

Refrigeration Electrical Engineering Corporation

Interim consolidated financial statements

For the six-month period ended 30 June 2020

Refrigeration Electrical Engineering Corporation

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Refrigeration Electrical Engineering Corporation

GENERAL INFORMATION

THE COMPANY

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended Enterprise Registration Certificate No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City on 3 August 2020.

The Company's share is listed on the Ho Chi Minh City Stock Exchange in accordance with the License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company and its subsidiaries ("the Group") are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, produce, transmit and distribute electricity, and strategic financial investments in infrastructure related sector.

The Company's registered head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Madam Nguyen Thi Mai Thanh	Chairwoman	
Mr Benjamin Herrenden Birks	Deputy Chairman	appointed on 19 May 2020
Mr David Alexander Newbigging	Deputy Chairman	resigned on 15 May 2020
Mr Nguyen Ngoc Thai Binh	Member	
Mr Dang Hong Tan	Member	
Mr Stephen Patrick Gore	Member	

INTERNAL AUDIT FUNCTION UNDER THE BOARD OF DIRECTORS

Internal Audit Function under the Board of Directors during the period and at the date of this report are:

Mr Dang Hong Tan	Head
Mr Stephen Patrick Gore	Member
Mr Tran Van Quang	Member

MANAGEMENT

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

Mr Huynh Thanh Hai	General Director	appointed on 1 August 2020
Madam Nguyen Thi Mai Thanh	General Director	term ended as at 1 August 2020
Mr Pham Quoc Thang	Deputy General Director	
Mr Nguyen Ngoc Thai Binh	Deputy General Director	appointed on 1 August 2020
Mr Nguyen Quang Quyen	Deputy General Director	appointed on 1 August 2020

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2020 to 2 August 2020 was Madam Nguyen Thi Mai Thanh and from 3 August 2020 up to the date of this report is Mr Huynh Thanh Hai.

AUDITORS

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

Refrigeration Electrical Engineering Corporation

REPORT OF MANAGEMENT

Management of Refrigeration Electrical Engineering Corporation ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020.

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

Management is responsible for the interim consolidated financial statements of the Group which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim 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 interim consolidated financial statements; and
- prepare the interim 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 interim 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 interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2020 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of the management:



Huỳnh Thanh Hai
General Director

Ho Chi Minh City, Vietnam

10 August 2020

Reference: 60752771-21912458/LR-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders and the Board of Directors of Refrigeration Electrical Engineering Corporation

We have reviewed the accompanying interim consolidated financial statements of Refrigeration Electrical Engineering Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 10 August 2020 and set out on pages 5 to 61 which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these interim 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 interim consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

Ernst & Young Vietnam Limited



Dương Lê Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

10 August 2020

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		6,003,915,219,700	5,999,047,688,457
110	I. Cash and cash equivalents	5	785,928,804,242	1,539,577,051,904
111	1. Cash		265,008,804,242	258,172,051,904
112	2. Cash equivalents		520,920,000,000	1,281,405,000,000
120	II. Short-term investments	17	1,413,803,945,521	1,221,295,628,590
121	1. Held-for-trading securities		29,471,918,847	59,751,826,582
122	2. Provision for diminution in value of held-for-trading securities		(6,482,358,365)	(6,378,080,421)
123	3. Held-to-maturity investments		1,390,814,385,039	1,167,921,882,429
130	III. Current accounts receivable		2,562,381,402,686	2,137,973,891,941
131	1. Short-term trade receivables	6	1,191,704,587,286	906,379,776,681
132	2. Short-term advances to suppliers	7	421,254,212,851	230,844,673,692
134	3. Construction contract receivables based on agreed progress billings	6	479,674,087,857	605,008,227,997
135	4. Short-term loan receivables	8	298,392,000,000	98,600,000,000
136	5. Other short-term receivables	9	232,709,074,239	357,310,831,522
137	6. Provision for doubtful short-term receivables	6, 7	(61,352,559,547)	(60,169,617,951)
140	IV. Inventories	11	1,147,204,245,622	987,203,880,889
141	1. Inventories		1,159,878,065,085	999,666,629,701
149	2. Provision for obsolete inventories		(12,673,819,463)	(12,462,748,812)
150	V. Other current assets		94,596,821,629	112,997,235,133
151	1. Short-term prepaid expenses		5,468,531,028	3,033,216,333
152	2. Value-added tax deductible		83,225,051,756	99,572,593,894
153	3. Tax and other receivables from the State	21	5,903,238,845	10,391,424,906

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

VND

Code	ASSETS	Notes	30 June 2020	31 December 2019
200	B. NON-CURRENT ASSETS		13,766,069,444,254	13,623,717,107,259
210	I. Long-term receivables		41,495,465,119	38,930,286,119
211	1. Long-term trade receivables		218,151,844	218,251,844
216	2. Other long-term receivables	9	41,277,313,275	38,712,034,275
220	II. Fixed assets		1,886,668,086,990	1,859,029,456,603
221	1. Tangible fixed assets	13	1,820,392,165,344	1,826,990,770,850
222	Cost		3,666,366,909,156	3,588,886,266,481
223	Accumulated depreciation		(1,845,974,743,812)	(1,761,895,495,631)
227	2. Intangible assets	14	66,275,921,646	32,038,685,753
228	Cost		83,539,995,915	51,923,033,233
229	Accumulated amortisation		(17,264,074,269)	(19,884,347,480)
230	III. Investment properties	16	1,836,202,145,575	1,856,448,851,637
231	1. Cost		2,616,685,673,894	2,577,608,715,779
232	2. Accumulated depreciation		(780,483,528,319)	(721,159,864,142)
240	IV. Long-term asset in progress		139,770,660,950	67,744,027,165
242	1. Construction in progress	15	139,770,660,950	67,744,027,165
250	V. Long-term investments	17	9,290,892,444,839	9,214,040,662,876
252	1. Investments in associates		8,002,053,998,167	7,896,638,703,005
253	2. Investments in other entities		763,940,368,587	791,898,218,587
254	3. Provision for long-term investments		(5,101,921,915)	(4,496,258,716)
255	4. Held-to-maturity investments		530,000,000,000	530,000,000,000
260	VI. Other long-term assets		571,040,640,781	587,523,822,859
261	1. Long-term prepaid expenses	12	281,565,765,015	279,357,312,065
262	2. Deferred tax assets	33.3	33,016,939,165	37,985,696,827
269	3. Goodwill	18	256,457,936,601	270,180,813,967
270	TOTAL ASSETS		19,769,984,663,954	19,622,764,795,716

VND



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Huynh Thanh Hai
General Director

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INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
01	1. Revenue from sale of goods and rendering of services	28.1	2,473,524,566,064	2,340,863,193,766
02	2. Deductions	28.1	(3,207,077,224)	(2,980,845,713)
10	3. Net revenues from sale of goods and rendering of services	28.1	2,470,317,488,840	2,337,882,348,053
11	4. Costs of goods sold and services rendered	29	(1,746,838,160,734)	(1,686,629,334,252)
20	5. Gross profit from sale of goods and rendering of services		723,479,328,106	651,253,013,801
21	6. Finance income	28.2	108,272,316,619	223,614,130,901
22	7. Finance expenses	30	(220,837,430,583)	(193,274,945,662)
23	In which: Interest expense		(214,327,244,917)	(194,392,043,790)
24	8. Shares of profit of associates	17.3	293,280,731,699	379,272,972,150
25	9. Selling expenses	31	(34,653,533,257)	(37,972,071,728)
26	10. General and administrative expenses	31	(95,402,589,929)	(88,536,153,336)
30	11. Operating profit		774,138,822,655	934,356,946,126
31	12. Other income		5,406,753,075	7,958,521,170
32	13. Other expenses		(824,666,839)	(5,263,386,612)
40	14. Other profit		4,582,086,236	2,695,134,558
50	15. Accounting profit before tax		778,720,908,891	937,052,080,684
51	16. Current corporate income tax expense	33.1	(92,271,072,577)	(107,515,521,357)
52	17. Deferred tax expense	33.1	(4,968,757,662)	(1,059,858,538)

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
60	18. Net profit after tax		681,481,078,652	828,476,700,789
61	19. Net profit after tax attributable to shareholders of the parent		629,630,921,063	786,379,289,281
62	20. Net profit after tax attributable to non-controlling interests		51,850,157,589	42,097,411,508
70	21. Basic earnings per share	27.5	2,031	2,536
71	22. Diluted earnings per share	27.5	2,031	2,536



Pham Thi Uyen Phuong
Preparer



Ho Tran Dieu Lynh
Chief Accountant



Huynh Thanh Hai
General Director

10 August 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		778,720,908,891	937,052,080,684
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (including amortisation of goodwill)	13, 14, 16, 18	160,514,997,847	81,894,137,849
03	Provisions (reversal of provisions)		4,093,981,829	(11,097,230,039)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts denominated in foreign currency		1,776,458,885	(24,603,113)
05	Profits from investing activities		(384,066,809,544)	(601,192,666,406)
06	Interest and allocation of bond issuance expenses	30	217,034,101,321	196,783,402,812
08	Operating income before changes in working capital		778,073,639,229	603,415,121,787
09	Increase in receivables		(66,394,903,727)	(1,200,992,524,995)
10	(Increase) decrease in inventories		(160,211,435,384)	13,211,554,732
11	(Decrease) increase in payables		(137,138,263,514)	142,264,938,697
12	(Increase) decrease in prepaid expenses		(4,585,051,644)	89,447,108
13	Decrease in held-for-trading securities		30,279,907,735	7,859,704,929
14	Interest paid		(217,353,057,479)	(132,303,335,515)
15	Corporate income tax paid		(57,101,906,280)	(84,245,596,591)
17	Other cash outflows for operating activities		(3,225,881,774)	(2,211,765,556)
20	Net cash flows from (used in) operating activities		162,343,047,162	(652,912,455,404)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(492,249,391,053)	(196,408,105,584)
22	Proceeds from disposals of fixed assets		18,000,000	806,938,738
23	Investments in term deposits at banks and loans to other entities		(1,888,061,566,851)	(2,716,673,853,841)
24	Proceeds from divestments term deposits and collections from borrowers		1,465,377,064,241	1,530,218,058,044
25	Payments for investment in other entities		(106,721,085,454)	(91,075,012,014)
26	Proceeds from divestments in other entities		29,318,590,184	96,496,983,278
27	Interest and dividends received		428,444,687,071	415,066,556,215
30	Net cash flows used in investing activities		(563,873,701,862)	(961,568,435,164)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2020

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		15,000,000,000	-
33	Drawdown of borrowings	25	827,972,268,711	2,870,414,410,124
34	Repayment of borrowings	25	(640,955,754,766)	(1,015,006,806,897)
36	Dividends paid to equity holders of the parent	27.2	(491,071,858,140)	(551,720,731,730)
36	Dividends paid to non-controlling interests		(63,072,117,472)	(68,236,627,011)
40	Net cash flows (used in) from financing activities		(352,127,461,667)	1,235,450,244,486
50	Net decrease in cash and cash equivalents		(753,658,116,367)	(379,030,646,082)
60	Cash and cash equivalents at beginning of period		1,539,577,051,904	1,865,096,744,967
61	Impact of exchange rate fluctuation		9,868,705	86,147,683
70	Cash and cash equivalents at end of period	5	785,928,804,242	1,486,152,246,568



Pham Thi Uyen Phuong
Preparer



Ho Tran Dieu Linh
Chief Accountant



Huynh Thanh Hai
General Director

10 August 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2020 and for the six-month period then ended

1. CORPORATE INFORMATION

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended ERC No. 0300741143 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 3 August 2020.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with the License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company and its subsidiaries ("the Group") are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, produce, transmit and distribute electricity, and strategic financial investments in infrastructure related sector.

The Company's normal course of business cycle is 12 months.

The Company's registered head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the employees of the Group as at 30 June 2020 was 1,759 (31 December 2019: 1,850).

Corporate structure

As at 30 June 2020, the Company's corporate structure includes seventeen (17) subsidiaries. Details are as follows:

Names	Location	Business activities	% of interest	
			30 June 2020	31 December 2019
(1) Tin Hieu Xanh Trading Services Construction Company Limited	Ho Chi Minh City	Electrical infrastructure	100.00	100.00
(2) R.E.E Real Estate Co., Ltd.	Ho Chi Minh City	Office building management	100.00	100.00
(3) R.E.E Mechanical & Engineering Joint Stock Company	Ho Chi Minh City	Mechanical and Engineering	90.91	99.99
(4) R.E.E Electric Appliances Joint Stock Company	Ho Chi Minh City	Electric Appliances	99.99	99.99
(5) RMC Trade & Services Company Limited	Ho Chi Minh City	Trading	99.99	99.99
(6) Reepro Service and Manufacturing Company Limited	Ho Chi Minh City	Mechanical and Engineering	99.99	99.99
(7) R.E.E Land Corporation	Ho Chi Minh City	Real estate	99.97	99.97
(8) Vietnam Clean Water Business and Investment Joint Stock Company	Ho Chi Minh City	Water supply	99.97	99.97
(9) REE Solar Energy Joint Stock Company	Ho Chi Minh City	Solar Power	99.99	99.99
(10) Song Mai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	99.99	99.99
(11) Tra Vinh Electric Development Joint Stock Company	Tra Vinh Province	Electricity Trading	66.29	66.29
(12) Thac Ba Hydropower Joint Stock Company (i)	Yen Bai Province	Hydropower	60.42	60.42
(13) Vietnam Property and Infrastructure Joint Stock Company ("VIID")	Hanoi City	Real estate	50.61	50.61
(14) Muong Hum Hydropower Joint Stock Company	Lao Cai Province	Hydropower	79.84	79.84
(15) Thuan Binh Wind Power Joint Stock Company (ii)	Binh Thuan Province	Wind Power	49.08	49.08

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Names	Location	Business activities	% of interest	
			30 June 2020	31 December 2019
(16) Tan Hai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	99.96	-
(17) Song Long Real Estate Joint Stock Company (iii)	Ho Chi Minh City	Real estate	70.00	-

(i) 38,365,168 shares of Thac Ba Hydropower Joint Stock Company, which are owned by the Group, were placed as collateral for the Group's domestic straight bonds – REE-BOND 2029 (Note 24.3).

(ii) As at 30 June 2020, the voting right of the Group at Thuan Binh Wind Power Joint Stock Company is over 50%.

(iii) As at 30 June 2020, the Group has not contributed yet capital to this subsidiary.

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

The interim consolidated financial statements of the Group, expressed in Vietnam Dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying interim 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 interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the Voucher Journal system.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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

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

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

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

Impact of change in the ownership interest of a subsidiary, 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 at banks and short-term, highly liquid investments with an original maturity of less than three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories

Inventories are stated at the lower of cost which comprises all costs of purchase and other direct costs 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:

Raw materials, consumables and goods for resale	- cost of purchase on a first-in, first-out basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable overheads based on the normal level of activities on a first-in, first-out basis.

Provision for obsolete inventories

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

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

Inventory property

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

Cost includes:

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

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

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

3.3 Receivables

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

3.5 Leased assets

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

Where the Group is the lessor

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

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

Where the Group is the lessee

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

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

When intangible 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 interim consolidated income statement.

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 interim consolidated income statement as incurred.

Land use rights

The land use rights represents the cost to acquire the rights to use land and be amortised on straight-line basis over the useful life of the land use rights.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

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

Buildings and structures	5 - 50 years
Machinery and equipment	5 - 20 years
Means of transportation	6 - 15 years
Office equipment	3 - 5 years
Land use rights	36 - 50 years
Software	1 - 3 years
Others	4 years

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the year of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3.8 Investment properties

Investment properties are buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

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 recognized 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 Group.

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

Buildings and structures	5 - 50 years
Machinery and equipment	5 - 10 years

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 interim consolidated income statement.

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

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim 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.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract.

3.11 Business combination and goodwill

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

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

3.12 Investments

Investment in associates

Investments in associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

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

The share of post-acquisition profit (loss) of the associates is presented on face of the interim 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. Dividends receivable from associates reduce the carrying amount of the investment.

The interim financial statements of the associates are prepared for the same reporting period 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 investments in other entities are stated at their acquisition costs.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Investments* (continued)

Provision for diminution of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the interim balance sheet date. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

Held-to-maturity investments

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

3.13 *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.

3.14 *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.

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

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

Installation project warranty

A provision is recognised for expected warranty claims on installation project completed during the period, based on past experience of the level of repairs. The Group expects that most of these costs will be incurred in the next years. Assumptions used to calculate the provision for warranties were based on current sales levels and terms of each contract.

3.15 *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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions* (continued)

At end of period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim 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 are taken to the interim consolidated income statement.

3.16 *Treasury shares*

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

3.17 *Appropriation of net profit*

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

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

- *Investment and development fund*

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

- *Bonus and welfare fund*

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

3.18 *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 goods

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

Sale of real estate

Revenue from the sale of real estate is recognised when the significant risks and rewards of ownership have passed to the buyer, usually upon the handover of the real estate property, and it is probable that the transfer price will be recoverable.

When a transaction has not met the criteria mentioned above, the cumulative amount of progress payment received from customers is presented as advance from customers in the interim consolidated balance sheet until all the criteria are met.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Revenue recognition* (continued)

Rendering of services

Revenue is recognised when the services have been rendered.

Revenue from supply and installation contracts

Where the outcome of a construction contract can be estimated reliably and certified by customers, revenue and costs are recognised by reference to the amount of work completed at the interim balance sheet date. Variations in contract work and claims are included to the extent that they have been agreed with the customer.

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

Difference between the cumulative revenue of a construction contract recognised to date and the cumulative amount of progress billings of that contract was presented as construction contract receivable based on agreed progress billings in the interim consolidated balance sheet.

Office rental income

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

Investment gains

Gains from investments are recognised as income when the significant risks and rewards of ownership have passed to the buyer.

Interest income

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

Dividends

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

Bonus shares or issuance new shares for dividend payment

Income is not recognised when the Group is entitled as an investor to receive bonus shares or issuance new shares for dividend payment. The number of shares received as bonus or dividends is disclosed on the relevant note to the interim consolidated financial statements.

3.19 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit for the period attributable to ordinary equity holders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the the period.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 interim balance sheet date.

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

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

Deferred tax

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

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

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

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

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

The carrying amount of deferred income tax assets is reviewed at each interim 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 income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each interim balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax (continued)

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

- Either the same taxable entity; or
- When the 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.

3.21 Segment information

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

3.22 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. BUSINESS COMBINATION

4.1 Acquisition of interests in Tan Hai Real Estate Joint Stock Company

On 4 June 2020, R.E.E Land Corporation ("R.E.E Land"), the Group's subsidiary, completely acquired shares of Tan Hai Real Estate Joint Stock Company ("Tan Hai") from the existing shareholder at the consideration of VND 35,051,100,000 and contributed additional capital to Tan Hai amounting to VND 15,000,000,000. Accordingly, the ownership interest of R.E.E Land in Tan Hai is 99.99%.

Accordingly, Tan Hai became the subsidiary of the Group from the date of completion of the acquisition and additional contribution with the ownership interest of the Group in Tan Hai of 99.96%. The principal activity of Tan Hai is to trade in real estate.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. BUSINESS COMBINATION (continued)

4.1 Acquisition of interests in Tan Hai Real Estate Joint Stock Company (continued)

The provisional fair values of the identifiable assets and liabilities of Tan Hai as at the acquisition date of consolidation are as follows:

	VND
	<i>Provisional fair value recognized on acquisition</i>
Assets	
Cash	10,672,690,006
Receivables	2,570,618,599
Fixed assets and construction in progress	36,490,676,000
Other assets	220,289,800
	49,954,274,405
Liabilities	
Liabilities	37,851,100
	37,851,100
Identifiable net assets at provisional fair value	49,916,423,305
<i>In which:</i>	
<i>Net assets acquired</i>	49,897,072,320
<i>Non-controlling interests</i>	19,350,985
Goodwill arising on acquisition	134,676,695
<i>In which:</i>	
<i>Goodwill of the Group</i>	138,627,342
<i>Bargain purchase of non-controlling interests</i>	(3,950,647)
Purchase consideration	50,051,100,000
<i>In which:</i>	
<i>Purchase consideration of the Group</i>	50,035,699,662
<i>Purchase consideration of non-controlling interests</i>	15,400,338
	VND
	Amount
Cash flow on acquisition	
Net cash acquired with the subsidiary	10,672,690,006
Cash paid	(50,035,699,662)
Net cash flow on acquisition	(39,363,009,656)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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5. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2020	31 December 2019
Cash on hand	2,133,951,169	1,424,824,835
Cash in transit	-	50,000,000
Cash at banks	262,874,853,073	256,697,227,069
Cash equivalents (*)	520,920,000,000	1,281,405,000,000
TOTAL	785,928,804,242	1,539,577,051,904

(*) Cash equivalents mainly represent the short-term bank deposits with original maturity of less than three months and earn average interest rates ranging from 3.9% to 5.5% per annum.

6. SHORT-TERM TRADE RECEIVABLES AND CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS

	VND	
	30 June 2020	31 December 2019
Short-term trade receivables	1,191,704,587,286	906,379,776,681
Construction contract receivables based on agreed progress billings	479,674,087,857	605,008,227,997
TOTAL	1,671,378,675,143	1,511,388,004,678
Provision for doubtful short-term receivables	(58,973,131,897)	(57,790,190,301)
NET	1,612,405,543,246	1,453,597,814,377

Details of movements of provision for doubtful short-term receivables during the period are as follows:

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	57,790,190,301	59,741,842,918
Add: Provision created during the period	1,204,031,595	-
Less: Reversal of provision during the period	(21,089,999)	(2,664,377,650)
Ending balance	58,973,131,897	57,077,465,268

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	30 June 2020	31 December 2019
Vestas Wind Technology Vietnam LLC	145,350,000,000	-
Vestas Asia Pacific A/S	119,098,125,000	-
Elektro Energie Technik GmbH	-	25,005,726,895
Others	156,806,087,851	205,838,946,797
TOTAL	421,254,212,851	230,844,673,692
Provision for doubtful short-term advances to suppliers	(1,770,000,000)	(2,379,427,650)
NET	419,484,212,851	228,465,246,042

8. SHORT-TERM LOAN RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Due from a related party (Note 34)	288,600,000,000	98,600,000,000
Due from other parties	9,792,000,000	-
TOTAL	298,392,000,000	98,600,000,000

9. OTHER RECEIVABLES

	VND	
	30 June 2020	31 December 2019
Short-term	232,709,074,239	357,310,831,522
Advances for investments (*)	82,162,210,662	58,958,842,373
Dividend receivable	43,494,789,000	169,913,852,000
Interest income	38,417,096,756	59,583,266,166
Deposit for project implementation (**)	10,600,000,000	10,600,000,000
Advance for employees	10,404,922,835	21,446,062,907
Others	47,630,054,986	36,808,808,076
Long-term	41,277,313,275	38,712,034,275
Advances for land compensation	28,532,319,900	28,532,319,900
Deposits	12,744,993,375	10,179,714,375
TOTAL	273,986,387,514	396,022,865,797
<i>In which:</i>		
Receivables from third parties	226,703,927,280	220,474,767,222
Receivables from related parties (Note 34)	47,282,460,234	175,548,098,575

(*) These amount represent the advance for investments of the Group. At the date of preparation of those interim consolidated financial statements, the Group is in the process of completing administrative procedures relating to these investments.

(**) This amount represents the deposit for the Management Board of Tra Vinh Economic Zone to assurance the implementation of Wind Power Plant No. 3 project in Tra Vinh Province.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

10. BAD DEBTS

	30 June 2020			31 December 2019		
	Cost	Provision	Net amount	Cost	Provision	Net amount
Mechanical and refrigeration electrical engineering	70,802,046,392	(56,709,821,489)	14,092,224,903	84,556,434,257	(56,336,603,314)	28,219,830,943
Real estate	1,770,000,000	(1,770,000,000)	-	1,770,000,000	(1,770,000,000)	-
Power and water	4,507,346,640	(2,872,738,058)	1,634,608,582	4,615,333,340	(2,063,014,637)	2,552,318,703
TOTAL	77,079,393,032	(61,352,559,547)	15,726,833,485	90,941,767,597	(60,169,617,951)	30,772,149,646

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

11. INVENTORIES

	30 June 2020		31 December 2019	
	Cost	Provision	Cost	Provision
Inventories	1,110,055,404,586	(12,673,819,463)	946,809,337,971	(12,462,748,812)
- Work-in-process	609,675,631,752	-	460,343,418,548	-
- Raw materials	238,781,981,404	(9,408,033,568)	277,489,514,516	(10,161,220,828)
- Finished and merchandise goods	226,005,969,856	(3,265,785,895)	144,145,345,056	(2,301,527,984)
- Goods in transit	34,524,268,227	-	64,556,252,544	-
- Tools and supplies	1,067,553,347	-	274,807,307	-
Inventory properties	49,822,660,499	-	52,857,291,730	-
- Nam Le Loi project	38,867,291,472	-	44,199,169,115	-
- Other projects	10,955,369,027	-	8,658,122,615	-
TOTAL	1,159,878,065,085	(12,673,819,463)	999,666,629,701	(12,462,748,812)

Details of movements of provision for obsolete inventories during the period are as follows:

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	12,462,748,812	15,685,828,575
Add: Provision provided during the period	713,229,147	84,272,391
Less: Reversal of provision during the period	(502,158,496)	(2,718,755,851)
Ending balance	12,673,819,463	13,051,345,115

12. LONG-TERM PREPAID EXPENSES

	VND	
	30 June 2020	31 December 2019
Prepaid land rental	214,695,630,932	217,090,896,218
Supporting cost for removing to has the rights to use the Quang Trung Tower	31,201,550,403	31,608,527,145
Tools and supplies	3,294,837,160	13,433,173,793
Others	32,373,746,520	17,224,714,909
TOTAL	281,565,765,015	279,357,312,065

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

13. TANGIBLE FIXED ASSETS

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportations</i>	<i>Office equipment</i>	<i>Others</i>	<i>VND Total</i>
Cost:						
As at 31 December 2019	1,424,501,231,540	1,999,046,644,555	144,735,549,284	18,660,858,515	1,941,982,587	3,588,886,266,481
New purchases	99,340,000	1,194,683,727	1,555,711,777	47,264,091	194,000,000	3,090,999,595
Transfer from construction in progress	9,670,423,273	66,732,377,110	46,208,254	120,000,000	-	76,569,008,637
Others	-	(2,119,096,700)	-	(60,268,857)	-	(2,179,365,557)
As at 30 June 2020	<u>1,434,270,994,813</u>	<u>2,064,854,608,692</u>	<u>146,337,469,315</u>	<u>18,767,853,749</u>	<u>2,135,982,587</u>	<u>3,666,366,909,156</u>
<i>In which:</i>						
Fully depreciated	17,643,694,744	431,334,644,079	66,144,612,121	9,980,126,379	210,000,000	525,313,077,323
Collateral (Note 25.2)	701,226,637,542	817,994,787,564	3,402,956,900	-	117,074,543	1,522,741,456,549
Accumulated depreciation:						
As at 31 December 2019	525,477,348,598	1,123,491,418,609	96,982,679,492	14,355,539,173	1,588,509,759	1,761,895,495,631
Depreciation for the period	23,729,647,886	55,007,988,107	4,508,257,441	892,356,210	1,267,394	84,139,517,038
Others	-	-	-	(60,268,857)	-	(60,268,857)
As at 30 June 2020	<u>549,206,996,484</u>	<u>1,178,499,406,716</u>	<u>101,490,936,933</u>	<u>15,187,626,526</u>	<u>1,589,777,153</u>	<u>1,845,974,743,812</u>
Net carrying amount:						
As at 31 December 2019	<u>899,023,882,942</u>	<u>875,555,225,946</u>	<u>47,752,869,792</u>	<u>4,305,319,342</u>	<u>353,472,828</u>	<u>1,826,990,770,850</u>
As at 30 June 2020	<u>885,063,998,329</u>	<u>886,355,201,976</u>	<u>44,846,532,382</u>	<u>3,580,227,223</u>	<u>546,205,434</u>	<u>1,820,392,165,344</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

14. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Softwares</i>	<i>Other</i>	<i>VND Total</i>
Cost:				
As at 31 December 2019	39,589,302,451	12,303,390,782	30,340,000	51,923,033,233
Acquisition of a subsidiary	34,289,176,000	-	-	34,289,176,000
New purchases	-	499,650,000	-	499,650,000
Write-off	-	(3,171,863,318)	-	(3,171,863,318)
As at 30 June 2020	<u>73,878,478,451</u>	<u>9,631,177,464</u>	<u>30,340,000</u>	<u>83,539,995,915</u>
<i>In which:</i>				
Fully amortised	-	3,045,415,449	30,340,000	3,075,755,449
Collateral (Note 25.2)	135,576,000	-	-	135,576,000
Accumulated amortisation:				
As at 31 December 2019	7,939,186,775	11,914,820,705	30,340,000	19,884,347,480
Amortisation for the period	397,244,635	154,345,472	-	551,590,107
Write-off	-	(3,171,863,318)	-	(3,171,863,318)
As at 30 June 2020	<u>8,336,431,410</u>	<u>8,897,302,859</u>	<u>30,340,000</u>	<u>17,264,074,269</u>
Net carrying amount:				
As at 31 December 2019	<u>31,650,115,676</u>	<u>388,570,077</u>	<u>-</u>	<u>32,038,685,753</u>
As at 30 June 2020	<u>65,542,047,041</u>	<u>733,874,605</u>	<u>-</u>	<u>66,275,921,646</u>

15. CONSTRUCTION IN PROGRESS

	<i>30 June 2020</i>	<i>31 December 2019</i>
Cost of solar power systems installation on the roof	81,989,653,906	27,413,621,037
Office Leasing Project costs	16,738,098,839	17,459,053,674
Others	41,042,908,205	22,871,352,454
TOTAL	<u>139,770,660,950</u>	<u>67,744,027,165</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

16. INVESTMENT PROPERTIES

	<i>Buildings and structures (*)</i>	<i>Machinery and equipment</i>	<i>Office equipment</i>	<i>Others</i>	<i>VND Total</i>
Cost:					
As at 31 December 2019	1,924,917,986,340	652,054,025,984	90,250,454	546,453,001	2,577,608,715,779
Transfer from construction in progress	37,567,261,426	4,148,418,507	-	-	41,715,679,933
Disposals	(2,548,471,364)	-	(90,250,454)	-	(2,638,721,818)
As at 30 June 2020	1,959,936,776,402	656,202,444,491	-	546,453,001	2,616,685,673,894
<i>In which:</i>					
Fully depreciated	94,802,660,701	132,452,352,567	-	546,453,001	227,801,466,269
Collateral (Note 25.2)	472,543,955,969	128,355,000,000	-	-	600,898,955,969
Accumulated depreciation:					
As at 31 December 2019	450,425,168,993	270,097,991,694	90,250,454	546,453,001	721,159,864,142
Depreciation for the period	35,921,329,431	26,041,056,563	-	-	61,962,385,994
Disposals	(2,548,471,363)	-	(90,250,454)	-	(2,638,721,817)
As at 30 June 2020	483,798,027,061	296,139,048,257	-	546,453,001	780,483,528,319
Net carrying amount:					
As at 31 December 2019	1,474,492,817,347	381,956,034,290	-	-	1,856,448,851,637
As at 30 June 2020	1,476,138,749,341	360,063,396,234	-	-	1,836,202,145,575

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

16. INVESTMENT PROPERTIES (continued)

(*) Including in buildings and structures is the construction cost of office building located at Quang Trung street, Tran Hung Dao Ward, Hoan Kiem district, Hanoi ("Quang Trung Tower") according to the Business Corporation Contract ("BCC") between VIID, the Company's subsidiary, and the Partner with the net carrying amount of VND 116,276,387,825 (31 December 2019: VND 119,100,915,461). VIID leased Quang Trung Tower out to third party in accordance with the long-term irrevocable leasing agreement ("the Agreement") up to November 2058.

On 26 December 2018, VIID received such official letter from the Partner in relation to the liquidation of BCC contract and take back Quang Trung Tower. In case of the BCC and the Agreement will be liquidated ahead of time, VIID will negotiate with the Partner and the Lessee about termination of the mentioned contracts based on the terms and conditions which have been agreed in the BCC and the Agreement.

As at the date of these interim consolidated financial statements, VIID is still in progress to negotiate with the Partner and the Lessee in relation to such event and VIID is not able to determine the impacts (if any) in respect of the termination of BCC and the Agreement before due date.

The fair value of the investment properties was not formally assessed and determined as at 30 June 2020. However, given the current high occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the interim balance sheet date.

17. INVESTMENTS

	VND	
	30 June 2020	31 December 2019
Short-term		
Held-for-trading securities (Note 17.1)	29,471,918,847	59,751,826,582
Provision for diminution in value of held-for-trading securities (Note 17.1)	(6,482,358,365)	(6,378,080,421)
Held-to-maturity investments (Note 17.2)	1,390,814,385,039	1,167,921,882,429
Net value of short-term investments	1,413,803,945,521	1,221,295,628,590
Long-term		
Investments in associates (Note 17.3)	8,002,053,998,167	7,896,638,703,005
Investments in other entities (Note 17.4)	763,940,368,587	791,898,218,587
Provision for long-term investments (Note 17.4)	(5,101,921,915)	(4,496,258,716)
Held-to-maturity investments (Note 17.2)	530,000,000,000	530,000,000,000
Net value of long-term investments	9,290,892,444,839	9,214,040,662,876
TOTAL	10,704,696,390,360	10,435,336,291,466

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. INVESTMENTS (continued)

17.1 Held-for-trading securities

Securities	30 June 2020			31 December 2019			VND
	Cost	Provision	Fair value/ net value	Cost	Provision	Fair value/ net value	
Mang Canh Joint Stock Company	6,133,400,000	(6,133,400,000)	-	6,133,400,000	(6,133,400,000)	-	
Others	23,338,518,847	(348,958,365)	22,989,560,698	53,618,426,582	(244,680,421)	61,365,547,198	
TOTAL	29,471,918,847	(6,482,358,365)	22,989,560,698	59,751,826,582	(6,378,080,421)	61,365,547,198	

17.2 Held-to-maturity investments

	VND	
	30 June 2020	31 December 2019
Short-term	1,390,814,385,039	1,167,921,882,429
Finance institution deposits (*)	1,390,814,385,039	1,167,921,882,429
Long-term	530,000,000,000	530,000,000,000
VSH_BOND_2019 (**)	500,000,000,000	500,000,000,000
Others	30,000,000,000	30,000,000,000
TOTAL	1,920,814,385,039	1,697,921,882,429

(*) These represent the term deposits with original maturities of more than three (3) months and less than (12) months and earn average interest rates ranging from 4.9% to 7.8% per annum.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. INVESTMENTS (continued)

17.2 Held-to-maturity investments (continued)

(**) Details of VSH_BOND_2019 bonds as at 30 June 2020 are the followings:

<i>Arrangement organization for issuing</i>	<i>Issuing Organization</i>	<i>30 June 2020 VND</i>	<i>Maturity date</i>	<i>Interest % p.a</i>	<i>Purpose</i>	<i>Description of collateral</i>
Vietcombank Securities Company Limited ("VCBS")	Vinh Son-Song Chinh Hydropower Joint Stock Company ("VSH")	<u>500,000,000,000</u>	From 1 October 2026 to 21 December 2026	10.5	To finance Thuong Kon Tum Hydropower project	All construction project, equipment and machineries, means of transportations and other assets of Vinh Son Hydropower Plant

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. INVESTMENTS (continued)

17.3 Investments in associates

Names of associates	30 June 2020		31 December 2019		Business activities
	% of interest	Amount VND	% of interest	Amount VND	
Vinh Son - Song Hinh Hydropower Joint Stock Company ("VSH") (i)	49.52	2,036,471,473,876	49.45	2,035,709,242,212	Hydropower
Thac Mo Hydropower Joint Stock Company	42.63	653,216,519,844	42.63	653,333,058,206	Hydropower
Central Hydropower Joint Stock Company	22.68	591,694,552,333	22.68	596,163,296,162	Hydropower
Song Ba Ha Hydropower Joint Stock Company (ii)	25.76	590,062,035,143	25.76	587,156,053,190	Hydropower
IDICO Srok Phu Mieng Hydropower Joint Stock Company	34.30	188,844,763,762	34.30	200,267,463,127	Hydropower
Binh Dien Hydropower Joint Stock Company	25.47	67,328,363,920	25.47	74,488,544,993	Hydropower
Pha Lai Thermal Power Joint Stock Company ("PPC") (iii)	24.14	1,464,329,084,153	24.14	1,449,710,474,607	Thermal power
Ninh Binh Thermal Power Joint Stock Company	29.45	80,640,397,953	29.45	75,020,746,276	Thermal power
Song Da Water Investment Joint Stock Company	35.95	798,894,782,755	35.95	762,834,560,207	Water supply
Thu Duc Water B.O.O Corporation	42.07	313,335,145,929	42.07	287,395,036,439	Water supply
Khanh Hoa Water Supply Joint Stock Company	43.88	256,838,030,963	43.96	254,450,574,513	Water supply
Saigon Water Investment and Trading Joint Stock Company	40.00	216,461,426,520	40.00	177,427,021,292	Water supply
Tan Hiep Water Investment Joint Stock Company	32.00	106,095,599,558	32.00	113,464,014,288	Water supply
Thu Duc Water Supply Joint Stock Company	44.17	64,211,752,403	44.17	66,273,570,319	Water supply
Nha Be Water Supply Joint Stock Company	20.02	39,831,129,814	20.02	40,718,289,160	Water supply
Gia Dinh Water Supply Joint Stock Company	20.05	31,411,085,056	20.05	31,069,234,135	Water supply
Trinh Xa Da Hoi Company Limited (iv)	18.73	251,696,585,105	18.73	251,697,478,293	Real estate
Saigon Real Estate Joint Stock Company	28.87	223,280,013,472	28.87	194,105,861,428	Real estate
Doan Nhat Mechanical Electrical Joint Stock Company	31.82	27,411,255,608	35.00	45,354,184,158	Wind power
TOTAL		8,002,053,998,167		7,896,638,703,005	

- (i) During the period, the Company's management decided to acquire additional 162,480 shares of VSH. Accordingly, the ownership rate of Group in VSH increased from 49.45% to 49.52%.
- (ii) 32,000,000 shares of Song Ba Ha Hydropower Joint Stock Company, which are owned by the Company, were pledged as collateral for the Company's domestic straight bonds – REE-BOND 2029 (Note 25.3).
- (iii) 74,896,260 shares of Pha Lai Thermal Power Joint Stock Company, which are owned by the Company, were pledged as collateral for the Company's domestic straight bonds – REEBOND 2017 (Note 25.3).
- (iv) As at 30 June 2020, the voting rate of the Group at Trinh Xa Da Hoi Company Limited is 37%.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. INVESTMENTS (continued)

17.3 Investments in associates (continued)

Details of these investments in associates which were consolidated by applying equity method are presented as follows:

	Cost of investment			Accumulated share of post-acquisition profit (loss) of the associates			Carrying amount		
	31 December 2019	Additions	30 June 2020	31 December 2019	Dividend declared during the period	Share of profit of associates for the period	30 June 2020	31 December 2019	30 June 2020
Vinh Son - Song Hinh Hydropower Joint Stock Company	1,970,205,377,513	3,586,680,463	1,973,792,057,976	65,503,864,699	-	(2,824,448,799)	62,679,415,900	2,035,709,242,212	2,036,471,473,876
Central Hydropower Joint Stock Company	615,869,678,462	-	615,869,678,462	(19,706,382,300)	-	(4,468,743,829)	(24,175,126,129)	596,163,296,162	591,694,552,333
Thac Mo Hydropower Joint Stock Company	382,178,855,776	-	382,178,855,776	271,154,202,430	(44,765,610,000)	44,649,071,638	271,037,664,068	653,333,058,206	653,216,519,844
Song Ba Ha Hydropower Joint Stock Company	368,000,000,000	-	368,000,000,000	219,156,053,190	-	2,905,981,953	222,062,035,143	587,156,053,190	590,062,035,143
IDICO Srok Phu Mieng Hydropower Joint Stock Company	173,265,171,175	-	173,265,171,175	27,002,291,952	(15,433,893,000)	4,011,193,635	15,579,592,587	200,267,463,127	188,844,763,762
Binh Dien Hydropower Joint Stock Company	59,910,716,000	-	59,910,716,000	14,577,828,993	-	(7,160,181,073)	7,417,647,920	74,488,544,993	67,328,363,920
Pha Lai Thermal Power Joint Stock Company	825,727,978,499	-	825,727,978,499	623,982,496,108	(77,396,260,000)	92,014,869,546	638,601,105,654	1,449,710,474,607	1,464,329,084,153
Ninh Binh Thermal Power Joint Stock Company	66,358,149,275	-	66,358,149,275	8,662,597,001	-	5,619,651,677	14,282,248,678	75,020,746,276	80,640,397,953
Song Da Water Investment Joint Stock Company	691,163,889,610	-	691,163,889,610	71,670,670,597	-	36,060,222,548	107,730,893,145	762,834,560,207	798,894,782,755
Thu Duc Water B.O.O Corporation	409,901,420,000	-	409,901,420,000	(122,506,383,561)	-	25,940,109,490	(96,566,274,071)	287,395,036,439	313,335,145,929
Saigon Water Investment and Trading Joint Stock Company	61,560,000,000	-	61,560,000,000	115,867,021,292	(6,000,000,000)	45,034,405,228	154,901,426,520	177,427,021,292	216,461,426,520
Khanh Hoa Water Supply Joint Stock Company	254,626,200,010	-	254,626,200,010	(175,625,497)	-	2,387,456,450	2,211,830,953	254,450,574,513	256,838,030,963
Tan Hiep Water Investment Joint Stock Company	76,800,000,000	-	76,800,000,000	36,664,014,288	(26,880,000,000)	19,511,585,270	29,295,599,558	113,464,014,288	106,095,599,558
Thu Duc Water Supply Joint Stock Company	68,375,426,417	-	68,375,426,417	(2,101,856,098)	(4,505,664,000)	2,443,846,084	(4,163,674,014)	66,273,570,319	64,211,752,403
Nha Be Water Supply Joint Stock Company	40,176,895,080	-	40,176,895,080	541,394,080	(1,963,890,000)	1,076,730,654	(345,765,266)	40,718,289,160	39,831,129,814
Gia Dinh Water Supply Joint Stock Company	24,809,965,209	-	24,809,965,209	6,259,268,926	-	341,850,921	6,601,119,847	31,069,234,135	31,411,085,056
Saigon Real Estate Joint Stock Company	54,457,202,000	-	54,457,202,000	139,648,659,428	-	29,174,152,044	168,822,811,472	194,105,861,428	223,280,013,472
Trinh Xa Da Hoi Company Limited	251,670,000,000	-	251,670,000,000	27,478,293	-	(893,188)	26,585,105	251,697,478,293	251,696,585,105
Doan Nhat Mechanical Electrical Joint Stock Company	15,050,000,000	-	15,050,000,000	30,304,184,158	(14,506,800,000)	(3,436,128,550)	12,361,255,608	45,354,184,158	27,411,255,608
TOTAL	6,410,106,925,026	3,586,680,463	6,413,693,605,489	1,486,531,777,979	(191,452,117,000)	293,280,731,699	1,588,360,392,678	7,896,638,703,005	8,002,053,998,167

VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

17. INVESTMENTS (continued)

17.4 Investments in other entities

Names of companies	30 June 2020			31 December 2019			VND
	Cost	Provision	Fair value	Cost	Provision	Fair value	
Quang Ninh Thermal Power Joint Stock Company	442,688,454,200	-	459,190,094,800	470,646,304,200	-	479,773,024,200	
Hai Phong Thermal Power Joint Stock Company	32,619,000,000	-	51,300,000,000	32,619,000,000	-	37,500,000,000	
Deo Nai Coal Joint Stock Company	13,357,749,879	(1,046,901,876)	12,310,848,003	13,357,749,879	(1,867,625,079)	11,490,124,800	
Others	275,275,164,508	(4,055,020,039)	332,427,527,868	275,275,164,508	(2,628,633,637)	307,880,189,268	
TOTAL	763,940,368,587	(5,101,921,915)	855,228,470,671	791,898,218,587	(4,496,258,716)	836,643,338,268	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

18. GOODWILL

	<i>Muong Hum</i>	<i>Thuan Binh</i>	<i>Others</i>	<i>VND Total</i>
Cost:				
As at 31 December 2019	256,604,003,370	17,853,543,987	99,614,331,727	374,071,879,084
Acquisition of a subsidiary	-	-	138,627,342	138,627,342
As at 30 June 2020	<u>256,604,003,370</u>	<u>17,853,543,987</u>	<u>99,752,959,069</u>	<u>374,210,506,426</u>
Accumulated amortisation:				
As at 31 December 2019	4,276,733,390	-	99,614,331,727	103,891,065,117
Amortisation for the period	12,830,200,166	892,677,200	138,627,342	13,861,504,708
As at 30 June 2020	<u>17,106,933,556</u>	<u>892,677,200</u>	<u>99,752,959,069</u>	<u>117,752,569,825</u>
Net carrying amount:				
As at 31 December 2019	<u>252,327,269,980</u>	<u>17,853,543,987</u>	<u>-</u>	<u>270,180,813,967</u>
As at 30 June 2020	<u>239,497,069,814</u>	<u>16,960,866,787</u>	<u>-</u>	<u>256,457,936,601</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

19. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2020	31 December 2019
Thong Hiep Co., Ltd	15,000,000,000	32,500,000,000
Others	489,395,837,705	496,288,640,117
TOTAL	504,395,837,705	528,788,640,117

20. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2020	31 December 2019
Supply and installation services	908,161,478,899	956,486,321,474
Office leasing and related services	4,158,252,515	2,281,012,560
Others	4,277,365,260	7,464,566,801
TOTAL	916,597,096,674	966,231,900,835
<i>In which:</i>		
<i>Due from third parties</i>	916,597,096,674	966,049,595,548
<i>Due from a related party (Note 34)</i>	-	182,305,287

21. STATUTORY OBLIGATIONS

	VND			
	31 December 2019	Increase in period	Decrease in period	30 June 2020
Payables				
Corporate income tax	55,627,582,581	87,763,521,083	(57,052,370,151)	86,338,733,513
Value-added tax	5,620,872,475	251,432,125,967	(238,528,196,429)	18,524,802,013
Personal income tax	3,483,157,694	38,989,033,867	(40,722,043,833)	1,750,147,728
Others	2,950,515,422	11,855,279,959	(6,633,074,786)	8,172,720,595
TOTAL	67,682,128,172	390,039,960,876	(342,935,685,199)	114,786,403,849
Receivables				
Corporate income tax	8,332,379,204	49,536,129	(4,507,551,494)	3,874,363,839
Others	2,059,045,702	780,748,199	(810,918,895)	2,028,875,006
TOTAL	10,391,424,906	830,284,328	(5,318,470,389)	5,903,238,845

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

22. SHORT-TERM ACCRUED EXPENSES

		VND
	30 June 2020	31 December 2019
Costs of supply and installation services	416,761,571,120	450,689,232,756
Interest expense	101,466,582,252	105,312,223,213
Promotions	1,061,669,044	2,775,175,310
Others	20,507,841,790	70,394,555,829
TOTAL	539,797,664,206	629,171,187,108

23. UNEARNED REVENUE

		VND
	30 June 2020	31 December 2019
Short-term	8,445,414,077	10,606,530,597
Rentals received in advance from leasing the Quang Trung Tower (*)	6,600,000,000	6,600,000,000
Others	1,845,414,077	4,006,530,597
Long-term	252,563,525,421	236,500,000,000
Rentals received in advance from leasing the Quang Trung Tower (*)	233,200,000,000	236,500,000,000
Other	19,363,525,421	-
TOTAL	261,008,939,498	247,106,530,597

(*) These are the unamortised amount in accordance with the long-term leasing agreement of the Quang Trung Tower dated 7 December 2017 between VIID, the Company's subsidiary, and the lessee within 41 years from 2017 to 2058 amounting to VND 275,000,000,000 (Note 16).

24. OTHER PAYABLES

		VND
	30 June 2020	31 December 2019
Short-term	127,495,504,599	139,664,115,458
Dividend payables	97,533,147,315	42,258,770,386
Purchase of investments	7,249,259,000	71,020,654,335
Deposits	6,564,850,025	5,211,921,074
Others	16,148,248,259	21,172,769,663
Long-term	233,234,648,983	232,432,916,731
Deposits received from office tenants	233,234,648,983	232,432,916,731
TOTAL	360,730,153,582	372,097,032,189

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

25. LOANS

						VND	
	31 December 2019	Withdraw	Repayment	Reclassification	Revaluation	Allocation of bond issuance expenses	30 June 2020
Short-term	887,611,982,957	671,752,903,716	(640,955,754,766)	211,714,146,032	-	-	1,130,123,277,939
Loans from banks (Note 25.1)	270,271,446,402	671,752,903,716	(466,421,697,583)	-	-	-	475,602,652,535
Current portion from banks of long-term loans (Note 25.2)	366,500,536,555	-	(173,694,057,183)	211,714,146,032	-	-	404,520,625,404
Current portion of domestic straight bonds (Note 25.3)	250,000,000,000	-	-	-	-	-	250,000,000,000
Loan from others	840,000,000	-	(840,000,000)	-	-	-	-
Long-term	4,739,198,675,041	156,219,364,995	-	(211,714,146,032)	1,506,728,917	2,706,856,404	4,687,917,479,325
Loans from financial institutions (Note 25.2)	1,960,022,090,301	156,219,364,995	-	(211,714,146,032)	1,506,728,917	-	1,906,034,038,181
Domestic straight bonds (Note 25.3)	2,779,176,584,740	-	-	-	-	2,706,856,404	2,781,883,441,144
TOTAL	5,626,810,657,998	827,972,268,711	(640,955,754,766)	-	1,506,728,917	2,706,856,404	5,818,040,757,264

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

25. LOANS (continued)

25.1 Short-term bank loans

The Group obtained short-term loans from banks to finance its working capital requirements. The short-term bank loans bear interest at the average rate ranging from 4.9% to 7.5% per annum as at the interim balance sheet date. Details are as follows:

<i>Bankers</i>	<i>30 June 2020</i>	<i>Maturity date</i>	<i>Description of collateral</i>
	<i>VND</i>		
Joint Stock Bank for Foreign Trade of Vietnam	244,891,005,703	From 10 August 2020 to 28 January 2021	Unsecured
HSBC Bank (Vietnam) Ltd.	146,709,893,347	From 25 August 2020 to 7 December 2020	Unsecured
Malayan Banking Berhad – Ho Chi Minh Branch	58,656,401,797	From 5 August 2020 to 10 November 2020	Unsecured
Military Commercial Joint Stock Bank	22,684,104,869	From 16 September 2020 to 6 October 2020	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade	2,661,246,819	26 November 2020	Unsecured
TOTAL	<u>475,602,652,535</u>		

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

25. LOANS (continued)

25.2 Long-term financial institution loans

The Group obtained long-term financial institution loans and domestic straight bonds to finance its implementation investments project. The long-term bank loans and domestic straight bonds bear interest at the average rate in EUR at 1.25% per annum and in VND ranging from 3.80% to 11.15% per annum.

Details of long-term financial institution loans are as follows:

<i>Bankers</i>	<i>30 June 2020</i>	<i>Original amount</i>	<i>Maturity date</i>	<i>Description of collateral</i>
	<i>VND</i>	<i>EUR</i>		
Joint Stock Commercial Bank For Foreign Trade of Vietnam – Binh Tay Branch				
- 021C16	696,389,734,748	-	2 February 2028	Land use rights and assets, including building and structure and other asset rights of the project Etown Central of Song Mai, the Group's subsidiary, located at 11 Doan Van Bo Street, District 4, Ho Chi Minh City
EVN Finance Joint Stock Company				
- 01/2014/HDCVL/TCDL/TBW/ Phu Lac	563,364,068,276	21,173,528	30 December 2027	All assets related to Phu Lac Wind Power Factory of Thuan Binh, the Company's subsidiary, located at Tuy Phong District, Binh Thuan Province
Joint Stock Commercial Bank For Foreign Trade of Vietnam – Ha Noi Branch				
- 01/2019-HĐCVDADT/NHCT106- MHP	342,000,000,000	-	8 June 2026	Land use rights and attached assets, including machineries and other asset rights formed loan and equity of the project Muong Hum Hydropower of Muong Hum, the Group's subsidiary, located at Lao Cai Province
HSBC Bank (Vietnam) Ltd.				
- VNM170276CM	318,214,285,711	-	24 July 2024	Land use rights, building and amount receivable from office lease of REE Tower at 9 Doan Van Bo Street, District 4, Ho Chi Minh City ("REE Tower")

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

25. LOANS (continued)

25.2 Long-term financial institution loans (continued)

Details of long-term financial institution loans are as follows: (continued)

<i>Bankers</i>	<i>30 June 2020</i>	<i>Original amount</i>	<i>Maturity date</i>	<i>Description of collateral</i>
	<i>VND</i>	<i>EUR</i>		
<i>Shinhan Bank Vietnam</i>				
- SHBVN/BC/HDTD/REE/201805	203,909,364,995	-	8 May 2026	Land attached assets formed loan of the Company located at No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
<i>Vietnam International Commercial Joint Stock Bank – Saigon Branch</i>				
-0100.HDTD.625.16.VIB	133,330,000,000	-	30 September 2021	Rights of receivables arising from rental contracts and dividend from Thu Duc Water B.O.O Corporation during 5 years
<i>Joint Stock Commercial Bank For Foreign Trade of Vietnam – Ngo Quyen Branch</i>				
-01/2017/HDDCVDADDT/ NHCT06-MUONG HUM	53,347,209,855	-	3 July 2028	Land use rights and attached assets, including machineries and other asset rights formed loan and equity of the project Ban Xeo of Muong Hum, the Group's subsidiary, located at Lao Cai Province
TOTAL	<u>2,310,554,663,585</u>	<u>21,173,528</u>		
<i>In which:</i>				
<i>Current portion</i>	<i>404,520,625,404</i>			
<i>Non-current portion</i>	<i>1,906,034,038,181</i>			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

25. LOANS (continued)

25.3 Domestic straight bonds

Details of this bond as at 30 June 2020 are as follows:

Arrangement organization	Amount VND
REE-BOND 2029 (i)	2,318,000,000,000
REEBOND 2017 (ii)	750,000,000,000
Bond issuance costs	(46,217,128,070)
Allocation of bond issuance costs	10,100,569,214
TOTAL	3,031,883,441,144

In which:

Current portion	250,000,000,000
Non-current portion	2,781,883,441,144

- (i) On 28 January 2019, the Company issued 2,318 non-convertible and unwarranted bonds with total value of VND 2,318 billion (the par value per bond is VND 1 billion).

These bonds will be repaid after ten (10) years from the date of issue and they will be repurchased on the maturity date at once.

The proceeds from the bonds are used for the purpose (1) developing in the Company's office leasing on the existing land fund (E.town office area) in Ho Chi Minh City; (2) payment for land use fees, land acquisition; developing the land fund but not to develop land fund in Thu Thiem New Urban Area, District 2, Ho Chi Minh City.

These bonds are secured by 38,365,168 shares of Thac Ba Hydropower Joint Stock Company and 32,000,000 shares of Song Ba Ha HydroPower Joint Stock Company which are owned by the Company (Notes 1 and 17.3).

- (ii) On 28 September 2017 and 18 October 2017, the Company issued 1,000 non-convertible and unwarranted bonds with total value of VND 1,000 billion (the par value per bond is VND 1 billion).

These bonds will be repaid after five (5) years from the date of issuance.

The Company has the obligation to repurchase these bonds before maturity date from date of issuance as follows:

- 250 issued bonds on the date-end of twenty four (24)-month period from the issuance date;
- 250 issued bonds on the date-end of thirty six (36)-month period from the issuance date;
- 250 issued bonds on the date-end of forty eight (48)-month period from the issuance date; and
- 250 issued bonds on the date-end of sixty (60)-month period from the issuance date.

The proceeds from the bonds are used for the purpose (1) investing in the Company's projects; (2) financing working capital of the Company.

These bonds are secured by 74,896,260 shares of Pha Lai Thermal Power Joint Stock Company which are owned by the Company (Note 17.3).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

26. PROVISIONS

Provisions represent the provisions for warranties of installation projects, goods and provision of repairing, setting and maintenance. Details of movement in provisions are as follows:

	<i>Goods warranty</i>	<i>Installation project warranty</i>	<i>VND Total</i>
As at 31 December 2019	344,025,179	53,683,321,360	54,027,346,539
Add: Provision provided during the period	132,059,894	34,323,919,140	34,455,979,034
Less: Reversal of provision during the period	(109,160,362)	(32,356,790,233)	(32,465,950,595)
As at 30 June 2020	<u>366,924,711</u>	<u>55,650,450,267</u>	<u>56,017,374,978</u>
<i>In which:</i>			
Short-term	366,924,711	10,759,918,309	11,126,843,020
Long-term	-	44,890,531,958	44,890,531,958

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	VND Total
For the six-month period ended 30 June 2019						
As at 31 December 2018	3,100,588,410,000	1,050,489,310,786	(83,026,660)	240,077,952,161	4,927,769,386,011	9,318,842,032,298
Net profit for the period	-	-	-	-	786,379,289,281	786,379,289,281
Dividend declared	-	-	-	-	(558,091,666,800)	(558,091,666,800)
Appropriation to bonus and welfare funds	-	-	-	-	(2,446,043,371)	(2,446,043,371)
Fund contribution	-	-	-	193,722,130	(193,722,130)	-
Others	-	-	-	-	(174,002,652)	(174,002,652)
As at 30 June 2019	3,100,588,410,000	1,050,489,310,786	(83,026,660)	240,271,674,291	5,153,243,240,339	9,544,509,608,756
For the six-month period ended 30 June 2020						
As at 31 December 2019	3,100,588,410,000	1,050,489,310,786	(83,026,660)	240,271,674,291	6,005,760,541,830	10,397,026,910,247
Net profit for the period	-	-	-	-	629,630,921,063	629,630,921,063
Dividend declared (i)	-	-	-	-	(496,081,481,600)	(496,081,481,600)
Appropriation to bonus and welfare funds	-	-	-	-	(2,634,363,923)	(2,634,363,923)
Fund contribution	-	-	-	(1,315,057,360)	1,315,057,360	-
Others	-	-	-	(4,300,410,299)	(20,090,233,763)	(24,390,644,062)
As at 30 June 2020	3,100,588,410,000	1,050,489,310,786	(83,026,660)	234,656,206,632	6,117,900,440,967	10,503,551,341,725

- (i) In accordance with the Resolution of the Annual General Meeting No. 02/2020-DHDCD-NQ dated 15 May 2020, the Company's shareholders unanimously approved the Proposal of Board of Directors ("BOD") and Decision of BOD No. 02/2020/QD-HDQT-REE to pay dividend by cash for existing shareholders at 16% par value per share. The Company finalised the Company's shareholders list on 3 March 2020 to pay dividend at 16%, equivalent to VND 496,081,481,600 and paid on 10 April 2020.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

27. OWNERS' EQUITY (continued)

27.2 Capital transactions with shareholders and distribution of dividends

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Contributed share capital		
Beginning and ending balances	3,100,588,410,000	3,100,588,410,000
Dividends		
Dividends declared	496,081,481,600	558,091,666,800
Dividends paid during the period	491,071,858,140	551,720,731,730

27.3 Shares

	Number of shares	
	30 June 2020	31 December 2019
Issued shares		
Issued and paid-up shares	310,058,841	310,058,841
Ordinary shares	310,058,841	310,058,841
Treasury shares		
Ordinary shares	(7,915)	(7,915)
Shares in circulation		
Ordinary shares	310,050,926	310,050,926

The Company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

27.4 Non-controlling interests

	VND	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Beginning balance	704,641,629,219	609,526,301,348
Net profit for the period	51,850,157,589	42,097,411,508
Increase due to change in ownership interests in subsidiaries	23,596,861,061	-
Capital contribution during the period	15,000,000,000	-
Dividend declared	(113,336,870,941)	(30,526,186,384)
Appropriation to bonus and welfare funds	(1,924,636,077)	(1,553,956,629)
Acquisition of a subsidiary	3,950,646	-
Others	(111,027,146)	(113,997,348)
Ending balance	679,720,064,351	619,429,572,495

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

27. OWNERS' EQUITY (continued)

27.5 Earnings per share

Earnings per share are calculated as follows:

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Net profit after tax attributable to ordinary equity holders (VND)	629,630,921,063	786,379,289,281
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	629,630,921,063	786,379,289,281
Weighted average number of ordinary shares	310,050,926	310,050,926
Earnings per share (VND/share)		
- Basic	2,031	2,536
- Diluted	2,031	2,536

There were no potential dilutive ordinary shares as at the interim balance sheet date.

28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	For the six-month period ended 30 June 2020	VND For the six-month period ended 30 June 2019
Gross revenue	2,473,524,566,064	2,340,863,193,766
Of which:		
Revenue from mechanical and refrigeration electrical engineering	1,419,900,356,256	1,476,794,106,711
Revenue from power and water	553,852,235,569	426,417,432,323
Revenue from real estate and office leasing	499,771,974,239	437,651,654,732
Less	(3,207,077,224)	(2,980,845,713)
Sales discounts	(3,207,077,224)	(2,980,845,713)
NET REVENUE	2,470,317,488,840	2,337,882,348,053
Of which:		
Revenue from mechanical and refrigeration electrical engineering	1,416,693,279,032	1,473,813,260,998
Revenue from power and water	553,852,235,569	426,417,432,323
Revenue from real estate and office leasing	499,771,974,239	437,651,654,732

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

28. REVENUES (continued)

28.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest income	82,309,724,354	125,605,866,626
Gains from disposal of investments	17,228,080,500	87,699,893,278
Dividends income	7,097,613,307	9,981,871,023
Foreign exchange gains	1,596,429,081	193,538,723
Others	40,469,377	132,961,251
TOTAL	108,272,316,619	223,614,130,901

29. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of mechanical and refrigeration electrical engineering	1,253,553,071,719	1,278,716,661,004
Cost of power and water	349,370,699,633	269,551,268,583
Cost of real estate and office leasing	143,914,389,382	138,361,404,665
TOTAL	1,746,838,160,734	1,686,629,334,252

30. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Interest expense and allocation of bond issuance expenses	217,034,101,321	196,783,402,812
Provisions (reversal of provision) for investments	755,148,342	(10,148,843,376)
Loss from disposal of investments	32,729,046	6,158,738,671
Foreign exchange losses	2,849,557,101	174,436,114
Others	165,894,773	307,211,441
TOTAL	220,837,430,583	193,274,945,662

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. SELLING EXPENSE AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Selling expenses	34,653,533,257	37,972,071,728
Labour costs	23,102,775,311	23,909,515,200
Expenses for external services	4,416,216,237	5,925,283,469
Others	7,134,541,709	8,137,273,059
General and administrative expenses	95,402,589,929	88,536,153,336
Labour costs	56,429,746,217	54,069,227,278
Expenses for external services	13,507,982,346	10,841,409,642
Provisions (reversal of provision) for doubtful receivables	1,182,941,596	(2,664,377,650)
Others	24,281,919,770	26,289,894,066
TOTAL	130,056,123,186	126,508,225,064

32. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Raw materials	945,232,163,636	847,625,476,684
Expenses for external services	662,289,996,603	468,049,394,221
Labour costs	223,220,525,355	227,799,483,571
Depreciation and amortisation (Notes 13, 14, 16 and 18)	160,514,997,847	81,894,137,849
Other expenses	53,119,569,426	90,355,413,676
TOTAL	2,044,377,252,867	1,715,723,906,001

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

33. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate from 5% to 20% of taxable profits earned.

The tax returns of 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 interim consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

33.1 CIT expenses

		VND
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
CIT expense	92,271,072,577	107,252,680,360
Adjustment for under accrual of tax from prior years	-	262,840,997
Current CIT expense	92,271,072,577	107,515,521,357
Deferred tax expense	4,968,757,662	1,059,858,538
TOTAL	97,239,830,239	108,575,379,895

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

		VND
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Accounting profit before tax	778,720,908,891	937,052,080,684
At CIT rate of 20% applicable to the Group	155,744,181,778	187,410,416,137
<i>Adjustments to increase (decrease)</i>		
Share of profit of associates	(58,656,146,340)	(75,854,594,430)
Dividends income not subject to CIT	(1,419,522,661)	(1,996,374,205)
Non-deductible expenses	3,609,642,496	4,792,809,543
Tax loss carried forward	(6,179,508,220)	(6,422,542,595)
Goodwill amortisation	2,772,300,942	160,142,665
Losses of subsidiaries	-	222,681,783
Adjustment for under accrual of CIT in prior years	-	262,840,997
Others	1,368,882,244	-
CIT expense	97,239,830,239	108,575,379,895

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

33. CORPORATE INCOME TAX (continued)

33.2 Current tax

The current tax payable is based on taxable profit for the period. The taxable profit of the Group for the period differs from the profit as reported in the interim 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 interim balance sheet date.

33.3 Deferred tax

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

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Accrued operating expenses	14,813,119,652	18,973,185,942	(4,160,066,290)	(4,651,491,589)
Provision for doubtful short-term receivables	7,525,520,745	7,525,520,745	-	(200,000,000)
Provision for obsolete inventories	2,444,111,068	2,444,111,068	-	(393,626,138)
Provision for investments	(753,726,578)	(753,726,578)	-	(1,178,031,326)
Unrealised profit	530,032,491	315,377,213	214,655,278	445,441,156
Unbilled contract profit	8,283,996,616	9,295,468,110	(1,011,471,494)	5,085,997,151
Others	173,885,171	185,760,327	(11,875,156)	(168,147,792)
Deferred tax assets	33,016,939,165	37,985,696,827	(4,968,757,662)	(1,059,858,538)
Net deferred tax expense				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related company transactions include all transactions undertaken with other companies to which the Group is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate group.

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

Related parties	Relationship	Transactions	VND	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Vinh Son – Song Hinh Hydropower Joint Stock Company	Associate	Lending	170,000,000,000	56,161,295,797
		Interest income	37,111,015,089	1,065,555,142
Pha Lai Thermal Power Joint Stock Company	Associate	Dividend income	77,396,260,000	92,875,512,000
Thac Mo Hydropower Joint Stock Company	Associate	Dividend income	44,765,610,000	44,765,610,000
Tan Hiep Water Investment Joint Stock Company	Associate	Dividend income	26,880,000,000	7,680,000,000
IDICO Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	15,433,893,000	-
Thu Duc Water Supply Joint Stock Company	Associate	Dividend income	4,505,664,000	3,566,984,000
Saigon Water Investment and Trading Joint Stock Company	Associate	Dividend income	4,500,000,000	12,000,000,000
Nha Be Water Supply Joint Stock Company	Associate	Dividend income	1,963,890,000	1,745,680,000
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Dividend income	14,506,800,000	16,350,180,000
		Sales of goods	418,873,500	412,116,900
Song Da Water Investment Joint Stock Company	Associate	Dividend income	-	32,352,000,000
Song Ba Ha Hydropower Joint Stock Company	Associate	Dividend income	-	32,000,000,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties in the periods were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Thu Duc Water B.O.O Corporation	Associate	Dividend income	-	18,779,248,000
Binh Dien Hydropower Joint Stock Company	Associate	Dividend income	-	3,947,960,000
Ninh Binh Thermal Power Joint Stock Company	Associate	Dividend income	-	2,652,580,000
Gia Dinh Water Supply Joint Stock Company	Associate	Dividend income	-	1,904,688,000

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

Related parties	Relationship	Transactions	VND	
			30 June 2020	31 December 2019
Short-term loan receivable				
Vinh Son – Song Dinh Hydropower Joint Stock Company	Associate	Lending	<u>288,600,000,000</u>	<u>98,600,000,000</u>
Held-to-maturity investment				
Vinh Son – Song Dinh Hydropower Joint Stock Company	Associate	Bonds	<u>500,000,000,000</u>	<u>500,000,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND	
			30 June 2020	31 December 2019
Other short-term receivables				
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	15,433,893,000	-
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Dividend income	14,506,800,000	-
Khanh Hoa Water Supply Joint Stock Company	Associate	Dividend income	9,127,680,000	9,127,680,000
Vinh Son – Song Hinh Hydropower Joint Stock Company	Associate	Interest income	7,087,671,234	7,134,246,575
Thu Duc Water Supply Joint Stock Company	Associate	Dividend income	1,126,416,000	-
Thu Duc Water B.O.O Corporation	Associate	Dividend income	-	23,474,060,000
Pha Lai Therma Power Joint Stock Company	Associate	Dividend income	-	116,094,390,000
Saigon Real Estate Joint Stock Company	Associate	Dividend income	-	19,717,722,000
TOTAL			47,282,460,234	175,548,098,575
Short-term advance from customer				
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Sales of goods	-	(182,305,287)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at 30 June 2020 are unsecured, interest free and will be settled in cash. For the periods ended 30 June 2020 and 30 June 2019, the Company has not made any provision for doubtful receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the interim financial position of the related party and the market in which the related party operates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration paid to members of Board of Management and Board of Directors during the period is as follows:

	VND	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Salaries and bonus	<u>7,829,855,960</u>	<u>9,666,827,000</u>

35. COMMITMENTS

35.1 *Operating lease commitments – when the Group is a lessee*

The Group leases plant for its plant in Tan Binh Industrial Zone and offices under operating lease agreements. The minimum lease commitment as at the interim balance sheet date under the operating lease agreements is as follows:

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than one year	10,034,793,000	10,034,793,000
From one to five years	<u>6,915,154,500</u>	<u>11,932,551,000</u>
TOTAL	<u>16,949,947,500</u>	<u>21,967,344,000</u>

35.2 *Operating lease commitments – when the Group is a lessor*

The Group leases out its assets under operating lease arrangements. The future minimum rental receivables as at the interim balance sheet date under the operating lease agreements is as follows:

	VND	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Less than one year	736,368,823,828	731,326,804,346
From one to five years	<u>1,073,471,991,977</u>	<u>1,182,322,904,182</u>
Over five years	<u>374,488,648,404</u>	<u>419,896,368,945</u>
TOTAL	<u>2,184,329,464,209</u>	<u>2,333,546,077,473</u>

35.3 *The agreement of bond payment guarantee commitment*

On 28 January 2019, the Company signed the agreement with Credit Guarantee and Investment Facility ("CGIF") – A trust fund of the Asian Development Bank. Accordingly, CGIF issued Guarantee Payment for Bondholders of 2,318 bonds (Note 25.3) that were issued by the Company and the Company committed to pay guarantee fee of 1.40% per annum on the total value of bonds in circulation within 10 years from the issue date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- Mechanical and refrigeration electrical engineering;
- Real estate and office leasing; and
- Power and water

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the interim consolidated financial statements. Group financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION (continued)

The segment results for the period ended 30 June 2020 are as follows:

	<i>Mechanical and refrigeration electrical engineering</i>	<i>Real estate and office leasing</i>	<i>Electricity, water</i>	<i>VND Consolidated</i>
<i>Sales</i>				
Total segment sales	1,631,475,020,265	560,120,555,241	554,011,735,569	2,745,607,311,075
Inter-segment sales	(214,781,741,233)	(60,348,581,002)	(159,500,000)	(275,289,822,235)
TOTAL	1,416,693,279,032	499,771,974,239	553,852,235,569	2,470,317,488,840
<i>Results</i>				
Segment profit after tax (*)	84,496,144,960	287,923,099,002	332,071,844,866	704,491,088,828
Unallocated profit after tax				(23,010,010,176)
Total profit after tax				681,481,078,652
<i>Of which:</i>				
<i>Parent company</i>				
Segment profit after tax	76,528,565,733	287,632,351,248	288,480,014,258	652,640,931,239
Unallocated profit after tax				(23,010,010,176)
				629,630,921,063
Non-controlling interest	7,967,579,227	290,747,754	43,591,830,608	51,850,157,589
The segment assets and liabilities for as at 30 June 2020 are as follows:				
Segment assets	2,857,228,531,404	3,588,367,416,320	10,890,621,834,571	17,336,217,782,295
Unallocated assets				2,433,766,881,659
TOTAL ASSETS				19,769,984,663,954
Segment liabilities	2,260,578,398,453	1,236,523,454,535	2,666,879,367,150	6,163,981,220,138
Unallocated liabilities				2,422,732,037,740
TOTAL LIABILITIES				8,586,713,257,878

(*) Including in segment profit after tax is share of profit of associates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION (continued)

The segment results for the period ended 30 June 2019 are as follows:

	<i>Mechanical and refrigeration electrical engineering</i>	<i>Real estate and office leasing</i>	<i>Electricity, water</i>	<i>VND Consolidated</i>
<i>Sales</i>				
Total segment sales	1,814,736,699,512	482,144,018,521	426,417,432,323	2,723,298,150,356
Inter-segment sales	(341,259,955,181)	(44,155,847,122)	-	(385,415,802,303)
TOTAL	1,473,476,744,331	437,988,171,399	426,417,432,323	2,337,882,348,053
<i>Results</i>				
Segment profit after tax (*)	120,031,645,738	212,981,233,631	508,426,356,624	841,439,235,993
Unallocated profit after tax				(12,962,535,204)
Total profit after tax				828,476,700,789
<i>Of which:</i>				
<i>Shareholders of the parent</i>				
Segment profit after tax	120,027,880,748	214,774,885,067	464,539,058,669	799,341,824,484
Unallocated profit after tax				(12,962,535,203)
Non-controlling interest	3,764,990	(1,793,651,437)	43,887,297,955	786,379,289,281 42,097,411,508
The segment assets and liabilities for as at 31 December 2019 are as follows:				
Segment assets	2,801,165,978,704	3,293,606,194,508	10,856,725,462,257	16,951,497,635,469
Unallocated assets				2,671,267,160,247
TOTAL ASSETS				19,622,764,795,716
Segment liabilities	2,242,453,330,401	1,226,960,916,233	2,670,476,179,466	6,139,890,426,100
Unallocated liabilities				2,381,205,830,150
TOTAL LIABILITIES				8,521,096,256,250

(*) Including in segment profit after tax is share of profit of associates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

37. EVENT AFTER THE INTERIM BALANCE SHEET DATE

There have been no other significant events that has arisen since the interim balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.



Pham Thi Uyen Phuong
Preparer



Ho Tran Dieu Lynh
Chief Accountant



Huynh Thanh Hai
General Director

10 August 2020