

# **Dat Xanh Real Estate Services Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2019



# **Dat Xanh Real Estate Services Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2019



# Dat Xanh Real Estate Services Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of the General Director	2
Independent auditors' report	3 - 4
Consolidated balance sheet	5 - 7
Consolidated income statement	8
Consolidated cash flow statement	9 - 10
Notes to the consolidated financial statements	11 - 50

# Dat Xanh Real Estate Services Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Dat Xanh Real Estate Services Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 3602545493 issued by the Department of Planning and Investment ("DPI") of Dong Nai Province on 21 July 2011, as subsequently amended.

The current principal activities of the Company are to provide construction services, trade real estate properties, real estate brokerage and other services.

The Company's registered head office is located at No. 2W Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Luong Tri Thin	Chairman	assigned on 2 January 2020
Mr Nguyen Truong Son	Chairman	assigned on 1 April 2019
	Member	resigned on 2 January 2020
		resigned on 1 April 2019
Mr Tran Cong Luan	Chairman	assigned on 2 January 2020
Mr Tran Manh Hao	Member	resigned on 1 April 2019
		assigned on 25 July 2019
		resigned on 2 January 2020
Mr Ha Duc Hieu	Member	assigned on 1 April 2019
Mr Nguyen Minh Tuan	Member	assigned on 2 January 2020
Mr Pham Anh Khoi	Member	assigned on 2 January 2020
Mr Bui Ngoc Duc	Member	assigned on 1 April 2019
		resigned on 2 January 2020
Mr Luong Tri Tu	Member	resigned on 1 April 2019
Mr Ha Huu Khuong	Member	assigned on 1 April 2019
		resigned on 2 January 2020

### GENERAL DIRECTOR

The General Director during the year and at the date of this report are.

Mr Nguyen Truong Son	General Director	resigned on 6 May 2019
		assigned on 2 January 2020
Mr Tran Manh Hao	General Director	assigned on 6 May 2019
		resigned on 2 January 2020

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Truong Son.

### AUDITORS

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

# Dat Xanh Real Estate Services Joint Stock Company

## REPORT OF THE GENERAL DIRECTOR

The General Director of Dat Xanh Real Estate Services Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2019.

### THE GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The General Director 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 Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, the General Director is required to:

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

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

The General Director confirmed that he has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY THE GENERAL DIRECTOR

The General Director does hereby state that, in his opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 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.



Nguyễn Trương Sơn  
General Director

Ho Chi Minh City, Vietnam

14 February 2020

Reference: 61441573/21241493/HN

## INDEPENDENT AUDITORS' REPORT

### To: The Shareholders of Dat Xanh Real Estate Services Joint Stock Company

We have audited the accompanying consolidated financial statements of Dat Xanh Real Estate Services Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 14 February 2020 and set out on pages 5 to 50, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

#### *The General Director's responsibility*

The Company's General Director is responsible for the preparation and fair presentation of the 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 the General Director determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2019, and of the results of its consolidated 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**



Trần Nam Dũng  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 3021-2019-004-1

Vu Anh Thi  
Auditor  
Audit Practicing Registration Certificate  
No. 4632-2018-004-1

Ho Chi Minh City, Vietnam

14 February 2020

CONSOLIDATED BALANCE SHEET  
as at 31 December 2019

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>8,339,472,703,054</b>	<b>5,591,199,531,955</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>350,802,374,807</b>	<b>321,715,069,301</b>
111	1. Cash		178,682,374,807	206,044,627,661
112	2. Cash equivalents		172,120,000,000	115,670,441,640
<b>120</b>	<b>II. Short-term investment</b>		<b>98,309,415,870</b>	<b>47,529,644,785</b>
123	1. Held-to-maturity investments	6	98,309,415,870	47,529,644,785
<b>130</b>	<b>III. Current accounts receivables</b>		<b>6,674,077,728,785</b>	<b>4,365,557,581,021</b>
131	1. Short-term trade receivables	7	1,640,225,171,775	1,008,242,045,007
132	2. Short-term advances to suppliers	8	323,929,836,621	178,315,812,418
135	3. Short-term loan receivables	9	180,854,964,715	-
136	4. Other short-term receivables	10	4,545,562,741,347	3,191,841,743,553
137	5. Provision for doubtful short-term receivables	11	(16,494,985,673)	(12,842,019,957)
<b>140</b>	<b>IV. Inventory</b>	<b>12</b>	<b>1,143,945,808,407</b>	<b>807,851,701,581</b>
141	1. Inventories		1,143,945,808,407	807,851,701,581
<b>150</b>	<b>V. Other current assets</b>		<b>72,337,375,185</b>	<b>48,545,535,267</b>
151	1. Short-term prepaid expenses	13	66,709,612,743	48,070,604,246
152	2. Value-added tax deductible		5,385,796,780	473,931,021
153	3. Tax and other receivables from the State		241,965,662	1,000,000

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2019

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>653,666,398,254</b>	<b>391,643,681,861</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>379,953,251,287</b>	<b>194,176,485,259</b>
211	1. Non-current trade receivables		215,840,000	-
216	2. Other long-term receivables	10	379,737,411,287	194,176,485,259
<b>220</b>	<b>II. Fixed assets</b>		<b>139,702,453,480</b>	<b>54,382,065,510</b>
221	1. Tangible fixed assets	14	112,331,925,106	35,580,440,532
222	Cost		135,248,187,822	49,136,319,141
223	Accumulated depreciation		(22,916,262,716)	(13,555,878,609)
227	2. Intangible fixed assets	15	27,370,528,374	18,801,624,978
228	Cost		30,178,389,592	19,681,354,792
229	Accumulated amortisation		(2,807,861,218)	(879,729,814)
<b>220</b>	<b>III. Investment properties</b>		<b>9,082,220,741</b>	-
231	1. Cost		9,117,840,487	-
232	2. Accumulated depreciation		(35,619,746)	-
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>33,349,542,366</b>	<b>36,823,291,416</b>
242	1. Construction in progress	16	33,349,542,366	36,823,291,416
<b>250</b>	<b>V. Long-term investment</b>	<b>17</b>	<b>30,000,000,000</b>	<b>68,472,200,000</b>
253	1. Investments in another entity		-	68,472,200,000
255	2. Held-to-maturity investments		30,000,000,000	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>61,578,930,380</b>	<b>37,789,639,676</b>
261	1. Long-term prepaid expenses	13	38,979,528,726	19,859,216,574
262	2. Deferred tax assets	32.3	15,170,214,610	9,668,056,202
269	3. Goodwill	18	7,429,187,044	8,262,366,900
<b>270</b>	<b>TOTAL ASSETS</b>		<b>8,993,139,101,308</b>	<b>5,982,843,213,816</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2019

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>3,914,609,770,021</b>	<b>3,747,680,963,482</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>3,912,346,627,968</b>	<b>3,746,722,266,225</b>
311	1. Short-term trade payables	19	177,767,382,279	204,286,222,512
312	2. Short-term advances from customers	20	70,601,056,737	169,698,532,839
313	3. Statutory obligations	21	591,054,078,654	357,177,624,428
314	4. Payables to employees		101,854,390,585	72,917,447,886
315	5. Short-term accrued expenses	22	265,068,254,683	249,475,439,288
318	6. Short-term unearned revenues	23	11,115,936,331	5,195,181,081
319	7. Other short-term payables	24	1,939,069,048,712	2,421,093,401,284
320	8. Short-term loans	25	677,149,695,337	238,477,660,043
322	9. Bonus and welfare fund		78,666,784,650	28,400,756,864
<b>330</b>	<b>II. Non-current liability</b>		<b>2,263,142,053</b>	<b>958,697,257</b>
338	1. Long-term loans	25	2,263,142,053	958,697,257
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>5,078,529,331,287</b>	<b>2,235,162,250,334</b>
<b>410</b>	<b>I. Capital</b>	<b>26.1</b>	<b>5,078,529,331,287</b>	<b>2,235,162,250,334</b>
411	1. Share capital		3,000,000,000,000	1,100,000,000,000
411a	- Shares with voting rights		3,000,000,000,000	1,100,000,000,000
414b	2. Consolidation reserve		(9,350,460,000)	(9,350,460,000)
418	3. Investment and development fund		5,083,303,511	5,083,303,511
421	4. Undistributed earnings		461,504,867,883	191,768,671,405
421a	- Undistributed earnings by the end of prior year		111,390,564	2,647,670,280
421b	- Undistributed earnings of current year		461,393,477,319	189,121,001,125
429	5. Non-controlling interests		1,621,291,619,893	947,660,735,418
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>8,993,139,101,308</b>	<b>5,982,843,213,816</b>

Pham Vo Quang Dai  
Preparer

Tran Thi Phuong Loan  
Chief Accountant




Nguyen Truong Son  
General Director

14 February 2020

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Gross revenue from sale of goods and rendering of services	27.1	4,091,947,786,098	2,479,333,720,204
02	2. Sales deduction	27.1	(1,214,818,184)	(181,136,363)
10	3. Net revenue from sale of goods and rendering of services	27.1	4,090,732,967,914	2,479,152,583,841
11	4. Cost of goods sold and services rendered	28	(1,413,486,197,625)	(617,985,899,140)
20	5. Gross profit from sale of goods and rendering of services		2,677,246,770,289	1,861,166,684,701
21	6. Finance income	27.2	127,240,317,654	6,260,313,002
22	7. Finance expenses	29	(32,941,742,365)	(19,332,756,153)
23	In which: Interest expense		(32,880,835,365)	(19,332,756,153)
25	8. Selling expenses	30	(435,182,318,611)	(330,999,672,914)
26	9. General and administrative expenses	30	(324,584,509,342)	(190,120,988,756)
30	10. Operating profit		2,011,778,517,625	1,326,973,579,880
31	11. Other income	31	73,557,726,086	10,299,304,895
32	12. Other expenses	31	(36,864,439,302)	(22,802,076,958)
40	14. Other profit (loss)	31	36,693,286,784	(12,502,772,063)
50	15. Accounting profit before tax		2,048,471,804,409	1,314,470,807,817
51	16. Current corporate income tax expense	32.1	(421,029,817,752)	(277,070,374,928)
52	17. Deferred tax income	32.3	5,502,158,408	3,774,066,480
60	18. Net profit after tax		1,632,944,145,065	1,041,174,499,369
61	19. Net profit after tax attributable to shareholder of the parent		1,061,393,477,319	511,246,273,949
62	20. Net profit after tax attributable to non-controlling interests		571,550,667,746	529,928,225,420
70	21. Basic earnings per share	26.4	4,289	8,814
71	22. Diluted earnings per share	26.4	4,289	8,814

  
Pham Vo Quang Dai  
Preparer

  
Tran Thi Phuong Loan  
Chief Accountant

  
Nguyen Truong Son  
General Director



14 February 2020

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>2,048,471,804,409</b>	<b>1,314,470,807,817</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		12,157,315,113	6,391,802,530
03	Provisions		3,652,965,716	6,587,898,579
05	Profits from investing activities	27.2	(127,240,317,654)	(6,260,313,002)
06	Interest expense	29	32,880,835,365	19,332,756,153
08	<b>Operating profit before changes in working capital</b>		<b>1,969,922,602,949</b>	<b>1,340,522,952,077</b>
09	Increase in receivables		(1,824,253,318,470)	(1,935,210,738,030)
10	Increase in inventories		(342,676,956,646)	(406,624,237,044)
11	(Decrease) increase in payables		(90,445,655,320)	1,434,531,125,114
12	Increase in prepaid expenses		(37,759,320,649)	(24,076,558,430)
14	Interest paid		(35,383,326,032)	(20,778,330,555)
15	Corporate income tax paid	21	(255,660,106,980)	(174,687,546,926)
17	Other cash outflows for operating activities		(44,424,405,218)	(67,655,239,918)
20	<b>Net cash flows (used in) from operating activities</b>		<b>(660,680,486,366)</b>	<b>146,021,426,288</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases and construction of fixed assets		(93,167,654,431)	(43,764,826,746)
22	Proceeds from disposals of fixed assets		-	75,970,816
23	Payment for lending to other entities, term deposits and payments for purchase of debt instruments of other entity		(408,591,802,025)	(39,960,735,700)
24	Collections from lending, term deposits and sale of debt instruments of other entity		151,858,395,670	4,000,000,000
25	Payments for investments in other entities		(489,740,000,000)	(558,645,432,737)
26	Proceeds from sale of investments in other entities		174,924,690,000	126,150,812,000
27	Interest received		12,243,353,826	6,260,313,002
30	<b>Net cash flows used in investing activities</b>		<b>(652,473,016,960)</b>	<b>(505,883,899,365)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2019

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31.1	Capital contribution from non-controlling interest		476,880,302,000	32,574,087,000
31.2	Capital contribution from owners		1,596,405,520,000	1,519,104,120,000
33	Drawdown of borrowings	25	1,086,196,770,013	803,814,490,262
34	Repayment of borrowings	25	(646,220,289,923)	(836,643,080,041)
36	Dividends paid	26.2	(1,171,021,493,258)	(1,030,688,689,893)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>1,342,240,808,832</b>	<b>488,160,927,328</b>
<b>50</b>	<b>Net increase in cash and cash equivalents</b>		<b>29,087,305,506</b>	<b>128,298,454,251</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>321,715,069,301</b>	<b>193,416,615,050</b>
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>350,802,374,807</b>	<b>321,715,069,301</b>



Pham Vo Quang Dai  
Preparer



Tran Thi Phuong Loan  
Chief Accountant



Nguyen Truong Son  
General Director

14 February 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2019 and for the year then ended

**1. CORPORATE INFORMATION**

Dat Xanh Real Estate Services Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Enterprise Registration Certificate ("ERC") No. 3602545493 issued by the Department of Planning and Investment ("DPI") of Dong Nai Province on 21 July 2011, as subsequently amended.

The current principal activities of the Company and its subsidiaries ("the Group") are to provide construction services, trade real estate properties, real estate brokerage and other services.

The Group's registered head office is located at No. 2W Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 31 December 2019 was 3,470 (31 December 2018: 3,104).

**Corporate structure**

The Company's corporate structure includes 10 direct subsidiaries and 17 indirect subsidiaries, in which:

Name of subsidiaries	Business activities	Status of operation	% Voting	
			31 December 2019 (%)	31 December 2018 (%)
(1) Dat Xanh Mien Trung Joint Stock Company ("Dat Xanh Mien Trung")	Real estate trading and brokerage	Operating	55	55
(2) Northern Green Land Real Estate and Services Joint Stock Company ("Dat Xanh Mien Bac")	Real estate trading and brokerage	Operating	51	51
(3) Dat Xanh Mien Nam Investment and Services Joint Stock Company ("Dat Xanh Mien Nam")	Real estate trading and brokerage	Operating	51	51
(4) Dat Xanh Dong Nam Bo Investment and Services Joint Stock Company ("Dat Xanh Dong Nam Bo")	Real estate trading and brokerage	Operating	51	51
(5) Dat Xanh Mien Tay Services and Investment Joint Stock Company ("Dat Xanh Mien Tay") (formerly Dat Xanh Tay Nam Bo Construction and Services Joint Stock Company)	Real estate trading and brokerage	Operating	51	51
(6) Dat Xanh Nam Bo Joint Stock Company ("Dat Xanh Nam Bo") (formerly Dat Xanh Long An Joint Stock Company)	Real estate trading and brokerage	Operating	51	51
(7) Vietnam Real Estate Technology Joint Stock Company ("Real Estate Tech")	Technology development	Operating	50.99	50.99
(8) Dat Xanh Nam Trung Bo Real Estate Service Joint Stock Company ("Dat Xanh Nam Trung Bo") (formerly Dat Xanh Nha Trang Real Estate Joint Stock Company)	Real estate trading and brokerage	Operating	51	51

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

Name of subsidiaries	Business activities	Status of operation	% Voting	
			31	31
			December 2019	December 2018
			(%)	(%)
(9) Dat Xanh Mien Dong Investment and Services Joint Stock Company ("Dat Xanh Mien Dong") (formerly Dat Xanh Central Real Estate Investment and Service Joint Stock Company)	Real estate trading and brokerage	Operating	51	-
(10) Viethomes Real Estate Joint Stock Company ("Viethomes")	Real estate trading and brokerage	Operating	51	51
(11) Vinhomes Real Estate and Service Joint Stock Company ("Vinhomes")	Real estate trading and brokerage	Operating	51	51
(12) Bac Trung Bo Real Estate Joint Stock Company ("Bac Trung Bo Real Estate") (formerly Dat Xanh Nghe An Joint Stock Company)	Real estate trading and brokerage	Operating	51	51
(13) Duyen Hai Real Estate Joint Stock Company ("Dat Xanh Duyen Hai") (formerly Quang Ninh Green Land Real Estate and Service Joint Stock Company)	Real estate trading and brokerage	Operating	51	51
(14) Bac Mien Trung Real Estate Joint Stock Company ("Dat Xanh Bac Mien Trung")	Real estate trading and brokerage	Operating	51	51
(15) Dat Xanh Da Nang Joint Stock Company ("Dat Xanh Da Nang")	Real estate trading and brokerage	Operating	51	51
(16) Nam Mien Trung Real Estate Joint Stock Company ("Dat Xanh Nam Mien Trung")	Real estate trading and brokerage	Operating	51	51
(17) Smart City One Member Company Limited ("Smart City")	Real estate trading	Operating	100	100
(18) City Real Investment and Services Joint Stock Company ("City Real") (formerly Dat Xanh City Joint Stock Company)	Real estate trading and brokerage	Operating	60	60
(19) Saigon Real Investment and Services Joint Stock Company ("Saigon Real") (formerly Dat Xanh Sai Gon Joint Stock Company)	Real estate trading and brokerage	Operating	60	60
(20) Emerald Real Estate Development Joint Stock Company ("Emerald Real Estate Development") (formerly Dat Xanh Mien Trung Emerald Joint Stock Company)	Real estate trading and brokerage	Operating	51	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 1. CORPORATE INFORMATION (continued)

*Corporate structure* (continued)

Name of subsidiaries	Business activities	Status of operation	% Voting	
			31 December 2019	31 December 2018
			(%)	(%)
(21) Quang Ngai Urban Development One Member Limited Liability Company ("Quang Ngai Urban Development") (formerly Dat Xanh Quang Ngai One Member Limited Liability Company)	Real estate trading and brokerage	Operating	100	-
(22) Can Tho Real Estate Joint Stock Company ("Can Tho Real Estate") (formerly Dat Xanh Can Tho Service Joint Stock Company)	Real estate trading and brokerage	Operating	51	-
(23) Nam Mien Tay Real Estate Services Joint Stock Company ("Dat Xanh An Giang") (formerly Dat Xanh An Giang Real Estate Joint Stock Company)	Real estate trading and brokerage	Operating	51	-
(24) Asahi Japan Investment and Properties Management Service Joint Stock Company ("Asahi")	Real estate trading and brokerage	Operating	51	-
(25) Vietnam Real Estate Information Technology Joint Stock Company ("Real Estate IT")	Real estate trading and brokerage	Operating	99.96	-
(26) Bac Mien Tay Real Estate Joint Stock Company ("Bac Mien Tay Real Estate")	Real estate trading	Operating	51	-
(27) Bac Bo Real Estate Joint Stock Company ("Bac Bo Real Estate")	Real estate trading	Operating	51	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and 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 Group's applied accounting documentation system is the General Journal system.

### 2.3 *Fiscal year*

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

### 2.4 *Accounting currency*

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

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the 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 not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 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 in banks and short-term, highly liquid investments with an original maturity of less 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

##### *Inventory properties*

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

Cost includes:

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

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 of sale.

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 the relative size of the property sold.

##### *Other inventories*

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

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

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

Merchandise	- cost of purchase on a specific identification basis
Tools and supplies	- cost of purchase on a weighted average basis
Construction work-in-process	- cost of direct materials and labour plus attributable construction overheads 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 inventory 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**3.3 Receivables**

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

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

**3.5 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.

*Land use rights*

Land use rights are recorded as intangible fixed assets representing the value of the right to use the lands acquired by the Group.

**3.6 Depreciation and amortisation**

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

Buildings and structures	5 – 30 years
Machinery and equipment	3 – 11 years
Means of transportation	5 – 10 years
Office equipment	3 – 6 years
Computer software, website	3 – 6 years

Land use rights with indefinite useful life are not amortised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**3.7 Borrowing costs**

Borrowing costs consist of interest and other costs that the Group 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 they are capitalised as explained in the following paragraph.

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

**3.8 Prepaid expenses**

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the consolidated income statement over 2 to 5 years or recognised consistently with revenue:

- ▶ Tools and consumables with large value issued into construction and can be used for more than one year;
- ▶ Show houses; and
- ▶ Brokerage fee.

**3.9 Business combinations and goodwill**

Business combinations are accounted for using the purchase 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.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's 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 parent company conducts 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.

No new goodwill is recorded as for a business combination involving entities under common control, which is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. An entity may be controlled by an individual or by a group of individuals acting together under a contractual arrangement. The difference between the acquirer's cost of investment and the acquiree's net assets is presented as a separate reserve within equity on consolidation (i.e. consolidation reserve in the consolidated balance sheet).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Business combinations and goodwill (continued)**

When the business combinations involving entities or businesses under common control, the pooling of interest method is applied as follows:

- ▶ The assets and liabilities of the combining entities are consolidated at their carrying amounts;
- ▶ No new goodwill is recognised as a result of the combination;
- ▶ The consolidated income statement reflects the results of the combining entities for the full period, irrespective of when the combination took place and comparatives being presented as if the entities had always been combined.

**3.10 Investments in other entities and held-to-maturity investments***Investments in other entities*

Investments in other entities are stated at their acquisition costs.

*Provision for investments in other entities*

Provision is made for any diminution in value of the investments in other entities at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases or decreases to the provision balance are recorded as finance expenses 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 expense in the consolidated financial statements and deducted against the value of such investments.

**3.11 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

**3.12 Appropriation of net profit**

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

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- ▶ *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

- ▶ *Bonus and welfare fund*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**3.13 Revenue recognition**

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

*Sale of town houses and apartments*

For town houses and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the town houses and apartments have passed to the buyers.

*Sale of residential plots and related infrastructure*

Revenue from the sale of residential plots and related infrastructure are recorded based on contract when residential plots and related infrastructure are transferred to the customers.

*Rendering of real estate brokerage and other services*

Revenue is recognised when services have been rendered and completed.

*Construction contracts*

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is accepted by the customers and reflected in the sales invoices.

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.

*Interest*

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

**3.14 Taxation**

*Current income tax*

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**3.14 Taxation (continued)**

*Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity or when the Group intends 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 year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.15 Related parties**

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

**3.16 Segment information**

A segment is a component determined separately by the Group 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. The Group's business segment is derived mainly from real estate brokerage services and real estate investment and development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

#### 4. BUSINESS COMBINATION AND RESTRUCTURING

On 20 November 2018, the Group acquired 390,206 shares, equivalent to 50.99% of the voting shares in Real Estate Tech at total consideration of VND 14,328,270,000. Accordingly, Real Estate Tech became a subsidiary of the Group since that date.

As at 31 December 2018, the Group is still in process to determine the fair values of the identifiable assets, liabilities, and contingent liabilities of Real Estate Tech at the acquisition date. Accordingly, the Group applied provisional fair values for consolidation purpose of this subsidiary.

The valuation of the net assets of Real Estate Tech carried out by the Group's management was completed in 2019 and comparable to the provisional value. Accordingly, there were no changes in the fair value of the net assets of Real Estate Tech recognized provisionally at the acquisition date. The goodwill of VND 8,331,798,555 comprising the fair value of expected synergies recognised in the Group's consolidated financial statements for the year ended 31 December 2019 was remained unchanged.

#### 5. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	4,357,731,984	5,782,139,957
Cash in banks	174,324,642,823	200,262,487,704
Cash equivalents (*)	172,120,000,000	115,670,441,640
<b>TOTAL</b>	<b>350,802,374,807</b>	<b>321,715,069,301</b>

(\*) Cash equivalents represented bank deposits with the original maturity of less than three (3) months and earn interest at the applicable rates of 0.5 – 5.5% per annum.

Cash equivalents amounting to VND 11,000,000,000 were pledged as collateral for short-term bank loans (Notes 25.1).

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

Held-to-maturity investments represented bank deposits with the principle maturity ranging from three (3) months to twelve (12) months in commercial banks and earn interest at the applicable rates.

Bank deposits amounting to VND 56,100,086,425 were pledged as collateral for short-term bank loans (Note 25.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**7. SHORT-TERM TRADE RECEIVABLES**

	VND	
	Ending balance	Beginning balance
Due from other parties	1,620,650,965,060	996,027,905,830
- Linkgroup Real Estate Joint Stock Company	586,523,163,770	-
- Minh Binh Real Estate Service and Investment Company Limited	169,402,487,531	179,402,487,531
- IDE Vietnam Company Limited (i)	71,886,015,215	71,886,015,215
- Hiep Phu Land Corporation (ii)	10,889,156,954	399,630,480,687
- Hanoi Infrastructure and Architecture Investment Joint Stock Company	-	42,994,532,893
- Da Nang Marina Company Limited	-	23,264,007,712
- Other customers	781,950,141,590	278,850,381,792
Due from related parties (Note 33)	19,574,206,715	12,214,139,177
<b>TOTAL</b>	<b>1,640,225,171,775</b>	<b>1,008,242,045,007</b>
Provision for short-term trade receivables (Note 11)	(13,909,371,558)	(11,893,557,474)
<b>NET</b>	<b>1,626,315,800,217</b>	<b>996,348,487,533</b>

(i) IDE Vietnam Company Limited ("IDE") has filed a lawsuit against Dat Xanh Dong Nam Bo to declare the exclusive marketing and distribution service contract between IDE and Dat Xanh Dong Nam Bo null and void. According to the Appellate Judgment No. 670/2019/KDTM-PT dated 30 July 2019, The Ho Chi Minh City People's Court decided not to accept the said petition of IDE and accept Dat Xanh Dong Nam Bo's statement of defence partially. Accordingly, IDE is required to pay to Dat Xanh Dong Nam Bo the amount of VND 313,079,800,000.

(ii) Receivable from Hiep Phu Land Corporation with regards to Eco-Green project and Asiana Capella project were pledged as collateral for short-term bank loans (Note 25.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to suppliers	319,765,318,303	178,219,285,684
- Thang Long Group Investment and Commercial Joint Stock Company	208,152,975,385	18,936,753,516
- VT Construction and Trading Joint Stock Company	16,740,672,529	18,878,108,631
- Long Chau Dong Nai Company Limited	15,070,000,000	15,070,000,000
- Nha Tan Construction Company Limited	8,076,821,928	31,094,321,928
- Other suppliers	71,724,848,461	94,240,101,609
Advances to related parties (Note 33)	4,164,518,318	96,526,734
<b>TOTAL</b>	<b>323,929,836,621</b>	<b>178,315,812,418</b>
Provision for short-term advances to suppliers (Note 11)	(862,818,506)	(948,462,483)
<b>NET</b>	<b>323,067,018,115</b>	<b>177,367,349,935</b>

**9. SHORT-TERM LOAN RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loan receivables from other parties	180,854,964,715	-

Details of unsecured short-term loan receivables from other parties are as follows:

<i>Borrower</i>	<i>Ending balance</i>	<i>Principal repayment term</i>
	VND	
Grand Property Joint Stock Company	175,460,000,000	4 February 2020
Le Minh Cuong	3,271,500,000	25 December 2020
Others	2,040,962,500	From 26 December 2020 to 27 December 2020
<b>TOTAL</b>	<b>180,854,964,715</b>	

Unsecured short-term lending earns interest at applicable market rate to each loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 10. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Deposits for marketing and distribution service contract of real estate projects	2,915,293,776,924	3,025,452,026,710
- Dat Quang Riverside	769,000,000,000	602,000,000,000
- Loc Phat	286,952,350,000	-
- Sai Dong	201,860,462,785	26,000,000,000
- Grean Pearl Bac Ninh	171,781,389,262	37,310,000,000
- Tac Riverside	150,443,665,298	87,826,256,000
- Phu My An Town	147,295,626,533	78,137,333,683
- Tran Thu Do	146,680,697,000	57,879,412,500
- Yen Thanh Residences	70,000,000,000	70,000,000,000
- Tam Hiep Residences	60,000,000,000	60,000,000,000
- Nguyen Cuu Van - Phan Huy Ich - No Trang Long	59,100,000,000	59,100,000,000
- Saigon Gateway	56,401,119,972	341,014,300,000
- Ngoc Duong Town	54,284,019,414	112,000,000,000
- Green Hill	37,200,000,000	37,200,000,000
- Kalong Riverside	35,000,000,000	-
- Lakeside Bau Tram	32,640,006,079	141,473,700,206
- Tay Do	20,000,000,000	47,000,000,000
- Others	616,654,440,580	1,268,511,024,321
Capital contributed under Business Cooperation Contracts ("BCC") (i)	638,856,511,155	16,396,210,913
Deposits for share capital transfer	489,740,000,000	-
Advances to employees	298,816,327,206	98,222,422,104
Social house fee of Gold Hill Residences	15,000,000,000	15,000,000,000
Others	187,856,126,063	36,771,083,826
<b>TOTAL</b>	<b>4,545,562,741,347</b>	<b>3,191,841,743,553</b>
<i>In which:</i>		
Due from other parties	3,987,449,244,060	3,156,521,861,699
Due from related parties (Note 33)	558,113,497,287	35,319,881,854
<b>Long-term</b>		
Capital contributed under BCC (ii)	376,932,859,350	191,911,150,246
Deposits	1,927,600,000	1,844,107,550
Others	876,951,937	421,227,463
<b>TOTAL</b>	<b>379,737,411,287</b>	<b>194,176,485,259</b>
<i>In which:</i>		
Due from other parties	2,804,551,937	2,265,335,013
Due from related parties (Note 33)	376,932,859,350	191,911,150,246
(i) These amounts represented capital contributed under BCC regarding to the cooperation to implement the exclusive distribution contracts real estate projects.		
(ii) These amounts represented capital contributed under BCC with Dat Xanh Group Joint Stock Company ("DXG"), the parent company, and other affiliates regarding to the cooperation to implement the exclusive distribution contracts real estate projects.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**11. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Provision for trade receivables	13,909,371,558	11,893,557,474
Provision for deposits, advances	1,722,795,609	-
Provision for advances to suppliers	862,818,506	948,462,483
<b>TOTAL</b>	<b><u>16,494,985,673</u></b>	<b><u>12,842,019,957</u></b>

*Details of movements of provision for doubtful short-term receivables are as follows:*

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	12,842,019,957	6,254,121,378
Add: Provision created during the year	7,114,060,597	8,071,541,955
Less: Reversal of provision during the year	(3,461,094,881)	(1,483,643,376)
Ending balance	<u>16,494,985,673</u>	<u>12,842,019,957</u>

**12. INVENTORIES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Inventory properties in progress (i)	1,034,597,928,409	761,331,465,440
Property available for sale (ii)	90,378,932,895	27,606,329,684
Finished inventory properties	16,183,294,485	18,648,330,032
- <i>Pho Duc Chinh and Ngo Quyen Intersection Residences</i>	11,948,084,902	11,948,084,902
- <i>An Vien</i>	4,235,209,583	4,235,209,583
- <i>One River - Phu My An</i>	-	2,465,035,547
Tools and supplies	2,785,652,618	265,576,425
<b>TOTAL</b>	<b><u>1,143,945,808,407</u></b>	<b><u>807,851,701,581</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended**12. INVENTORIES (continued)**

(i) Details of inventory properties in progress are as follows:

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
La Maison Premium	431,217,821,337	-
Tuyen Son	312,399,630,631	308,575,184,627
Lakeside	93,021,268,562	42,473,019,249
One River - Phu My An (*)	90,335,247,902	116,952,389,392
C1	48,051,898,701	45,962,759,558
C2	41,232,633,154	41,101,724,063
Gold Hill Residences	1,474,985,429	1,682,557,035
Sunshine Residences	-	194,891,178,345
Others	16,864,442,693	9,692,653,171
<b>TOTAL</b>	<b><u>1,034,597,928,409</u></b>	<b><u>761,331,465,440</u></b>

(\*) Part of the project has been pledged to secure bank loans (Note 25.1).

(ii) This amount represented value of certain land lots bought to resell in the future.

**Capitalised borrowing costs**

During the year, the Group capitalised borrowing costs amounting to VND 2,502,490,667 (previous year: VND 1,004,888,889). These costs related to borrowings obtained to finance the development and construction of on-going real estate projects of the Group.

**13. PREPAID EXPENSES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Brokerage fees	52,005,828,192	38,175,087,629
Tools and supplies	6,320,173,782	4,691,182,828
Office rental	4,968,722,275	1,925,810,199
Others	3,414,888,494	3,278,523,590
	<u>66,709,612,743</u>	<u>48,070,604,246</u>
<b>Long-term</b>		
Tools and supplies	23,922,513,320	14,294,374,877
Brokerage fee, show houses	5,080,605,510	422,099,028
Office renovation	4,627,048,179	3,125,440,472
Office rental	1,185,397,632	214,685,617
Others	4,163,964,085	1,802,616,580
	<u>38,979,528,726</u>	<u>19,859,216,574</u>
<b>TOTAL</b>	<b><u>105,689,141,469</u></b>	<b><u>67,929,820,820</u></b>

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 14. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
						VND
<b>Cost:</b>						
Beginning balance	7,516,919,419	140,241,818	39,064,678,994	1,181,456,765	1,233,022,145	49,136,319,141
New purchases	74,309,000	528,625,454	18,795,102,544	4,563,684,335	946,415,173	24,908,136,506
Transfer from construction in progress	53,972,258,464	-	-	7,231,473,711	-	61,203,732,175
Ending balance	61,563,486,883	668,867,272	57,859,781,538	12,976,614,811	2,179,437,318	135,248,187,822
<i>In which:</i>						
<i>Fully depreciated</i>	-	-	2,517,682,547	358,656,220	-	2,876,338,767
<b>Accumulated depreciation:</b>						
Beginning balance	(176,053,431)	(22,274,100)	(12,364,860,367)	(774,996,230)	(217,694,481)	(13,555,878,609)
Depreciation for the year	(426,634,677)	(181,824,710)	(7,313,980,476)	(1,143,157,952)	(294,786,292)	(9,360,384,107)
Ending balance	(602,688,108)	(204,098,810)	(19,678,840,843)	(1,918,154,182)	(512,480,773)	(22,916,262,716)
<b>Net carrying amount:</b>						
Beginning balance	7,340,865,988	117,967,718	26,699,818,627	406,460,535	1,015,327,664	35,580,440,532
Ending balance	60,960,798,775	464,768,462	38,180,940,695	11,058,460,629	1,666,956,545	112,331,925,106
<i>In which:</i>						
<i>Mortgaged as loans' security</i> <i>(Note 25.1 and 25.3)</i>	-	-	8,595,157,101	-	-	8,595,157,101

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 15. INTANGIBLE FIXED ASSETS

	Land use rights	Computer software	Others	VND Total
<b>Cost:</b>				
Beginning balance	13,363,683,792	6,145,672,000	171,999,000	19,681,354,792
New purchases	-	10,464,534,800	-	10,464,534,800
Transfer from construction in progress	-	32,500,000	-	32,500,000
Ending balance	13,363,683,792	16,642,706,800	171,999,000	30,178,389,592
<b>Accumulated amortisation:</b>				
Beginning balance	-	(842,463,364)	(37,266,450)	(879,729,814)
Amortisation for the year	-	(1,893,731,604)	(34,399,800)	(1,928,131,404)
Ending balance	-	(2,736,194,968)	(71,666,250)	(2,807,861,218)
<b>Net carrying amount:</b>				
Beginning balance	13,363,683,792	5,303,208,636	134,732,550	18,801,624,978
Ending balance	13,363,683,792	13,906,511,832	100,332,750	27,370,528,374

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended**16. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Software installation	25,112,125,581	7,904,574,242
Vo Van Kiet Office Building	-	28,336,280,030
Others	8,237,416,785	582,437,144
<b>TOTAL</b>	<b>33,349,542,366</b>	<b>36,823,291,416</b>

**17. LONG-TERM INVESTMENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in another entity (Note 17.1)	-	68,472,200,000
Held-to-maturity investments (Note 17.2)	30,000,000,000	-
<b>TOTAL</b>	<b>30,000,000,000</b>	<b>68,472,200,000</b>

**17.1 Investments in another entity**

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>%</i>	<i>Carrying</i>	<i>%</i>	<i>Carrying</i>
	<i>voting</i>	<i>value</i>	<i>voting</i>	<i>value</i>
<i>Business</i>	<i>%</i>	<i>VND</i>	<i>%</i>	<i>VND</i>
LDG Investment				
Joint Stock Company ("LDG")	-	-	6.00	68,472,200,000
Trade real estate				

On 8 October 2019, the Company completed the transfer of investment in LDG at the transferring value of VND 174,924,690,000 according to Resolution of Board of Directors No. 0909/2019/NQ-HDQT dated 9 September 2019.

**17.2 Held-to-maturity investments**

Held-to-maturity investments represented investments in 3,000 bonds issued by Vietnam Joint Stock Commercial Bank for Industry and Trade with face value of VND 10,000,000/bond. These bonds have original maturities from seven (7) years to ten (10) years and earn interest rate at reference interest rate + 1% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended**18. GOODWILL**

VND

**Cost:**

Beginning and ending balances	<u>8,331,798,555</u>
-------------------------------	----------------------

**Accumulated amortisation:**

Beginning balance	(69,431,655)
-------------------	--------------

Amortisation for the year	<u>(833,179,856)</u>
---------------------------	----------------------

Ending balance	<u>(902,611,511)</u>
----------------	----------------------

**Net carrying amount:**

Beginning balance	<u>8,262,366,900</u>
-------------------	----------------------

Ending balance	<u>7,429,187,044</u>
----------------	----------------------

**19. SHORT-TERM TRADE PAYABLES**

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to suppliers	137,418,352,591	83,773,870,457
- M.E.I Construction Joint Stock Company	38,129,044,052	12,346,593,929
- Vinaconex 25 Joint Stock Company	33,259,722,939	27,106,705,859
- Sai Gon – Da Nang Investment Corporation	-	1,917,000,000
- Others	66,029,585,600	42,403,570,669
Trade payables to related parties (Note 33)	<u>40,349,029,688</u>	<u>120,512,352,055</u>
<b>TOTAL</b>	<b><u>177,767,382,279</u></b>	<b><u>204,286,222,512</u></b>

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

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from individual customers purchasing apartments and land lots	58,256,110,259	159,646,141,190
Advances from other customers	<u>12,344,946,478</u>	<u>10,052,391,649</u>
<b>TOTAL</b>	<b><u>70,601,056,737</u></b>	<b><u>169,698,532,839</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**21. STATUTORY OBLIGATIONS**

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Paid in year</i>	<i>Ending balance</i>
Value-added tax	76,871,721,449	239,271,713,185	(165,812,180,285)	150,331,254,349
Corporate income tax	249,729,234,461	421,029,817,752	(255,660,106,980)	415,098,945,233
Personal income tax	30,559,732,152	91,798,736,580	(97,190,275,754)	25,168,192,978
Withholding tax	-	959,025,029	(931,567,048)	27,457,981
Others	16,936,366	2,685,745,336	(2,274,453,589)	428,228,113
<b>TOTAL</b>	<b>357,177,624,428</b>	<b>755,745,037,882</b>	<b>(521,868,583,656)</b>	<b>591,054,078,654</b>

**22. SHORT-TERM ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction costs of projects	225,807,763,627	191,607,042,549
Brokerage fees	22,011,668,486	35,081,791,153
Advertising fees	5,454,615,577	12,785,677,131
Bonus and salary	3,391,837,401	3,925,126,475
Others	8,402,369,592	6,075,801,980
<b>TOTAL</b>	<b>265,068,254,683</b>	<b>249,475,439,288</b>

**23. UNEARNED REVENUE**

This amount represents the uncompleted real estate brokerage services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**24. OTHER SHORT-TERM PAYABLES**

	VND	
	Ending balance	Beginning balance
Received on behalf of project developers	1,265,109,692,271	1,263,623,999,185
Short-term deposits received	328,767,413,544	34,066,584,615
Deposits received from individuals for purchasing apartments	36,103,845,026	11,928,185,408
Capital contribution received under BCC (i)	270,802,484,400	656,821,807,948
Dividend	2,128,431,909	96,509,697,059
Capital contribution received in advance	-	336,168,567,000
Others	36,157,181,562	21,974,560,069
<b>TOTAL</b>	<b>1,939,069,048,712</b>	<b>2,421,093,401,284</b>
<i>In which:</i>		
Due to other parties	1,360,417,746,122	1,454,997,333,691
Due to related parties (Note 33)	578,651,302,590	966,096,067,593

(i) This amount represented capital contributed from DXG and LDG under BCC to conduct marketing and distribution service contracts of real estate and earn profit sharing.

**25. LOANS**

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>677,149,695,337</b>	<b>238,477,660,043</b>
Loans from banks (Note 25.1)	671,054,806,805	237,774,041,783
Loans from a related party (Note 25.2)	5,000,000,000	-
Current portion of long-term loans (Note 25.3)	1,094,888,532	703,618,260
<b>Long-term</b>	<b>2,263,142,053</b>	<b>958,697,257</b>
Loans from banks (Note 25.3)	2,263,142,053	958,697,257
<b>TOTAL</b>	<b>679,412,837,390</b>	<b>239,436,357,300</b>

Details of movement of loans are as follows:

	VND	
	Current year	Previous year
Beginning balance	239,436,357,300	272,264,947,079
Drawdown	1,086,196,770,013	803,814,490,262
Repayment	(646,220,289,923)	(836,643,080,041)
Ending balance	679,412,837,390	239,436,357,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**25. LOANS**

**25.1 Short-term loans from banks**

Details of the short-term loans from banks are as follows:

<i>Bank</i>	<i>Ending balance (VND)</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Description of collateral</i>
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Nam Branch</b>				
Loan 1	150,000,000,000	From 14 June 2019 to 12 June 2020	To finance working capital	Land use rights of 20 land lots at Phu My An of VND 203,746,000,000
<b>Vietnam Prosperity Joint Stock Commercial Bank</b>				
Loan 1	115,149,007,150	From 28 February 2020 to 15 August 2020	To finance working capital	Term-deposits of VND 23,050,000,000
Loan 2	50,000,000,000	From 4 September 2020 to 11 September 2020	To finance working capital	Term-deposits of VND 11,000,000,000
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch</b>				
Loan 1	109,839,676,000	From 24 January 2020 to 16 June 2020	To finance working capital	Term-deposits of VND 13,253,086,425
<b>Vietnam Russia Joint Venture Bank</b>				
Loan 1	82,132,447,922	From 2 August 2019 to 2 August 2020	To finance working capital	Land use right of 4,798m <sup>2</sup> of land at Phu My An Urban Area
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch</b>				
Loan 1	50,000,000,000	From 23 November 2020 to 21 December 2020	To finance working capital	Term-deposits of VND 10,000,000,000
<b>Joint Stock Commercial Bank for Investment and Development of Vietnam</b>				
Loan 1	49,292,665,150	From 17 January 2020 to 29 April 2020	To finance working capital	Unsecured
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thu Thiem Branch</b>				
Loan 1	18,981,310,583	From 6 January 2020 to 15 June 2020	To finance working capital	Property rights arising related to the Eco- Green Saigon project, Asiana Capella; The deposit of VND 1,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**25. LOANS (continued)**

**25.1 Short-term loans from banks (continued)**

Details of the short-term loans from banks are as follows: (continued)

<i>Bank</i>	<i>Ending balance</i> (VND)	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Description of collateral</i>
-------------	--------------------------------	-------------------------------------	----------------	----------------------------------

**Vietnam Joint Stock Commercial Bank for Industry and Trade – Bien Hoa Branch**

Loan 1	18,000,000,000	From 23 September 2019 to 22 October 2020	To finance working capital	Land use right of 4 land lots at Dong Nai with book value of VND 9,888,000,000
Loan 2	10,000,000,000	From 4 October 2019 to 4 October 2020	To finance working capital	Means of transportation with net book value of VND 3,433,000,000

**Tien Phong Commercial Joint Stock Bank**

Loan 1	17,659,700,000	From 1 April 2020 to 29 May 2020	To finance working capital	Term-deposits of VND 8,797,000,000
--------	----------------	----------------------------------	----------------------------	------------------------------------

**TOTAL 671,054,806,805**

Short-term loans from bank bear interest at market rates applicable to each commercial bank.

**25.2 Loans from a related party**

Details of the short-term loans from a related party are as follows: (Note 33)

<i>Bank</i>	<i>Ending balance</i> (VND)	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Description of collateral</i>
-------------	--------------------------------	-------------------------------------	----------------	--------------------------------------

**FBV Construction Joint Stock Company ("FBV Construction")**

Loan 1	<u>5,000,000,000</u>	10 October 2019	To finance working capital	Unsecured
--------	----------------------	-----------------	----------------------------	-----------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**25. LOANS (continued)**

**25.3 Long-term bank loans**

Details of the long-term loans from banks are as follows:

<i>Bank</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Description of collateral</i>
	(VND)			
<b><i>Tien Phong Commercial Joint Stock Bank – Can Tho Branch</i></b>				
Loan 1	1,073,250,000	From 24 May 2019 to 23 May 2024	To finance for purchase of vehicle	Means of transportation with net book value of VND 1,696,684,617
<b><i>Tien Phong Commercial Joint Stock Bank – Hai Ba Trung Branch</i></b>				
Loan 1	817,000,000	From 27 Apr 2019 to 26 Apr 2020	To finance for purchase of vehicle	Means of transportation with net book value of VND 1,154,672,908
<b><i>Tien Phong Commercial Joint Stock Bank – Nghe An Branch</i></b>				
Loan 1	509,083,327	From 6 January 2020 to 6 January 2023	To finance for purchase of vehicle	Means of transportation with net book value of VND 862,325,000
<b><i>Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch</i></b>				
Loan 1	344,970,492	From 26 January 2020 to 12 December 2020	To finance for purchase of vehicle	Means of transportation with net book value of VND 783,587,297
Loan 2	277,333,322	From 26 January 2020 to 12 December 2020	To finance for purchase of vehicle	Means of transportation with net book value of VND 541,970,612
<b><i>Shinhan Bank (Vietnam) Limited - Ha Noi Branch</i></b>				
Loan 1	336,393,444	From 4 May 2020 to 4 May 2023	To finance for purchase of vehicle	Means of transportation with net book value of VND 122,916,667
<b>TOTAL</b>	<b><u>3,358,030,585</u></b>			

*In which:*

<i>Long-term loan</i>	2,263,142,053
<i>Current portion</i>	1,094,888,532

Long-term loans from banks bear interest at market rates applicable to each commercial banks.

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 26. OWNERS' EQUITY

### 26.1 Movements in owners' equity

	Share capital	Consolidation reserve	Other funds belong to owner's equity	Investment and development fund	Undistributed earnings	Non-controlling interests	Total
							VND
<b>Previous year</b>							
Beginning balance	99,928,860,000	-	326,570,000,000	5,095,306,226	270,625,765,096	589,968,305,155	1,292,188,236,477
Issuance of shares	1,000,071,140,000	-	-	-	-	-	1,000,071,140,000
Capital contribution from ultimate parent	-	-	215,438,500,000	-	-	-	215,438,500,000
Capital contribution from non-controlling interests	-	-	-	-	-	439,745,830,736	439,745,830,736
Net profit for the year	-	-	-	-	511,246,273,949	529,928,225,420	1,041,174,499,369
Dividend declared	-	-	-	-	(555,755,272,824)	-	(555,755,272,824)
Dividends shared to non-controlling interests	-	-	-	-	-	(569,250,827,944)	(569,250,827,944)
Transfer to investment and development fund	-	-	-	(12,002,715)	12,002,715	-	-
Transfer to bonus and welfare fund	-	-	-	-	(34,360,097,531)	(42,730,797,949)	(77,090,895,480)
Consolidation under common control	-	(9,350,460,000)	(542,008,500,000)	-	-	-	(551,358,960,000)
<b>Ending balance</b>	<b>1,100,000,000,000</b>	<b>(9,350,460,000)</b>	<b>-</b>	<b>5,083,303,511</b>	<b>191,768,671,405</b>	<b>947,660,735,418</b>	<b>2,235,162,250,334</b>

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 26. OWNERS' EQUITY (continued)

### 26.1 Movements in owners' equity (continued)

	Share capital	Consolidation reserve	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
						VND
<b>Current year</b>						
Beginning balance	1,100,000,000,000	(9,350,460,000)	5,083,303,511	191,768,671,405	947,660,735,418	2,235,162,250,334
Issuance of shares (i)	1,900,000,000,000	-	-	-	-	1,900,000,000,000
Capital contribution from non-controlling interests	-	-	-	-	476,880,302,000	476,880,302,000
Net profit for the year	-	-	-	1,061,393,477,319	571,550,667,746	1,632,944,145,065
Dividend declared (ii)	-	-	-	(743,755,000,000)	-	(743,755,000,000)
Dividends shared to non-controlling interests	-	-	-	-	(328,011,933,108)	(328,011,933,108)
Transfer to bonus and welfare fund	-	-	-	(48,880,872,608)	(45,809,560,396)	(94,690,433,004)
Consolidation under common control	-	-	-	978,591,767	(978,591,767)	-
Ending balance	3,000,000,000,000	(9,350,460,000)	5,083,303,511	461,504,867,883	1,621,291,619,893	5,078,529,331,287

(i) On 8 March 2019, the Company completed the issuance of 31,900,000 ordinary shares with the price of VND 10,000/share to its existing shareholders amounting to VND 319,000,000,000 in accordance with the Resolution of Shareholders No. 07/12/2018/NQ-DHDCD dated 7 December 2018, which was approved by the DPI of Ho Chi Minh City through the issuance of the 11<sup>th</sup> amended ERC dated 8 March 2019.

On 19 April 2019, the Company completed the issuance of 158,100,000 ordinary shares with the price of VND 10,000/share to its existing shareholders amounting to VND 1,581,000,000,000 in accordance with the Resolution of Shareholders No. 03/2019/NQ-DHDCD dated 18 April 2019, which was approved by the DPI of Ho Chi Minh City through the issuance of the 12<sup>th</sup> amended ERC dated 19 April 2019.

(ii) In accordance with the Resolution of Shareholders No. 02A/2019/BB-DHDCD dated 8 April 2019, the Company's shareholders unanimously approved the Proposal of Board of Directors to pay dividend of 2018 to its existing shareholders of VND 143,755,000,000.

In accordance with the Decision No.109/2019/NQ-HDQT dated 10 September 2019 and the Decision No.309/2019/NQ-HDQT dated 30 September 2019, the Company's shareholders unanimously approved the Proposal of Board of Directors to advance dividend of 2019 to its existing shareholders with the aggregated amount of VND 600,000,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**26.2 Capital transactions with owners**

		VND
	Current year	Previous year
<b>Contributed share capital</b>		
Beginning balance	1,100,000,000,000	99,928,860,000
Issuance of shares	<u>1,900,000,000,000</u>	<u>1,000,071,140,000</u>
Ending balance	<u>3,000,000,000,000</u>	<u>1,100,000,000,000</u>
<b>Dividends declared during the year</b>		
<i>Dividends on ordinary shares</i>		
Dividends declared for year 2018	143,755,000,000	9,000,000,000
Advanced dividends declared for year 2019	600,000,000,000	290,005,272,824
Dividends paid to owners	743,757,659,098	296,874,181,818
Dividends paid to ultimate parent	-	257,910,250,000
Dividends paid to non-controlling interests	427,263,834,161	475,904,258,075

**26.3 Ordinary shares**

	Ending balance	Beginning balance
	Number of shares	Number of shares
Shares authorised to be issued	300,000,000	110,000,000
Shares issued and fully paid		
<i>Ordinary shares</i>	300,000,000	110,000,000
Shares in circulation		
<i>Ordinary shares</i>	300,000,000	110,000,000

Par value: VND 10,000 per share.

**26.4 Earnings per share**

Basic earnings per share are calculated as follows:

	Current year	Previous year
Net profit after tax (VND)	1,061,393,477,319	511,246,273,949
Less: Bonus and welfare fund (VND) (i)	<u>-</u>	<u>(34,360,097,531)</u>
<b>Net profit after tax attributable to ordinary shareholders (VND)</b>	<b>1,061,393,477,319</b>	<b>476,886,176,418</b>
Weighted average number of ordinary shares	247,451,507	54,105,613
<b>Basic earnings per share(VND/share)</b>	<b><u>4,289</u></b>	<b><u>8,814</u></b>

- (i) Net profit used to compute earnings per share for the year ended 31 December 2019 was not adjusted for the provisional allocation to Bonus and welfare fund from 2019 profit after tax due to pending approval from the Shareholder General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**27. REVENUES****27.1 Revenue from sale of goods and rendering of services**

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>4,091,947,786,098</b>	<b>2,479,333,720,204</b>
Of which:		
Revenue from real estate services	3,185,552,091,502	2,332,523,666,535
Revenue from sale of apartments, town houses and land lots	808,077,227,119	115,898,333,605
Revenue from construction services	81,181,818,182	25,630,000,000
Other revenue	17,136,649,295	5,281,720,064
<b>Less sale deduction</b>	<b>(1,214,818,184)</b>	<b>(181,136,363)</b>
<b>NET</b>	<b>4,090,732,967,914</b>	<b>2,479,152,583,841</b>
In which:		
Sales to other parties	4,006,739,784,833	2,441,933,573,804
Sales to related parties (Note 33)	83,993,183,081	37,219,010,037

**27.2 Finance income**

	VND	
	Current year	Previous year
Gain from disposal of investments	106,452,490,000	-
Interest income	20,787,827,654	6,260,313,002
<b>TOTAL</b>	<b>127,240,317,654</b>	<b>6,260,313,002</b>

**28. COSTS OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	Current year	Previous year
Cost of real estate services	821,312,855,405	496,064,930,671
Cost of apartments, town houses and land lots sold	500,818,824,039	90,843,627,564
Cost of construction services	80,283,304,374	29,368,623,162
Cost of other services	11,071,213,807	1,708,717,743
<b>TOTAL</b>	<b>1,413,486,197,625</b>	<b>617,985,899,140</b>

**29. FINANCE EXPENSES**

	VND	
	Current year	Previous year
Interest expenses	32,880,835,365	19,332,756,153
Others	60,907,000	-
<b>TOTAL</b>	<b>32,941,742,365</b>	<b>19,332,756,153</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
<b>Selling expenses</b>	<b>435,182,318,611</b>	<b>330,999,672,914</b>
- Labour cost	232,583,166,339	172,560,457,294
- Advertising fees	87,834,535,914	111,767,859,254
- Brokerage fees	25,057,974,115	1,521,581,427
- Depreciation and amortisation	2,834,148,259	1,144,428,455
- Others	86,872,493,984	44,005,346,484
<b>General and administrative expenses</b>	<b>324,584,509,342</b>	<b>190,120,988,756</b>
- Labour cost	178,893,285,190	105,343,184,952
- Expense for external services	69,679,978,889	36,605,743,449
- Depreciation and amortisation	8,489,986,998	4,922,566,982
- Provision expenses	3,652,965,716	6,587,898,579
- Goodwill	833,179,856	69,431,655
- Others	63,035,112,693	36,592,163,139
<b>TOTAL</b>	<b>759,766,827,953</b>	<b>521,120,661,670</b>

### 31. OTHER INCOME AND OTHER EXPENSES

	VND	
	Current year	Previous year
<b>Other income</b>	<b>73,557,726,086</b>	<b>10,299,304,895</b>
- Income from penalties	68,570,161,725	9,581,733,456
- Others	4,987,564,361	717,571,439
<b>Other expenses</b>	<b>36,864,439,302</b>	<b>22,802,076,958</b>
- Penalties on contract liquidation	25,817,637,358	55,030,146
- Penalties on late tax payment	9,460,788,233	39,500,000
- Administrative penalties	508,023,778	137,655,384
- Penalties on late land use rights fee payment	-	18,750,400,135
- Others	1,077,989,933	3,819,491,293
<b>NET OTHER PROFIT (LOSS)</b>	<b>36,693,286,784</b>	<b>(12,502,772,063)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 32. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of taxable profits.

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

#### 32.1 CIT expenses

	VND	
	Current year	Previous year
Current CIT expense	420,844,197,582	276,225,650,741
Adjustment for under accrual of tax from prior years	185,620,170	844,724,187
Deferred tax income	(5,502,158,408)	(3,774,066,480)
<b>TOTAL</b>	<b>415,527,659,344</b>	<b>273,296,308,448</b>

The reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>2,048,471,804,409</b>	<b>1,314,470,807,817</b>
At CIT rate of 20% applicable to the Group	409,694,360,882	262,894,161,563
<i>Adjustments:</i>		
Non-deductible expenses	6,721,427,238	8,474,562,845
Losses of subsidiaries not yet recognised		
defer tax	1,467,656,207	1,068,973,522
Adjustment for under accrual of tax from prior year	185,620,170	844,724,187
Amortisation of goodwill	166,635,971	13,886,331
Income has been taxed in previous periods	(2,721,324,500)	-
Tax loss carried forward	(457,187,324)	-
Others	470,470,700	-
<b>CIT expenses</b>	<b>415,527,659,344</b>	<b>273,296,308,448</b>

#### 32.2 Current CIT expense

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Group 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 Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

**32.3 Deferred tax**

The following are the major deferred tax assets recognised by the Group, and the movements thereon, during the current and previous year:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Accruals	6,191,332,449	7,234,571,282	(1,043,238,833)	1,671,761,711
Unrealised profit	7,532,092,958	1,600,219,890	5,931,873,068	1,600,219,890
Provision for doubtful receivables	282,072,001	299,200,797	(17,128,796)	-
CIT paid on progress payments from customers (*)	1,164,717,202	534,064,233	630,652,969	502,084,879
<b>Net deferred tax assets</b>	<b>15,170,214,610</b>	<b>9,668,056,202</b>		
<b>Deferred tax credit to consolidated income statement</b>			<b>5,502,158,408</b>	<b>3,774,066,480</b>

(\*) This represented CIT payable computed of cash advances received from customers in connection with sales of apartments in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 issued by the Ministry of Finance effective since 2 August 2014.

**33. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Current year</i>	<i>Previous year</i>
DXG	Parent	Capital contribution under BCC	1,447,025,800,000	282,196,000,246
		Capital received	1,615,109,860,000	1,215,509,640,000
		Dividend declared	686,752,386,273	555,750,000,000
		Received capital contribution from BCC	100,000,000,000	80,734,228,400
		Bonds	72,302,400,000	-
		Profit sharing from BCC	67,437,899,324	65,751,377,029
		Interest income	2,305,238,580	-
		Capital transferred received	-	551,358,960,000
		Advance for capital contribution	-	303,594,480,000
		Capital contribution received	-	80,734,228,400
		Brokerage service expense	-	52,139,903,153
		Interest expense	-	262,011,639
		Other service expense	-	180,030,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

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

Related parties	Relationship	Nature of transaction	VND	
			Current year	Previous year
LDG	Associate	Deposits for share capital transfer	489,740,000,000	-
		Received capital contribution from BCC	250,866,645,000	-
		Profit sharing from BCC	90,909,090,909	-
		Revenue from real estate service	80,864,232,073	37,219,010,037
		Other service fees	97,265,372	
Ha Thuan Hung Construction Trade Services Company Limited ("Ha Thuan Hung")	Affiliate	Received capital contribution from BCC	10,000,000,000	6,041,430,000
		Brokerage service expense	-	13,636,363,636
Dat Xanh Real Estate Investment Company Limited ("DXI")	Affiliate	Capital contribution under BCC	36,910,122,959	9,029,614,000
		Received capital contribution from BCC	12,468,879,000	-
		Profit sharing from BCC	1,017,889,029	
FBV Construction	Affiliate	Loan	56,000,000,000	-
		Brokerage service expense	278,620,920	132,570,000
Dat Xanh Premium Joint Stock Company ("Dat Xanh Premium")	Associate	Brokerage service expense	1,617,399,900	
		Revenue from real estate service	305,941,038	-
Mr Nguyen Truong Son	General Director ("GD")	Capital contribution received	5,795,000,000	2,470,000,000
		Dividend declared	2,200,000,000	5,600,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

### 33. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet dates were as follows:

VND

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables</b>				
LDG	Associate	Revenue from real estate service	17,181,207,067	10,940,817,461
DXG	Parent	Revenue from real estate service	1,273,321,716	1,273,321,716
DXI	Affiliate	Revenue from real estate service	1,119,677,932	-
			<b>19,574,206,715</b>	<b>12,214,139,177</b>
<b>Short-term advances to supplier</b>				
FBV Construction	Affiliate	Construction of model houses	2,067,991,584	-
DXI	Affiliate	Advances for brokerage service	2,000,000,000	-
DXG	Parent	Advances for brokerage service	96,526,734	96,526,734
			<b>4,164,518,318</b>	<b>96,526,734</b>
<b>Other short-term receivables</b>				
LDG	Associate	Deposits for share capital transfer	489,740,000,000	-
		Deposit	7,000,000,000	9,481,796,659
		Payment on behalf	2,606,672,527	5,096,885,041
DXI	Affiliate	Capital contribution under BCC	45,939,736,959	9,029,614,000
		Deposit	2,500,899,313	-
DXG	Parent	Deposit	7,883,744,458	-
		Payment on behalf	2,442,444,030	3,025,989,241
		Capital contribution under BCC	-	7,366,596,913
Mr Tran Cong Luan	Chairman	Advance	-	1,319,000,000
			<b>558,113,497,287</b>	<b>35,319,881,854</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due from and due to related parties at the balance sheet dates were as follows:  
(continued)

VND

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Other long-term receivable</i></b>				
DXG	Parent	Capital contribution under BCC	376,932,859,350	191,911,150,246
<b><i>Short-term trade payables</i></b>				
DXG	Parent	Profit sharing from BCC	40,138,943,103	50,950,396,567
		Brokerage services fee	-	66,539,793,415
FBV Construction	Affiliate	Construction service fee	-	2,872,562,201
LDG	Associate	Management service fee	106,991,909	-
		Fixed asset disposal	60,000,000	60,000,000
Dat Xanh Premium	Associate	Trade payable	43,094,676	89,599,872
			<b>40,349,029,688</b>	<b>120,512,352,055</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

Amounts due from and due to related parties at the balance sheet date were as follows:  
(continued)

			VND	
<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Other short-term payables</i></b>				
DXG	Parent	Capital contribution under BCC	203,116,960,400	656,636,054,948
		Dividend	2,125,818,182	2,125,818,182
		Capital contribution received in advance	-	303,594,480,000
		Interest expense	-	262,011,639
LDG	Associate	Deposit received	316,250,000,000	31,000,000
		Capital contribution under BCC	30,866,645,000	-
		Received on behalf	2,623,000,008	-
DXI	Affiliate	Capital contribution received	12,468,879,000	-
Ha Thuan Hung	Affiliate	Capital contribution under BCC	10,000,000,000	3,041,430,000
Dat Xanh Premium	Associate	Other	1,200,000,000	400,000,000
Mr Tran Cong Luan	Chairman	Dividend	-	2,636,412
Mr Luong Tri Tu	Shareholder	Dividend	-	2,636,412
			<b><u>578,651,302,590</u></b>	<b><u>966,096,067,593</u></b>
<b><i>Loan</i></b>				
FBV Construction	Affiliate	Borrowing	5,000,000,000	-

**34. OPERATING LEASE COMMITMENTS**

The Group leases office premises under an operating lease arrangement. Future minimum lease payables as at balance sheet dates are as follows:

			VND	
			<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year			14,702,602,921	13,063,758,734
From 1 to 5 years			14,700,562,629	17,925,300,458
<b>TOTAL</b>			<b><u>29,403,165,550</u></b>	<b><u>30,989,059,192</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

**35. SEGMENT INFORMATION**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is principally engaged in the real estate brokerage services and real estate investment and development.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between business segments. Those transfers are eliminated in preparation of consolidated financial statements.

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 35. SEGMENT INFORMATION (continued)

### Business segment

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment:

	Real estate brokerage services	Real estate investment and development	Eliminate	Total
<b>For the year ended 31 December 2019</b>				VND
<b>Net revenues</b>				
Sales to customers	3,411,657,594,871	910,138,845,708	(231,063,472,665)	4,090,732,967,914
<b>Results</b>				
Segment gross profit				2,677,246,770,289
Unallocated expense	2,434,391,989,939	315,669,938,468	(72,815,158,118)	(759,766,827,953)
Operating profit				1,917,479,942,336
Finance income				127,240,317,654
Finance expenses				(32,941,742,365)
Other profit				36,693,286,784
Net profit before tax				2,048,471,804,409
Current CIT expense				(421,029,817,752)
Deferred tax income				5,502,158,408
Net profit after tax				1,632,944,145,065
Net profit after tax attributable to non-controlling interests				571,550,667,746
Net profit after tax attributable to shareholder of the parent				1,061,393,477,319
<b>As at 31 December 2019</b>				
<b>Assets and liabilities</b>				
Segment assets	7,794,447,292,531	1,351,360,825,168	(643,512,985,491)	8,502,295,132,208
Unallocated assets				493,072,981,303
Total assets				8,995,368,113,511
Segment liabilities				3,143,034,516,132
Unallocated liabilities	3,522,142,056,344	204,610,411,871	(583,717,952,083)	773,804,266,092
Total liabilities				3,916,838,782,224

# Dat Xanh Real Estate Services Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

## 35. SEGMENT INFORMATION (continued)

### Business segment

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment:

	Real estate brokerage services	Real estate investment and development	Eliminate	VND Total
<b>For the year ended 31 December 2018</b>				
<b>Net revenues</b>				
Sales to customers	2,490,340,813,901	141,528,333,605	(152,716,563,665)	2,479,152,583,841
<b>Results</b>				
Segment gross profit				1,861,166,684,701
Unallocated expense	1,848,580,757,985	21,316,082,879	(296,702,971,167)	(521,120,661,670)
Operating profit				1,340,046,023,031
Finance income				6,260,313,002
Finance expenses				(19,332,756,153)
Other loss				(12,502,772,063)
Net profit before tax				1,314,470,807,817
Current CIT expense				(277,070,374,928)
Deferred tax income				3,774,066,480
Net profit after tax				1,041,174,499,369
Net profit after tax attributable to non-controlling interests				511,246,273,949
Net profit after tax attributable to shareholder of the parent				529,928,225,420
<b>As at 31 December 2018</b>				
<b>Assets and liabilities</b>				
Segment assets	5,410,051,431,623	612,252,995,571	(482,741,461,630)	5,539,562,965,564
Unallocated assets				443,280,248,252
Total assets				5,982,843,213,816
Segment liabilities				3,289,185,134,304
Unallocated liabilities	3,698,120,748,021	65,804,748,461	(474,740,362,178)	458,495,829,178
Total liabilities				3,747,680,963,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2019 and for the year then ended

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

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Pham Vo Quang Dai  
Preparer



Tran Thi Phuong Loan  
Chief Accountant



Nguyen Truong Son  
General Director

14 February 2020