

# **An Gia Real Estate Investment and Development Corporation**

Consolidated financial statements

For the year ended 31 December 2018



# An Gia Real Estate Investment and Development Corporation

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# An Gia Real Estate Investment and Development Corporation

## GENERAL INFORMATION

### THE COMPANY

An Gia Real Estate Investment and Development Corporation ("the Company") is a shareholding incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 0311500196 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 7 August 2007, as amended.

The registered principal activities of the Company are real estate trading; real estate brokerage; real estate management; real estate exchange; management consulting; advertising; marketing research and public opinion polling; organisation of conventions and trading shows; construction of buildings; construction of other civil projects; construction of railways and roads; construction of utility projects; demolition and site preparation.

The Company's head office is located at No. 30, Nguyen Thi Dieu Street, Ward 6, District 3, 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 Nguyen Ba Sang	Chairman
Mr Nguyen Trung Tin	Member
Ms Ho Thi Nguyet Anh	Member
Ms Nguyen Quynh Giang	Member
Ms Nguyen Huong Giang	Member
Mr Yamaguchi Masakazu	Member
Ms Vuong Nguyen Ngoc Tram	Member

### MANAGEMENT

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

Mr Nguyen Ba Sang	General Director
Mr Nguyen Trung Tin	Deputy General Director

### LEGAL REPRESENTATIVE

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

### AUDITORS

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

# An Gia Real Estate Investment and Development Corporation

## REPORT OF MANAGEMENT

Management of An Gia Real Estate Investment and Development Corporation ("the Company") presents 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 2018.

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

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It 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.

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

### STATEMENT BY THE MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



\_\_\_\_\_  
Nguyen Ba Sang  
General Director

Ho Chi Minh City, Vietnam

25 March 2019



Reference: 61314331/20475163-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of An Gia Real Estate Investment and Development Corporation**

We have audited the accompanying consolidated financial statements of An Gia Real Estate Investment and Development Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 25 March 2019 and set out on pages 5 to 45, which comprise the consolidated balance sheet as at 31 December 2018, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

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

### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material aspects, of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

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



Đỗ Quang Minh  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0426-2018-004-1



Lương Kim Dien An  
Auditor  
Audit Practicing Registration Certificate  
No. 2736-2019-004-1

Ho Chi Minh City, Vietnam

25 March 2019

# An Gia Real Estate Investment and Development Corporation B01-DN/HN

## CONSOLIDATED BALANCE SHEET as at 31 December 2018

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,810,022,931,066</b>	<b>2,107,066,254,151</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>331,051,237,351</b>	<b>285,428,351,763</b>
111	1. Cash		274,263,237,351	70,524,118,099
112	2. Cash equivalents		56,788,000,000	214,904,233,664
<b>120</b>	<b>II. Short-term investments</b>		<b>450,509,602,646</b>	<b>670,000,000</b>
121	1. Held-for-trading securities	6.1	235,000,000,000	-
123	2. Held-to-maturity investments	6.2	215,509,602,646	670,000,000
<b>130</b>	<b>III. Current accounts receivables</b>		<b>948,435,657,696</b>	<b>1,094,633,496,954</b>
131	1. Short-term trade receivables	7	94,110,305,534	49,964,576,291
132	2. Short-term advances to suppliers	8	28,720,179,935	18,041,959,232
135	3. Short-term loan receivables	9	649,742,000,000	3,000,000,000
136	4. Other short-term receivables	10	177,473,172,227	1,023,626,961,431
137	5. Provision for doubtful short-term receivables	10	(1,610,000,000)	-
<b>140</b>	<b>IV. Inventory</b>		<b>52,794,843,422</b>	<b>674,119,488,210</b>
141	1. Inventories	11	52,794,843,422	674,119,488,210
<b>150</b>	<b>V. Other current assets</b>		<b>27,231,589,951</b>	<b>52,214,917,224</b>
151	1. Short-term prepaid expenses	12	12,222,120,310	36,313,408,073
152	2. Value-added tax deductible		14,921,286,308	15,901,509,151
153	3. Tax and other receivables from the State		88,183,333	-



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2018

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>481,036,584,899</b>	<b>344,561,539,457</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>269,015,192,783</b>	<b>291,544,910,802</b>
215	1. Long-term loan receivables	9	189,842,228,979	183,689,057,873
216	2. Other long-term receivables	10	79,172,963,804	107,855,852,929
<b>220</b>	<b>II. Fixed assets</b>		<b>6,923,169,549</b>	<b>10,159,661,459</b>
221	1. Tangible fixed asset	13	6,803,848,713	9,775,023,940
222	Cost		12,230,606,773	14,367,624,955
223	Accumulated depreciation		(5,426,758,060)	(4,592,601,015)
227	2. Intangible fixed asset	14	119,320,836	384,637,519
228	Cost		925,950,000	925,950,000
229	Accumulated amortisation		(806,629,164)	(541,312,481)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>44,944,097,844</b>	<b>16,685,173,466</b>
231	1. Cost		45,373,128,896	16,738,600,508
232	2. Accumulated depreciation		(429,031,052)	(53,427,042)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>5,800,192,246</b>	<b>5,680,192,246</b>
242	1. Construction in progress	16	5,800,192,246	5,680,192,246
<b>250</b>	<b>V. Long-term investments</b>	<b>17</b>	<b>129,248,500,000</b>	<b>11,372,036,770</b>
252	1. Investments in associates		-	11,372,036,770
253	2. Investments in other entity		129,248,500,000	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>25,105,432,477</b>	<b>9,119,564,714</b>
261	1. Long-term prepaid expenses	12	13,746,587,089	9,119,564,714
262	2. Deferred tax assets	32.3	11,358,845,388	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,291,059,515,965</b>	<b>2,451,627,793,608</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2018

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,451,712,327,107</b>	<b>2,262,887,805,302</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,321,435,965,044</b>	<b>2,110,833,518,867</b>
311	1. Short-term trade payables	18	169,395,749,533	170,182,975,031
312	2. Short-term advances from customers	19	133,551,668,672	636,157,483,863
313	3. Statutory obligations	20	141,725,532,061	33,013,690,949
314	4. Payables to employees		15,400,000	4,700,000
315	5. Short-term accrued expenses	21	69,318,288,674	131,897,476,276
318	6. Short-term unearned revenues	22	19,852,001,531	6,764,222,733
319	7. Other short-term payables	23	532,201,567,176	948,026,470,015
320	8. Short-term loans	24	255,375,757,397	184,786,500,000
<b>330</b>	<b>II. Non-current liabilities</b>		<b>130,276,362,063</b>	<b>152,054,286,435</b>
338	1. Long-term loans	24	107,143,400,000	144,700,200,000
342	2. Long-term provisions	25	23,132,962,063	7,354,086,435
<b>400</b>	<b>D. OWNER'S EQUITY</b>		<b>839,347,188,858</b>	<b>188,739,988,306</b>
<b>410</b>	<b>I. Capital</b>	<b>26.1</b>	<b>839,347,188,858</b>	<b>188,739,988,306</b>
411	1. Share capital		450,000,000,000	105,263,160,000
411a	- Shares with voting rights		450,000,000,000	105,263,160,000
412	2. Share premium		71,420,018,200	40,236,858,200
421	3. Undistributed earnings		277,686,315,642	27,545,762,881
421a	- Undistributed earnings (accumulated losses) by the end of prior year		-	(31,016,223,707)
421b	- Undistributed earnings of current year		277,686,315,642	58,561,986,588
429	4. Non-controlling interests		40,240,855,016	15,694,207,225
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,291,059,515,965</b>	<b>2,451,627,793,608</b>

  
 Ngo Duc Nhat  
Preparer

  
 Pham Thi Tra My  
Chief Accountant

  
 Nguyen Ba Sang  
General Director


25 March 2019



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	27.1	1,126,585,482,301	989,145,459,985
02	2. Deductions	27.1	(1,173,653,331)	-
10	3. Net revenue from sales of goods and rendering of services	27.1	1,125,411,828,970	989,145,459,985
11	4. Cost of goods sold and services rendered	28	(724,016,231,591)	(767,833,548,272)
20	5. Gross profit from sales of goods and rendering of services		401,395,597,379	221,311,911,713
21	6. Finance income	27.2	53,743,371,458	17,474,218,625
22	7. Finance expenses	29	(27,334,453,188)	(21,954,703,779)
23	In which: Interest expense		(18,035,740,217)	(20,164,130,054)
24	8. Shares of loss of associates		(750,000)	(750,000,000)
25	9. Selling expenses	30	(49,073,551,748)	(48,093,749,235)
26	10. General and administrative expenses	30	(64,281,876,902)	(31,039,634,921)
30	11. Operating profit		314,448,336,999	136,948,042,403
31	12. Other income	31	398,157,084,352	4,329,593,502
32	13. Other expenses	31	(10,428,704,111)	(7,978,634,503)
40	14. Other profit (loss)	31	387,728,380,241	(3,649,041,001)
50	15. Accounting profit before tax		702,176,717,240	133,299,001,402
51	16. Current corporate income tax expense	32.1	(147,733,647,956)	(20,395,010,729)
52	17. Deferred tax income (expense)	32.3	11,358,845,388	(10,331,513,829)
60	18. Net profit after tax		565,801,914,672	102,572,476,844
61	19. Net profit after tax attributable to shareholders of the parent		292,640,552,761	58,561,986,588
62	20. Net profit after tax attributable to non-controlling interests		273,161,361,911	44,010,490,256
70	21. Basic earnings per share	26.5	15,111	3,239
71	22. Diluted earnings per share	26.5	15,111	2,998

Ngo Duc Nhat  
Preparer

Pham Thi Tra My  
Chief Accountant

Nguyen Ba Sang  
General Director

25 March 2019

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>702,176,717,240</b>	<b>133,299,001,402</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	13, 14, 15	2,296,289,810	2,372,283,232
03	Provisions		17,388,875,628	6,899,540,980
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		4,299,644,751	123,650,053
05	Profits from investing activities		(52,240,681,808)	(16,382,921,954)
06	Interest expenses	29	18,035,740,217	20,164,130,054
08	<b>Operating profit before changes in working capital</b>		<b>691,956,585,838</b>	<b>146,475,683,767</b>
09	Decrease (increase) in receivables		42,524,902,201	(418,254,682,233)
10	Decrease in inventories		592,690,116,400	381,160,869,166
11	(Decrease) increase in payables		(336,817,014,012)	178,667,044,482
12	Decrease in prepaid expenses		19,464,265,388	165,336,752,839
13	Increase in held-for-trading securities		(235,000,000,000)	-
14	Interest paid		(13,104,792,750)	(22,524,936,942)
15	Corporate income tax paid		(22,822,558,989)	(6,288,868,689)
20	<b>Net cash flows from operating activities</b>		<b>738,891,504,076</b>	<b>424,571,862,390</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(210,000,000)	(5,247,721,274)
22	Proceeds from disposal of fixed assets		181,818,182	-
23	Loans to other parties and bank term deposits		(1,072,320,287,451)	(182,793,057,873)
24	Collections from borrowers and bank term deposits		297,285,113,699	1,492,000,000
25	Payments for investments in other entities		(329,990,000,000)	-
26	Proceeds from sale of investments in other entities		51,109,673,839	-
27	Interest received		21,172,874,070	10,642,736,137
30	<b>Net cash flows used in investing activities</b>		<b>(1,032,770,807,661)</b>	<b>(175,906,043,010)</b>

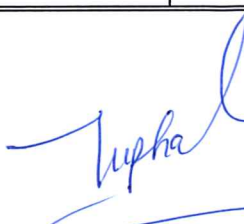
CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares		240,000,000,000	45,521,218,200
33	Drawdown of borrowings	24	328,196,957,397	443,907,781,979
34	Repayment of borrowings	24	(208,504,500,000)	(615,875,881,979)
36	Dividends paid to non-controlling interests		(20,190,623,473)	-
<b>40</b>	<b>Net cash flows from (used in) financing activities</b>		<b>339,501,833,924</b>	<b>(126,446,881,800)</b>
<b>50</b>	<b>Net increase in cash and cash equivalents</b>		<b>45,622,530,339</b>	<b>122,218,937,580</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>285,428,351,763</b>	<b>163,285,064,236</b>
61	Impact of exchange rate fluctuation		355,249	(75,650,053)
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>331,051,237,351</b>	<b>285,428,351,763</b>



Ngo Duc Nhat  
Preparer



Pham Thi Tra My  
Chief Accountant



Nguyen Ba Sang  
General Director

25 March 2019



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2018 and for the year then ended

**1. CORPORATE INFORMATION**

An Gia Real Estate Investment and Development Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 0311500196 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 7 August 2007, as amended.

The registered principal activities of the Company and its subsidiaries ("the Group") are real estate trading; real estate brokerage; real estate management; real estate exchange; management consulting; advertising; marketing research and public opinion polling; organisation of conventions and trading shows; construction of buildings; construction of other civil projects; construction of railways and roads; construction of utility projects; demolition and site preparation.

The Company's head office is located at No. 30, Nguyen Thi Dieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 31 December 2018 is 135 (31 December 2017: 125).

**Corporate structure**

As at 31 December 2018, the Company has five (5) direct subsidiaries and one (1) indirect subsidiary as follows:

Name of subsidiaries	Activities	Status of operation	% holding		% voting right	
			Ending balance	Beginning balance	Ending balance	Beginning balance
(1) CRE & AGI Consultant Joint Stock Company ("CRE & AGI") (i)	Consult operation and finance management	Operating	49.90	49.90	50	50
(2) An Gia Phu Thuan Real Estate Investment Company Limited ("Phu Thuan") (ii)	Trade real estate	Operating	49.90	49.90	100	100
(3) Kien Van Consultant Joint Stock Company (iii)	Consult operation and finance management	Pre-operating	99.98	99.98	99.98	99.98
(4) An Gia Group Real Estate Joint Stock Company (formerly Chan Phong Consultant Joint Stock Company) (iii)	Consult operation and finance management	Pre-operating	99.98	99.98	99.98	99.98
(5) Gia An Consultant Joint Stock Company (iii)	Consult operation and finance management	Pre-operating	99.98	-	99.98	-
(6) Hoang An Consultant Joint Stock Company (iii)	Consult operation and finance management	Pre-operating	99.98	-	99.98	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

**1. CORPORATE INFORMATION (continued)**

**Corporate structure (continued)**

- (i) The Company has been authorised by Mr Nguyen Ba Sang in relation to authorisation for the Company 0,1% voting right in CRE & AGI's equity in accordance with the Power of Attorney dated 15 July 2015. As a result, in accordance with the Company charter of CRE & AGI, the Company holds over 50% voting rights in CRE & AGI and became the parent company of CRE & AGI.
- (ii) Phu Thuan was an indirect subsidiary which owned 100% interest by CRE & AGI.
- (iii) As at the balance sheet date, the Company has not contributed capital to these subsidiaries (Note 34).

**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 Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the 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 its operations and its consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2 Applied accounting documentation system**

The applied accounting documentation system is 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2018.

Subsidiary is 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 subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting 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.

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

**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 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.

**3.3 Inventories**

*Inventory properties*

Inventory properties, comprising mainly real estate properties, 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 and is measured at the lower of cost and net realisable value.

Cost includes:

- Land use rights;
- Interest expense is capitalised;
- Construction and development costs; and
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**3.3 Inventories (continued)**

*Inventory properties (continued)*

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet 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 recognised in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on 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

**3.4 Receivables**

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

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

**3.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**3.7 Depreciation and amortisation**

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

Means of transportation	8 years
Office equipment	3 years
Computer software	3 years
Other intangible fixed assets	3 years

**3.8 Investment properties**

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

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

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

Apartment for lease	40 years
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Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

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

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and recorded as expense during the year in which they are incurred.

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.

**3.10 Prepaid expenses**

Prepaid expenses are reported as short-term and 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 prepaid expenses and are amortised from 1 to 3 years or recognised matching with revenue to the consolidated income statement.

- Tools and consumables with large value and can be used for more than one year;
- Office rental;
- Sample house expense; and
- Commission fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**3.11 Investments**

*Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint venture. The Group generally deems they have significant influence if they have from and above 20% of the voting rights.

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

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

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

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

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

*Provision for diminution in value of investments*

Provision is made for any diminution in value of investments at the balance sheet date in accordance with the guidance under 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 expense in the consolidated income statement.

**3.12 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.

**3.13 Provisions**

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

Provision for warranty obligation of apartments is estimated at from 1% to 2% on value of construction costs of projects based on different features of projects and the management's actual experience.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**3.14 Foreign currency transactions**

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

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currencies at year-end are taken to the consolidated income statement.

**3.15 Appropriation of net profits**

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.

**3.16 Earnings per share**

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

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

**3.17 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 completed property*

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

**3.17 Revenue recognition (continued)**

*Rendering of brokerage service and other services*

Revenue is recognised when rendering services is rendered and completed.

*Interest income*

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

*Dividends*

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

**3.18 Taxation**

*Current income tax*

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

*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 consolidated 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 income 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 income tax is also dealt with in the equity account.

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

**3.18 Taxation (continued)**

*Deferred tax (continued)*

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 on the same taxable entity by the same taxation entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.19 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. As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole, the management accordingly believed that the Group operates in a sole business segment of real estate. Geographical segment of the Group is in Vietnam only. Accordingly, segment information is not presented.

**3.20 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.

**4. TRANSFER OF INVESTMENT AND DIVIDE THE COMPANY**

**4.1 Transfer shares owned in Phu Hung Real Estate Investment Company Limited ("Phu Hung")**

On 1 February 2018, the Group completely transferred of 50.1% ownership at Phu Hung to Phat Dat Real Estate Development Corporation ("Phat Dat") with total proceeds of VND 50,000,000,000 in accordance with Share Transfer Contract dated 1 February 2018.

Accordingly, a gain of VND 11,354,062,335 from this transfer was recognised into the finance income in the consolidated income statement and Phu Hung was no longer a subsidiary of the Company.

**4.2 Transfer shares owned in AGI & ACT Consultant Joint Stock Company ("AGI & ACT")**

On 15 October 2018, the Group completely transferred fully original shares in AGI & ACT to an individual investor with total proceeds of VND 1,499,700,000 in accordance with Shareholders Meeting's Resolution No. 11/2018/QD-AGI & ACT-PL and Principal Share Transfer Contract dated 15 October 2018.

Accordingly, a gain of VND 222,105,000 from this disposal was recognised into the finance income in the consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**4. TRANSFER OF INVESTMENT AND DIVIDE THE COMPANY (continued)****4.3 Divide of An Gia Phu Thuan Real Estate Investment Limited ("Phu Thuan")**

On 22 April 2018, Shareholders Meeting of CRE & AGI - a subsidiary of the Group, approved the Decision No. 04B/2018/QD-CRE&AGI-PL about the plan to divide Phu Thuan into Phu Thuan Viet Real Estate Company Limited ("Phu Thuan Viet") with charter capital amounting to VND 260,000,000,000 which owned 100% interest by CRE & AGI. Accordingly, Phu Thuan's share capital was decreased to VND 20,000,000,000. This decrease was approved by the DPI of Ho Chi Minh City through the issuance of the 4th amended Enterprise Registration Certificate for Phu Thuan dated 27 April 2018.

In addition, according to Decision No. 02/2018/QD-PTV-PL dated 21 May 2018, Shareholders Meeting of CRE & AGI approved the plan to dissolve Phu Thuan Viet because there is no investment project and ineffective operation of this company. As the result, Phu Thuan Viet completed legal procedures to dissolve as required. This dissolve was approved by the DPI of Ho Chi Minh City through the issuance of the Official Announcement Letter to update the legal status dated 24 September 2018.

Accordingly, Phu Thuan Viet was no longer a subsidiary of the Group as at the balance sheet date.

**5. CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	502,646,706	1,319,748,513
Cash at banks	273,760,590,645	69,204,369,586
Cash equivalents (*)	56,788,000,000	214,904,233,664
<b>TOTAL</b>	<b>331,051,237,351</b>	<b>285,428,351,763</b>

(\*) Cash equivalents represent short-term bank deposits with original maturities of less than three months and earn interest from rate of 4.3% to 5.5% p.a.

*Additional information regarding the consolidated cash flow statement:*

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Significant non-cash transactions that are excluded from the consolidated cash flow statement:</b>		
Purchases of redeemable preference shares by transferring of loan receivables	129,248,500,000	-
Converts loan balance to equity	93,420,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**6. SHORT-TERM INVESTMENT****6.1. Held for trading securities**

			VND	
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>
Bond for trading				
- Azura Joint Stock Company (i)	705,000	70,500,000,000	-	-
- Bong Sen Joint Stock Company (ii)	66,500	66,500,000,000	-	-
- Yamagata One Member Company Limited (iii)	580,000	58,000,000,000	-	-
- Sunshine Group Joint Stock Company (iv)	400,000	40,000,000,000	-	-
<b>TOTAL</b>	<b>1,751,500</b>	<b>235,000,000,000</b>	<b>-</b>	<b>-</b>

(i) Bond of Azura Joint Stock Company with term of ten (10) years and maturity from 14 February 2028 to 2 October 2028 and earn interest ranging from 7% to 8% p.a.

(ii) Bond of Bong Sen Joint Stock Company with term of two (2) years and maturity on 30 August 2019 and earn interest ranging from 7.2% to 7.4% p.a.

(iii) Bond of Yamagata One Member Company with term of ten (10) years and maturity from 27 December 2027 to 10 August 2028 and earn interest ranging from 5.7% to 7.5% p.a.

(iv) Bond of Sunshine Group Joint Stock Company with term of three (3) years and maturity on 24 October 2021 and earn interest at the rate of 6.4% p.a.

**6.2. Held to maturity investments**

Held-to-maturity investments represent short-term deposits at commercial banks with original maturity from six (6) to twelve (12) months and earn interest at the rate from 5.1% to 8% p.a.

The bank deposits at Military Commercial Joint Stock Bank amounting to VND 20,000,000,000 were pledge as collateral for short term loans of the management of the Group, approved by the Decision of Board of Directors No. 15/2018/QD-HDQT-PL dated 25 December 2018.

**7. SHORT-TERM TRADE RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from individual customers buying apartments	59,007,064,140	46,245,088,889
Trade receivables from related parties (Note 33)	35,103,241,394	3,719,487,402
<b>TOTAL</b>	<b>94,110,305,534</b>	<b>49,964,576,291</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

## 8. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Tan Viet Phat Joint Stock Company	11,283,911,170	11,283,911,170
Redder Advertising Joint Stock Company	6,003,956,859	-
Tan Binh Investment and Construction Corporation	5,000,000,000	5,000,000,000
Redder Advertising Asia Joint Stock Company	4,955,254,878	-
Others	1,477,057,028	1,758,048,062
<b>TOTAL</b>	<b>28,720,179,935</b>	<b>18,041,959,232</b>

## 9. LOAN RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>649,742,000,000</b>	<b>3,000,000,000</b>
Loans to other parties	648,742,000,000	2,000,000,000
Loan to a related party (Note 33)	1,000,000,000	1,000,000,000
<b>Long-term</b>	<b>189,842,228,979</b>	<b>183,689,057,873</b>
Loan to related parties (Note 33)	189,842,228,979	183,689,057,873
<b>TOTAL</b>	<b>839,584,228,979</b>	<b>186,689,057,873</b>

Details of unsecured loans receivables from related parties as follows:

Borrower	Ending balance	Repayment term of principal	Interest rate
	VND		% p.a.
<b>Short-term</b>	<b>649,742,000,000</b>		
Loans to other parties	648,742,000,000		
Gia Linh Real Estate Corporation	275,779,000,000	28 November 2019	6
Thien An Management and Development Company Limited	180,700,000,000	From 29 March 2019 to 27 December 2019	6
Phat Dat (*)	80,000,000,000	2 July 2018	6
Dang Duong Real Estate Development Corporation	50,523,000,000	27 November 2019	6
AGI & GLC Consultant Joint Stock Company	19,270,000,000	19 December 2019	6
AGI & DDC Consultant Joint Stock Company	19,270,000,000	19 December 2019	6
AGI & HVC Consultant Joint Stock Company	18,770,000,000	19 December 2019	6
Danh Khoi Real Estate Services Corporation	2,000,000,000	28 November 2019	11
Danh Khoi Sai Gon Real Estate Investment Corporation	2,000,000,000	20 November 2019	11
Hung Vuong Real Estate Management and Development Corporation	430,000,000	24 November 2019	6
Loan to a related party	1,000,000,000		
Nam Hung Real Estate Corporation ("Nam Hung")	1,000,000,000	12 October 2019	11

(\*) At as the balance sheet date, the Group is in process to extend the repayment term of Phat Dat's lending contract.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**9. LOAN RECEIVABLES (continued)**

Details of unsecured loan receivables are as follows: (continued)

<i>Borrower</i>	<i>Ending balance</i>	<i>Repayment term of principal</i>	<i>Interest rate</i>
	<i>VND</i>		<i>% p.a.</i>
<b>Long-term</b>	<b>189,842,228,979</b>		
Loans to related parties	189,842,228,979		
AGI & HSR Consultant Joint Stock Company ("AGI & HSR")	174,250,000,000	16 June 2022	5
Mr Nguyen Ba Sang	11,559,728,979	1 January 2020	10
Nam Hung	3,896,000,000	1 January 2021	10
An Gia Thinh Vuong Real Estate Investment Corporation ("Thinh Vuong")	136,500,000	8 February 2020	6
<b>TOTAL</b>	<b>839,584,228,979</b>		

**10. OTHER RECEIVABLES**

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	
<b>Short-term</b>	<b>177,473,172,227</b>	<b>1,023,626,961,431</b>
Advance for investment (i)	130,000,000,000	-
Lending	22,058,708,410	11,321,827,447
Interest receivables	13,883,501,254	6,583,669,869
Advance to employees for business	6,381,695,155	6,577,537,726
Payments on behalf	2,400,458,441	1,967,052,940
Deposits	2,360,000,000	152,336,100,000
Receivables relating to terminate of the Joint Venture Agreement (ii)	-	826,321,680,094
Temporary payment of corporate income tax (iii)	-	5,619,302,893
Others	388,808,967	12,899,790,462
<b>Long-term</b>	<b>79,172,963,804</b>	<b>107,855,852,929</b>
Lending	63,700,000,000	101,416,253,889
Interest receivables	13,349,279,084	-
Deposits	2,123,684,720	6,439,599,040
<b>TOTAL</b>	<b>256,646,136,031</b>	<b>1,131,482,814,360</b>
Provision for doubtful short-term receivables	(1,610,000,000)	-
<b>NET</b>	<b>255,036,136,031</b>	<b>1,131,482,814,360</b>
<i>In which:</i>		
Short-term receivables from related parties (Note 33)	154,740,902,521	13,889,137,574
Long-term receivables from related parties (Note 33)	77,049,279,084	101,416,253,889
Due from third parties	24,855,954,426	1,016,177,422,897

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

**10. OTHER RECEIVABLES (continued)**

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

		VND
	Current year	Previous year
Beginning balance	-	-
Add: Provision created during the year	1,610,000,000	-
Ending balance	1,610,000,000	-

- (i) Advance for investment represent the amount that the Group make deposit for AGI & ACT Consultant Joint Stock Company - a related party to purchase shares of Thinh Phat Management and Development Joint Stock Company in accordance with Memo of transferring of shares dated 29 October 2018.
- (ii) Receivable incurred relating to the termination of the Joint Venture Agreement between Phat Dat, Phu Hung and CRE & AGI dated 26 April 2016 in relation to High-Rise Residential Project at Phu Thuan Ward, District 7, Ho Chi Minh City ("EverRich 2 project" or "River City project"). At the balance sheet date, the Group fully received this amount.
- (iii) In accordance with Circular No. 78/2014/TT-BTC issued by the Ministry of Finance on 18 June 2014 which provides guidelines for implementation of the Law on Corporate Income Tax ("CIT"), the Group is entitled to provisionally pay CIT at the rate of 1% on cash collections from its customers as pending the appropriate recognition of sales and cost of sales from those transactions.

**11. INVENTORIES**

		VND
	Ending balance	Beginning balance
Completed inventory properties	51,541,275,248	674,119,488,210
<i>An Gia Skyline</i>	43,192,113,189	611,522,868,887
<i>An Gia Riverside</i>	8,349,162,059	44,380,809,657
<i>An Gia Star</i>	-	17,443,491,276
<i>An Gia Garden</i>	-	772,318,390
Merchandise	1,253,568,174	-
<b>TOTAL</b>	<b>52,794,843,422</b>	<b>674,119,488,210</b>

**12. PREPAID EXPENSES**

		VND
	Ending balance	Beginning balance
<b>Short-term</b>	<b>12,222,120,310</b>	<b>36,313,408,073</b>
Rental fee of advertising panels	11,852,529,303	1,359,705,456
Commission	-	34,690,489,799
Others	369,591,007	263,212,818
<b>Long-term</b>	<b>13,746,587,089</b>	<b>9,119,564,714</b>
Office rental	12,987,678,105	-
Tools, supplies	292,577,915	829,131,239
Commission	187,567,178	8,091,322,365
Others	278,763,891	199,111,110
<b>TOTAL</b>	<b>25,968,707,399</b>	<b>45,432,972,787</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**13. TANGIBLE FIXED ASSETS**

			VND
	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>			
Beginning balance	13,537,545,455	830,079,500	14,367,624,955
Disposal	(2,137,018,182)	-	(2,137,018,182)
Ending balance	<u>11,400,527,273</u>	<u>830,079,500</u>	<u>12,230,606,773</u>
<i>In which:</i>			
<i>Fully depreciated</i>	-	556,724,500	556,724,500
<b>Accumulated depreciation</b>			
Beginning balance	(3,932,755,397)	(659,845,618)	(4,592,601,015)
Depreciation for the year	(1,558,759,279)	(73,127,700)	(1,631,886,979)
Disposal	797,729,934	-	797,729,934
Ending balance	<u>(4,693,784,742)</u>	<u>(732,973,318)</u>	<u>(5,426,758,060)</u>
<b>Net carrying amount</b>			
Beginning balance	<u>9,604,790,058</u>	<u>170,233,882</u>	<u>9,775,023,940</u>
Ending balance	<u>6,706,742,531</u>	<u>97,106,182</u>	<u>6,803,848,713</u>
<i>In which:</i>			
<i>Pledged as loans security (Note 24.3)</i>	2,036,774,207	-	2,036,774,207

**14. INTANGIBLE FIXED ASSETS**

			VND
	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
<b>Cost</b>			
Beginning balance	755,450,000	170,500,000	925,950,000
New purchase	90,000,000	-	90,000,000
Decrease due to disposal subsidiary	(90,000,000)	-	(90,000,000)
Ending balance	<u>755,450,000</u>	<u>170,500,000</u>	<u>925,950,000</u>
<i>In which:</i>			
<i>Fully amortised</i>	-	170,500,000	170,500,000
<b>Accumulated amortisation</b>			
Beginning balance	(389,395,824)	(151,916,657)	(541,312,481)
Amortisation for the year	(270,215,478)	(18,583,343)	(288,798,821)
Decrease due to disposal subsidiary	23,482,138	-	23,482,138
Ending balance	<u>(636,129,164)</u>	<u>(170,500,000)</u>	<u>(806,629,164)</u>
<b>Net carrying amount</b>			
Beginning balance	<u>366,054,176</u>	<u>18,583,343</u>	<u>384,637,519</u>
Ending balance	<u>119,320,836</u>	<u>-</u>	<u>119,320,836</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**15. INVESTMENT PROPERTIES**

VND

*Apartments for leased***Cost**

Beginning balance	16,738,600,508
Transfer from inventories	28,634,528,388
Ending balance	45,373,128,896

**Accumulated depreciation**

Beginning balance	(53,427,042)
Depreciation for the year	(375,604,010)
Ending balance	(429,031,052)

**Net carrying amount**

Beginning balance	16,685,173,466
Ending balance	44,944,097,844

*Additional disclosures:*

The rental income and operating expenses relating to investment properties were presented as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Rental income from investment properties	660,132,446	59,189,370
Direct operating expenses of investment properties that generated rental income during the year	375,604,010	53,427,042

The future annual rental receivable under the operating leases is disclosed in Note 34.

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2018. However, based on the current occupancy rate and the market value of these properties, management believes that these properties' fair values are higher than their carrying values at the balance sheet date.

**16. CONSTRUCTION IN PROGRESS**

Balance represented cost to upgrade the building located at No. 458, Nguyen Thi Minh Khai Street, Ward 2, District 3, Ho Chi Minh City, Vietnam.

**17. LONG-TERM INVESTMENTS**

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in associates (Note 17.1)	-	11,372,036,770
Investments in other entity (*)	129,248,500,000	-
<b>TOTAL</b>	<b>129,248,500,000</b>	<b>11,372,036,770</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

(\*) Investments in other entity represents the investments in 12,924,850 redeemable preference shares of AGI & ACT Consultant Joint Stock Company ("AGI & ACT").

AGI & ACT is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0314770698 issued by the DPI of Ho Chi Minh City on 4 December 2017, as amended with contributed charter capital of VND 130,748,500,000. The total number of shares is 13,074,850 shares, in which the number of ordinary shares and redeemable preference shares are 150,000 and 12,924,850 respectively, with par value of VND 10,000/share.

The terms and conditions relevant to the redeemable preference shares are as follows:

- For any dividend period where AGI & ACT declares and pays dividends to its ordinary shareholders, the redeemable preference shareholders shall also be entitled to receive and AGI & ACT shall pay thereon dividends payable annually as calculated from time to time ("floating dividend"). The floating dividend payable on each redeemable preference share, if declared, shall be equal to the declared dividend applicable for the relevant dividend period for each ordinary share;
- In the case of liquidation or dissolution of AGI & ACT or any distribution of assets of AGI & ACT for the purpose of winding up its affairs, each redeemable preference shareholder shall be entitled to the highest priority to receive the sum of the par value for such redeemable preference share, together with all dividends declared and unpaid to the date of distribution, before any amounts shall be paid or any assets of AGI & ACT shall be distributed to the holders of any outstanding shares of AGI & ACT other than the redeemable preference shares, subject to any distributions which are ranked in the higher priority by law. The redeemable preference shareholders shall not be entitled to share in any further distribution of the property or assets of AGI & ACT;
- At any time, subject to compliance with the Laws and provided that all the bank loans of AGI & ACT has been repaid or prepaid in full, each redeemable preference shareholder will have the right at its option, to require AGI & ACT to redeem all or part of its redeemable preference shares on the put redeemable date at the redemption price.
- AGI & ACT upon giving notice as hereinafter provided, may redeem all, or from time to time any part, of the outstanding redeemable preference shares, at the option of AGI & ACT, without the consent of the redeemable preference shareholders, to be stipulated an amount in cash for each such redeemable preference share to be redeemed at the redemption price.
- So long as any of the redeemable preference shares are outstanding, AGI & ACT shall not at any time, without the approval of the redeemable preference shareholders holding at least 80% of the outstanding redeemable preference shares (i) declare, pay or set apart for the payment any dividend on its ordinary shares; (ii) redeem or purchase any ordinary shares; or (iii) redeem or purchase less than all of the redeemable preference shares at any time;
- The redeemable preference shareholders are not entitled to vote at the Annual General Meeting of AGI & ACT;
- A redeemable preference shareholder shall be entitled to transfer any or all its redeemable preference shares to any third party; and
- Redemption price means the aggregate par value of the redeemable preference shares subject to a redemption.

AGI & ACT's head office is located at No. 30, Nguyen Thi Dieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam. The registered principal activity of this Company is to consult management service.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**17. LONG-TERM INVESTMENTS (continued)****17.1 Investment in associates**

Name	Operating	Status	Ending balance		Beginning balance	
			% Owner ship	Value VND	% Owner ship	Value VND
AGI & HSR (i)	Consult operation and finance management	Operating	50.1	-	50.1	-
Pakland Corporation ("Phuc An Khoi") (ii)	Real estate consult operation and management	Dissolution	-	-	35	11,372,036,770
<b>TOTAL</b>				<b>-</b>		<b>11,372,036,770</b>

- (i) In accordance with the Company charter of AGI & HSR, Hoosiers VN-1 Limited ("Hoosiers") has majority voting rights in the Board of Directors of AGI & HSR. Accordingly, AGI & HSR is not subsidiary of the Company.

As at 31 December 2018, 22,500 shares, equivalent to 30% equity interest of AGI & HSR owned by the Company were pledged as collateral for the short-term and long-term loans with Hoosiers (Notes 24.1 and 24.2).

- (ii) According to Decision No. 0618/QD dated 13 July 2018, Shareholders Meeting of Phuc An Khoi approved the plan to dissolve because there is ineffective operation of the company. As the result, Phuc An Khoi competed legal procedures to dissolve as required. This dissolve was approved by the DPI of Ho Chi Minh City through the issuance of the Official Announcement Letter to update the legal status dated 13 July 2018.

Accordingly, Phuc An Khoi was no longer an associate of the Group as at the balance sheet date.

Detail of investments in associates are as follows:

	AGI & HSR	Phuc An Khoi	VND Total
<b>Cost of investment:</b>			
Beginning balance	750,000,000	11,372,036,770	12,122,036,770
Increase	750,000	-	750,000
Decrease due to dissolution	-	(11,372,036,770)	(11,372,036,770)
Ending balance	750,750,000	-	750,750,000
<b>Accumulated share in post-acquisition loss of the associates:</b>			
Beginning balance	(750,000,000)	-	(750,000,000)
Share in post-acquisition loss of the associates	(750,000)	-	(750,000)
Ending balance	(750,750,000)	-	(750,750,000)
<b>Net carrying amount:</b>			
Beginning balance	-	11,372,036,770	11,372,036,770
Ending balance	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**18. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to suppliers	168,241,726,462	167,816,074,023
- <i>Ricons Construction Investment Joint Stock Company</i>	162,851,993,025	158,753,256,041
- <i>Other suppliers</i>	5,389,733,437	9,062,817,982
Trade payables to a related party (Note 33)	1,154,023,071	2,366,901,008
<b>TOTAL</b>	<b><u>169,395,749,533</u></b>	<b><u>170,182,975,031</u></b>

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advance from other parties	133,551,668,672	634,596,709,247
- <i>Covestcons Company Limited (*)</i>	130,000,000,000	-
- <i>Individual customers purchasing apartments</i>	3,551,668,672	634,596,709,247
Advance from a related party (Note 33)	-	1,560,774,616
<b>TOTAL</b>	<b><u>133,551,668,672</u></b>	<b><u>636,157,483,863</u></b>

(\*) This amount represents the advance for purchasing apartments of An Gia Skyline and An Gia Riverside in accordance to Contract of transfer agreement dated 29 September 2018.

**20. STATUTORY OBLIGATION**

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
Corporate income tax	21,914,263,620	142,191,389,422	(22,879,538,989)	141,226,114,053
Value added tax	8,153,646,955	43,623,026,156	(51,644,594,366)	132,078,745
Personal income tax	2,122,451,452	7,055,401,609	(8,810,513,798)	367,339,263
Others	823,328,922	964,337,617	(1,787,666,539)	-
<b>TOTAL</b>	<b><u>33,013,690,949</u></b>	<b><u>193,834,154,804</u></b>	<b><u>(85,122,313,692)</u></b>	<b><u>141,725,532,061</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**21. SHORT-TERM ACCRUED EXPENSES**

	VND	
	Ending balance	Beginning balance
Land use rights expenses	32,200,746,522	28,276,397,448
Payables to brokers and consultants	14,199,831,441	44,080,098,714
Bonus to employees	8,000,000,000	4,844,486,000
Interest expenses	7,100,809,637	2,169,862,170
Late payment expenses	3,972,138,800	3,972,138,800
Payables to constructors	1,012,464,729	30,554,321,985
Payables for purchase apartments	-	15,369,034,960
Others	2,832,297,545	2,631,136,199
<b>TOTAL</b>	<b>69,318,288,674</b>	<b>131,897,476,276</b>
<i>In which:</i>		
<i>Due to other parties</i>	55,199,770,069	113,328,560,371
<i>Due to related parties (Note 33)</i>	14,118,518,605	18,568,915,905

**22. SHORT-TERM UNEARNED REVENUES**

Balance represents the unrealised profit relating to brokerage and consultant services rendered to An Gia Phu Thinh Joint Stock Company ("Phu Thinh"). As at 31 December 2018, the Group's associate was AGI & HSR, which owned 99.998% interest in Phu Thinh. Accordingly, Phu Thinh was an indirect associate of the Group.

**23. OTHER SHORT-TERM PAYABLES**

	VND	
	Ending balance	Beginning balance
Dividend payables to non-controlling interest	232,152,251,813	-
Advance received for selling trading bonds (i)	149,000,000,000	-
Received on behalf	129,700,000,000	-
Maintenance fees received on behalf	8,616,366,891	24,583,659,825
Land use rights certificate received on behalf	4,455,000,000	353,985,868
Deposits received in relation to rendering of commission service	4,061,774,451	26,492,779,983
Return due to termination of contracts	2,095,422,707	15,036,475,163
Temporary receivable from Phat Dat due to liquidation of Joint Venture Agreement (ii)	-	850,880,000,000
Borrowing	-	18,505,674,853
Others	2,120,751,314	12,173,894,323
<b>TOTAL</b>	<b>532,201,567,176</b>	<b>948,026,470,015</b>
<i>Of which:</i>		
<i>Due to other parties</i>	166,814,967,452	906,467,285,010
<i>Due to related parties (Note 33)</i>	365,386,599,724	41,559,185,005

(i) This is amount advanced from VPS Securities Joint Stock Company for bond trading.

(ii) At the previous year balance sheet date, the Group received temporary amount from Phat Dat in relation to termination of the Joint Venture Agreement as mentioned in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**24. LOANS**

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>255,375,757,397</b>	<b>184,786,500,000</b>
Short-term loans from related parties (Note 24.1)	254,536,957,397	45,000,000,000
Current portion of loans from banks (Note 24.3)	838,800,000	958,800,000
Current portion of loan from a related party	-	105,854,700,000
Short-term loan from banks	-	22,973,000,000
Short-term loan from an individual	-	10,000,000,000
<b>Long-term</b>	<b>107,143,400,000</b>	<b>144,700,200,000</b>
Long-term loan from related parties (Note 24.2)	106,904,000,000	143,262,000,000
Long-term loans from banks (Note 24.3)	239,400,000	1,438,200,000
<b>TOTAL</b>	<b>362,519,157,397</b>	<b>329,486,700,000</b>

Movement of loans are as follows:

	VND	
	Current year	Previous year
Beginning balance	329,486,700,000	501,406,800,000
Drawdown of borrowings	328,196,957,397	443,907,781,979
Repayment of borrowings	(208,504,500,000)	(615,875,881,979)
Transfer to share capital (Note 26.1)	(93,420,000,000)	-
Foreign exchange differences	4,300,000,000	48,000,000
Loss on exchange rate due to convertible loan	2,460,000,000	-
Ending balance	362,519,157,397	329,486,700,000

**24.1 Short-term loans from related parties**

Details of the short-term loans from related parties, are as follows:

Details of the short term loans from related parties, are as follows:

Vendor	Ending balance		Principal repayment term	VND
	VND	Original currency - US Dollar ("USD")		Interest %/p.a.
<b>Hoosiers VN-1 Limited (i)</b>				
Loan 1	185,920,000,000	8,000,000	2 June 2019	5
<b>An Gia Phu Thinh Joint Stock Company</b>				
Unsecured loan 1	68,616,957,397	-	31 January 2019	6
<b>TOTAL</b>	<b>254,536,957,397</b>	<b>8,000,000</b>		

(i) This loan is pledged by 22,500 shares, is equivalent to 30% charter capital of AGI & HSR - Associate.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**24. LOANS (continued)****24.2 Long-term loan from a related party**

Details of the long-term loan from a related party for financing working capital, are as follows:

Vendor	Ending balance		Principal repayment term	Interest %/p.a.
	VND	Original currency - USD		
Hoosiers VN-1 Limited (i)				
Loan 1	106,904,000,000	4,600,000	5 June 2022	5

(i) This loan is pledged by 22,500 shares, is equivalent to 30% charter capital of AGI & HSR - Associate.

**24.3 Long-term loans from banks**

Details of long-term loans from banks to finance for purchasing means of transportation, are as follows:

Bank	Ending balance	Principal repayment term	Interest rate	Description of collaterals
	VND		% p.a.	
Vietnam Joint Stock Commercial Bank for Industry and Trade				
Loan 1	718,200,000	From 27 January 2019 to 27 June 2020	10.5	Means of transportation
United Overseas Bank				
Loan 1	360,000,000	From 25 January 2019 to 25 May 2020	10	Means of transportation
TOTAL	1,078,200,000			

In which:

<i>Current portion of</i>	
<i>long-term loans</i>	838,800,000
<i>Long-term loans</i>	239,400,000

**25. LONG-TERM PROVISIONS**

The balance represents the provision for apartment warranty for apartments completed and handed over as at the balance sheet date at range from 1% to 2% of construction cost, based on different features of projects and the management's actual experience.

# An Gia Real Estate Investment and Development Corporation

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

## 26. OWNERS' EQUITY

### 26.1 Increase and decrease in owners' equity

	Share capital	Share premium	Undistributed earnings (accumulated losses)	Non-controlling interests	Total	VND
<b>Previous year</b>						
Beginning balance	100,000,000,000	-	(31,016,223,707)	(28,337,483,031)	40,646,293,262	
Issuance of shares	5,263,160,000	40,236,858,200	-	-	45,500,018,200	
Capital contribution from non-controlling interests	-	-	-	21,200,000	21,200,000	
Net profit for the year	-	-	58,561,986,588	44,010,490,256	102,572,476,844	
Ending balance	105,263,160,000	40,236,858,200	27,545,762,881	15,694,207,225	188,739,988,306	
<b>Current year</b>						
Beginning balance	105,263,160,000	40,236,858,200	27,545,762,881	15,694,207,225	188,739,988,306	
Issuance of shares for the convertible loan (i)	26,315,790,000	67,104,210,000	-	-	93,420,000,000	
Issuance of shares from share premium (ii)	35,921,050,000	(35,921,050,000)	-	-	-	
Issuance of dividend shares (ii)	42,500,000,000	-	(42,500,000,000)	-	-	
Issuance of shares (iii)	240,000,000,000	-	-	-	240,000,000,000	
Increase due to disposal of investment	-	-	-	3,728,161,166	3,728,161,166	
Dividend for non-controlling interest	-	-	-	(252,342,875,286)	(252,342,875,286)	
Net profit for the year	-	-	292,640,552,761	273,161,361,911	565,801,914,672	
Ending balance	450,000,000,000	71,420,018,200	277,686,315,642	40,240,855,016	839,347,188,858	

(i) On 26 July 2015, the Group obtained convertible loan of USD 4,000,000 from Creed Investment VN-1 Limited ("Creed") with term of 3 years from the date of borrowing. The lender holds the right to convert the loan partially or fully up to 20% charter capital of the Company during the loan period. The conversion rate is USD 100,000 for each 0.5% of the Company's charter capital after the conversion is completed.

# An Gia Real Estate Investment and Development Corporation

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

## 26. OWNERS' EQUITY (continued)

### 26.1 Increase and decrease in owners' equity (continued)

- (i) On 6 September 2018, the Company issued additional 2,631,579 ordinary shares at the price of VND 35,500/share to Creed. The transaction was approved under the Notice of transferring of loan to capital from Creed dated 9 August 2018 and Shareholders' Meeting minute No. 10/2018/BBH-AG-PL dated 27 August 2018.
- On 11 September 2018, the DPI of Ho Chi Minh City issued the 6<sup>th</sup> Amended BRC approving the increase of share capital. Accordingly, the Company's share capital has been increased from VND 105,236,160,000 to VND 131,578,950,000 as at that date.
- (ii) On 18 October 2018, the Company issued additional 3,592,105 ordinary shares from share premium and 4,250,000 ordinary shares at par value to pay dividend 2017 and advance for dividend 2018 in accordance with the Shareholders' Meeting minute No. 13/2018/BBH-AG-PL dated 18 October 2018.
- On 26 October 2018, the DPI of Ho Chi Minh City issued the 7<sup>th</sup> Amended BRC approving the increase of share capital. Accordingly, the Company's share capital has been increased from VND 131,578,950,000 to VND 210,000,000,000 as at that date.
- (iii) On 20 December 2018, the Company issued additional 24,000,000 ordinary shares at par value to the Company's existing shareholders in accordance with the Shareholders' Meeting minute No. 14/2018/BBH-AG-PL dated 20 December 2018.
- On 28 December 2018, the DPI of Ho Chi Minh City issued the 8<sup>th</sup> Amended BRC approving the increase of share capital. Accordingly, the Company's share capital has been increased from VND 210,000,000,000 to VND 450,000,000,000 as at that date.

### 26.2 Contributed charter capital

	Ending balance		Beginning balance	
	Number of shares	VND	Number of shares	VND
Mr Nguyen Ba Sang	25,992,000	259,920,000,000	7,600,000	76,000,000,000
Creed Investment VN-1 Limited	9,000,000	90,000,000,000	-	-
Mr Nguyen Trung Tin	3,420,000	34,200,000,000	1,000,000	10,000,000,000
Ms Nguyen Quynh Giang	3,420,000	34,200,000,000	1,000,000	10,000,000,000
Hoosier VN-1 Limited	1,800,000	18,000,000,000	526,316	5,263,160,000
Ms Ho Thi Nguyet Anh	684,000	6,840,000,000	200,000	2,000,000,000
Ms Nguyen Huong Giang	684,000	6,840,000,000	200,000	2,000,000,000
<b>TOTAL</b>	<b>45,000,000</b>	<b>450,000,000,000</b>	<b>10,526,316</b>	<b>105,263,160,000</b>
				<b>100</b>

Par value of share: 10,000 VND/share. Shareholders holding common shares of the Company are entitled to receive dividends declared by the Company. Each common stock represents a voting right, without restriction.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**26. OWNERS' EQUITY (continued)****26.3 Capital transactions with owners**

		VND
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	105,263,160,000	100,000,000,000
Convertible loan	26,315,790,000	-
Dividends shares	42,500,000,000	-
Transfer from share premium	35,921,050,000	-
New issuance	240,000,000,000	5,263,160,000
Ending balance	<u>450,000,000,000</u>	<u>105,263,160,000</u>
<b>Dividends declared during the year</b>		
Dividends on ordinary shares		
Dividends declared on ordinary shares	42,500,000,000	-

**26.4 Shares**

	Quantity	
	Ending balance	Beginning balance
Authorised shares	450,000,000	105,263,160
Issued shares		
Issued and paid-up shares		
Ordinary shares	450,000,000	105,263,160
Shares in circulation		
Ordinary shares	450,000,000	105,263,160

**26.5 Earning per shares**

Basic and diluted earnings per share are calculated as follows:

	Current year	Previous year
<b>Net profit after tax (VND)</b>	292,640,552,761	58,561,986,588
Net interest after tax on convertible loan charged to the consolidated income statement (VND)	-	3,547,059,910
<b>Net profit attributable to ordinary shareholders (VND)</b>	<u>292,640,552,761</u>	<u>62,109,046,498</u>
Weighted average number of ordinary shares during the year (VND) (i)	19,365,970	18,082,913
Adjusted weighted average number of potential shares from convertible loan (VND)	-	2,631,579
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>19,365,970</b>	<b>20,714,492</b>
<b>Earnings per share (VND)</b>		
Basic earnings per share	15,111	3,239
Diluted earnings per share	15,111	2,998

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**26. OWNERS' EQUITY (continued)****26.5 Earning per shares (continued)**

- (i) The weighted average number of shares in circulation for the year ended 31 December 2017 were adjusted to reflect the issuance of 7,842,105 shares as issuance shares from share premium and dividend shares to the Company's existing shareholders in 2018.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

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

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>1,126,585,482,301</b>	<b>989,145,459,985</b>
<i>In which:</i>		
Revenue from sale of apartments	1,048,633,252,819	892,731,363,302
Revenue from brokerage service	53,438,698,978	55,583,940,776
Revenue from consulting service	11,244,501,728	17,485,978,782
Revenue from other services	13,269,028,776	19,408,722,579
Sale of others	-	3,935,454,546
<b>Deduction</b>	<b>(1,173,653,331)</b>	<b>-</b>
<b>NET</b>	<b>1,125,411,828,970</b>	<b>989,145,459,985</b>
<i>In which:</i>		
Sales to others	1,020,163,074,690	915,930,929,472
Sales to related parties (Note 33)	105,248,754,280	73,214,530,513

**27.2 Finance income**

	VND	
	Current year	Previous year
Interest income	41,821,984,539	17,226,406,006
Gain from disposal of investments	11,576,167,335	-
Others	345,219,584	247,812,619
<b>TOTAL</b>	<b>53,743,371,458</b>	<b>17,474,218,625</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

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

	VND	
	Current year	Previous year
Cost of apartments sold	655,766,019,205	674,496,323,321
Cost of brokerage service rendered	42,308,544,014	53,177,282,213
Cost of consultant service rendered	10,894,936,391	16,877,158,764
Cost of other services rendered	15,046,731,981	19,567,175,114
Cost of others	-	3,715,608,860
<b>TOTAL</b>	<b>724,016,231,591</b>	<b>767,833,548,272</b>

**29. FINANCE EXPENSES**

	VND	
	Current year	Previous year
Interest expenses	18,035,740,217	20,164,130,054
Foreign exchange losses	6,850,433,106	47,934,321
Payment discount	1,359,810,728	1,663,343,890
Interest expense of maintenance fee	1,015,631,301	-
Others	72,837,836	79,295,514
<b>TOTAL</b>	<b>27,334,453,188</b>	<b>21,954,703,779</b>

**30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	Current year	Previous year
<b>Selling expenses</b>	<b>49,073,551,748</b>	<b>48,093,749,235</b>
Commission and sample house expenses	47,270,051,708	47,913,603,733
Others	1,803,500,040	180,145,502
<b>General and administrative expenses</b>	<b>64,281,876,902</b>	<b>31,039,634,921</b>
Labor cost	32,018,291,420	16,949,464,451
External services expenses	26,120,317,049	10,669,662,524
Depreciation and amortisation expenses	1,883,203,658	970,494,898
Provision of doubtful receivables	1,610,000,000	-
Tools and supplies	764,600,371	540,734,082
Others	1,885,464,404	1,909,278,966
<b>TOTAL</b>	<b>113,355,428,650</b>	<b>79,133,384,156</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**31. OTHER INCOME AND EXPENSES**

	VND	
	Current year	Previous year
<b>Other income</b>	<b>398,157,084,352</b>	<b>4,329,593,502</b>
Penalty from disposal contract	397,929,593,006	4,022,273,377
<i>Phat Dat (i)</i>	350,000,000,000	-
<i>Tae Kwang Vina Industrial</i>		
<i>Joint Stock Company (ii)</i>	45,690,000,000	-
<i>Others</i>	2,239,593,006	4,022,273,377
Other incomes	227,491,346	307,320,125
<b>Other expense</b>	<b>10,428,704,111</b>	<b>7,978,634,503</b>
Penalty paid	8,703,157,693	4,363,706,900
Loss from disposal of fixed assets	1,157,470,066	1,390,836,808
Written-off receivables	-	1,976,310,249
Others	568,076,352	247,780,546
<b>NET OTHER PROFIT (LOSS)</b>	<b>387,728,380,241</b>	<b>(3,649,041,001)</b>

- (i) In accordance with Joint Venture Agreement dated 26 April 2016 and supplemented appendices dated 5 May 2016 and 1 August 2016 which were signed by Phat Dat, CRE & AGI, Phu Hung, and the Company ("the Joint Venture Agreement"), Phu Hung is an exclusive organisation of marketing, advertising and selling a group of products under River City High-Rise Residential Project at Phu Thuan Ward, District 7, Ho Chi Minh City. On 8 February 2018, the parties of the Joint Venture Agreement signed Termination Minutes following the request from Phat Dat. Accordingly, Phat Dat has obligation to settle the compensation for the Group due to termination of this Joint Venture Agreement with amount of VND 350,000,000,000. As at the balance sheet date, the Group already received fully this compensation.
- (ii) This amount represents income of penalty charged to Tae Kwang Vina Industrial Joint Stock Company due to the cancelation contract and their obligation were not met as commitment. As at the balance sheet date, the Group already received fully this amount.

**32. CORPORATE INCOME TAX**

The CIT rate applicable to the Group is 20% of taxable income.

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

**32.1 CIT expense**

	VND	
	Current year	Previous year
Current tax expense	146,902,396,947	20,223,109,545
Adjustment for under accrual of tax from prior years	831,251,009	171,901,184
Deferred tax (income) expense	(11,358,845,388)	10,331,513,829
<b>TOTAL</b>	<b>136,374,802,568</b>	<b>30,726,524,558</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**32. CORPORATE INCOME TAX (continued)****32.1 CIT expense (continued)**

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>702,176,717,240</b>	<b>133,299,001,402</b>
At CIT rate applicable to the Group	140,435,343,448	26,659,800,280
<i>Adjustments:</i>		
Non-deductible expenses	5,735,453,365	2,626,064,286
Adjustments for over accrual from prior years	831,251,009	171,901,184
Unrecognised deferred tax asset for tax loss	61,425,045	1,444,546,438
Share loss from associate	150,000	150,000,000
Consolidated adjustments	(7,510,497,892)	(325,787,630)
Tax loss carried forward	(3,178,322,407)	-
<b>CIT expense</b>	<b>136,374,802,568</b>	<b>30,726,524,558</b>

**32.2 Current tax**

The current CIT payable is based on taxable income for the current year. The taxable income 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 by the consolidated balance sheet date.

**32.3 Deferred tax**

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

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Unrealised profit	11,358,845,388	-	11,358,845,388	-
Selling expenses have yet been deductible in the year	-	-	-	(8,408,826,917)
Tax losses carried forward	-	-	-	(1,922,686,912)
<b>Deferred tax assets</b>	<b>11,358,845,388</b>	<b>-</b>		
<b>Net deferred tax credit (charge) to income statement</b>			<b>11,358,845,388</b>	<b>(10,331,513,829)</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

**33. TRANSACTIONS WITH RELATED PARTIES**

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

			VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Creed	Major shareholder	Dividend	251,839,196,627	-
		Convert loan to capital contribution	93,420,000,000	-
		Capital contribution	48,000,000,000	-
		Loan repayment	38,709,000,000	45,560,000,000
		Interest expenses	5,153,906,803	15,725,703,555
Hoosiers	Shareholder	Loan	183,920,000,000	104,604,000,000
		Interest expenses	9,975,148,912	3,034,074,276
		Capital contribution	9,600,000,000	45,500,018,200
Mr Nguyen Ba Sang	Chairman of Board of Directors ("BOD")	Capital contribution	138,624,000,000	-
		Received on behalf	85,000,000,000	-
		Lending	26,305,641,058	18,954,154,148
		Lending	6,016,671,106	5,543,057,873
		Revenue from sales of apartment	5,312,624,879	-
Phu Thinh	Associate	Loan	130,216,957,397	-
		Revenue from brokerage and consulting services	64,683,200,660	73,214,530,513
		Interest expenses	2,499,882,514	-
		Lending	-	102,210,000,000
		Deposit received	-	65,000,000,000
		Interest income	-	1,692,736,877
AGI & ACT	Related party	Deposit	130,000,000,000	-
		Transfer loan to redeemable preference shares	129,248,500,000	-
		Lending	65,932,500,000	-
		Lending received	39,663,100,000	-
Mr Nguyen Trung Tin	Member of BOD	Received on behalf	44,700,000,000	-
		Lending	36,695,080,000	15,517,665,000
		Capital contribution	18,240,000,000	-
		Revenue from sales of apartment	7,678,852,687	-
Nam Hung	Related party	Brokerage fee	41,800,243,869	1,000,000,000
		Lending	1,000,000,000	1,000,000,000
		Lending received	1,000,000,000	-
		Interest income	392,158,904	-
Ms Nguyen Quynh Giang	Member of BOD	Capital contribution	18,240,000,000	-
		Revenue from sales of apartment	12,141,675,819	-
		Lending	1,000,000,000	1,000,000,000
		Consulting service	-	6,931,064,267



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**33. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

Related parties	Relationship	Transactions	VND	
			Current year	Previous year
Ms Vu Thi Thom	Related party	Revenue from sales of apartment	15,432,400,235	-
		Interest expenses	-	220,000,000
AGI & HSR	Associate	Interest income	9,038,090,536	4,291,188,548
		Lending	-	174,250,000,000
Ms Ho Thi Nguyet Anh	Member of BOD	Capital contribution	3,648,000,000	-
Ms Nguyen Mai Giang	Related party	Advance for purchase of apartments	-	3,060,774,616
		Interest expenses	-	198,402,778

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

			VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term trade receivables</b>				
Ms Vu Thi Thom	Related party	Sell apartment	11,562,075,993	
Phu Thinh	Associate	Rendering of services	8,968,302,064	3,719,487,402
Mr Nguyen Trung Tin	Member of BOD	Sell apartment	8,394,067,669	-
Mr Nguyen Ba Sang	Chairman of BOD	Sell apartment	5,809,938,394	-
Ms Nguyen Quynh Giang	Member of BOD	Sell apartment	368,857,274	-
			<b>35,103,241,394</b>	<b>3,719,487,402</b>
<b>Short-term loan receivable</b>				
Nam Hung	Related party	Lending	1,000,000,000	1,000,000,000
<b>Long-term loan receivables</b>				
AGI & HSR	Associate	Lending	174,250,000,000	174,250,000,000
Mr Nguyen Ba Sang	Chairman of BOD	Lending	11,559,728,979	5,543,057,873
Nam Hung	Related party	Lending	3,896,000,000	3,896,000,000
Thinh Vuong	Related party	Lending	136,500,000	-
			<b>189,842,228,979</b>	<b>183,689,057,873</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 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)

Related parties	Relationship	Transactions	VND	
			Ending balance	Beginning balance
<b>Other short-term receivables</b>				
AGI & ACT	Related party	Deposit Lending	130,000,000,000 10,000,000	- -
Mr Nguyen Ba Sang	Chairman of BOD	Lending Maintenance fee Advance	16,954,969,283 136,799,165 73,800,870	6,000,000,000 - 2,115,989,026
Mr Nguyen Trung Tin	Member of BOD	Lending Maintenance fee Advance	2,000,000,000 153,577,054 151,500,002	- - -
Ms Nguyen Huong Giang	Member of BOD	Lending	2,000,000,000	-
Ms Nguyen Mai Giang	Related party	Lending	1,092,360,000	1,092,360,000
Ms Nguyen Quynh Giang	Member of BOD	Lending	1,000,000,000	-
Nam Hung	Related party	Interest income	779,200,000	389,600,000
Ms Vu Thi Thom	Related party	Maintenance fee	388,696,147	-
AGI & HSR	Associate	Interest income	-	4,291,188,548
			<b>154,740,902,521</b>	<b>13,889,137,574</b>
<b>Other long-term receivables</b>				
Mr Nguyen Ba Sang	Chairman of BOD	Lending	60,000,000,000	80,834,817,639
AGI & HSR	Associate	Interest income	13,349,279,084	-
Ms Ho Thi Nguyet Anh	Member of BOD	Lending	2,000,000,000	2,000,000,000
Ms Nguyen Huong Giang	Member of BOD	Lending	1,700,000,000	2,700,000,000
Mr Nguyen Trung Tin	Member of BOD	Lending	-	15,881,436,250
			<b>77,049,279,084</b>	<b>101,416,253,889</b>
<b>Short-term trade payable</b>				
Nam Hung	Related party	Brokerage services	1,154,023,071	2,366,901,008
<b>Short-term advances from customers</b>				
Ms Nguyen Mai Giang	Related party	Advance for purchase of apartments	-	1,560,774,616

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 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	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term accrued expenses</b>				
Nam Hung	Related party	Brokerage service	7,017,708,968	9,467,989,468
Hoosiers	Shareholder	Interest expenses	4,660,734,247	-
Phu Thinh	Associate	Interest expenses	2,440,075,390	-
Ms Nguyen Quynh Giang	Member of BOD	Purchase of services	-	6,931,064,267
Creed	Major shareholder	Interest expenses	-	2,169,862,170
			<b>14,118,518,605</b>	<b>18,568,915,905</b>
<b>Other short-term payables</b>				
Creed	Major shareholder	Dividend	231,826,198,627	-
Mr Nguyen Ba Sang	Chairman of BOD	Received on behalf Dividend	85,000,000,000 326,053,186	- -
Mr Nguyen Trung Tin	Member of BOD	Received on behalf Payment on behalf	44,700,000,000 40,000,000	- -
Phu Thinh	Associate	Deposit Receive on behalf	3,414,347,911 -	26,492,779,983 353,985,868
Ms Nguyen Quynh Giang	Member of BOD	Payment on behalf Advance for purchase of real estate	80,000,000 -	- 1,560,774,616
Phuc An Khoi	Associate	Borrowing	-	11,283,911,170
Ms Nguyen Mai Giang	Related party	Borrowing Interest expenses	- -	1,228,080,590 198,402,778
Mr Nguyen Ba Ngoc	Related party	Interest expenses	-	221,250,000
Ms Vu Thi Thom	Related party	Interest expenses	-	220,000,000
			<b>365,386,599,724</b>	<b>41,559,185,005</b>
<b>Short-term loans</b>				
Hoosiers	Shareholder	Loan	185,920,000,000	-
Phu Thinh	Associate	Loan	68,616,957,397	45,000,000,000
Creed	Major shareholder	Loan	-	105,854,700,000
			<b>254,536,957,397</b>	<b>150,854,700,000</b>
<b>Long-term loans</b>				
Hoosiers	Shareholder	Loan	106,904,000,000	104,604,000,000
Creed	Major shareholder	Loan	-	38,658,000,000
			<b>106,904,000,000</b>	<b>143,262,000,000</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended**33. TRANSACTIONS WITH RELATED PARTIES (continued)***Transactions with other related parties*

Remuneration to members of the Board of Directors and Management:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	<u>11,986,628,830</u>	<u>14,961,699,819</u>

**34. COMMITMENTS***Operating lease commitment (lessee)*

The Group leases office under operating lease arrangements. The minimum lease commitment as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	-	8,153,632,632
From 1 - 5 years	-	35,363,589,408
More than 5 years	-	282,621,739,026
<b>TOTAL</b>	<u>-</u>	<u>326,138,961,066</u>

*Operating lease commitment (lessor)*

The Group lets out commercial area under operating lease arrangement. The future minimum rental receivables as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	1,749,440,779	260,433,000
From 1 - 5 years	10,317,038,969	878,961,375
More than 5 years	<u>11,066,884,612</u>	-
<b>TOTAL</b>	<u>23,133,364,360</u>	<u>1,139,394,375</u>

*Capital commitments*

At the balance sheet date, the Group has a commitment of VND 5,998,800,000 related to investment to subsidiaries.

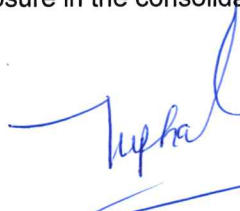
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2018 and for the year then ended

**35. EVENT 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.



Ngo Duc Nhat  
Preparer



Pham Thi Tra My  
Chief Accountant



Nguyen Ba Sang  
General Director

25 March 2019

