



**HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT
JOINT STOCK COMPANY**

**REVIEWED INTERIM FINANCIAL STATEMENTS
For the period of 6 months ended 30 June 2020**

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STATEMENTS OF THE BOARD OF DIRECTORS

The Board of Directors of Hudland Real Estate Investment and Development Joint Stock Company presents this report together with the Company's reviewed interim financial statements for the period of 6 months ended 30 June 2020.

THE COMPANY

Hudland Real Estate Investment and Development Joint Stock Company ("the Company") is established under the Business Registration Certificate of Joint Stock Company No. 0102340326 issued by Hanoi Department of Planning and Investment on 10 August 2007, the seventh amendment on 16 April 2018.

Business name: HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Abbreviated name: HUDLAND., JSC

Registered office at: 12th Floor, Hudland Tower Building, Lot ACC7, Linh Dam General Service, Hoang Liet Ward, Hoang Mai District, Ha Noi, Vietnam.

The company is currently listed on the Hanoi Stock Exchange. Stock code: HLD

THE BOARDS OF MANAGEMENT AND DIRECTORS

Board of Management	Mr. Pham Cao Son	Chairman
	Mr. Nguyen Thanh Tu	Member
	Ms. Dinh Thi Minh Hang	Member
	Mr. Vu Tuan Linh	Member
	Ms. Nguyen Thanh Huong	Member

The Members of Board of Directors of the Company who run the business during the period and at the date of this report are as follows:

Board of Directors	Mr. Nguyen Thanh Tu	Director
	Mr. Vu Tuan Linh	Deputy Director
	Mr. Nguyen Nam Cuong	Deputy Director

SUBSEQUENT EVENTS

According to the Board of Directors, in the material respects, there have been no significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments or disclosures to be made in the interim financial statements for the period of 6 months ended 30 June 2020.

AUDITOR

CPA VIETNAM Auditing Company Limited - An independent member firm of Moore Global Network, has reviewed the interim financial statements for the period of 6 months ended 30 June 2020.

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' RESPONSIBILITY

The Company's Board of Directors is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period. In preparing these financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim financial statements;
- Design, execute and maintain effective internal control system with regard to the preparation of interim financial statements to assure that the interim financial statements are free of material misstatement caused by even frauds and errors;
- Prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the interim financial statements.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the interim financial statements comply with prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant legal regulations relating to preparation and presentation of the interim financial statements. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect frauds together with other irregularities. ✓

On behalf of the Board of Directors,



Nguyen Thanh Tu

Director

Hanoi, 11 August 2020

No.636/2020/BCSX-BCTC/CPA VIETNAM

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
For interim financial statements for the period of 6 months ended 30 June 2020
of Hudland Real Estate Investment and Development Joint Stock Company

To: **Shareholders**
Board of Management, Board of Directors
Hudland Real Estate Investment and Development Joint Stock Company

We have reviewed the accompanying financial statements of Hudland Real Estate Investment and Development Joint Stock Company as set out on pages 04 to pages 32, which prepared on 11 August 2020 including the Interim Balance sheet as at 30/06/2020, and the Interim Income Statement, and Interim Cash flows Statement of for the period of 6 months, and Notes to the interim financial statements.

The Board of Directors' responsibility

The Board of Directors are responsible for the true and fair preparation and presentation of these interim financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the interim financial statements, and for such internal control as the Board of Directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

A review of interim financial information consists of making interviews of the Company's people 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 Auditing Standards and consequently does not enable us to obtain assurance that we would be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's conclusions

Based on our review we don't recognize any problem which causes us to believe that the accompanying interim financial statements, in all material respects, does not give a true and fair view of the financial position of the Company as at 30 June 2020 and the results of its operations and its cash flows for the period of 6 months then ended, in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim financial statements

**Bùi Thị Thủy****Deputy General Director**

Audit Practising Registration Certificate

No.0580-2018-137-1

*Letter of Authorization No.04/2020/UQ-CPA VIETNAM on 02 January 2020 of Chairman***CPA VIETNAM AUDITING COMPANY LIMITED****An independent member firm of Moore Global Network***Hanoi, 11 August 2020*

INTERIM BALANCE SHEET

As at 30 June 2020

ASSETS	CO DE	NO TE	30/06/2020 VND	01/01/2020 VND
A. CURRENT ASSETS (100 = 110+120+130+140+150)	100		634,045,890,248	598,438,856,725
I. Cash and cash equivalents	110	5.1	183,901,736,227	223,855,394,398
1. Cash	111		24,665,736,227	94,455,394,398
2. Cash equivalents	112		159,236,000,000	129,400,000,000
II. Short-term financial investments	120		88,673,930,000	9,073,930,000
3. Investments held to maturity	123	5.2	88,673,930,000	9,073,930,000
III. Short-term receivables	130		245,124,651,143	347,606,417,295
1. Short-term trade receivable	131	5.3	196,178,766,401	296,570,986,169
2. Short-term advances to suppliers	132	5.4	43,368,180,077	47,523,989,161
6. Other short-term receivables	136	5.5	5,577,704,665	3,511,441,965
IV. Inventories	140		115,910,783,680	17,903,115,032
1. Inventories	141	5.6	115,910,783,680	17,903,115,032
V. Other current assets	150		434,789,198	-
3. Taxes and other revenues to the state	153	5.7	434,789,198	-
B. NON-CURRENT ASSETS (200 = 210+220+240+250+260)	200		125,800,193,035	130,860,086,802
I. Long - terms receivables	210		-	-
II. Fixed assets	220		48,315,854,650	51,414,920,894
1. Tangible fixed assets	221	5.8	48,267,212,179	51,348,778,421
- Cost	222		74,643,745,771	74,531,505,771
- Accumulated Depreciation	223		(26,376,533,592)	(23,182,727,350)
3. Intangible fixed assets	227	5.9	48,642,471	66,142,473
- Cost	228		200,000,000	200,000,000
- Accumulated Depreciation	229		(151,357,529)	(133,857,527)
III. Investment property	230	5.10	74,509,633,120	76,299,339,172
1. Cost	231		96,055,631,848	96,055,631,848
2. Accumulated Depreciation	232		(21,545,998,728)	(19,756,292,676)
IV. Long-term assets in progress	240		197,309,265	197,309,265
2. Construction in progress	242	5.11	197,309,265	197,309,265
V. Long-term financial investments	250		2,500,000,000	2,500,000,000
2. Investments in joint ventures and associates	252	5.12	2,500,000,000	2,500,000,000
VI. Other long-term assets	260		277,396,000	448,517,471
1. Long-term prepaid expenses	261	5.13	277,396,000	448,517,471
TOTAL ASSETS (270 = 100+200)	270		759,846,083,283	729,298,943,527

INTERIM BALANCE SHEET (Continued)
As at 30 June 2020

RESOURCES	CO DE	NO TE	30/06/2020 VND	01/01/2020 VND
C. LIABILITIES (300 = 310+330)	300		287,715,456,238	271,491,553,006
I. Current liabilities	310		258,926,144,281	236,525,841,049
1. Short-term trade accounts payable	311	5.14	17,135,798,281	26,186,486,996
2. Short-term advances from customers	312	5.15	11,426,069,348	1,180,179,703
3. Taxes and other payables to State	313	5.16	3,443,672,064	11,151,700,558
4. Short-term payables to employees	314		643,524,692	6,385,475,445
5. Short-term accrued expenses	315	5.17	87,711,340,590	72,434,195,330
8. Short-term unearned revenue	318	5.18	6,299,534,731	4,111,550,500
9. Other current payables	319	5.19	26,368,545,792	16,938,864,514
10. Short-term loans and financial leases	320	5.20	95,097,487,505	85,141,829,360
12. Bonus and welfare funds	322		10,800,171,278	12,995,558,643
II. Long - term liabilities	330		28,789,311,957	34,965,711,957
8. Long-term loans and financial leases	338	5.20	28,789,311,957	34,965,711,957
D. EQUITY (400 = 410+430)	400		472,130,627,045	457,807,390,521
I. Owner's equity	410	5.21	472,130,627,045	457,807,390,521
1. Paid-in capital	411		200,000,000,000	200,000,000,000
- Voting ordinary shares	411a		200,000,000,000	200,000,000,000
8. Investment and development fund	418		80,832,092,113	80,832,092,113
11. Undistributed post-tax profits	421		191,298,534,932	176,975,298,408
- Undistributed post-tax profits accumulated by the end of the previous period	421a		176,853,858,408	101,110,494,259
- Undistributed post-tax profits of current period	421b		14,444,676,524	75,864,804,149
II. Other resources and funds	430		-	-
TOTAL RESOURCES (440 = 300+400)	440		759,846,083,283	729,298,943,527

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 11 August 2020
Director



Nguyen Thanh Tu

INTERIM INCOME STATEMENT
For the period of 6 months ended 30 June 2020

ITEMS	CO DE	NO TE	Period 6 months ended 30/06/2020	Period 6 months ended 30/06/2019
			VND	VND
1. Gross sales of merchandise and services	01	5.22	87,700,954,530	107,076,536,477
2. Deductions	02		-	-
3. Net sales of merchandise and services (10 = 01-02)	10	5.22	87,700,954,530	107,076,536,477
4. Cost of goods sold	11	5.23	53,760,897,146	75,554,955,480
5. Gross profit from sales of merchandise and services (20 = 10-11)	20		33,940,057,384	31,521,580,997
6. Financial income	21	5.24	6,155,920,135	1,083,991,489
7. Financial expenses	22	5.24	6,370,531,132	2,992,503,489
<i>In which: Interest expenses</i>	23		<i>6,370,531,132</i>	<i>2,992,503,489</i>
8. Selling expenses	24	5.25	4,693,993,000	979,459,550
9. General and administration expenses	25	5.25	11,333,161,270	11,231,959,019
10. Operating profit {30 = 20+(21-22)-(24+25)}	30		17,698,292,117	17,401,650,428
11. Other income	31	5.26	155,806,023	12,522,494
12. Other expenses	32	5.26	783,575	84,746
13. Profit (Loss) from other activities (40=31-32)	40		155,022,448	12,437,748
14. Accounting profit (loss) before tax (50=30+40)	50		17,853,314,565	17,414,088,176
15. Current tax expense	51	5.27	3,408,638,041	3,560,713,779
16. Deferred tax income/(expense)	52		-	-
17. Net profit (loss) after income tax (60=50-51-52)	60		14,444,676,524	13,853,374,397
18. Basic earnings per share	70	5.28	589	599
19. Diluted earnings per share	71		-	-

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 11 August 2020

Director



Nguyen Thanh Tu

INTERIM CASH FLOW STATEMENT
(Direct method)
For the period of 6 months ended 30 June 2020

ITEMS	CO NO DE TE	Period 6 months	Period 6 months
		ended 30/06/2020 VND	ended 30/06/2019 VND
I. Cash flow from operating activities			
1. Sales and other revenue	01	209,959,834,826	139,037,860,841
2. Payments for suppliers	02	(152,033,151,221)	(89,879,339,173)
3. Payment for employees	03	(9,250,692,104)	(9,500,000,984)
4. Interest paid	04	(6,578,739,624)	(10,943,462,679)
5. Corporate income tax paid	05	(14,605,196,040)	(15,737,283,967)
6. Other receipts from operating activities	06	9,182,931,850	7,425,286,792
7. Payments for other activities	07	(4,481,117,438)	(9,470,916,995)
<i>Net cash flows from operating activities</i>	20	32,193,870,249	10,932,143,835
II. Cash flows from investing activities			
1. Payments for acquisition, construction of fixed assets and other long-term assets	21	(112,240,000)	-
3. Cash outflow for lending, buying debt instruments of other entities	23	(79,600,000,000)	(26,800,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	-	27,000,000,000
7. Interest earned, dividends and profit received	27	3,785,453,435	1,553,410,791
<i>Net cash flows from (used in) investing activities</i>	30	(75,926,786,565)	1,753,410,791
III. Cash flows from financing activities:			
3. Proceeds from borrowings	33	41,594,262,673	81,677,933,793
4. Repayments of borrowings	34	(37,815,004,528)	(91,218,872,753)
<i>Net cash flows from financial activities</i>	40	3,779,258,145	(9,540,938,960)
Net cash flows in the period (50 = 20+30+40)	50	(39,953,658,171)	3,144,615,666
Cash and cash equivalents at beginning of period	60	223,855,394,398	76,451,169,467
Cash and cash equivalents at end of period (70 = 50+60+61)	70 5.1	183,901,736,227	79,595,785,133

Preparer



Tran Thanh Thanh Huyen

Chief Accountant



Le Quoc Chung

Hanoi, 11 August 2020
Director



Nguyen Thanh Tu

1. GENERAL INFORMATION

1.1 Structure of ownership

Hudland Real Estate Investment and Development Joint Stock Company (“the Company”) is established under the Business Registration Certificate of Joint Stock Company No. 0102340326 issued by Hanoi Department of Planning and Investment on 10 August 2007, the seventh amendment on 16 April 2018.

The Company’s name: HUDLAND REAL ESTATE INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Abbreviated name: HUDLAND., JSC

Registered office at: 12th Floor, Hudland Tower Building, ACC7 Lot, Linh Dam General Service, Hoang Liet Ward, Hoang Mai District, Ha Noi, Vietnam.

The company is currently listed on the Hanoi Stock Exchange. Stock code: HLD

Total charter capital recorded in the BRC is VND 200,000,000,000, which is divided into 20,000,000 shares with par value of VND 10,000/ share.

Number of employees as at 30/06/2020 is: 44 people (as at 31/12/2019 is: 44 people).

1.2 Operating industry and principal activities

- Construction of other civil: House Construction and renovation; construction of commercial centers, supermarkets, service, office, sports center, warehouses, factories, markets; construction of economic zones and industrial parks; construction and installation of civil, industrial, transport, irrigation, telecommunications, urban infrastructure works, industrial zones, transmission lines and power station under 35KV;
- Architectural engineering and consult: Investment consultancy in construction of house and urban infrastructure;
- Wholesales of material and other installation equipment in construction: Business of construction materials, interior and exterior decoration;
- Wholesale trade machinery, equipment and spare parts: Business of specialized machinery in construction;
- Agents, brokers, auction: Purchase, sales and consignment agent;
- Business of real estate, land use rights of the owner, the user or lease: Investment in development of residential and new urban areas;
- Unclassified business supporting services: Export and import of construction materials, interior and exterior decoration, construction machinery and equipment.

The principal activity of the Company is investment in development of residential and new urban areas.

1.3 Structure of ownership

As at 30/06/2020, the Company has subsidiaries, associates and affiliated units as follows:

	Main activities	Share of capital contribution	Voting right
Associates			
Hudland trade and service JSC	Supplying services	30,5%	30,5%

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting period

The Company's fiscal year begins on 1 January and ends on 31 December.
The interim financial statements are prepared for the period of 6 months ended 30 June 2020.

Currency unit

The accompanying financial statements are expressed in Vietnam Dong (VND).

3. APPLIED ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

Applied Accounting Standards and Accounting System

The Company applied to Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT- BTC dated March 21, 2016 amending and supplementing a number of articles of Circular 200/2014/TT- BTC dated December 22, 2014.

Statements for the compliance with Accounting Standards and System

The Company's Board of Directors confirmed to completely comply with Vietnamese Accounting Standards and System promulgated and taken effect relating to preparation and presentation of the interim financial statements for the period of 6 months ended 30 June 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation interim financial statements

The attached interim financial statements are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese accounting standards, Vietnamese Enterprise Accounting System and regulations legal concerning the preparation and presentation of interim interim financial statements.

Cash and cash equivalents

Cash: Including cash, cash in bank (call deposits) and cash in transit.

Cash, bank deposits are recognized on the basics of actual transaction.

Cash in Transit: Based on remittance with outstanding Debit and/or Credit Notes.

Cash equivalents

Including short-term investments, time deposits whose recovery period or maturity not exceeding 3 months from the date of investment, deposits could be liquidated into particular amount and have no liquidation risk as at reporting time.

All of held to maturity investments classified accounts derived from foreign currencies shall be revaluated according to actual transaction exchange rate at the date of the financial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial investments

Held to maturity investments

Held to maturity investments includes: term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and held to maturity loans to earn profits periodically and other held to maturity investments.

Held to maturity investments shall be stated at the historical cost and determined according to fair value upon recovery abilities.

Investments in subsidiaries, joint ventures, associates and other investments

- Investments in joint ventures, associates: Investments in joint ventures, associates that the company obtains control right are stated at historical cost in the interim financial statements.

Distributions from profits that the Company received from the accumulated profits of the subsidiaries after the date the Company obtains control are recognized in income statement of the company. Other distributions are considered a recovery of investment and are deducted from the investment value.

Receivables

Receivables are monitored in detail according to receivable terms, receivable objects, types of receivable currencies and other factors according to the Company's management needs.

The receivables comprise the customer receivables and other receivables based on rules:

- Receivables from customers include trade receivables arising from the transaction of buying and selling between the Company and the buyer (which is independent of the seller, including receivables between parent company and subsidiaries, joint ventures and associates). This receivables include receivables from export sales of trustors through trustees. The trade receivables are recognized in accordance with the standards of the time revenue recognition based on invoices.
- Other receivables include non-commercial receivables.
- Intra-company receivables include receivables between superior organizations and affiliated organizations having no legal status and dependent cost-accounting

Accounts receivable are classified as short and long-term on the balance sheet bases remaining terms of the receivables at the date of the interim financial statements.

Provision for doubtful debts: is made for each bad debt based on the time of overdue debt repayment according to the initial debt commitment (not including the debt extension between parties), or there is signs of bad debts due to debtors falling into bankruptcy or going through dissolution, disappearance or escape procedures..

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the historical cost. When historical cost is higher than net realizable value, inventories shall be stated at net realizable value. The historical cost of inventories comprises direct materials expenses, direct labour expenses and general production expenses based on normal levels of operating activity that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the normal course of business minus all estimated costs of completion and costs of marketing, selling and distribution. Inventories are recorded by the perpetual inventory method and cost by specific identification method.

Provisions for inventories devaluation of the Company are made under the current accounting regulations. Accordingly, The Company is allowed to make devaluation provision for inventories with obsolescence, damage, poor quality in cases where the actual value of inventories is higher than the net realizable value at the date of ending accounting period.

Tangible fixed assets and depreciation

Company manage, use and allocate depreciation of fixed assets in accordance with the guidance in Circular No. 45/2013/TT-BTC dated 23 April 2013 and Circular No. 147/2016/TT-BTC dated October 13, 2016 amending and supplementing a number of articles of Circular 45/2013/TT-BTC issued by the Ministry of Finance, Circular 28/2017/TT-BTC dated 12 April 2017 amending and supplementing a number of articles of Circular 45/2013/TT-BTC and Circular No. 147/2016/TT-BTC of the Ministry of Finance.

a. Rules for accounting

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The historical cost of the tangible fixed assets comprises its purchase price and all direct attributable costs of bringing the assets to its working condition and location for its intended use.

When fixed assets are sold or disposed, their cost and accumulated depreciation are eliminated and any gain or loss (if any) arising from the disposal are allocated in other income or other expenses in the period.

Intangible fixed assets: Computer software is are initially recognized at buying cost and stated at cost less accumulated depreciation.

b. Method of depreciation

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Buildings and structures	07 - 25
Machinery and equipment	05 - 07
Office equipment	05
Motor vehicles	07

Intangible asset is computer software that is amortised using the straight-line method over 3 years.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Real estate investment

Investment property includes land use rights and buildings held by the Company for the purpose of gaining from the lease or awaiting increase are stated at cost less accumulated amortization. The cost of purchased investment properties comprises its purchase price and any directly attributable costs, such as appropriate legal advice, tax and other transaction costs. The cost of a real estate investment is the value of the final settlement of the project or the direct costs of the investment property.

Real estate investments are measured at depreciation and amortization as tangible fixed assets of the Company.

Prepaid expenses

Prepaid expenses reflect the actual costs incurred, but the results are relevant to business and production activities of many accounting periods and the associated transfer costs into the cost of production and business subsequent accounting periods.

Prepaid expenses are stated at cost and are classified under short-term and long-term on the balance sheet, the interim accounting period based on the prepayment of each contract.

Prepaid expenses are gradually allocated on a straight-line basis over their estimated useful lives within 03 years.

Construction in progress

Properties in progress are for production, leasing, administrative purposes, or for any other purposes recognized at the historical cost. This cost includes service fees, relevant interest fees in accordance with the Company's accounting policy. Depreciation of these assets is the same as the other assets commencing when these assets are ready for their intended use.

Payables

The payables are monitored in detail by maturity terms, subjects, kind of currency and other factors according to management demand of the Company.

The payables include payable to suppliers and other payables which are determined almost certainly about the recorded value and duration which are not less than the obligation payable, they are classified as follows:

- Trade payables: includes commercial payables arising from the purchase of goods, services and assets between the Company and the seller (the independent unit of the Company, including amounts between the Holding company and its subsidiaries, joint ventures, affiliate). These payables include amounts payable arising due to importing through trustees (in trust import transactions);
- Other payables includes of non-commercial payables, non-related transactions of purchasing and selling of goods and services.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and finance lease liabilities

Including loans, finance lease liabilities, except loans under the forms of issuance of bonds or preference shares with provisions requiring the issuer to repurchase at a certain time in the future.

The loans and finance lease liabilities are kept records in details according to entities, and classified into short-term receivables or long-term receivables according to their payment periods.

Borrowing expenses directly related to the loans shall be accounted for in financial expenses. Where these expenses arise from loans for purposes of investment, construction or production of assets in progress, they shall be capitalized according to "Borrowing cost" accounting standard.

Recognition and capitalization of borrowing cost

All borrowing costs should be recognized into Income Statement in the period in which they are incurred, unless they are capitalized according to provisions of "Borrowing cost" accounting standard. During the period interest expense was capitalized to assets in progress of the Company is devoid.

Accrued expenses

Expenses that have not actually been incurred but are pre-recorded to operating expenses during the period to ensure that when these expenses actually occurs, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

The Company records accrued expenses as following: Employee, materials expenses would be accrued according to quantity of finished work.

Owner's equity

Share capital is recognized as the actual capital contributed to the Company.

Share premium is recognised by the difference between the actual price and face value of the shares when firstly issued, additionally issued or when the Company reissue treasury share.

Undistributed profit shall be determined on the basis of income after tax and the distribution of profits or settlement of losses of the Company.

Profit after tax shall be distributed dividends to shareholders after being approved by the Board of Shareholders at the Annual General Meeting and after being allocated to the reserve fund in accordance with the Company's charter.

Dividends that would be paid depend on estimated profit. In the following period, dividends would be declared and paid officially from undistributed profit on the basis of the approval of Board of Directors.

Revenue recognition, other income

Revenue from sale of goods shall be recognized if it simultaneously meets the following five (5) conditions:

- a/ The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- b/ The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c/ The amount of revenue can be measured reliably;
- d/ It is probable that the economic benefits associated with the transaction will flow to the Company; and ;
- e/ The cost incurred or to be incurred in respect of transaction can be measured reliably.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition, other income (Continued)

The income of a transaction on providing of services is recognized when the outcome of that transaction can be reliably determined. Where a transaction involving the providing of services is attributable to several periods, sales of services are recognized by reference to the stage of completion of the service at the balance sheet date. The outcome of a service provision transaction shall be determined only when it satisfies all the four (4) conditions below:

- a/ the amount of revenue can be measured reliably;
- b/ It is probable that the economic benefits associated with the transaction will flow to the Company;
- c/ The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- d/ The costs incurred for the transaction and the costs to complete transaction can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable.

Revenue of Real estate

Revenue will be recognized if material risks and ownership had been transferred to the buyer, usually upon the unconditional transfer of contracts. For conditional transfer, revenue shall be recognized if all of material conditions are met.

Construction contract

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by customers, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the billed invoices.

When the outcome of a construction contract cannot be estimated reliably and the Corporation can recover the expenses of the contract, the revenue is recognized to the level of withdrawable expenses. Therefore, there is no profit that is recognized, even when the total expenses of contract may exceed the total revenue of the contract.

Cost of goods sold

Cost of goods sold including of cost of products, goods and services, real estate sold in the period (including depreciation, repair expenses, other expense for real estate leasing under the form of operating lease, real estate investment liquidation expense...) are recognized in accordance with revenue in the period.

Current corporate income tax and deferred tax expenses

Income tax expense (tax income): is the aggregate amount of current income tax expense (income) and deferred income tax expense (income) included in the determination of profit or loss for the period.

- Current income tax expenses are income tax payables computed on taxable income during year and current income tax rate. Current income tax is calculated based on taxable income and the tax rate applied in the tax period. Taxable income is different from accounting profit caused by the adjustment of the difference between accounting profit and taxable income under current tax policies.
- Deferred income tax expenses are income taxes payables in the future, arising from: Recognising deferred income tax payables during the year; Reversing deferred tax assets which were recorded in previous years; Not recognising deferred tax assets or deferred tax liabilities arising from the transaction recorded directly in owner's equity.

Company is obliged to pay corporate income tax with rate of tax at 20% of taxable income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of interim financial statements in conformity with Vietnamese Standards on Accounting, Vietnamese Enterprise Accounting System and other prevailing accounting regulations relating to the preparation and presentation of the financial statements equires The Board of Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Actual results could differ from those estimates and assumptions.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, the financial assets are recognized under historical cost plus transaction cost directly relating to procuring those financial assets.

The Company's financial assets include cash on hand, short-term deposit, short-term receivables and other receivables, loans and unlisted financial instruments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized under historical cost plus transaction cost directly relating to issuing those financial liabilities.

The Company's financial liabilities include trade accounts payable, other payables, debts and other loans.

Revaluation after initial recognition

At present, there are no regulations on revaluation of the financial instruments after initial recognition.

Earnings per share

Basic earnings per share for the common stock is calculated by dividing profit or loss attributable to common equity holders for the weighted average number of outstanding ordinary shares during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to shareholders holding ordinary shares and the weighted average number of outstanding common shares due to the influence of potential impairment of common stocks (including convertible bonds and stock options).

Related parties

Parties considered as related parties are enterprises that include Holding Company - Housing and Urban Development Corporation, Subsidiaries of Holding Company, individuals owning, directly or indirectly through one or more intermediaries, control over the Company or under control with the Company. Associations, individuals possess directly or indirectly voting right of the Company that considerably influence the Company. Key management that include Directors, Officers of the Company and closed members of families of these individuals or associations or companies in association with these individuals are considered as related parties.

Segment report

Component parts that can distinguish the company engaged in providing related products or services (by business segment), or in providing products or services within a particular economic environment (geographical area) that this part of the economic risks and benefits different from other business segments. The Board of Directors confirms that the Company operates in the business area of investment and development of real estate projects therefore, all revenues, costs, assets and liabilities only serve for the activity in a segment according to the only geographic area in Vietnam. Therefore, segment report is not prepared.

5. SUPPLEMENTAL INFORMATION ABOUT ITEMS ON THE BALANCE SHEET AND INCOME STATEMENT

5.1 Cash and cash equivalents

	30/06/2020 VND	01/01/2020 VND
Cash on hand	16,448,956,434	10,663,675,005
Cash in bank	8,216,779,793	83,791,719,393
Cash equivalents (Term deposits of less than 3 months):		
<i>PVCombank - Ha Noi Branch</i>	53,768,000,000	65,700,000,000
<i>BIDV - Ha Noi Branch</i>	105,468,000,000	63,700,000,000
Total	183,901,736,227	223,855,394,398

5.2 Held to maturity investments

	30/06/2020 (VND)		01/01/2020 (VND)	
	Historical cost	Book value	Historical cost	Book value
Short-term	88,673,930,000	88,673,930,000	9,073,930,000	9,073,930,000
<i>Term deposits from 3 to 9 months at:</i>				
<i>PVcomBank - Hanoi Branch</i>	75,673,930,000	75,673,930,000	9,073,930,000	9,073,930,000
<i>BIDV - Hanoi Branch</i>	13,000,000,000	13,000,000,000	-	-
Long-term	-	-	-	-
Total	88,673,930,000	88,673,930,000	9,073,930,000	9,073,930,000

5.3 Trade receivables

	30/06/2020 VND	01/01/2020 VND
Short-term	196,178,766,401	296,570,986,169
Customers rent Office Building in Lot A CC7-Linh Dam	2,318,792,665	3,259,863,994
Customers buy apartments of HH05 Project in Viet Hung New urban area	2,285,900,000	2,285,900,000
Customers buy houses of Bac Ninh Low-income Housing Project	14,392,260,785	32,031,832,480
Customers buy houses of CT17 Viet Hung Project	11,292,280,911	13,049,186,048
Customers buy houses of Zone B Project in Bac Ninh	165,234,530,969	245,244,367,671
Others	655,001,071	699,835,976
<i>In which, receivables of related parties (detailed in note 6.1)</i>	56,103,911	406,966,093
Total	196,178,766,401	296,570,986,169

5.4 Advances to suppliers

	30/06/2020	01/01/2020
	VND	VND
Short-term	43,368,180,077	47,523,989,161
Housing and Urban Development Corporation	20,338,935,057	20,338,935,057
HUD10 Construction and Investment JSC	4,309,030,016	7,108,881,617
COTANA Construction Joint Stock Company	3,370,395,300	6,130,130,000
Thanh Ha Investment and Trading Joint Stock Company	-	2,456,730,949
386 Thanh An Construction and Investment JSC	4,591,970,658	2,172,205,358
Others	10,757,849,046	9,317,106,180
<i>In which, Advances to suppliers of related parties (detailed in note 6.1)</i>	30,528,850,651	30,487,987,511
Total	43,368,180,077	47,523,989,161

5.5 Other receivables

	30/06/2020 (VND)		01/01/2020 (VND)	
	Book value	Provision	Book value	Provision
Short-term	5,577,704,665	-	3,511,441,965	-
Customer service fees	355,260,001	-	375,060,001	-
Red document payables	124,146,700	-	124,146,700	-
Advances	55,000,000	-	339,404,000	-
Accrued Interest of Bank	3,360,613,403	-	990,146,703	-
Others	1,682,684,561	-	1,682,684,561	-
Total	5,577,704,665	-	3,511,441,965	-

5.6 Inventories

	30/06/2020		01/01/2020	
	Historical Cost	Provision	Historical Cost	Provision
Work in progress	115,815,611,372	-	17,823,202,037	-
Purchase costs	95,172,308	-	79,912,995	-
Total	115,910,783,680	-	17,903,115,032	-

5.7 Deductible VAT and receivables from the State

	Amount deductible/ Amount to be paid		Amount deducted/ Amount paid	
	01/01/2020 (VND)	VND	VND	30/06/2020 (VND)
Value added tax	-	4,370,938,073	4,370,938,073	-
Corporation income tax	-	434,789,198	-	434,789,198
Total	-	4,805,727,271	4,370,938,073	434,789,198

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5.8 Tangible fixed assets

	<i>Unit: VND</i>				
	Buildings and Structures	Machinery and Equipment	Motor Vehicles	Office equipment	Total
<i>Cost</i>					
As at 01/01	65,776,677,456	127,272,727	7,479,053,988	1,148,501,600	74,531,505,771
Increase	-	-	67,290,000	44,950,000	112,240,000
Purchases	-	-	67,290,000	44,950,000	112,240,000
Decrease	-	-	-	-	-
As at 30/06	<u>65,776,677,456</u>	<u>127,272,727</u>	<u>7,546,343,988</u>	<u>1,193,451,600</u>	<u>74,643,745,771</u>
<i>Accumulated depreciation</i>					
As at 01/01	16,994,486,632	127,272,727	5,259,758,749	801,209,242	23,182,727,350
Increase	2,832,414,437	-	286,678,788	74,713,017	3,193,806,242
Depreciation	2,832,414,437	-	286,678,788	74,713,017	3,193,806,242
Decrease	-	-	-	-	-
As at 30/06	<u>19,826,901,069</u>	<u>127,272,727</u>	<u>5,546,437,537</u>	<u>875,922,259</u>	<u>26,376,533,592</u>
<i>Net book value</i>					
As at 01/01	<u>48,782,190,824</u>	<u>-</u>	<u>2,219,295,239</u>	<u>347,292,358</u>	<u>51,348,778,421</u>
As at 30/06	<u>45,949,776,387</u>	<u>-</u>	<u>1,999,906,451</u>	<u>317,529,341</u>	<u>48,267,212,179</u>

Cost of fully depreciated fixed assets which are still in use as at 30/06/2020 is VND 13,366,526,612.

Cost and Net book value of the pledged property and mortgage guarantee for loans as at 30/06/2020 are VND 166,877,285,662 and VND 122,395,390,321 respectively.

5.9 Intangible assets

	<i>Unit: VND</i>	
	Computer software	Total
<i>Cost</i>		
As at 01/01	200,000,000	200,000,000
Increase	-	-
Decrease	-	-
As at 30/06	<u>200,000,000</u>	<u>200,000,000</u>
<i>Accumulated depreciation</i>		
As at 01/01	133,857,527	133,857,527
Increase	17,500,002	17,500,002
Depreciation	17,500,002	17,500,002
Decrease	-	-
As at 30/06	<u>151,357,529</u>	<u>151,357,529</u>
<i>Net book value</i>		
As at 01/01	<u>66,142,473</u>	<u>66,142,473</u>
As at 30/06	<u>48,642,471</u>	<u>48,642,471</u>

5.10 Investment real property

Items	Beginning balance VND	In the period		Closing balance VND
		Increase VND	Decrease VND	
I. Cost	96,055,631,848	-	-	96,055,631,848
Office Building in lot A-CC7 Linh Dam	96,055,631,848	-	-	96,055,631,848
II. Accumulated Depreciation	19,756,292,676	1,789,706,052	-	21,545,998,728
Office Building in lot A-CC7 Linh Dam	19,756,292,676	1,789,706,052	-	21,545,998,728
III. Net book value	76,299,339,172	-	-	74,509,633,120
Office Building in lot A-CC7 Linh Dam	76,299,339,172	-	-	74,509,633,120

The total value of the investment property used to pledge or mortgage the loan.

5.11 Construction in progress

	30/06/2020 VND	01/01/2020 VND
Construction in progress	197,309,265	197,309,265
- Construction: Office Building Lot A - CC7	197,309,265	197,309,265
Total	197,309,265	197,309,265

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5.12 Investments in associates

Unit: VND

	Rate		30/06/2020			01/01/2020		
	Capital owned	Voting right	Historical Cost	Fair value	Provision	Historical Cost	Fair value	Provision
Investments in joint ventures or associates			2,500,000,000			2,500,000,000		
Hudland trade and service JSC	30.50%	30.50%	2,500,000,000	(*)	-	2,500,000,000	(*)	-
Total			2,500,000,000	-	-	2,500,000,000	-	-

(*): At the reporting date, the Company has not determined the fair value of investments in associates for notes in the interim financial statements because there is no listed price on the market and Vietnam Accounting Standard, Vietnam Enterprise Accounting System does not yet have guidelines on the use of valuation techniques in determining the fair value of investments of associates.

5.13 Prepaid expenses

	30/06/2020	01/01/2020
	VND	VND
Short-term	-	-
Long-term	277,396,000	448,517,471
- Tools and equipment awaiting allocation	277,396,000	448,517,471
Total	277,396,000	448,517,471

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5.14 Trade payables

	30/06/2020 (VND)		01/01/2020 (VND)	
	Book value	Amount can be paid	Book value	Amount can be paid
Short-term	17,135,798,281	17,135,798,281	26,186,486,996	26,186,486,996
Cotana Group JSC	2,053,869,756	2,053,869,756	2,053,869,756	2,053,869,756
Investment and Construction JSC No. 18.5	3,288,704,057	3,288,704,057	3,288,704,057	3,288,704,057
Hung Thinh Investment and Construction Consultant JSC	2,488,469,222	2,488,469,222	2,488,469,222	2,488,469,222
Tuan Thanh Trade Joint Stock Company	525,901,820	525,901,820	5,126,760,642	5,126,760,642
Bac Ninh Investment and Infrastructure Construction JST	935,435,252	935,435,252	1,442,617,793	1,442,617,793
Others	7,843,418,174	7,843,418,174	11,786,065,526	11,786,065,526
<i>In which, payables of related parties (detailed in note 6.1)</i>	<i>2,367,558,345</i>	<i>2,367,558,345</i>	<i>2,367,558,345</i>	<i>2,367,558,345</i>
Total	17,135,798,281	17,135,798,281	26,186,486,996	26,186,486,996

5.15 Advances from customers

	30/06/2020 (VND)	01/01/2020 (VND)
Short-term	11,426,069,348	1,180,179,703
CT17 Viet Hung Project	298,182,323	429,215,773
Zone B Project in Bac Ninh	10,072,817,167	866
Le Thai To Townhouse Project, Bac Ninh	545,930,288	710,762,471
Bac Ninh Low-income Housing Project	325,978,052	-
Others	183,161,518	40,200,593
Long-term	-	-
Total	11,426,069,348	1,180,179,703

5.16 Taxes and payables to the State

	01/01/2020 (VND)	Amount to be paid VND	Amount paid VND	30/06/2020 (VND)
Value added tax	367,731,975	7,910,774,669	5,029,419,260	3,249,087,384
Corporation income tax	10,761,768,801	3,408,638,041	14,170,406,842	-
Personal income tax	22,199,782	934,217,076	899,628,109	56,788,749
Housing tax, land rental charges	-	137,795,931	-	137,795,931
Other taxes	-	3,000,000	3,000,000	-
Total	11,151,700,558	12,394,425,717	20,102,454,211	3,443,672,064

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5.17 Accrued expenses payables

	30/06/2020	01/01/2020
	VND	VND
Short-term	87,711,340,590	72,434,195,330
Adjacent housing Project in Bac Ninh	663,964,611	663,964,611
Villa Project in Bac Ninh	327,023,543	327,023,543
Van Canh Project	-	204,226,355
HH05 Project	2,118,200,366	2,118,200,366
Zone B Project in Bac Ninh	74,488,045,903	54,579,010,872
Service of Office Building in lot A-CC7	-	71,750,000
Linh Dam	-	-
Bac Ninh Low-income Housing Project	10,114,106,167	14,468,516,469
Office expenses payable	-	1,503,114
Long-term	-	-
Total	87,711,340,590	72,434,195,330

5.18 Unearned revenue

	30/06/2020	01/01/2020
	VND	VND
Short-term	6,299,534,731	4,111,550,500
Contract value recognized on sales progress	6,299,534,731	4,111,550,500
Long-term	-	-
Total	6,299,534,731	4,111,550,500

5.19 Other payables

	30/06/2020	01/01/2020
	VND	VND
Short-term	26,368,545,792	16,938,864,514
Trade union fees	39,406,313	117,245,031
Dividend payables	168,387,500	168,387,500
Maintenance costs paid under the contract	3,017,263,629	1,059,366,081
Deposit to complete the house	10,746,268,415	8,707,334,726
Customer service fees	9,635,082,182	6,247,878,182
Money to make a Red Book	2,579,003,301	455,518,542
Other payables	183,134,452	183,134,452
Long-terms	-	-
Total	26,368,545,792	16,938,864,514

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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5.20 Loans and finance lease liabilities

	30/06/2020		The period		01/01/2020	
	Value	Amount can be paid	Increase	Decrease	Value	Amount can be paid
Shor-term	95,097,487,505	95,097,487,505	41,594,262,673	31,638,604,528	85,141,829,360	85,141,829,360
BIDV - Hanoi Branch (1)	72,103,801,349	72,103,801,349	28,269,055,201	26,533,132,802	70,367,878,950	70,367,878,950
Pvcombank - Hanoi Branch (2)	22,993,686,156	22,993,686,156	13,325,207,472	5,105,471,726	14,773,950,410	14,773,950,410
Long-term	28,789,311,957	28,789,311,957	-	6,176,400,000	34,965,711,957	34,965,711,957
Pvcombank - Hanoi Branch (3)	27,495,800,000	27,495,800,000	-	6,176,400,000	33,672,200,000	33,672,200,000
Personal loans (4)	1,293,511,957	1,293,511,957	-	-	1,293,511,957	1,293,511,957
Total	123,886,799,462	123,886,799,462	41,594,262,673	37,815,004,528	120,107,541,317	120,107,541,317

Unit: VND

- (1) Credit limit contract No. 01/2019/1906164/HĐTD dated 09/9/2019. Credit limit granted: VND 175,000,000,000; purpose of borrowing: temporarily support to supplement working capital to projects: investment in construction of new urban area on Le Thai To Street, Bac Ninh (Villas and townhouses), investment in construction of condominiums CT17 - new Viet Hung urban area, Hanoi. Loan term: 12 months from the signing date of contract. Interest rate and term are specified in each particular credit contract. Guarantee measures: Mortgage accounts receivable has been established and will shape in future that arises from house sales contracts and entire rights arising under house sales contracts of CT17 Project, new urban area in Viet Hung, Hanoi; mortgage Toyota Camry car - License Plate of 31F-6178 under property mortgage contract No. 01/2014/HĐTCTS, notary number: 271/2014/HĐTC on 24/02/2014 and amended documents attached.
- (2) Credit limit contract No. 386/2019/HDHMTD/PVB-HAN-HUDLAND dated 30/12/2019. Credit limit of VND 100,000,000,000; Credit purpose: to supplement capital for HUDLAND's business activities. Term of credit limit: 12 months, specified in the Debt Contract. Lending interest rate is regulated by the Bank and adjusted once a month. Guarantee measures: Pledge of money contracts, benefits arising from the TNT housing project at Bac Ninh project, Linh Dam building project, the remaining debt claim right from HH05 project; Other guarantee measures as agreed upon between the Bank and customers or third parties (if any).
- (3) The credit contract No. 2906/2015/HDCVDA-DN.HN dated 26/06/2015: the credit limit of VND 83,000,000,000; the purpose: performing purchase agreement of asset attached to the lease land use rights with notary number of 543/2015/SC , Vol 1/TP/CC/HDGD signed on 19/05/2015 at Ba Dinh Notary Office between HUD2 Investment Development Joint Stock Company and HUDLAND Real Estate Investment and Development Joint Stock Company. The loan term is 8 years. The interest rate is regulated by tthe Bank at the time of disbursement in accordance to debt agreement. Guarantee measures: Mortgage entire office building project in Lot A - CC7 of tourist and housing area at Linh Dam Lake which will formed in the future.
- (4) Personal loans with a duration of 36 months and interest rate at 10%/year.

5.21 Owner's equity

a. Reconciliation of movements in owners' equity

Unit: VND

	Owner's capital	Investment and Development fund	Retained earnings	Total
As at 01/01/2019	200,000,000,000	80,832,092,113	127,179,268,255	408,011,360,368
Increase	-	-	13,853,374,397	13,853,374,397
Profit after tax	-	-	13,853,374,397	13,853,374,397
Decrease	-	-	3,824,399,997	3,824,399,997
Remuneration to BOM, BOS	-	-	71,399,997	71,399,997
Allocation to funds	-	-	3,753,000,000	3,753,000,000
As at 30/06/2019	200,000,000,000	80,832,092,113	137,208,242,655	418,040,334,768
As at 01/01/2020	200,000,000,000	80,832,092,113	176,975,298,408	457,807,390,521
Increase	-	-	14,444,676,524	14,444,676,524
Profit after tax	-	-	14,444,676,524	14,444,676,524
Decrease	-	-	121,440,000	121,440,000
Remuneration to BOM, BOS	-	-	121,440,000	121,440,000
As at 30/06/2020	200,000,000,000	80,832,092,113	191,298,534,932	472,130,627,045

The Annual General Meeting of Shareholders on 12/06/2020, the Shareholders approved the plan of distributing accumulated undistributed profits to 31/12/2019 and assigned to the Board of Management to implement, but until 30/06/2020 due to the impact of Covid 19, the company has not yet finished this profit sharing.

b. Details of owner's equity

Shareholders	Shares Quantity	Amount VND	Ratio %	Capital recorded	
				30/06/2020 VND	01/01/2020 VND
Housing and urban development Corporation	10,200,000	102,000,000,000	51.00%	102,000,000,000	102,000,000,000
Cotana Group JSC	629,400	6,294,000,000	3.15%	6,294,000,000	6,294,000,000
Mrs. Nguyen Thanh Huong	248,000	2,480,000,000	1.24%	2,480,000,000	2,480,000,000
Mr. Kenneth Ruby Kamon	1,250,300	12,503,000,000	6.25%	12,503,000,000	12,503,000,000
Other shareholders	7,672,300	76,723,000,000	38.36%	76,723,000,000	76,723,000,000
Total	20,000,000	200,000,000,000	100.00%	200,000,000,000	200,000,000,000

c. Capital transactions with owners and dividends distribution

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
- Owner's equity		
As at 01/01	200,000,000,000	200,000,000,000
Increase	-	-
Decrease	-	-
As at 31/12	200,000,000,000	200,000,000,000
- Dividends, profit paid	-	3,753,000,000

5.21 Owner's equity (Cont.)

d. Shares

	30/06/2020	01/01/2020
	Shares	Shares
- Number of shares registered to sell	20,000,000	20,000,000
- Number of shares sold in public	20,000,000	20,000,000
+ Ordinary share	20,000,000	20,000,000
+ Preferred share	-	-
- Number of outstanding shares	20,000,000	20,000,000
Ordinary share	20,000,000	20,000,000

Par value of shares outstanding: VND 10.000 /Share

e. Funds

	30/06/2020	01/01/2020
	VND	VND
Development investment fund	80,832,092,113	80,832,092,113
Total	80,832,092,113	80,832,092,113

5.22 Sales of merchandise and services

	Period 6 months ended 30/06/2020	Period 6 months ended 30/06/2019
	VND	VND
Sales of real estate projects	82,258,589,139	100,937,185,081
Revenue for rent and other revenue	5,442,365,391	6,139,351,396
Total	87,700,954,530	107,076,536,477

5.23 Cost of goods sold

	Period 6 months ended 30/06/2020	Period 6 months ended 30/06/2019
	VND	VND
Cost of real estate projects sold	50,971,809,829	71,567,137,460
Cost of space for rent and other revenue	2,789,087,317	3,987,818,020
Total	53,760,897,146	75,554,955,480

5.24 Financial income and Financial expenses

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
<i>Financial income</i>		
Bank interest, loan interest	6,155,920,135	1,083,991,489
Total	6,155,920,135	1,083,991,489
<i>Financial expenses</i>		
Interest expenses	6,370,531,132	2,992,503,489
Total	6,370,531,132	2,992,503,489
Profit (Loss) from financial activities	(214,610,997)	(1,908,512,000)

5.25 Selling expenses and General and administration expenses

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Selling expenses		
Direct sales staff	52,602,091	806,069,014
Outsourcing expenses	4,641,390,909	173,390,536
General and administration expenses	11,333,161,270	11,231,959,019
Administrative staffs	3,917,503,211	5,342,282,328
Fixed asset depreciation	3,211,306,244	3,497,915,678
Taxes, fees and charges	245,171,282	426,941,216
Outsourcing expenses	3,959,180,533	1,964,819,797
Total	16,027,154,270	12,211,418,569

5.26 Other income/ Other expenses

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Other income		
Debt settlement and other income	155,806,023	12,522,494
Total	155,806,023	12,522,494
Other expenses		
Other	783,575	84,746
Total	783,575	84,746
Profit (Loss) From other activities	155,022,448	12,437,748

5.27 Current corporate income tax expenses

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Total accounting profit before tax	17,853,314,565	17,414,088,176
Total taxable profit	17,853,314,565	17,414,358,176
Taxable profit from service business	1,737,332,546	(389,210,721)
Taxable profit from real estate business	14,495,733,318	17,803,568,897
Current tax rate	20%	20%
CIT from service business	347,466,508	-
CIT from real estate business	2,899,146,663	3,560,713,779
Corporate income tax expense	3,246,613,171	3,560,713,779
Profit from trading low-income housing project	1,620,248,701	-
Current tax rate	10%	-
Corporate income tax expense	162,024,870	-
Current Corporate income tax expense	3,408,638,041	3,560,713,779

5.28 Basic earning per share

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Accounting profit after tax	14,444,676,524	13,853,374,397
Amount deducted for bonus and welfare fund (*)	2,673,000,000	1,876,500,000
Net profit/ or loss attributable to ordinary equity holders for basic earning (VND)	11,771,676,524	11,976,874,397
Weighted average number of ordinary shares for basic earnings per share	20,000,000	20,000,000
Earnings per share (VND/share)	589	599

Recalculated basic earnings per share when eliminating 1/2 of the balance of bonus and welfare funds according to the Annual General Meeting of Shareholders' Statement.

5.29 Business and production cost by factors

	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Employee expenses	4,267,026,467	6,753,540,340
Depreciation expenses	5,001,012,296	5,287,621,730
Accrued expenses	21,896,320,821	12,015,318,153
Cost of services purchased	142,212,487,459	98,551,341,186
Other expenses in cash	296,569,094	507,913,304
Total	173,673,416,137	123,115,734,713

6. OTHER INFORMATION

6.1 Related party transactions and balances

Related parties	Relationship	Nature of transactions	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
<u>Purchasing transaction</u>				
Cotana Group JSC	Capital contributors	Construct projects	-	1,222,492,727
Housing and urban services Company Ltd. (HUDS)	In same Corporation	Services	59,157,686	32,819,530
HUD10 Construction and Investment JSC	In same Corporation	Construct projects	4,650,208,395	11,150,472,727
HUDLANDTS., JSC	Associate	Services	1,126,403,426	2,997,452,451
HUDSE Urban and Housing Development Investment JSC	Associate	Construct projects	-	1,391,684,388
<u>Selling transaction</u>				
Housing and urban services Company Ltd. (HUDS)	In same Corporation	Services	28,612,500	811,550
HUD10 Construction and Investment JSC	In same Corporation	Construction & Electricity charges	-	16,239,352
HUDSE Urban and Housing Development Investment JSC	In same Corporation	Electricity charges	-	1,187,402
HUDLANDTS JSC	Associated company	Electricity charges	3,376,364	28,196,752
Cotana Group JSC	Capital contributors	Construct projects	-	4,212,123

6.1 Related party transactions and balances (Continued)

Balances with related parties as at 30/06/2020:

Related parties	Relationship	Nature of transations	30/06/2020 VND	01/01/2020 VND
Payables				
Cotana Group JSC	Capital contributors	Trade payables	2,053,869,756	2,053,869,756
HUDSE Urban and Housing Development Investment JSC	In same Corporation	Trade payables	313,688,589	313,688,589
Receivables				
Housing and urban development Corporation	Parents Corporation	Advances to suppliers	20,338,935,057	20,338,935,057
HUDLANDTS., JSC	Associate	Advances to suppliers	4,591,970,658	1,751,255,917
		Trade receivables	-	350,862,182
HUD10 Construction and Investment JSC	In same Corporation	Trade receivables	33,149,464	33,149,464
		Advances to suppliers	4,309,030,016	7,108,881,617
Housing and urban services Company Ltd. - HUDS	In same Corporation	Advances to suppliers	1,288,914,920	1,288,914,920
		Trade receivables	21,657,800	21,657,800
HUD101 Construction and Investment JSC	In same Corporation	Trade receivables	1,296,647	1,296,647

Transactions with key personnel and shareholders:

Related parties	Nature of transations	Period 6 months ended 30/06/2020 VND	Period 6 months ended 30/06/2019 VND
Board of Managements and Board of Directors	Remuneration	2,279,155,629	2,572,832,652

6.2 Financial instruments - Risk management

Capital risk management

The Company managed capital resource to ensure that the Company can operate continuously and maximize benefits of shareholders under optimizing balances of capital resources and liabilities.

Capital structure of the Company includes liabilities (loans), cash and cash equivalents and owners' equity of shareholders of the Holding Company including contribution capital, reserved funds and retained earnings.

Significant accounting policies

Details of significant accounting policies and methods are applied by the Company (including the criteria for recognition, the basis of valuation and the basis of recognition of income and expenses) for each type of financial assets, financial liabilities and equity instruments are detailed in Note No. 5.

Categories of financial instruments

	30/06/2020	01/01/2020
	VND	VND
Financial assets		
Cash and cash equivalents	183,901,736,227	223,855,394,398
Trade receivables and other receivables	201,756,471,066	300,082,428,134
Short-term investments	88,673,930,000	9,073,930,000
Long-term investments	2,500,000,000	2,500,000,000
Total	476,832,137,293	535,511,752,532
Financial liabilities		
Borrowings	123,886,799,462	120,107,541,317
Trade payables and other payables	43,504,344,073	43,125,351,510
Accrued expenses	87,711,340,590	72,434,195,330
Total	255,102,484,125	235,667,088,157

The Company has not yet evaluated fair-value of financial assets and financial liabilities as at the date ended accounting period because Circular No. 210 as well as prevailing regulations do not have detailed guidance on determination of fair-value of financial assets and financial liabilities. Circular No. 210 requires to apply International Financial Report Standards on presentation of the interim financial statements and Notes of information to financial instruments, but not provide equivalent guidance for information evaluation and recognition of financial instruments including fair-value application in accordance with International Financial Report Standards.

Objective of financial risk management

Financial risks include market risks (including exchange rate risks, interest rate risk and price risk) credit risk, liquidity risk and interest rate risk of cash flow. The Company does not implement prevention methods of these risks due to the shortage of markets purchasing financial instruments.

Market risks

The Company's business activities mainly suffer from risks when having changes in foreign exchange rate and interest rate. The Company does not implement prevention methods of these risks due to the shortage of markets purchasing financial instruments.

Management of interest rate risk

The Company suffers from material interest rate arising from signed borrowings with interest rate. These risks will be managed by maintaining borrowings at the reasonable level, under floating interest rate and fixed interest rate.

6.2 Financial instruments – Risk management (Cont.)

Credit risk

Credit risks accrued when a client or partner cannot meet obligations in contract leading to financial loss for the Company. The Company has suitable credit policy and regularly observe situation to evaluate whether the Company suffers from credit risks. The Company does not have any material credit risks with the clients or partners because receivables come from large number of clients who operate in different fields and allocates in different geography areas.

Management of liquidity risk

Purpose of liquidity risk management is to ensure adequate capital source to meet financial obligations at present and in the future. Liquidity is also managed by the Company to ensure addition level between liabilities due to date and assets due to date in the period at controllable level to capital believed to create in that period by the Company. The Company's policy is to observe regularly requirements on liquidity at present and in the future to ensure that the Company maintain adequate prevision for cash on hand, borrowings and capital source that shareholders commit to contribute to meet regulations on more short-term and long-term liquidity.

	Under 1 year VND	From 1- 5 years VND	Total VND
30/06/2020			
Borrowings	95,097,487,505	28,789,311,957	123,886,799,462
Trade payables and other payables	43,504,344,073	-	43,504,344,073
Accured expenses	87,711,340,590	-	87,711,340,590
01/01/2020			
Borrowings	85,141,829,360	34,965,711,957	120,107,541,317
Trade payables and other payables	43,125,351,510	-	43,125,351,510
Accured expenses	72,434,195,330	-	72,434,195,330

The Board of Directors believes to create money source to meet financial obligations due to date.

The following table presents in detail of maturity level of non- derivative financial assets. The table is made on the basics of maturity level under contract that has not yet been discounted of financial assets including interest from these assets, if any. The presentation of non-derivative financial assets information is necessary to understand liquidity risk management of the Company when liquidity is managed on the basics of liabilities and net assets.

	Under 1 year VND	From 1- 5 years VND	Total VND
30/06/2020			
Cash and cash equivalents	183,901,736,227	-	183,901,736,227
Trade receivables and other receivables	201,756,471,066	-	201,756,471,066
Short-term investments	88,673,930,000		88,673,930,000
Long-term investments	-	2,500,000,000	2,500,000,000
30/06/2020			
Cash and cash equivalents	223,855,394,398	-	223,855,394,398
Trade receivables and other receivables	300,082,428,134	-	300,082,428,134
Short-term investments	9,073,930,000	-	9,073,930,000
Long-term investments	-	2,500,000,000	2,500,000,000

6.3 Comparative figures

The comparative information is taken from the the Company's audited financial statements for the fiscal year ended December 31, 2019 and results of reviewed interim business activities for the period of 6 months ended 30 June 2019 which was performed by CPA VIETNAM Auditing Company Limited - An Independent member Firm of Moore Global Network.

Ha Noi, 11 August 2020

Preparer

Chief Accountant

Director

Tran Thanh Thanh Huyen

Le Quoc Chung

Nguyen Thanh Tu

