquired shares of the following companies from counterparties. Management has reviewed and assessed that the acquisition of shares of these companies is the acquisition of group of assets, rather than business combination. The total consideration for each of these acquisitions was allocated to the assets and liabilities acquired based on their relative fair values at acquisition date. Accordingly, a part of consideration was recognised in construction in progress (Note 17). The non-controlling interests were also recognised at their relative proportion of the interests in the assets and liabilities acquired. These acquired assets and liabilities are presented in the same categories as other similar assets and liabilities held by the Company and its subsidiaries.

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

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.1 Acquisition of group of assets (continued)**

*Acquisition of VHIZ JSC, a new subsidiary*

In March 2020, the Company and its subsidiaries completed the acquisition of 100% shares of VHIZ JSC from counterparties for a total consideration of VND70 billion. Thereby, VHIZ JSC became a subsidiary of the Company. The principal activities of VHIZ JSC are investing, developing and trading real estate properties.

*Acquisition of Dai An JSC, a new subsidiary*

In May 2020, the Company and its subsidiaries completed the acquisition of 99% shares of Dai An JSC from counterparties for a total consideration of VND4,554 billion. Thereby, Dai An JSC became a subsidiary of the Company. The principal activities of Dai An JSC are investing, developing and trading real estate projects.

*Acquisition of Hon Mot JSC, a new subsidiary*

In October 2020, the Company and its subsidiaries completed the acquisition of 100% shares of Hon Mot JSC from counterparties for a total consideration of VND5,757 billion. Thereby, Hon Mot JSC became a subsidiary of the Company. The principal activities of Hon Mot JSC are investing, developing and trading real estate projects.

**4.2 Business combination transactions under common control**

*Acquisition of Sai Dong JSC and Central Park LLC, new subsidiaries*

In September 2020, the Company and its subsidiaries acquired 2% of shares in Sai Dong JSC from affiliates for consideration of VND14 billion. Subsequently, in December 2020, the Company and its subsidiaries completed the acquisition of additional 98% shares of Sai Dong JSC from Vingroup JSC, the parent company, for a total consideration of VND2,142 billion and thereby increased their equity interest in Sai Dong JSC to 100%. As a result, Sai Dong JSC became a subsidiary of the Company. At the date of acquisition, Sai Dong JSC is the owner of several real estate projects.

At the date of acquisition, Sai Dong JSC was holding 100% capital contribution in Central Park LLC, a company that owns a real estate project. After the completion of this transaction, Central Park LLC became a subsidiary of the Company.

The Company's management assesses this transaction as a business combination involving two entities under common control. Thereby, the net assets acquired of Sai Dong JSC and Central Park LLC are measured at their carrying value in the consolidated financial statements of Vingroup JSC, the parent company. The difference between the consideration transferred and net assets of Sai Dong JSC and Central Park LLC is recognised in other funds belonging to owners' equity in the consolidated financial statements.



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

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.2 Business combination transactions under common control (continued)**

*Acquisition of Sai Dong JSC and Central Park LLC, new subsidiaries (continued)*

The carrying value of identifiable assets and liabilities of Sai Dong JSC and Central Park LLC at acquisition date are presented below:

	Currency: million VND
	Carrying value at acquisition date
<b>Assets</b>	
Cash and cash equivalents	269,509
Inventories	149,919
Other current assets	480,426
Long-term loan receivables	360,000
Fixed assets	484,714
Investment properties	768,912
Other long-term assets	592,706
Goodwill	520,364
	<b>3,626,550</b>
<b>Liabilities</b>	
Short-term trade payables	(190,071)
Short-term accrued expenses	(249,705)
Other short-term payables	(771,678)
Short-term loan	(585,000)
Other long-term receivables	(300,263)
	<b>(2,096,717)</b>
<b>Total net assets</b>	<b>1,529,833</b>
Non-controlling interests	972
Difference between consideration and net assets acquired recognised in other funds belonging to owners' equity (Note 27.1)	625,373
<b>Total purchase consideration</b>	<b>2,156,178</b>
<b>Cash flow on acquisition</b>	
Cash acquired with the subsidiaries	269,509
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,156,178)
<b>Net cash flow on acquisition</b>	<b>(1,886,669)</b>

Total consideration is VND2,156 billion and was fully paid in cash.

Revenue and net loss before tax of Sai Dong JSC and Central Park LLC from 1 January 2020 to the date being acquired are VND324 billion and VND32 billion respectively and from the date of acquisition to 31 December 2020 are not significant.



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

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.3 Business combination**

*Acquisition of VinITIS JSC, a new subsidiary*

In April 2020, the Company and its subsidiaries completed the acquisition of 61% shares in VinITIS JSC from a counterparty for a total consideration of VND86 billion. Thereby, VinITIS JSC became a subsidiary of the Company.

At the date of acquisition, the principal activities of VinITIS JSC are data processing, leasing of mobile broadcasting infrastructure, voice network, television and related activities.

The fair value of identifiable assets, liabilities or contingent liabilities of VinITIS JSC at acquisition date are presented below:

	<i>Currency: million VND</i>
	<i>Fair value at acquisition date</i>
<b>Assets</b>	
Cash	9,997
Tangible fixed assets	70,598
Construction in progress	84,264
Others	91,092
	<b>255,951</b>
<b>Liabilities</b>	
Short-term trade payables	(20,525)
Loans	(187,864)
Other payables	(31,947)
	<b>(240,336)</b>
<b>Total net assets</b>	<b>15,615</b>
Non-controlling interests	(6,087)
Goodwill (Note 19)	76,637
<b>Total purchase consideration</b>	<b>86,165</b>
<b>Cash flow on acquisition</b>	
Cash acquired with the subsidiary	9,997
Cash paid for acquiring the subsidiary up to 31 December 2020	(86,165)
<b>Net cash flow on acquisition</b>	<b>(76,168)</b>

Total purchase consideration of VND86 billion was fully paid in cash.

Revenue and net loss before tax of VinITIS JSC from 1 January 2020 to the date being acquired are VND29.4 billion and VND6.5 billion respectively. Revenue and profit before tax of VinITIS JSC from the date of acquisition to 31 December 2020 are VND288 billion and VND16.4 billion respectively.



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

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.3 Business combination (continued)**

*Acquisition of Bao Lai JSC, a new subsidiary*

In December 2020, the Company and its subsidiaries completed the acquisition of 96.48% shares in Bao Lai JSC from counterparties for a total consideration of VND2,780 billion. Thereby, Bao Lai JSC became a subsidiary of the Company.

At the date of acquisition, Bao Lai JSC has seven (7) subsidiaries and one (1) associate. After completion of this transaction, the Company and its subsidiaries also held the investments in these subsidiaries and the associate of Bao Lai JSC. The principal activities of Bao Lai JSC and its subsidiaries are investment, exploitation, production and trading of white marbles.

As at 31 December 2020, the Company and its subsidiaries were in the process of determining fair value of identifiable assets, liabilities or contingent liabilities of Bao Lai JSC and its subsidiaries. Therefore, the Company and its subsidiaries applied provisional accounting to consolidate Bao Lai JSC and its subsidiaries.

The provisional fair value of identifiable assets and liabilities of Bao Lai JSC and its subsidiaries at acquisition date are presented below:

*Currency: million VND*

*Provisional fair value  
at acquisition date*

<b>Assets</b>	
Cash and cash equivalents	44,594
Short-term trade receivables	65,421
Prepaid expenses	113,679
Construction in progress	120,116
Inventories	178,318
Fixed assets	1,536,244
Other assets	96,240
	<b>2,154,612</b>
<b>Liabilities</b>	
Short-term payables	(37,598)
Other short-term payables	(48,043)
Loans	(504,793)
	<b>(590,434)</b>
<b>Total net assets</b>	<b>1,564,178</b>
Non-controlling interests	(47,501)
Goodwill (Note 19)	1,263,323
<b>Total purchase consideration</b>	<b>2,780,000</b>

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

**4. SIGNIFICANT ACQUISITIONS AND DISPOSALS DURING THE YEAR (continued)**

**4.3 Business combination (continued)**

*Acquisition of Bao Lai JSC, a new subsidiary (continued)*

*Currency: million VND*

**Cash flow on acquisition**

Cash acquired with the subsidiaries	44,594
Cash paid for acquiring the subsidiaries up to 31 December 2020	(2,700,000)

**Net cash flow on acquisition** (2,655,406)

Total consideration is VND2,780 billion, in which VND2,700 billion was paid in cash.

Revenue and net loss before tax of Bao Lai JSC and its subsidiaries from 1 January 2020 to the date being acquired are VND482 billion and VND367 billion respectively and from the date of acquisition to 31 December 2020 are not significant.

**4.4 Significant acquisition and disposals with loss of control**

*Disposal of MV Vietnam Real Estate Trading JSC ("MV Real Estate JSC")*

During the year, Green City JSC – a subsidiary of the Company had disposed 80% shares in MV Real Estate JSC to a counterparty for a total consideration of VND8,799 billion. Thereby, the Company and its subsidiaries no longer control over or have significant influence on MV Real Estate JSC. The remaining investment in MV Real Estate JSC is presented as other long-term investment (Note 18.2). Gain from this disposal was recognised in the consolidated income statement with total amount of VND7,149 billion (Note 28.2).

*Disposal of S-Vin Vietnam Real Estate Trading JSC ("S-Vin JSC")*

During the year, the Company has disposed 90% shares in S-Vin JSC to a counterparty for a total consideration of VND3,273 billion. Thereby, the Company and its subsidiaries no longer have control over or significant influence on S-Vin JSC. The remaining investment in S-Vin JSC is presented as other long-term investment (Note 18.2). Gain from this disposal was recognised in the consolidated income statement with total amount of VND2,946 billion (Note 28.2).

*Disposal of MV1 Vietnam Real Estate Trading LLC ("MV1 Real Estate LLC")*

During the year, Green City JSC – a subsidiary of the Company had disposed 80% capital contribution in MV1 Real Estate LLC to a counterparty for a total consideration of VND9,635 billion. Thereby, the Company and its subsidiaries no longer have control over MV1 Real Estate LLC. After this transaction, the Company and its subsidiaries hold 20% capital contribution in MV1 Real Estate LLC. Thereby, MV1 Real Estate LLC became an associate of the Company (Note 18.1). Gain from this transaction was recognised in the consolidated income statement (Note 28.2) with total amount of VND6,785 billion, and an unrealised profit from the sales of assets to an associate was recognised in the consolidated balance sheet with total amount of VND1,735 billion (Note 23).

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

**5. CASH AND CASH EQUIVALENTS**

Currency: million VND

	Ending balance	Beginning balance
Cash on hand	2,315	1,288
Cash at banks	4,144,423	2,786,932
Cash equivalents	9,566,913	10,544,079
<b>TOTAL</b>	<b>13,713,651</b>	<b>13,332,299</b>

Cash equivalents as at 31 December 2020 comprise bank deposits in VND with terms ranging from 1 month to 3 months, earning interests at rates ranging from 2.2% to 4% per annum (as at 31 December 2019: from 3.9% to 5% per annum).

Details of each type of foreign currency in original currency:

	Ending balance	Beginning balance
Foreign currency:		
- United States dollar (USD)	99,046	2,622

**6. HELD-TO-MATURITY INVESTMENTS**

**6.1 Held-for-trading securities**

Currency: million VND

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Corporate bonds	359,322	359,322	-	-	-	-
<b>TOTAL</b>	<b>359,322</b>	<b>359,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6.2 Held-to-maturity investments**

Currency: million VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Short-term bank deposits	1,694,897	1,694,897	360,611	360,611
<b>TOTAL</b>	<b>1,694,897</b>	<b>1,694,897</b>	<b>360,611</b>	<b>360,611</b>

Short-term bank deposits in VND as at 31 December 2020 have terms ranging from more than 3 months to 12 months, earning interests at rates ranging from 2% to 7.1% per annum (as at 31 December 2019: terms ranging from more than 3 months to 12 months and interests rates ranging from 5% to 7% per annum).

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

**7. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**

**7.1 Short-term trade receivables**

	Currency: million VND	
	Ending balance	Beginning balance
Sale of inventory properties	7,142,800	7,456,476
Disposal of investments	2,906,619	694,000
Rendering construction services and related services	92,875	442,173
Rendering real estate management services and related services	195,782	115,335
Leasing activities and rendering related services	146,691	103,360
Others	189,641	-
<b>TOTAL</b>	<b>10,674,408</b>	<b>8,811,344</b>
<i>In which:</i>		
Trade receivables from others	10,359,176	6,629,747
Trade receivables from related parties (Note 35)	315,232	2,181,597
<i>In which, details of receivables which are more than 10% of total balance</i>		
A corporate counterparty	2,906,619	-
Another corporate counterparty	-	1,628,845
Provision for doubtful short-term trade receivables	(9,215)	-

**7.2 Short-term advances to suppliers**

	Currency: million VND	
	Ending balance	Beginning balance
Advances to other suppliers	8,058,810	8,788,192
Advances to related parties (Note 35)	445,614	14,544
<b>TOTAL</b>	<b>8,504,424</b>	<b>8,802,736</b>
Provision for doubtful advances to suppliers	(24,079)	(19,205)

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

8. LOAN RECEIVABLES

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Loans to corporate counterparties and individuals (i)	8,261,293	15,852,454
Loans to related parties (Note 35)	11,200	655,000
<b>TOTAL</b>	<b>8,272,493</b>	<b>16,507,454</b>
Provisions for doubtful loan receivables	(16,000)	(70,000)
<b>Long-term</b>		
Loans to corporate counterparties (ii)	3,770,000	1,000
Loans to related parties (Note 35)	360,000	7,862,900
<b>TOTAL</b>	<b>4,130,000</b>	<b>7,863,900</b>

- (i) Balances as at 31 December 2020 mainly includes loans to individuals amounting to VND8,128 billion, with terms of 12 months and earning interest at rates ranging from 8% to 10.15% per annum. These loans are secured by a number of listed shares.
- (ii) These are loans to corporate counterparties amounting to VND3,770 billion, due in April 2022 and earning interest rate of 9% per annum. These loans are secured by a number of listed shares, a number of shares and a portion of capital contribution in the borrowers.

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

9. OTHER RECEIVABLES

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Interest income on loans, deposits and bank deposits	2,878,953	2,713,198
Advances for land clearance	1,871,338	427,590
Deposits and capital contribution for Business and Investment Co-operation Contracts (i)	751,705	4,231,792
Short-term deposits, mortgage	612,730	545,372
Receivables from collection and payment on behalf	330,335	2,853,941
Declared profit receivables	68,820	2,617,025
Others	677,058	76,720
<b>TOTAL</b>	<b>7,190,939</b>	<b>13,465,638</b>
Provision for doubtful other short-term receivables	(500)	(29,991)
<i>In which:</i>		
Receivables from others	6,051,346	6,765,972
Receivables from related parties (Note 35)	1,139,593	6,699,666
<b>Long-term</b>		
Deposits and capital contribution for Business and Investment Co-operation Contract (ii)	5,790,000	-
Interest income on long-term loans, deposits and bank deposits	946,204	39,647
Receivables from long-term lease	129,019	127,886
Deposits for rental purpose	73,357	73,357
Others	15,788	10,206
<b>TOTAL</b>	<b>6,954,368</b>	<b>251,096</b>
<i>In which:</i>		
Receivables from others	1,022,258	85,526
Receivables from related parties (Note 35)	5,932,110	165,570
(i) Mainly includes deposits and capital contribution of VND410 billion to a company within the Group for the purpose of investing in several real estate projects under Business and Investment Co-operation Contracts.		
(ii) Mainly includes deposits and capital contribution to some companies within the Group for the purpose of investing in several real estate projects under Construction, Business and Investment Co-operation Contracts.		

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

# 10. BAD DEBTS

The Company and its subsidiaries' bad debts mainly include overdue loan principals and interest receivable from corporate counterparties:

Debtor	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Corporate counterparties	49,794	-	119,804	608
<b>TOTAL</b>	<b>49,794</b>	<b>-</b>	<b>119,804</b>	<b>608</b>

Currency: million VND

Details of overdue receivables more than 10% of ending balance:

A corporate counterparty	-	-	82,705	-
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# 11. INVENTORIES

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory properties under construction (i)	39,606,536	-	54,949,401	-
Completed inventory properties	1,440,753	(9,706)	2,612,151	(8,578)
Inventories acquired for sales (ii)	334,462	(1,190)	578,709	(1,190)
Work in progress related to construction services (iii)	978,351	-	1,845,763	-
Others (iv)	661,139	(26,683)	320,592	-
<b>TOTAL</b>	<b>43,021,241</b>	<b>(37,579)</b>	<b>60,306,616</b>	<b>(9,768)</b>

Currency: million VND

- (i) Mainly includes land use fee, land clearance costs, construction and development costs of Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Ocean Park and other projects.
- (ii) Includes villas, apartments and shophouses acquired for sales of some real estate projects in Northern Vietnam.
- (iii) Includes the costs incurred related to the rendering of general constructor services, consultancy services to investors of real estate projects.
- (iv) Mainly includes inventories, material to provide to the developers of projects, products from white marble and other products.

As at 31 December 2020, inventories with carrying value of VND2,233 billion are pledged with banks to secure the loans of the Company and its subsidiaries.



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

**11. INVENTORIES (continued)**

Detail movements of provision for obsolete inventories:

	Currency: million VND	
	Current year	Previous year
Beginning balance	9,768	206,800
Add: Provision made during the year	27,811	13,850
Less: Utilisation of provision during the year	-	(210,882)
Ending balance	<u>37,579</u>	<u>9,768</u>

**12. PREPAID EXPENSES**

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Selling expenses related to inventory properties not yet handed over	1,378,412	1,607,219
Provisional corporate income tax	281,075	357,764
Others	125,108	124,262
<b>TOTAL</b>	<u><b>1,784,595</b></u>	<u><b>2,089,245</b></u>
<b>Long-term</b>		
Prepaid land rental (i)	2,202,159	2,422,489
Tools and supplies	37,271	28,996
Repair and leasehold improvement	16,474	18,222
Prepaid apartments and villas rental	13,849	30,446
Others	18,241	11,553
<b>TOTAL</b>	<u><b>2,287,994</b></u>	<u><b>2,511,706</b></u>

- (i) These are mainly prepaid land rental fee of Vinhomes Ocean Park Project and Vinhomes Smart City Project, and land rental rights for Ecology JSC's shopping malls operating under Business Co-operation Contracts.

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

13. OTHER ASSETS

	Currency: million VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits for investment purpose (i)	6,832,475	15,292,913
<b>TOTAL</b>	<b>6,832,475</b>	<b>15,292,913</b>
<i>In which:</i>		
Deposits to others	2,682,775	6,643,513
Deposits to related parties (Note 35)	4,149,700	8,649,400
<b>Long-term</b>		
Deposits for investment purpose (ii)	38,479,770	8,439,145
Deposits for commercial purpose (iii)	1,032,336	1,032,336
<b>TOTAL</b>	<b>39,512,106</b>	<b>9,471,481</b>
<i>In which:</i>		
Deposits to others	1,032,336	1,032,336
Deposits to related parties (Note 35)	38,479,770	8,439,145

(i) Mainly comprises:

- ▶ Deposits of VND4,050 billion to some companies within the Group for the purpose of acquiring shares of several companies that own real estate projects of the Group; and
- ▶ Unsecured deposits of VND2,415 billion to some counterparties for the purpose of acquiring shares of some companies that own potential real estate projects.

(ii) Comprises deposits to some companies within the Group for the purpose of acquiring several real estate projects and shares of companies that own several real estate projects of the Group.

(iii) An unsecured deposit to a counterparty earning interest rate which is determined by 12-month interest paid-in-arrear VND saving rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam, adjusted every 3 months. The deposit and interest will be used as settlement for 10% of contract value under separate contracts between the Company and its subsidiaries and this counterparty.

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

14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Currency: million VND						
<b>Cost:</b>						
Beginning balance	387,731	194,103	77,675	9,813	8,989	678,311
Newly purchased	-	44,212	1,328	6,545	719	52,804
Newly constructed	563,219	288,089	-	-	-	851,308
Acquisition of subsidiaries	1,064,729	937,486	86,791	7,236	11,036	2,107,278
Transfer from inventories	1,940,223	166,296	-	-	-	2,106,519
Transfer from investment properties	126,251	20,319	-	-	-	146,570
Sold, disposed	-	(1,599)	(67,879)	(48)	-	(69,526)
Ending balance	4,082,153	1,648,906	97,915	23,546	20,744	5,873,264
<i>Fully depreciated</i>	-	35,988	1,750	2,258	323	40,319
<b>Accumulated depreciation:</b>						
Beginning balance	16,727	8,304	18,198	4,241	6,103	53,573
Depreciation for the year	64,081	63,222	11,086	4,914	2,255	145,558
Transfer from investment properties	8,739	1,611	-	-	-	10,350
Sold, disposed	-	(1,067)	(18,355)	-	-	(19,422)
Ending balance	89,547	72,070	10,929	9,155	8,358	190,059
<b>Net carrying amount:</b>						
Beginning balance	371,004	185,799	59,477	5,572	2,886	624,738
Ending balance	3,992,606	1,576,836	86,986	14,391	12,386	5,683,205

As at 31 December 2020, tangible fixed assets with carrying value of VND1,221 billion are pledged with banks to secure loans of the Company and its subsidiaries.

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

15. INVESTMENT PROPERTIES

	Land use rights, Buildings and structures	Machinery and equipment	Currency: million VND Total
<b>Cost:</b>			
Beginning balance	6,201,639	757,897	6,959,536
Newly purchased	153,998	-	153,998
Newly constructed	1,634,193	302,382	1,936,575
Acquisition of subsidiaries	664,762	104,150	768,912
Transfer to tangible fixed assets	(126,251)	(20,319)	(146,570)
Sold, disposed	(244,189)	-	(244,189)
Other decreases	(165,439)	(31,001)	(196,440)
Ending balance (i)	8,118,713	1,113,109	9,231,822
<b>Accumulated depreciation:</b>			
Beginning balance	238,901	94,005	332,906
Depreciation for the year	145,756	69,017	214,773
Transfer to tangible fixed assets	(8,739)	(1,611)	(10,350)
Sold, disposed	(5,104)	-	(5,104)
Ending balance (i)	370,814	161,411	532,225
<b>Net carrying amount:</b>			
Beginning balance	5,962,738	663,892	6,626,630
Ending balance (i)	7,747,899	951,698	8,699,597

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

**15. INVESTMENT PROPERTIES** (continued)

- (i) As at 31 December 2020, investment properties mainly include parking components, offices for lease, observation deck, cuisine and convention center and apartments, villas, shophouses for lease.

The Company and its subsidiaries have not determined fair value of investment properties as at 31 December 2020 because of insufficient market information for fair value determination purpose.

**16. CAPITALISED BORROWING COSTS**

During the year, the Company and its subsidiaries capitalised borrowing costs with an amount of approximately VND370.1 billion (for the year ended 31 December 2019: VND700.7 billion). These borrowing costs mainly related to specific borrowings taken to finance the construction of Vinhomes Ocean Park, Vinhomes Smart City and Vinhomes Grand Park projects. The capitalised borrowing costs are determined by applying a capitalisation rate from 7.78% per annum to 10.35% per annum (for the year ended 31 December 2019: 8.12% per annum to 10.4% per annum).

**17. CONSTRUCTION IN PROGRESS**

Construction in progress comprises construction costs, land clearance costs, land use fee, other costs and consideration for acquisition of subsidiaries allocated as a part of project acquisition costs.

Details of construction in progress which are higher than 10% of total balance are as follows:

	<i>Currency: million VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vinhomes Long Beach Can Gio Project	12,534,630	12,453,085
Hoc Mon Urban Project	4,109,548	4,092,295
Vinhomes Grand Park Project	3,378,915	4,183,547

As at 31 December 2020, construction in progress with a carrying value of VND51.02 billion are pledged with banks to secure loans of the Company and its subsidiaries.

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

**18. LONG-TERM INVESTMENTS**

	Currency: million VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Investments in associates (Note 18.1)	5,838,118	-	-	-
Investments in other entities (Note 18.2)	3,969,035	(235,991)	558,632	-
Held-to-maturity investments (i)	184,680	-	214,680	-
<b>TOTAL</b>	<b>9,991,833</b>	<b>(235,991)</b>	<b>773,312</b>	<b>-</b>

- (i) Balance at 31 December 2020 includes investments in bank bonds in VND having terms ranging from 7 years to 10 years and earning interest at a reference rate plus (+) 0.9% to 1.2% per annum (as at 31 December 2019: terms ranging from 6 years to 10 years and earning interest at a reference rate plus (+) 1% to 1.3% per annum).

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

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

**18.1 Investments in associates**

Details of associates, voting rights and equity interest of the Company and its subsidiaries in associates as at 31 December 2020 are as follows:

No.	Company name	No of shares	Voting right (%)	Equity interest (%)	Head office	Principal activities
1	Cam Ranh Investment Joint Stock Company ("Cam Ranh JSC")	164,028,749	43.74%	43.70%	Hon Tre Islands, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province, Viet Nam	Investing, developing and trading real estate properties
2	MV1 Real Estate LLC (**)	(*)	20.00%	19.98%	4 <sup>th</sup> Floor, Vincom Megamall Thao Dien Center, 161 Hanoi Highway, Thao Dien Ward, District 2, Ho Chi Minh City, Viet Nam	Investing, developing and trading real estate properties
3	Tuong Phu Natural Stone Exploiting and Processing LLC ("Tuong Phu LLC")	(*)	40.00%	24.79%	Sub-quarter 13, Yen The Townlet, Luc Yen District, Yen Bai Province, Viet Nam	Exploiting, processing and trading stones, sand, gravel and clay

(\*) These are limited liability companies.

(\*\*) During the year, the Company and its subsidiaries completed capital contribution into MV1 Real Estate LLC and completed the disposal of 80% of capital contribution in MV1 Real Estate LLC to a counterparty (Note 4.4). After completion of the transaction, the Company and its subsidiaries hold 20% capital contribution in MV1 Real Estate LLC. Thereby, the Company presented this remaining investment as an investment in associate.



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

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

**18.1 Investments in associates (continued)**

Details of investments in associates are as follows:

	Investments in			Total
	Cam Ranh JSC	MV1 Real Estate LLC	Tuong Phu LLC	
Currency: million VND				
<b>Cost of investment:</b>				
Beginning balance	-	-	-	-
Increase	3,395,395	2,412,849	11,348	5,819,592
Ending balance	3,395,395	2,412,849	11,348	5,819,592
<b>Accumulated share in post-acquisition profit of the associates:</b>				
Beginning balance	-	-	-	-
Share in post-acquisition profit of the associates for the year	18,526	-	-	18,526
Ending balance	18,526	-	-	18,526
<b>Net carrying amount:</b>				
Beginning balance	-	-	-	-
Ending balance	3,413,921	2,412,849	11,348	5,838,118

Currency: million VND

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

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

**18.2 Investments in other entities**

	Ending balance				Beginning balance					
	Number of shares	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)	Number of shares	Voting right (%)	Ownership (%)	Cost (million VND)	Provision (million VND)
MV Real Estate JSC (i) (*)	217,963,747	19.82%	19.82%	2,179,638	-	-	-	-	-	-
Vietnam Exhibition Fair Centre JSC ("VEFAC JSC") (ii)	7,758,800	4.66%	4.66%	900,144	(235,991)	-	-	-	-	-
S-Vin Viet Nam Real Estate Trading JSC (iii) (*)	36,362,042	10.00%	10.00%	363,621	-	-	-	-	-	-
Phat Loc Commercial Investment Trading LLC ("Phat Loc LLC") (iv) (*)	(**)	-	51.00%	342,909	-	(**)	-	51.00%	342,909	-
SV Real Estate JSC (v) (*)	7,700,000	4.00%	4.00%	77,000	-	11,000,000	4.00%	4.00%	110,000	-
SV West Hanoi JSC (*)	7,000,000	4.00%	4.00%	70,000	-	7,000,000	4.00%	4.00%	70,000	-
Xavinco Land JSC ("Xavinco JSC") (*)	2,000,000	1.00%	1.00%	22,223	-	2,000,000	1.00%	1.00%	22,223	-
Thang Long Real Estate Trading Investment JSC ("Thang Long Real Estate JSC") (*)	500,000	10.00%	10.00%	13,500	-	500,000	10.00%	10.00%	13,500	-
<b>TOTAL</b>				<b>3,969,035</b>	<b>(235,991)</b>				<b>558,632</b>	<b>-</b>

(\*) As at 31 December 2020, the fair value of these investments has not been determined because of insufficient market information for fair value determination purpose.

(\*\*) This is a limited liability company.

(i) During the year, the Company and its subsidiaries have transferred 80% equity interest in MV Real Estate JSC to a counterparty. Thereby, the Company presents this investment in as an investment in other entities.

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

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

**18.2 Investments in other entities (continued)**

- (ii) In August 2020, the Company and its subsidiaries acquired 7,758,000 shares of VEFAC JSC. Thereby, VEFAC JSC becomes an investment in other entities of the Company.
- (iii) As at 31 December 2020, the Company and its subsidiaries transferred 90% shares in S-Vin JSC to a counterparty (Note 4.4). Thereby, the Company presented the remaining investment in this company as an investment in other entities.
- (iv) As at 31 December 2020, the Company no longer controlled or had significant influence over Phat Loc LLC. Thereby, the Company presented this investment as another long-term investment.
- (v) In December 2020, The General Meeting of Shareholders of SV Real Estate JSC issued Decision No.01/2020/NQ-DHDCD-SV dated 15 December 2020 approving the share repurchase transaction of a part of ordinary shares from shareholders in accordance with the voting right in SV Real Estate JSC. Thereby, the investment of the Company and its subsidiaries in SV Real Estate JSC decreased by VND33 billion, corresponding to the value of repurchased shares.

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

19. GOODWILL

Currency: million VND

	Goodwill arising from acquisition of Ecology JSC	Goodwill arising from acquisition of Vietnam Investment JSC	Goodwill arising from acquisition of Gia Lam LLC	Goodwill arising from acquisition of Management JSC (*)	Goodwill arising from acquisition of Tan Lien Phat JSC (*)	Goodwill arising from acquisition of Millenium LLC	Goodwill arising from acquisition of ViniTIS JSC	Goodwill arising from acquisition of Sai Dong JSC	Goodwill arising from acquisition of Bao Lai JSC and its subsidiaries (**)	Total
<b>Cost:</b>										
Beginning balance	369,867	288,149	1,235	115,728	337,767	153,044	-	-	-	1,265,790
Increase from acquisition of subsidiaries	-	-	-	-	-	-	76,637	520,364	1,263,323	1,860,324
Ending balance	369,867	288,149	1,235	115,728	337,767	153,044	76,637	520,364	1,263,323	3,126,114
<b>Accumulated amortisation:</b>										
Beginning balance	112,480	87,629	375	22,162	64,685	24,278	-	-	-	311,609
Amortisation for the year	37,088	28,894	124	11,605	33,869	15,346	5,774	2,566	-	135,266
Ending balance	149,568	116,523	499	33,767	98,554	39,624	5,774	2,566	-	446,875
<b>Net carrying amount:</b>										
Beginning balance	257,387	200,520	860	93,566	273,082	128,766	-	-	-	954,181
Ending balance	220,299	171,626	736	81,961	239,213	113,420	70,863	517,798	1,263,323	2,679,239

(\*) These companies were merged into the Company in 2018.

(\*\*) The Company applied provisional accounting for this transaction.

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

**20. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**

**20.1 Short-term trade payables**

		Currency: million VND	
		<i>Balance (Payable amount)</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables		10,235,689	5,530,445
<i>In which:</i>			
- A corporate counterparty rendering construction services		737,367	652,470
- Others		9,498,322	4,877,975
Trade payables to related parties (Note 35)		1,165,795	547,879
<b>TOTAL</b>		<b>11,401,484</b>	<b>6,078,324</b>

**20.2 Advances from customers**

		Currency: million VND	
		<i>Ending balance</i>	<i>Beginning balance</i>
Down payments from customers under sales and purchase agreements (i)		25,677,901	39,843,431
Advances from customers for construction services		1,267,859	402,268
Others		22,975	-
<b>TOTAL</b>		<b>26,968,735</b>	<b>40,245,699</b>
<i>In which:</i>			
Advances from others		26,968,735	40,203,079
Advances from related parties		-	42,620

- (i) These mainly represent down payments from customers who signed sales and purchase agreements to purchase inventory properties at real estate projects of the Company and its subsidiaries.

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

21. STATUTORY OBLIGATIONS

Currency: million VND

	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
<b>Payables</b>				
Corporate income tax	1,926,657	8,537,216	(6,256,733)	4,207,140
Value added tax	114,553	2,786,989	(2,526,274)	375,268
Other taxes	54,086	778,148	(379,575)	452,659
<b>TOTAL</b>	<b>2,095,296</b>	<b>12,102,353</b>	<b>(9,162,582)</b>	<b>5,035,067</b>
	<i>Beginning balance</i>	<i>Receivable for the year</i>	<i>Offset during the year</i>	<i>Ending balance</i>
<b>Receivables</b>				
Value added tax	673,229	168,638	(532,801)	309,066
Corporate income tax	41,696	29,591	(29,607)	41,680
Other taxes	237	54	-	291
<b>TOTAL</b>	<b>715,162</b>	<b>198,283</b>	<b>(562,408)</b>	<b>351,037</b>

22. ACCRUED EXPENSES

Currency: million VND

*Ending balance*    *Beginning balance*

**Short-term**

Accrued costs for operating tangible fixed assets, investment properties and handed over inventory properties	9,238,457	3,489,249
Accrued construction costs	2,087,810	1,604,205
Accrued commission fees and other expenses related to inventory properties	1,952,247	1,031,847
Accrued bond and loan interest expenses	306,178	655,274
Others	328,092	1,059,336
<b>TOTAL</b>	<b>13,912,784</b>	<b>7,839,911</b>

*In which:*

<i>Short-term accrual to others</i>	13,675,857	7,820,481
<i>Short-term accrual to related parties (Note 35)</i>	236,927	19,430

**Long-term**

Accrued loan interest expenses	1,368,029	588,885
Others	41,669	-
<b>TOTAL</b>	<b>1,409,698</b>	<b>588,885</b>

*In which:*

<i>Long-term accrual to others</i>	1,119,163	370,071
<i>Long-term accrual to related parties (Note 35)</i>	290,535	218,814

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

**23. UNEARNED REVENUE**

*Currency: million VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Unearned revenue from real estate management service	507,131	439,862
Unearned revenue from leasing service	24,568	25,834
<b>TOTAL</b>	<b>531,699</b>	<b>465,696</b>
<b>Long-term</b>		
Unrealised profit from transactions with associates	1,735,405	-
Unearned revenue from real estate management service	1,334,326	1,286,692
Unearned revenue from leasing service	256,266	247,858
<b>TOTAL</b>	<b>3,325,997</b>	<b>1,534,550</b>



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

**24. OTHER PAYABLES**

Currency: million VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits and other agreements related to real estate projects (i)	28,590,821	36,356,311
Apartment maintenance funds held on behalf of customers (ii)	2,106,981	1,208,885
Deposits under Business and Investment Co-operation Contracts (iii)	1,868,702	904,000
Deposits from brokerage agents and tenants	190,782	219,413
Payables for receipt on behalf	156,599	104,690
Deposits for disposal of investments	-	6,719,985
Others	1,118,937	1,156,290
<b>TOTAL</b>	<b>34,032,822</b>	<b>46,669,574</b>
<i>In which:</i>		
Other short-term payables to others	31,379,064	45,169,429
Other short-term payables to related parties (Note 35)	2,653,758	1,500,145
<b>Long-term</b>		
Deposits and other agreements related to real estate projects (i)	2,728,138	-
Deposits for transfer of investments (iv)	561,000	-
Deposits under Business and Investment Co-operation Contracts (iii)	163,000	-
Long-term deposits for real estate leasing purposes	85,410	86,651
Others	-	3,725
<b>TOTAL</b>	<b>3,537,548</b>	<b>90,376</b>
<i>In which:</i>		
Other long-term payables to others	3,374,548	90,376
Other long-term payables to related parties (Note 35)	163,000	-

- (i) Balance as at 31 December 2020 includes cash receipts under deposits and other agreements from customers and corporate counterparties related to real estate properties of the Company and its subsidiaries.
- (ii) These pertain to maintenance funds held on behalf of customers of real estate projects of the Company and its subsidiaries, which will be handed over to Building Management Boards. The Company and its subsidiaries are maintaining these funds in cash equivalents and held-to-maturity investments.
- (iii) These pertain to deposits from a number of affiliates to the Company and its subsidiaries pursuant to Business and Investment Co-operation Contracts for purpose of operating and transferring co-operation of shopping mall, hotel and other components of Vinhomes Smart City, Vinhomes Grand Park, Vinhomes Long Beach Can Gio and other projects.
- (iv) This represents amounts paid from corporate counterparties for share transfer in certain companies.

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

**25. LOANS**

	Beginning balance		Movement during the year		Ending balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
	Currency: million VND					
<b>Short-term</b>						
Short-term loans from banks (Note 25.1)	3,894,815	3,894,815	2,331,283	(5,636,098)	590,000	590,000
Current portion of long-term loan from banks (Note 25.1)	-	-	1,380,950	-	1,380,950	1,380,950
Loans from counterparties (Note 25.2)	1,960,000	1,960,000	1,805,000	(3,765,000)	-	-
Current portion of long-term corporate bonds (Note 25.3)	12,307,539	12,307,539	8,534,820	(12,399,999)	8,442,360	8,442,360
Loans from related parties (Note 35)	-	-	12,184,663	(11,600,247)	584,416	584,416
	<b>18,162,354</b>	<b>18,162,354</b>	<b>26,236,716</b>	<b>(33,401,344)</b>	<b>10,997,726</b>	<b>10,997,726</b>
<b>Long-term</b>						
Long-term loans from banks (Note 25.1)	1,371,098	1,371,098	510,814	(1,371,098)	510,814	510,814
Loans from counterparties (Note 25.2)	3,390,000	3,390,000	1,960,000	(30,000)	5,320,000	5,320,000
Corporate bonds (Note 25.3)	2,776,927	2,776,927	13,855,545	(9,242,551)	7,389,921	7,389,921
Loans from related parties (Note 35)	805,000	805,000	3,837,000	(3,905,000)	737,000	737,000
	<b>8,343,025</b>	<b>8,343,025</b>	<b>20,163,359</b>	<b>(14,548,649)</b>	<b>13,957,735</b>	<b>13,957,735</b>
<b>TOTAL</b>	<b>26,505,379</b>	<b>26,505,379</b>	<b>46,400,075</b>	<b>(47,949,993)</b>	<b>24,955,461</b>	<b>24,955,461</b>

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

**25. LOANS** (continued)

**25.1 Loans from banks**

Detail of short-term loans from banks is presented as below:

<i>Lender</i>	<i>31 December 2020 (million VND)</i>	<i>Maturity date</i>	<i>Collateral</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam	590,000	January 2021	(i)
<b>TOTAL</b>	<b>590,000</b>		

Details of interests on short-term loans from banks as at 31 December 2020 are as follow:

<i>Loans</i>	<i>Currency</i>	<i>Interest</i>
Secured loans	VND	Floating interest, interest rate during the year ranges from 4.9% to 6.8% per annum

(i) As at 31 December 2020, these short-term loans are secured by the following collaterals:

- A number of shares of some companies within the Group; and
- Assets attached to land area, machinery and equipment of some hospitals.

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

25. LOANS (continued)

25.1 Loans from banks (continued)

Detail of long-term loans from banks is presented as below:

Lender	31 December 2020		Maturity date	Collateral
	Currency	Million VND		
Bank for Investment and Development of Vietnam	VND	15,873	August 2024	(ii)
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	329,259	March 2021 to June 2022	(ii)
<i>In which: Current portion of long-term loans</i>				
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9,852		
	USD	175,534	June 2022	(ii)
Vietnam Technological and Commercial Joint Stock Bank	VND	1,371,098	January 2021	(ii)
<i>In which: Current portion of long-term loans</i>	VND	1,371,098		
<b>TOTAL</b>		<b>1,891,764</b>		

*In which:*

Long-term loans

510,814

Current portion of long-term loans

1,380,950

Details of interests on long-term loans from banks as at 31 December 2020 are as follow:

Loans	Currency	Interest
Secured loans	VND	Floating interest, interest rate during the year ranges from 6.8% to 10.13% per annum
Secured loans	USD	Floating interest, interest rate during the year is 5.5% per annum

(ii) As at 31 December 2020, these long-term loans are secured by the following collaterals:

- Tangible fixed assets (Note 14), construction in progress (Note 17), inventories (Note 11) and other benefits related to these assets; and
- Capital contribution in a subsidiary.

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

**25. LOANS** (continued)

**25.2 Loans from counterparties**

Details of loans from counterparties:

- Long-term loan from four (04) corporate counterparties with total principal of VND5,320 billion, bearing the interest rate at 9% per annum with maturity date from April 2022 to November 2022.

**25.3 Corporate bonds**

	31 December 2020	31 December 2019
Long-term corporate bonds	15,832,281	15,084,466
<i>In which: Current portion of long-term corporate bonds</i>	<i>(8,442,360)</i>	<i>(12,307,539)</i>
<b>TOTAL</b>	<b>7,389,921</b>	<b>2,776,927</b>

Currency: million VND

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

**25. LOANS (continued)**

**25.3 Corporate bonds (continued)**

		Currency: million VND	
Underwriter	31 December 2020	Maturity date	Interest
Techcom Securities Joint Stock Company	11,839,055	From November 2021 to May 2023	(i) Interest rate for the first four periods is from 9% to 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 3.25% per annum. Interest is payable every 3 months.
<i>In which: Current portion of long-term bonds</i>	6,448,193		
Techcom Securities Joint Stock Company	1,994,167	August 2021	(ii) Interest rate for the first and second periods is 10% per annum. Interest rate for the following periods is calculated as 12-month interest paid-in-arrear VND saving rate plus 4.25% per annum. Interest is payable every 6 months.
<i>In which: Current portion of long-term bonds</i>	1,994,167		
KB Securities Vietnam Joint Stock Company	1,999,059	May 2023	(i) Interest rate from issuance date to 31 December 2020 is 9.5% per annum. Interest rate for the following periods is calculated as regular saving rate and 12-month VND individual saving rate plus 2.3% per annum. Interest is payable every 3 months.
<b>TOTAL</b>	<b>15,832,281</b>		
<i>In which:</i>			
Long-term bonds	7,389,921		
Current portion of long-term bonds	8,442,360		



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

**25. LOANS** (continued)

**25.3 Corporate bonds** (continued)

- (i) As at 31 December 2020, these corporate bonds are secured by the following collaterals:
  - A number of listed shares of some companies within the Group; and
  - A hospitality real estate project; a part of commercial project; asset rights, project development rights and bank balance related to a functional urban area project in Northern Vietnam; all legal rights and benefits related to the aforementioned project as stipulated in the Build-Transfer contract for the construction of Ring Road 2 project.
- (ii) These loans are unsecured.

**26. PROVISIONS**

**26.1 Short-term provisions**

The short-term provisions balance at 31 December 2020 includes the provision related to a deposit for payments under commercial purchase contracts.

**26.2 Long-term provisions**

The long-term provisions balance at 31 December 2020 mainly includes provisions for warranty costs for inventory properties at the Company and its subsidiaries' projects in accordance with the warranty clause in sales and purchase agreements.

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

**27. OWNERS' EQUITY**

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

Currency: million VND

	Attributable to shareholders of the parent					Non-controlling interests	Total
	Issued share capital	Share premium	Treasury shares	Other funds belonging to owners' equity	Undistributed earnings		
<b>Previous year</b>							
Beginning balance	33,495,139	295,000	-	1,816,269	7,626,959	4,911,507	48,144,874
- Acquisition of new subsidiaries	-	-	-	-	-	1,719,352	1,719,352
- Net profit for the year	-	-	-	-	21,747,376	2,571,724	24,319,100
- Step-up acquisition of equity interest in existing subsidiaries	-	-	-	-	56,192	(56,192)	-
- Partial disposal of equity interest in existing subsidiaries without loss of control	-	-	-	-	(41,335)	41,335	-
- Disposal of subsidiaries	-	-	-	-	-	(76,094)	(76,094)
- Cash dividends declared	-	-	-	-	(3,349,514)	(492,746)	(3,842,260)
- Reacquisition of treasury shares	-	-	(5,549,929)	-	-	-	(5,549,929)
Ending balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
<b>Current year</b>							
Beginning balance	33,495,139	295,000	(5,549,929)	1,816,269	26,039,678	8,618,886	64,715,043
- Acquisition of new subsidiaries and step-up acquisition of interest in existing subsidiaries	-	-	-	(625,373)	2,878,447	(5,134,719)	(2,881,645)
- Net profit for the year	-	-	-	-	27,351,280	855,260	28,206,540
- Cash dividends declared	-	-	-	-	-	(63,715)	(63,715)
- Capital contribution from non-controlling interest	-	-	-	-	-	62,000	62,000
- Disposal of subsidiaries	-	-	-	-	-	(60,000)	(60,000)
- Other funds	-	-	-	10,000	(10,000)	-	-
- Refund of capital contribution to non-controlling interests	-	-	-	-	-	(848,308)	(848,308)
Ending balance	33,495,139	295,000	(5,549,929)	1,200,896	56,259,405	3,429,404	89,129,915



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

27. OWNER'S EQUITY (continued)

27.2 Capital transactions with owners

	Currency: million VND	
	Current year	Previous year
<b>Contributed share capital from owners</b>		
Beginning balance	33,495,139	33,495,139
Ending balance	33,495,139	33,495,139

27.3 Ordinary shares and preference shares

	Unit: Shares	
	Ending balance	Beginning balance
Authorised shares	3,349,513,918	3,349,513,918
Issued shares	3,349,513,918	3,349,513,918
Ordinary shares	3,349,513,918	3,349,513,918
Preference shares	-	-
Treasury shares	60,000,000	60,000,000
Ordinary shares	60,000,000	60,000,000
Preference shares	-	-
Shares in circulation	3,289,513,918	3,289,513,918
Ordinary shares	3,289,513,918	3,289,513,918
Preference shares	-	-

The par value of outstanding shares: VND10,000 per share (as at 31 December 2019: VND10,000 per share).

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

**27. OWNERS' EQUITY (continued)**

**27.4 Dividends**

	Currency: million VND	
	Current year	Previous year
<b>Dividends declared and paid during the year</b>		
<i>Dividends per ordinary share</i>		
Cash dividends for 2020: VND0 per share (2019: VND1,000 per share)	-	3,349,514
<b>Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December</b>	-	-

**28. REVENUES**

**28.1 Revenue from sale of goods and rendering of services**

	Currency: million VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>71,546,737</b>	<b>51,626,931</b>
<i>In which:</i>		
Revenue from sales of inventory properties	67,309,531	48,161,594
Revenue from rendering real estate management and related services	1,678,240	1,483,024
Revenue from leasing activities and rendering related services	898,466	1,113,647
Revenue from rendering general contractor, construction consultancy and supervision services	708,643	708,450
Others	951,857	160,216
<b>Deductions</b>	-	-
<b>Net revenue</b>	<b>71,546,737</b>	<b>51,626,931</b>
<i>In which:</i>		
Revenue from others	70,766,593	50,944,507
Revenue from related parties	780,144	682,424

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

**28. REVENUES** (continued)

**28.2 Finance income**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Gain from sales of investment (i)	16,886,238	1,492,806
Interest income from deposits and lendings	2,430,615	2,376,941
Income from Business and Investment Co-operation Contracts (ii)	751,151	5,174,641
Other finance income	176,788	1,399
<b>TOTAL</b>	<b>20,244,792</b>	<b>9,045,787</b>

(i) Mainly pertains to gain from the sales of investment in subsidiaries owning portions of real estate projects (Note 4.4).

(ii) Income from Business and Investment Co-operation Contracts with Vingroup JSC and an affiliate for the development purpose of Vinhomes Riverside The Harmony, Vinhomes Imperia Hai Phong, Vinhomes Dragon Bay, Vinhomes Star City Thanh Hoa and Vinhomes Skylake Projects.

**28.3 Revenues and expenses relating to investment properties**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Rental income from investment properties	932,760	893,535
Direct operating expenses of investment properties that generated rental income during the year	(360,573)	(306,923)

**29. COST OF GOODS SOLD AND SERVICES RENDERED**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Cost of inventory properties sold	42,214,202	21,499,616
Cost of rendering real estate management and other related services	1,574,858	1,481,356
Cost of leasing activities and other related costs	429,330	510,756
Cost of rendering general contractor, construction consultancy and supervision services	653,657	584,043
Others	738,613	95,552
<b>TOTAL</b>	<b>45,610,660</b>	<b>24,171,323</b>

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

**30. FINANCE EXPENSES**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Loans interest and bond issuance costs	3,001,572	2,377,698
Provisions for investment	235,991	-
Other finance expenses	781,698	171,129
<b>TOTAL</b>	<b>4,019,261</b>	<b>2,548,827</b>

**31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
Consultancy, guarantee and commission fees	1,834,879	1,053,679
Advertising, marketing expenses	366,474	801,329
Labour costs	293,853	135,745
Rental expenses of retail outlets	147,194	76,447
Others	38,433	13,473
	<b>2,680,833</b>	<b>2,080,673</b>
<b>General and administrative expenses</b>		
Donation fee	888,435	592,545
Expenses for external services	801,758	761,329
Labour costs	229,184	244,610
Depreciation and amortisation (including amortisation of goodwill)	175,256	147,800
Others	98,827	410,137
	<b>2,193,460</b>	<b>2,156,421</b>
<b>TOTAL</b>	<b>4,874,293</b>	<b>4,237,094</b>

**32. OTHER EXPENSES**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Penalty expenses	936,541	143,935
Others	73,895	11,573
<b>TOTAL</b>	<b>1,010,436</b>	<b>155,508</b>

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

**33. PRODUCTION AND OPERATING COSTS**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Cost of developing inventory properties	29,813,130	45,139,282
Expenses for external service	5,781,411	4,850,331
Labour costs	1,418,624	1,245,474
Depreciation and amortisation (including amortisation of goodwill)	541,936	351,846
Others	1,111,803	984,151
<b>TOTAL</b>	<b>38,666,904</b>	<b>52,571,084</b>

**34. CORPORATE INCOME TAX**

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

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

**34.1 CIT expenses**

*Currency: million VND*

	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	8,778,070	5,766,161
Deferred tax income	(467,773)	(339,567)
<b>TOTAL</b>	<b>8,310,297</b>	<b>5,426,594</b>

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

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

**34.1 CIT expenses (continued)**

Reconciliation between CIT expenses and the accounting profit multiplied by applicable CIT rate is presented below:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b>36,516,837</b>	<b>29,745,694</b>
At CIT rate of 20% applicable to the Company and its subsidiaries	7,303,367	5,949,139
Impacts from acquisition, disposal and legal merge transactions in the consolidated financial statements	627,814	(139,815)
Losses of subsidiaries	25,204	2,238
Differences of cost of goods sold between the individual financial statements and the consolidated financial statements arising from merger and acquisition transactions	367,781	(45,829)
Tax losses carried forward	(7,240)	(265,190)
Shared profit from associates	(3,705)	-
Goodwill amortisation in the consolidated financial statements	27,053	25,320
Dividend income and shared profit under Business and Investment Co-operation Contracts	(87,942)	(657,047)
Non-deductible expenses	210,951	547,462
Tax exempted	(166,243)	-
Others	13,257	10,316
<b>Accounting profit before tax</b>	<b>8,310,297</b>	<b>5,426,594</b>

**34.2 Current CIT expense**

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

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

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

**34.3 Deferred tax**

The following are the deferred tax assets and deferred tax liabilities recognised by the Company and its subsidiaries, and the movement thereon, during the current and previous years:

	Consolidated balance sheet			Consolidated income statement	
	Ending balance	Beginning balance		Current year	Previous year
<b>Deferred tax assets</b>					
Provision for obsolete inventories	-	1,622		(1,622)	(81,985)
Accrued expense and unearned revenue	196,568	35,334		161,234	(36,232)
Differences arising from selling expenses for real estate projects	52,014	169,727		(117,713)	155,580
Differences arising from revaluation of net asset of subsidiaries at acquisition date	72,393	70,650		1,743	(4,716)
Differences arising from revaluation of net asset of subsidiaries under legal merge transaction	-	77		(77)	(99,301)
Differences arising from unrealised profit	397,703	44,614		353,070	44,614
Differences from temporarily non-deductible expenses	8,478	8,770		(292)	8,770
	<b>727,156</b>	<b>330,794</b>			
<b>Deferred tax liabilities</b>					
Differences arising from revaluation of net asset of subsidiaries at acquisition date	(198,873)	(270,303)		71,430	352,837
	<b>(198,873)</b>	<b>(270,303)</b>			
<b>Net deferred tax assets</b>	<b>528,283</b>	<b>60,491</b>			
<b>Net deferred tax credit to consolidated income statement</b>				<b>467,773</b>	<b>339,567</b>

Currency: million VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**34. CORPORATE INCOME TAX (continued)**

***Tax losses carried forward***

The Company and its subsidiaries are entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the consolidated balance sheet date, the Company and its subsidiaries have aggregated accumulated tax losses of VND1,058.7 billion (31 December 2019: VND62.8 billion) available for offset against future taxable income.

No deferred tax assets have been recognised in respect of these accumulated tax losses because future taxable income cannot be ascertained at this stage.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**35. TRANSACTIONS WITH RELATED PARTIES**

**35.1 Significant transactions with related parties**

Significant transactions with related parties during this year and previous year were as follows:

Related parties	Relationship	Transactions	Current year	Previous year
Currency: million VND				
Vingroup JSC	Parent company	Lending	23,143,253	-
		Collection of lending	22,783,253	-
		Receivables from shared profit from Business and Investment Co-operation Contracts	624,909	3,014,466
		Deposit under project development agreements, project transfer agreements and share transfer agreements	13,592,179	22,790,474
		Borrowings	10,108,500	-
		Repayment of borrowings	10,108,500	54,606
		Management service payables	657,993	675,356
Vinpearl JSC	Affiliate	Lending	12,399,000	9,127,900
		Collection of lending	16,356,900	5,170,000
		Deposit under project development agreements and share transfer agreements	3,950,000	-



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

**35. TRANSACTIONS WITH RELATED PARTIES (continued)**

**35.1 Significant transactions with related parties (continued)**

Significant transactions with related parties during this year and previous year were as follows: (continued)

Related parties	Relationship	Transactions	Currency: million VND	
			Current year	Previous year
Vincom Retail JSC	Affiliate	Deposit received for Investment Co-operation Contract	1,775,996	978,315
		Receivables from sale of inventory properties	122,728	91,818
Vinwonders JSC	Affiliate	Deposit received for Business Co-operation Contract	200,000	-
Vinfast Trading and Production LLC ("Vinfast LLC")	Affiliate	Deposit for investment and project transfer purpose	17,005,000	-
		Lending	2,110,000	19,250,000
		Collection of lending	3,760,000	17,600,000
Vinfast Commercial and Services Trading LLC	Affiliate	Payables for goods purchased	2,357,140	-
Vinsmart Research and Manufacturer JSC ("Vinsmart JSC")	Affiliate	Collection of lending	3,355,000	
		Lending	1,100,000	2,255,000
Kind Heart Foundation	Under common owner	Charity expenses	817,000	500,000

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

**35. TRANSACTIONS WITH RELATED PARTIES (continued)**

**35.1 Significant transactions with related parties (continued)**

*Terms and conditions of transactions with related parties*

The Company and its subsidiaries have sold/purchased goods and rendering/purchased services to/from related parties based on negotiated market prices and contract terms.

The Company and its subsidiaries have entered into Business and Investment Co-operation Contracts with Vingroup JSC, the parent company, and Central Park LLC, an affiliate, for the purpose of developing real estate projects. Accordingly, the Company and its subsidiaries receive a portion of profit from these contracts. During the year, the Company has terminated Business Co-operation Contract with Central Park LLC, collected the capital contribution and shared profit before Central Park LLC became a subsidiary of the Company (Note 4).

Payables and receivables (except for some lendings, borrowings and deposits for share transfer) as at 31 December 2020 are unsecured, free of interest and will be settled in cash. During the year ended 31 December 2020, the Company and its subsidiaries have not made provision for doubtful debts relating to amounts due from related parties (31 December 2019: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

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

**35. TRANSACTIONS WITH RELATED PARTIES (continued)**

**35.2 Amount due to and due from related parties**

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows:

*Currency: million VND*

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables (Note 7.1)</b>				
Vincom Retail JSC	Affiliate	Receivables from sales of inventory properties	122,728	1,028,007
		Other receivables	5,533	-
Vinmec International General Hospital JSC	Affiliate	Receivables from share transfer	-	694,000
Other affiliates		Other receivables (i)	186,971	459,590
			<b>315,232</b>	<b>2,181,597</b>

(i) Other short-term receivables mainly comprise receivables from shared profit, general contractor and technological services.

**Short-term advances to supplier (Note 7.2)**

Short-term advances to suppliers mainly include advances for goods and services.

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

**35. TRANSACTIONS WITH RELATED PARTIES** (continued)

**35.2 Amount due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Other short-term receivables</b> (Note 9)				
Vingroup JSC	Parent company	Capital contribution for Business and Investment Co-operation Contract (ii)	410,230	3,400,230
		Receivables from shared profit of Business and Investment Co-operation Contract	-	1,006,857
		Other receivables	-	100,972
Central Park LLC	Subsidiary (from 14 December 2020)	Receivables from shared profit of Business and Investment Co-operation Contract	-	1,610,168
		Capital contribution for Business and Investment Co-operation Contract (ii)	-	490,000
Other affiliates		Other receivables	729,363	91,439
			<b>1,139,593</b>	<b>6,699,666</b>
<b>Other long-term receivables</b> (Note 9) (ii)				
Vingroup JSC	Parent company	Deposit for Business and Investment Co-operation Contract	3,000,000	-
VinAcademy Education and Training LLC ("VinAcademy LLC")	Affiliate	Capital contribution for Business and Investment Co-operation Contract	2,790,000	-
Other affiliates		Other receivables	142,110	165,570
			<b>5,932,110</b>	<b>165,570</b>

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

**35. TRANSACTIONS WITH RELATED PARTIES (continued)**

**35.2 Amounts due to and due from related parties (continued)**

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Other current assets (Note 13) (ii)</b>				
Vinpearl JSC	Affiliate	Deposit for share transfer and investment purpose	3,950,000	-
Vingroup JSC	Parent company	Deposit for project development, share transfer and investment purpose	199,700	5,789,142
VinAcademy LLC	Affiliate	Deposit for construction investment purpose	-	2,790,000
Sai Dong JSC	Subsidiary (from 14 December 2020)	Deposit for share transfer and investment purpose	-	70,258
			<b>4,149,700</b>	<b>8,649,400</b>
<b>Other non-current assets (Note 13) (ii)</b>				
Vingroup JSC	Parent company	Deposit for share transfer, investment and project development purpose	21,474,770	8,439,145
Vinfast LLC	Affiliate	Deposit for project transfer purpose	17,005,000	-
			<b>38,479,770</b>	<b>8,439,145</b>

- (ii) The deposits to Vingroup JSC amounting to VND3,062.8 billion for share transfer of some companies within the Group which are the owners of potential real estate projects are secured by shares of these companies with all rights and interests attached thereto. The remaining deposits are unsecured.

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

**35. TRANSACTIONS WITH RELATED PARTIES** (continued)

**35.2 Amounts due to and due from related parties** (continued)

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade payables</b> (Note 20.1)				
Vingroup JSC	Parent company	Management service fee payables	368,319	487,662
		Other service fee payables	99,170	28,381
Vinfast Trading LLC	Affiliate	Payables for goods purchased	210,000	-
Vinsmart JSC	Affiliate	Payables for goods purchased	407,628	-
Other affiliates		Others	80,678	31,836
			<b>1,165,795</b>	<b>547,879</b>

**Short-term accrued expenses** (Note 22)

Short-term accrued expenses mainly include payables to an affiliate for purchasing vouchers.

**Long-term accrued expenses** (Note 22)

Long-term accrued expenses mainly include interest payables.

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

**35. TRANSACTIONS WITH RELATED PARTIES (continued)**

**35.2 Amounts due to and due from related parties (continued)**

Amounts due to and due from related parties as at 31 December 2020 and 31 December 2019 were as follows: (continued)

			Currency: million VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other short-term payables (Note 24)</b>				
Vincom Retail JSC (*)	Affiliate	Deposit received for Investment Co-operation Contract	1,668,702	704,000
		Other payables	269,833	-
Vinschool LLC	Affiliate	Other payables	271,338	-
Vinwonders JSC	Affiliate	Deposit received for Investment Co-operation Contract	200,000	-
Kind Heart Foundation	Under common owner	Payables for charitable purpose	-	500,000
Other affiliates		Other payables (**)	243,885	296,145
			<b>2,653,758</b>	<b>1,500,145</b>

(\*) Deposits for shopping mall components bear the interest at 10% per annum.

(\*\*) Other payables mainly include deposits received for Investment Co-operation Contract.

**Other long-term payables (Note 24)**

Other long-term payables comprise deposit received from an affiliate for the purpose of co-operation and transfer of shopping mall component of Vinhomes Long Beach Can Gio.

**35.3 Details of lending to related parties (Note 8)**

Details of short-term lending as at 31 December 2020:

Related parties	Relationship	Amount (million VND)	Interest rate % per annum	Maturity date	Collateral
Thang Long Real Estate JSC	Affiliate	11,200	9%	December 2021	(i)
		<b>11,200</b>			

(i) This lending is secured by capital contribution of a company within the Group.



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

**35. TRANSACTIONS WITH RELATED PARTIES** (continued)

**35.3 Details of lending to related parties** (Note 8) (continued)

Details of long-term lending as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	360,000	9%	September 2022	None
		<b><u>360,000</u></b>			

(i) This lending is secured by capital contribution of a company within the Group.

Details of short-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Central Park LLC	Subsidiary (from 14 December 2020)	655,000	9%	December 2020	(i)
		<b><u>655,000</u></b>			

(i) This lending is secured by shares of a company within the Group held by this borrower.

Details of long-term lending as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vinpearl JSC	Affiliate	3,957,900	9%	February 2021	(i)
Vinsmart JSC	Affiliate	2,255,000	9%	February 2021	(ii)
Vinfast LLC	Affiliate	1,650,000	9%	February 2021	(iii)
		<b><u>7,862,900</u></b>			

(i) This lending is secured by shares of a listed company within the Group held by this borrower and shares of this borrower held by shareholders.

(ii) This lending is secured by entire buildings and structures, machinery and equipment of this borrower.

(iii) This lending is secured by capital contribution of Vingroup JSC in this borrower.

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

**35. TRANSACTIONS WITH RELATED PARTIES** (continued)

**35.4 Details of borrowings from related parties** (Note 25)

Details of short-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Vingroup JSC	Parent company	9,416	9%	August 2021	None
Vinfast LLC	Affiliate	575,000	9%	December 2021	None
		<b>584,416</b>			

Details of long-term borrowings as at 31 December 2020:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xavinco JSC	Affiliate	336,000	9%	July 2022	(i)
Xalivico Limited Liability Company ("Xalivico LLC")	Affiliate	401,000	9%	July 2022	(i)
		<b>737,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.

Details of long-term borrowings as at 31 December 2019:

<i>Related parties</i>	<i>Relationship</i>	<i>Amount (million VND)</i>	<i>Interest rate % per annum</i>	<i>Maturity date</i>	<i>Collateral</i>
Xalivico LLC	Affiliate	422,500	9%	July 2021	(i)
Xavinco JSC	Affiliate	382,500	9%	July 2021	(i)
		<b>805,000</b>			

(i) These loans are secured by shares of the Company in a subsidiary.

**35.5 Other related party transactions**

Remuneration to members of management and Board of Directors:

	<i>Currency: million VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries	47,956	62,792
<b>TOTAL</b>	<b>47,956</b>	<b>62,792</b>

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

### 36. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year
Net profit after tax attributable to ordinary shareholders	27,351,280,198,252	21,747,376,096,636
Adjust for the effect of dilution	-	-
<b>Net profit attributable to ordinary shareholders adjusted for the effect of dilution</b>	<b>27,351,280,198,252</b>	<b>21,747,376,096,636</b>
	Current year	Previous year
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	3,289,513,918	3,344,926,936
Adjust for the effect of dilution	-	-
<b>Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share</b>	<b>3,289,513,918</b>	<b>3,344,926,936</b>
	Currency: VND	
	Current year	Previous year
Basic earnings per share	8,315	6,502

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

### 37. SEGMENT INFORMATION

The Company and its subsidiaries do not present segmental information for the year ended 31 December 2020 because real estate trading and related services are principal sources accounting for a substantial portion in the Company and its subsidiaries' total revenue, profit and assets. Therefore, management is of the view that there is only one segment for business. In addition, management defines the Company and subsidiaries' geographical segments to be based on the location of the assets which is in Vietnam.

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

**38. COMMITMENTS AND CONTINGENCIES**

***Commitments under operating leases where the Company and its subsidiaries are lessees***

The Company and its subsidiaries, as lessees, have signed land rental contract and other operating lease arrangements for apartments, shophouses and villas and other operating lease arrangements. The minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	111,672	124,024
From 1 to 5 years	505,354	290,977
More than 5 years	5,759,524	3,703,184
<b>TOTAL</b>	<b>6,376,550</b>	<b>4,118,185</b>

***Commitments under operating leases where the Company and its subsidiaries are lessors***

The Company and its subsidiaries, as lessors, lease office, apartments, shophouses and villas under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: million VND	
	Ending balance	Beginning balance
Less than 1 year	537,615	610,672
From 1 to 5 years	653,775	614,070
More than 5 years	2,174,135	410,299
<b>TOTAL</b>	<b>3,365,525</b>	<b>1,635,041</b>

***Lease commitment***

Ecology JSC, a subsidiary, entered into lease contracts with an affiliate for leasing retail areas at two (02) real estate projects. As at 31 December 2020, the present values of the minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND20.2 billion, VND51.1 billion and VND60.2 billion. As at 31 December 2020, the total minimum lease payment receivables under these agreements for period less than 1 year, from 1 to 5 years and more than 5 years respectively are VND21.3 billion, VND87.7 billion and VND500.3 billion.

***Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects***

The Company and its subsidiaries have entered into a number of contracts relating to the development of certain real estate projects. The outstanding commitment on these contracts as at 31 December 2020 amounts to approximately VND9,704 billion (as at 31 December 2019: VND13,161 billion). In addition, according to a land lease agreement between a subsidiary and a counterparty, the remaining consideration payable under this agreement as at 31 December 2020 is USD110,000,000.

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

### 38. COMMITMENTS AND CONTINGENCIES (continued)

#### ***Commitments related to capital expenditure of on-going real estate projects and development of potential real estate projects (continued)***

Under Build – Transfer Contract in 2016 between Hanoi Construction Department and a subsidiary and a counterparty, the outstanding commitment of this contract as at 31 December 2020 is VND362 billion.

Under a Business Co-operation Contract dated November 2017 between a subsidiary and a counterparty, the subsidiary commits to contribute 100% investment capital for a potential real estate project in Hanoi. The project will be implemented within 2 years commencing from the date the subsidiary receives land parcel for construction. In accordance with this agreement, upon the completion of the project, the subsidiary will be entitled to manage and operate a portion of the project's asset. The total estimated capital is VND790 billion, the remaining commitment of this agreement as at 31 December 2020 is VND782.1 billion.

In May 2018, the Company and a subsidiary have entered into a Capital Transfer Agreement with a corporate counterparty to acquire 32.5% of Berjaya VFC LLC's equity interest. At 31 December 2020, the remaining consideration payable under this agreement is VND503.7 billion.

In June 2019, a subsidiary has entered into an Investment Co-operation Contract with counterparties for the purpose of investing in a real estate project. Accordingly, the subsidiary commits to deposit to secure the call option of capital contribution in this project. At 31 December 2020, the remaining commitment under this agreement amounts to VND172.5 billion.

As disclosed in Note 13, a subsidiary has entered into Share Transfer Agreement with a company within the Group for the purpose of acquiring shares in a company owning real estate project. At 31 December 2020, the remaining commitment under this agreement amounts to VND6,028 billion.

#### ***Commitment under interest support agreements to buyers of inventory properties at real estate projects of the Company and its subsidiaries***

According to three-party (3) interest support agreements among the Company and its subsidiaries as investors, buyers of inventory properties of the Company's projects (including Vinhomes West Point, Vinhomes Ocean Park, Vinhomes Grand Park, Vinhomes Smart City, Vinhomes Symphony and Vinhomes Marina Projects) and certain banks, the Company and its subsidiaries commit to support the buyers in getting loans to finance for a part of the selling price and to settle the interest within a committed period.

#### ***Commitments under Business Co-operation Contracts***

Under the Business Co-operation Contract signed in February 2012 between Royal City JSC and Thien Huong Investment JSC ("Thien Huong JSC") regarding the school operations in Vinhomes Royal City project, Royal City JSC is entitled to the share of Thien Huong JSC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement. The duration of the Business Co-operation Contract is from February 2012 to the end of 2043.

Under the Business Co-operation Contracts between the Company and its subsidiaries with Vinschool LLC regarding the school components of real estate projects, the Company and its subsidiaries are entitled to the share of Vinschool LLC's revenue, which is equal to 15% of revenue and can be adjusted according to the agreement.

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

### 39. NOTES TO CASH FLOW MOVEMENT

	Currency: million VND	
	Current year	Previous year
<b>Actual cash received from loans during the year:</b>		
Cash received from normal loan agreements	5,996,930	6,239,057
Cash received from issuance of bonds	13,665,935	608,000
<b>Actual cash payment of loans during the year:</b>		
Cash payment for normal loan agreements	(7,539,963)	(9,302,281)
Cash payment for principal of bonds	(13,200,000)	(3,100,000)

### 40. EVENTS AFTER THE BALANCE SHEET DATE

Except for the events after the consolidated balance sheet date as presented in other notes of the consolidated financial statements, there is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.



Hoang Minh Thai  
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Pham Thieu Hoa  
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Hanoi, Vietnam

19 March 2021

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