

# **Nam Long Investment Corporation**

Interim consolidated financial statements

For the six-month period ended 30 June 2023



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For the six-month period ended 30 June 2023



# Nam Long Investment Corporation

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# Nam Long Investment Corporation

## GENERAL INFORMATION

### THE COMPANY

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 0301438936 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the 25<sup>th</sup> amended ERC dated 11 November 2022.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code NLG in accordance with Decision No. 14/2013/QĐ-SGDHCM issued by HOSE on 25 January 2013.

As at 30 June 2023, the Company has seventeen direct subsidiaries, six indirect subsidiaries, two jointly-controlled entities and one associate with details are as follows:

<i>Companies</i>	<i>Locations</i>	<i>Businesses</i>	<i>Ownership and voting rights (%)</i>
<b>Subsidiaries</b>			
Nam Long VCD Corporation ("Nam Long VCD") (***)	Long An Province	Real estate	99.96
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	Ho Chi Minh City ("HCMC")	Real estate	87.33
Nam Phan Investment Corporation	HCMC	Real estate	100.00
Nam Long Apartment Development Company Limited	HCMC	Construction and real estate	100.00
Nam Long Mekong Joint Stock Company (formerly Nam Long - Hong Phat Joint Stock Company)	Can Tho City	Construction and real estate	99.98
NLG – NNR – HR Fuji Joint Stock Company (*)	HCMC	Construction and real estate	50.00
NNH Kikyo Flora Company Limited	HCMC	Real estate	100.00
NNH Kikyo Valora Company Limited (*)	HCMC	Real estate	50.00
Nguyen Phuc Real Estate Trading and Investment Company Limited	HCMC	Real estate	100.00
Nam Khang Construction Investment Development One Member Limited Liability Company	HCMC	Construction and real estate	100.00
Nam Vien Construction and Design Consulting Joint Stock Company	HCMC	Service	81.25
Nam Khang Construction Materials Trading Company Limited	HCMC	Construction material trading	100.00
6D Joint Stock Company ("6D")	HCMC	Construction and real estate	76.03
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	HCMC	Real estate trading floor	100.00
Nam Long Service One Member Liability Company Limited	HCMC	Service and construction	100.00
Nam Long Transportation Service One Member Limited Company	HCMC	Transportation service	100.00
Nam Long Property Management and Development One Member Limited Company	HCMC	Construction and real estate	100.00
Nam Long Construction Management and Investment Company Limited ("Nam Long CMI")	HCMC	Management service	100.00
Dong Nai Waterfront City LLC ("DNWF") (***)	Dong Nai	Real estate	65.10
Southgate Joint Stock Company ("Southgate")	HCMC	Real estate	65.00
Nam Phat Land Investment Company Limited	HCMC	Real estate	100.00
Nam Long Commercial Company Limited	HCMC	Real estate	100.00
Ree New City Real Estate Corporation (***)	HCMC	Real estate	99.99
<b>Jointly-controlled entity</b>			
Paragon Dai Phuoc Limited Company ("Paragon") (**)	HCMC	Real estate	75.00
NNH Mizuki Joint Stock Company ("NNH Mizuki")	HCMC	Real estate	50.00
<b>Associate</b>			
Anabuki NL Housing Service Vietnam Company Limited	HCMC	Real estate	30.59

(\*) The Company has more than 50% voting rights in these companies.

(\*\*) The Company has 50% voting rights in this company.

(\*\*\*) These subsidiaries were still in the investment phase of infrastructure development as at 30 June 2023 and as at the date of these consolidated financial statements.

# Nam Long Investment Corporation

## GENERAL INFORMATION (continued)

### THE COMPANY (continued)

The current principal activities of Nam Long Investment Corporation and its subsidiaries ("the Group") are the engaging in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; and real estate management services.

The Company's head office is located at 11th Floor, Capital Tower, No. 6, Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Vice chairman
Mr Joseph Low Kar Yew	Member
Mr Nguyen Duc Thuan	Member
Mr Cao Tan Thach	Member
Mr Kenneth Michael Atkinson	Independent member
Mr Chad Ryan Ovel	Independent member
Mr Ziang Tony Ngo	Independent member
Mr Ngian Siew Siong	Independent member

### AUDIT COMMITTEE

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

Mr Kenneth Michael Atkinson	Head
Mr Joseph Low Kar Yew	Member
Mr Tran Thanh Phong	Member
Mr Cao Tan Thach	Member

### MANAGEMENT

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

Mr Tran Xuan Ngoc	General Director
Mr Nguyen Huy Duc	Chief Financial Officer

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Nguyen Xuan Quang.

Mr Tran Xuan Ngoc is authorised by Mr Nguyen Xuan Quang to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2023 in accordance with the Chart of Authorisation effective from 11 March 2022.

### AUDITORS

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

# Nam Long Investment Corporation

## REPORT OF THE MANAGEMENT

Management of Nam Long Investment 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 2023.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period 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.

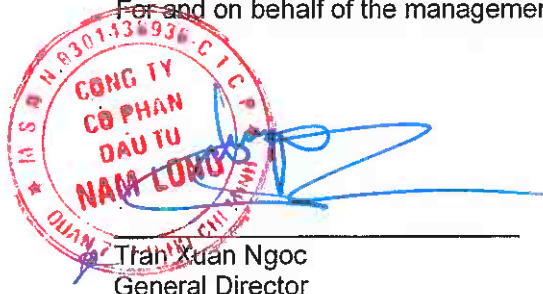
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for 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 the Group 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 2023, 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:



TRẦN XUÂN NGỌC  
General Director

Ho Chi Minh City, Vietnam

15 August 2023



Reference: 60755865/66921031/LR-HN

## **REPORT ON REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**To: The Shareholders and the Board of Directors of Nam Long Investment Corporation**

We have reviewed the accompanying interim consolidated financial statements of Nam Long Investment Corporation (“the Company”) and its subsidiaries (collectively referred to as “the Group”), as prepared on 15 August 2023, and as set out on pages 6 to 55 which comprise the interim consolidated balance sheet as at 30 June 2023, and 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***

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 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 2023, 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**



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Dương Lê Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2023-004-1

Ho Chi Minh City, Vietnam

15 August 2023



INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2023

VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>23,705,459,823,976</b>	<b>23,720,012,081,453</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>2,320,274,634,954</b>	<b>3,773,258,514,376</b>
111	1. Cash		482,722,854,264	536,088,166,013
112	2. Cash equivalents		1,837,551,780,690	3,237,170,348,363
<b>120</b>	<b>II. Short-term investment</b>	<b>6</b>	<b>1,172,434,058,928</b>	<b>987,365,844,583</b>
123	1. Held-to-maturity investments		1,172,434,058,928	987,365,844,583
<b>130</b>	<b>III. Current accounts receivables</b>		<b>3,376,794,278,274</b>	<b>3,569,826,440,405</b>
131	1. Short-term trade receivables	7	1,282,875,552,557	1,309,886,554,022
132	2. Short-term advances to suppliers	8	836,083,035,827	1,232,260,845,097
135	3. Short-term loan receivables	9	106,289,212,750	106,289,212,750
136	4. Other short-term receivables	10	1,170,048,962,109	939,892,313,505
137	5. Provision for doubtful receivables	7, 10	(18,502,484,969)	(18,502,484,969)
<b>140</b>	<b>IV. Inventories</b>	<b>11</b>	<b>16,152,059,837,822</b>	<b>14,830,200,081,461</b>
141	1. Inventories		16,220,245,515,140	14,900,034,678,237
149	2. Provision for obsolete inventories		(68,185,677,318)	(69,834,596,776)
<b>150</b>	<b>V. Other current assets</b>		<b>683,897,013,998</b>	<b>559,361,200,628</b>
151	1. Short-term prepaid expenses	12	288,351,662,832	252,811,593,759
152	2. Value-added tax deductible	21	394,630,196,061	305,520,152,552
153	3. Tax and other receivables from the State	21	915,155,105	1,029,454,317

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2023

VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>3,143,292,524,441</b>	<b>3,364,697,022,035</b>
<b>210</b>	<b><i>I. Long-term receivables</i></b>		<b>17,193,239,189</b>	<b>10,633,048,718</b>
216	1. Other long-term receivables	10	17,193,239,189	10,633,048,718
<b>220</b>	<b><i>II. Fixed assets</i></b>		<b>150,272,851,367</b>	<b>153,707,759,983</b>
221	1. Tangible fixed assets	13	65,730,520,128	66,645,142,177
222	Cost		171,344,605,343	168,508,130,279
223	Accumulated depreciation		(105,614,085,215)	(101,862,988,102)
227	2. Intangible fixed assets	14	84,542,331,239	87,062,617,806
228	Cost		118,452,288,197	111,298,040,797
229	Accumulated amortisation		(33,909,956,958)	(24,235,422,991)
<b>230</b>	<b><i>III. Investment properties</i></b>	<b>15</b>	<b>331,156,498,447</b>	<b>337,131,750,860</b>
231	1. Cost		372,006,519,041	371,543,396,641
232	2. Accumulated depreciation		(40,850,020,594)	(34,411,645,781)
<b>240</b>	<b><i>IV. Long-term asset in progress</i></b>		<b>22,527,268,390</b>	<b>25,788,946,764</b>
242	1. Construction in progress	16	22,527,268,390	25,788,946,764
<b>250</b>	<b><i>V. Long-term investments</i></b>	<b>17</b>	<b>1,929,456,629,906</b>	<b>2,135,838,627,000</b>
252	1. Investments in an associate and jointly-controlled entities	17.1	1,927,047,629,906	2,034,429,627,000
253	2. Investment in other entities	17.2	2,409,000,000	2,409,000,000
255	3. Held-to-maturity investments		-	99,000,000,000
<b>260</b>	<b><i>VI. Other long-term assets</i></b>		<b>692,686,037,142</b>	<b>701,596,888,710</b>
261	1. Long-term prepaid expenses	12	334,301,531,232	357,273,634,240
262	2. Deferred tax assets	35.3	352,883,438,511	336,493,849,211
269	3. Goodwill	18	5,501,067,399	7,829,405,259
<b>270</b>	<b>TOTAL ASSETS</b>		<b>26,848,752,348,417</b>	<b>27,084,709,103,488</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2023

VND

Code	RESOURCES	Notes	30 June 2023	31 December 2022
<b>300</b>	<b>C. LIABILITIES</b>		<b>13,697,592,671,242</b>	<b>13,769,578,919,067</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>8,524,897,614,536</b>	<b>8,850,913,820,358</b>
311	1. Short-term trade payables	19	941,978,579,543	981,345,391,935
312	2. Short-term advances from customers	20	3,351,356,690,546	3,271,109,040,894
313	3. Statutory obligations	21	166,369,068,196	326,797,594,881
314	4. Payables to employees		12,137,639,971	37,821,578,051
315	5. Short-term accrued expenses	22	970,067,806,511	921,674,055,649
318	6. Short-term unearned revenues	26	8,328,326,197	7,405,671,605
319	7. Other short-term payables	23	1,527,599,381,972	1,362,284,968,332
320	8. Short-term loan	24	1,411,677,199,018	1,804,070,814,139
321	9. Short-term provision	27	40,554,632,732	40,514,566,152
322	10. Bonus and welfare fund	25	94,828,289,850	97,890,138,720
<b>330</b>	<b>II. Non-current liabilities</b>		<b>5,172,695,056,706</b>	<b>4,918,665,098,709</b>
336	1. Long-term unearned revenues	26	316,767,306,053	354,459,090,724
337	2. Other long-term liabilities	23	137,453,660,301	121,408,898,440
338	3. Long-term loans and debts	24	3,634,931,317,524	3,375,233,283,030
341	4. Deferred tax liabilities	35.3	1,063,912,222,029	1,046,614,986,936
342	5. Long-term provisions	27	19,630,550,799	20,948,839,579
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>13,151,159,677,175</b>	<b>13,315,130,184,421</b>
<b>410</b>	<b>I. Capital</b>		<b>13,151,159,677,175</b>	<b>13,315,130,184,421</b>
411	1. Share capital	28.1	3,840,803,000,000	3,840,803,000,000
411a	- Shares with voting rights		3,840,803,000,000	3,840,803,000,000
412	2. Share premium	28.1	2,643,023,306,759	2,643,023,306,759
418	3. Investment and development fund	28.1	10,709,490,423	10,709,490,423
420	4. Other funds belonging to owners' equity	28.1	2,216,611,139	2,216,611,139
421	5. Undistributed earnings	28.1	2,523,373,760,843	2,493,257,204,347
421a	- Undistributed earnings up to the prior year-end		2,395,755,147,871	1,936,983,493,907
421b	- Undistributed earnings of current period		127,618,612,972	556,273,710,440
429	6. Non-controlling interests	29	4,131,033,508,011	4,325,120,571,753
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>26,848,752,548,417</b>	<b>27,084,709,103,488</b>

Vo Hoai Vu  
Preparer

Nguyen Quang Duc  
Chief Accountant

Tran Xuan Ngoc  
General Director

Ho Chi Minh City, Vietnam

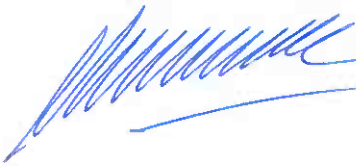
15 August 2023

INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
10	1. Net revenues from sale of goods and rendering of services	30.1	1,188,480,356,856	1,828,096,302,243
11	2. Costs of goods sold and services rendered	31	(468,010,846,950)	(1,016,631,495,838)
20	3. Gross profit from sale of goods and rendering of services		720,469,509,906	811,464,806,405
21	4. Finance income	30.2	86,308,479,512	49,624,520,708
22	5. Finance expenses	33	(151,054,879,681)	(81,101,731,671)
23	- In which: Interest expenses		(151,054,879,681)	(81,101,731,671)
24	6. Shares of profit of associates, joint-controlled entities	17.1	115,503,299,709	2,526,392,986
25	7. Selling expenses	32	(165,092,741,442)	(217,402,420,129)
26	8. General and administration expenses	32	(263,563,960,381)	(284,332,535,405)
30	9. Operating profit		342,569,707,623	280,779,032,894
31	10. Other income	34	18,851,249,912	8,819,062,462
32	11. Other expenses	34	(7,056,130,301)	(3,447,990,097)
40	12. Other profit	34	11,795,119,611	5,371,072,365
50	13. Accounting profit before tax		354,364,827,234	286,150,105,259
51	14. Current corporate income tax expense	35.1	(105,752,507,783)	(87,519,776,072)
52	15. Deferred tax (expense) income	35.3	(907,645,793)	26,300,258,348
60	16. Net profit after tax		247,704,673,658	224,930,587,535
61	17. Net profit after tax attributable to shareholders of the parent		127,618,612,972	111,289,420,633
62	18. Net profit after tax attributable to non-controlling interests	29	120,086,060,686	113,641,166,902
70	19. Basic earnings per share	37	313	285
71	20. Diluted earnings per share	37	313	285

  
Vo Hoai Vu  
Preparer

  
Nguyen Quang Duc  
Chief Accountant

  
Tran Xuan Ngoc  
General Director



Ho Chi Minh City, Vietnam

15 August 2023

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>354,364,827,234</b>	<b>286,150,105,259</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	13, 14, 15, 18	23,537,798,298	13,553,774,587
03	Reversal of provisions		(2,927,141,658)	(596,170,694)
05	Profits from investing activities		(201,811,779,221)	(52,062,158,687)
06	Interest expenses	33	151,054,879,681	81,101,731,671
08	<b>Operating profit before changes in working capital</b>		<b>324,218,584,334</b>	<b>328,147,282,136</b>
09	Decrease (increase) in receivables		361,265,919,930	(546,700,012,152)
10	Increase in inventories		(1,265,273,603,631)	(533,382,800,749)
11	(Decrease) increase in payables		(3,787,646,464)	1,172,324,836,989
12	(Increase) decrease in prepaid expenses		(12,567,966,065)	2,146,983,423
14	Interest paid		(296,908,324,342)	(87,090,018,325)
15	Corporate income tax paid	21	(221,341,766,027)	(181,193,050,619)
17	Other cash outflows used in operating activities		(13,061,848,870)	(21,828,675,351)
20	<b>Net cash flows (used in) from operating activities</b>		<b>(1,127,456,651,135)</b>	<b>132,424,545,352</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets		(9,250,179,945)	(29,767,319,036)
22	Proceeds from disposals of fixed assets		268,040,000	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(315,391,925,972)	(1,306,387,595,020)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		229,323,711,627	1,794,974,335,468
25	Payments for investments in other entities and capital redemption		(120,000,000,000)	(533,600,000,000)
27	Interest and dividends received		113,070,808,655	87,989,317,694
30	<b>Net cash flows (used in) from investing activities</b>		<b>(101,979,545,635)</b>	<b>13,208,739,106</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	24.5	1,124,274,966,948	2,060,487,525,607
34	Repayment of borrowings	24.5	(1,277,163,387,167)	(1,232,224,780,795)
36	Dividends paid to shareholders	28.3, 29	(70,659,262,433)	(370,058,748,175)
40	<b>Net cash flows (used in) from financing activities</b>		<b>(223,547,682,652)</b>	<b>458,203,996,637</b>
50	<b>Net (decrease) increase in cash and cash equivalents for the period</b>		<b>(1,452,983,879,422)</b>	<b>603,837,281,095</b>
60	<b>Cash and cash equivalents at beginning of period</b>		<b>3,773,258,514,376</b>	<b>3,111,621,576,852</b>
70	<b>Cash and cash equivalents at end of period</b>	5	<b>2,320,274,634,954</b>	<b>3,715,458,857,947</b>

  
Vo Hoai Vu  
Preparer

  
Nguyen Quang Duc  
Chief Accountant

  
  
Tran Xuan Ngoc  
General Director

Ho Chi Minh City, Vietnam

15 August 2023



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2023 and for the six-month period then ended

1. CORPORATE INFORMATION

Nam Long Investment Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate (“ERC”) No. 0301438936 issued by the Ho Chi Minh City Department of Planning and Investment (“DPI”) on 27 December 2005, and the 25<sup>th</sup> amended ERC dated 11 November 2022.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange (“HOSE”) with code NLG in accordance with Decision No. 14/2013/QD-SGDHCM issued by HOSE on 25 January 2013.

As at 30 June 2023, the Company has seventeen direct subsidiaries, six indirect subsidiaries, two jointly-controlled entities and one associate with details are as follows:

<i>Companies</i>	<i>Locations</i>	<i>Businesses</i>	<i>Ownership and voting rights (%)</i>
<b>Subsidiaries</b>			
Nam Long VCD Corporation (***)	Long An Province	Real estate	99.96
Nguyen Son Real Estate Joint Stock Company (“Nguyen Son”)	Ho Chi Minh City (“HCMC”)	Real estate	87.33
Nam Phan Investment Corporation	HCMC	Construction and real estate	100.00
Nam Long Apartment Development Company Limited	HCMC	Construction and real estate	100.00
Nam Long Mekong Joint Stock Company (formerly Nam Long - Hong Phat Joint Stock Company)	Can Tho City	Construction and real estate	99.98
NLG – NNR – HR Fuji Joint Stock Company (*)	HCMC	Construction and real estate	50.00
NNH Kikyo Flora Company Limited	HCMC	Real estate	100.00
NNH Kikyo Valora Company Limited (*)	HCMC	Real estate	50.00
Nguyen Phuc Real Estate Trading and Investment Company Limited	HCMC	Real estate	100.00
Nam Khang Construction Investment Development One Member Limited Liability Company	HCMC	Construction and real estate	100.00
Nam Vien Construction and Design Consulting Joint Stock Company	HCMC	Service	81.25
Nam Khang Construction Materials Trading Company Limited	HCMC	Construction material trading	100.00
6D Joint Stock Company (“6D”)	HCMC	Construction and real estate	76.03
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	HCMC	Real estate trading floor	100.00
Nam Long Service One Member Liability Company Limited	HCMC	Service and construction	100.00
Nam Long Transportation Service One Member Limited Company	HCMC	Transportation service	100.00
Nam Long Property Management and Development One Member Limited Company	HCMC	Construction and real estate	100.00
Nam Long Construction Management and Investment Company Limited (“Nam Long CMI”)	HCMC	Management service	100.00
Dong Nai Waterfront City LLC (***)	Dong Nai Province	Real estate	65.10
Southgate Joint Stock Company (“Southgate”)	HCMC	Real estate	65.00
Nam Phat Land Investment Company Limited	HCMC	Real estate	100.00
Nam Long Commercial Company Limited	HCMC	Real estate	100.00
Ree New City Real Estate Corporation (***)	HCMC	Real estate	99.99
<b>Jointly-controlled entity</b>			
Paragon Dai Phuoc Company Limited (“Paragon”) (**)	HCMC	Real estate	75.00
NNH Mizuki Joint Stock Company (“NNH Mizuki”)	HCMC	Real estate	50.00
<b>Associate</b>			
Anabuki NL Housing Service Vietnam Company Limited	HCMC	Real estate	30.59

(\*) The Company has more than 50% voting rights in these companies.

(\*\*) The Company has 50% voting rights in this company.

(\*\*\*) These subsidiaries were still in the investment phase of infrastructure development as at 30 June 2023 and as at the date of these consolidated financial statements.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 1. CORPORATE INFORMATION (continued)

The current principal activities of Nam Long Investment Corporation and its subsidiaries ("the Group") are the engaging in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour, road and bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; and real estate management services.

The Company's head office is located at 11th Floor, Capital Tower, No. 6, Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

The number of the Group's employees as at 30 June 2023 is 884 (31 December 2022: 864 employees).

## 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 the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

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

### 2.3 *Fiscal year*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

### **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 parent company and its subsidiaries for the six-month period ended 30 June 2023.

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

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

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

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

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

## **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.

### **3.2 Inventories**

Inventories comprise development projects undertaken by the Group which are in the work in progress stage and including mainly apartments, town houses and villas for sale under construction and land held for sale.

Apartments, town houses and villas for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments, town houses and villas. Net realizable value represents current selling price less estimated cost to complete apartments, town houses and villas, and estimated selling and marketing expenses.

Land held for constructing apartments, town houses and villas which is presented as part of "Inventories" is carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs directly related to the acquisition, site clearance, land compensation, and infrastructure construction. Net realizable value represents estimated current selling price less anticipated cost of disposal.

#### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 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 debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the interim consolidated income statement.

#### 3.4 *Fixed assets*

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

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

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

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

##### *Land use rights ("LURs")*

LURs are recorded as intangible fixed assets if the land is held for use in the production or business, for rental to others by the enterprise and when the Group receives the LUR certificate. The cost of LUR comprises any directly attributable costs of preparing the land for its intended use. LUR with indefinite useful life is not amortised.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and the land use rights certificate being issued are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45"). The land use right is amortized over the useful life, except for land use right having indefinite useful life is not amortised.

#### 3.5 *Leased assets*

##### *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.

##### *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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.6 *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	25 - 47 years
Machinery and equipment	5 - 12 years
Means of transportation	6 - 8 years
Office equipment and furniture	3 - 8 years
Computer software	3 - 5 years
Land use rights	47 years
Other assets	3 - 5 years

#### 3.7 *Investment properties*

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

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

Buildings and structures	6 - 47 years
Land use rights	47 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 in the year of retirement or disposal.

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

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.9 *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.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement:

- ▶ Tools and consumables with large value issued into construction and can be used for more than one year;
- ▶ Show houses;
- ▶ Commission fees; and
- ▶ Other long-term prepaid expenses with associated economic benefits generated for more than one (1) year and being amortised over the period of no more than three (3) years.

#### 3.10 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date 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 acquirer'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 recognized directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortised over a maximum period of 10 years on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

#### 3.11 *Investments*

##### *Investments in associates*

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

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

The share of post-acquisition profit (loss) of the associates is presented on face of the 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/profit sharing received or receivable from associates reduces the carrying amount of the investment.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.11 *Investments* (continued)

##### *Investments in associates* (continued)

The 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.

##### *Investment in jointly controlled entities*

The Group's investments in jointly controlled entities are accounted for using the equity method of accounting. Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entities. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entities.

The share of profit (loss) of the jointly controlled entities 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. Dividend/profit sharing received or receivable from jointly controlled entities reduce the carrying amount of the investment.

The financial statements of the jointly controlled entities 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 the line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for investments*

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

#### 3.12 *Payable and accruals*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at Group. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 46 of the Labour Code.

#### 3.14 *Provision*

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

Provision for warranty obligation of completed project is estimated of 3% to 5% on value of project based on the specification of each project and actual experience.

#### 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:

- Transactions 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 transaction of commercial banks designated for payment.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the 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 investors after approval by appropriate level of authority, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.17 *Appropriation of net profit* (continued)

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

▶ *Investment and development fund*

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

▶ *Other funds belonging to owners' equity*

Subsidised funds for operating activities, projects include remuneration schedule fund and operating budget fund.

▶ *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 *Earnings per share*

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

Diluted earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary equity holders of the Group 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.

#### 3.19 *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:

*Revenue from construction contracts*

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed as certified by customers at the 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.

*Sale of villas, town houses, and apartments*

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

*Sale of residential plots and related infrastructure*

Revenue from the sale of residential plots and related infrastructure are recorded at the total consideration received when residential plots and related infrastructure are transferred to the customers.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

#### 3.19 *Revenue recognition* (continued)

##### *Rendering of other services*

Revenue is recognised when services have been rendered and completed.

##### *Interest*

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

##### *Dividends*

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

##### *Rental income*

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease in the consolidation income statements.

#### 3.20 *Taxation*

##### *Current income tax*

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

Current income tax is charged or credited to the 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 consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 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 measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the 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 the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity.

#### 3.21 *Related parties*

Parties are considered to be related parties of the Group if one party has the ability to, directly or indirectly, 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 enterprises or individuals, including close members of their families.

#### 3.22 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

### 4. SIGNIFICANT EVENTS DURING THE PERIOD

#### *Acquisition of additional shares in Southgate Corporation ("Southgate")*

On 19 January 2023, the Group acquired an additional 5,000,000 ordinary shares, equivalent to 5% interest ownership in Southgate, from another investor. Accordingly, the Group increased its ownership interest in Southgate from 60% to 65%.

In addition, the Company also recognised a decrease in the cost of investment in Southgate for the value of dividends of preference shares accumulated up to the date of acquisition in accordance with the Agreement dated 31 March 2023.

The difference between consideration transferred and the value of net assets acquired in Southgate as at the transaction date amounting to VND 10,685,996,476 was recorded as a decrease in undistributed earnings in the Group's interim consolidated balance sheet (*Note 28.1*).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**5. CASH AND CASH EQUIVALENTS**

	VND	
	30 June 2023	31 December 2022
Cash on hand	7,473,719,269	2,832,171,266
Cash at banks	475,249,134,995	533,255,994,747
Cash equivalents (*)	<u>1,837,551,780,690</u>	<u>3,237,170,348,363</u>
<b>TOTAL</b>	<b><u>2,320,274,634,954</u></b>	<b><u>3,773,258,514,376</u></b>

(\*) Cash equivalents comprised bank deposits with original maturities of less than three months and earned interest at the rates ranging from 4.1% to 6% per annum.

**6. HELD-TO-MATURITY INVESTMENTS**

Held-to-maturity investments represented the term deposits at the commercial banks with the original maturities of more than three months and less than twelve months and earned interest at the rates ranging from 4% to 11% per annum.

**7. SHORT-TERM TRADE RECEIVABLES**

	VND	
	30 June 2023	31 December 2022
Trade receivables from other customers	930,909,621,228	842,748,826,049
Trade receivables from related parties (Note 36)	<u>351,965,931,329</u>	<u>467,137,727,973</u>
<b>TOTAL</b>	<b><u>1,282,875,552,557</u></b>	<b><u>1,309,886,554,022</u></b>
Provision for doubtful debts	<u>(1,396,733,162)</u>	<u>(1,396,733,162)</u>
<b>NET</b>	<b><u>1,281,478,819,395</u></b>	<b><u>1,308,489,820,860</u></b>

**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	30 June 2023	31 December 2022
Advances for purchases of land use rights	361,111,229,442	397,980,807,858
- VSIP Hai Phong Company Limited	255,816,965,255	256,857,110,255
- Phu Duc Construction Material Manufacturing Company Limited	50,089,987,104	50,089,987,104
- Can Tho Land Fund Development Center	38,067,413,768	87,103,791,659
- Others	17,136,863,315	3,929,918,840
Advances for construction services	375,795,264,876	732,957,811,298
- Ricons Construction Investment Joint Stock Company	231,000,000,000	343,249,479,712
- Trung Tin Construction Design Investment Company Limited	59,764,686,824	10,656,722,590
- Tan Hiep Investment Company Limited	-	100,000,000,000
- Pham Nguyen Construction Joint Stock Company	-	72,167,899,703
- Others	85,030,578,052	206,883,709,293
Others	<u>99,176,541,509</u>	<u>101,322,225,941</u>
<b>TOTAL</b>	<b><u>836,083,035,827</u></b>	<b><u>1,232,260,845,097</u></b>

In which:

Advance to other suppliers	835,928,595,827	1,132,106,405,097
Advance to related parties (Note 36)	154,440,000	100,154,440,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**9. SHORT TERM LOAN RECEIVABLES**

Details of the loan receivables are as follows:

<i>Borrowers</i>	<i>30 June 2023</i>	<i>Maturity date</i>	<i>Interest rate</i>
	<i>VND</i>		<i>% p.a</i>
<i>Individual 1</i>			
Loan 1	31,318,248,580	24 April 2024	6.0
Loan 2	18,200,000,000	24 April 2024	6.0
	<u>49,518,248,580</u>		
<i>Individual 2</i>			
Loan 1	17,500,000,000	29 August 2023	9.0
Loan 2	12,500,000,000	21 September 2023	9.0
Loan 3	2,500,000,000	1 December 2023	6.0
	<u>32,500,000,000</u>		
<i>Individual 3</i>			
Loan 1	15,230,004,170	24 April 2024	6.0
Loan 2	7,040,960,000	24 April 2024	6.0
	<u>22,270,964,170</u>		
<i>Individual 4</i>			
	<u>2,000,000,000</u>	18 December 2023	6.0
<b>TOTAL</b>	<b><u>106,289,212,750</u></b>		

Movements of loan receivables are as follows

	<i>31 December 2022</i>	<i>Increase</i>	<i>Decrease</i>	<i>VND</i> <i>30 June 2023</i>
Individual 1	49,518,248,580	-	-	49,518,248,580
Individual 2	32,500,000,000	-	-	32,500,000,000
Individual 3	22,270,964,170	-	-	22,270,964,170
Individual 4	2,000,000,000	-	-	2,000,000,000
<b>TOTAL</b>	<b><u>106,289,212,750</u></b>	<b>-</b>	<b>-</b>	<b><u>106,289,212,750</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**10. OTHER RECEIVABLES**

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>		
Advances to employees for land compensation purpose	393,053,590,985	444,306,298,499
Deposits (i)	269,850,344,374	268,627,673,193
Capital redemption (Note 17.1)	210,000,000,000	-
Advance for capital contribution into a jointly controlled entity	120,000,000,000	90,000,000,000
Receivables of interest and shared profits	57,720,279,512	24,250,608,655
Receivable from investment in Business Cooperation Contracts ("BCC") (ii)	48,139,094,762	49,079,207,300
Advances to employees for other business purposes	34,746,927,812	25,222,794,880
Others	36,538,724,664	38,405,730,978
	<u>1,170,048,962,109</u>	<u>939,892,313,505</u>
<b>Long-term</b>		
Deposit	17,193,239,189	10,633,048,718
<b>TOTAL</b>	<b>1,187,242,201,298</b>	<b>950,525,362,223</b>
Provision for doubtful debts	(17,105,751,807)	(17,105,751,807)
<b>NET</b>	<b><u>1,170,136,449,491</u></b>	<b><u>933,419,610,416</u></b>
<i>In which:</i>		
Due from other parties	794,715,012,864	797,883,470,592
Due from related parties (Note 36)	375,421,436,627	135,536,139,824

(i) Deposits mainly represent the following:

- The deposit amount of VND 145,952,435,693 to acquire land lot relating to the project located at Duong Quan Commune, Thuy Nguyen District, Hai Phong City;
- The deposit amount of VND 100,000,000,000 to acquire part of a project located at An Duong District, Hai Phong City;
- The deposit amount of VND 22,300,000,000 to guarantee for the project located at Binh Hung Commune, Binh Chanh District, Ho Chi Minh City; and
- Other deposits for operating purposes.

(ii) The amount represented to the investment in the following business operating systems:

- BCC with NHH Mizuki with amount of VND 45,536,139,824 to develop the Commercial Area of the Mizuki Park Project with total area of 3,247 m<sup>2</sup> located at Binh Hung Commune, Binh Chanh District, Ho Chi Minh City. As at 30 June 2023, this project was under development stage.
- BCC with 21<sup>st</sup> Century Joint Stock Company with amount of VND 2,602,954,938 in 2015 to develop Lot 9B7 Residential Area on an area of 5.9 hectares in South Sai Gon Urban Area, The Company has 60% interest in this BCC. The profit shared from this BCC is based on the fixed rate. As at 30 June 2023, this project was under handing over stage.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**11. INVENTORIES**

	VND	
	30 June 2023	31 December 2022
Inventory properties under development (i)	16,188,962,215,941	14,853,292,963,107
Project management services	19,046,428,651	31,398,107,844
Construction materials	12,236,870,548	15,343,607,286
<b>TOTAL</b>	<b>16,220,245,515,140</b>	<b>14,900,034,678,237</b>
Provision for obsolete inventories	(68,185,677,318)	(69,834,596,776)
<b>NET</b>	<b>16,152,059,837,822</b>	<b>14,830,200,081,461</b>
(i) Inventory properties under development:		
Izumi project (*) (**)	8,889,411,946,873	8,299,807,706,532
Waterpoint Phase 1 project (*) (**)	3,600,708,078,467	3,516,413,489,870
Waterpoint Phase 2 project (*)	1,481,941,318,047	1,454,233,813,371
Hoang Nam project (Akari) (**)	818,663,218,461	409,510,918,803
Can Tho project (**)	699,063,336,934	507,113,721,136
Phu Huu project	244,717,855,525	239,587,937,105
Nguyen Son project	116,700,509,740	106,117,771,299
Phuoc Long B project – Extension	103,090,488,134	99,142,430,839
VSIP Hai Phong	68,032,274,419	68,032,274,419
Tan Thuan Dong project (Ehome 5 project)	66,973,370,147	66,503,172,247
Binh Duong project (Ehome 4 project)	31,386,306,782	12,960,800,537
Areco project (Flora Novia) (**)	23,964,074,021	28,758,807,524
Long An 36ha project	14,185,627,146	14,368,820,256
Phu Duc project	2,584,069,675	2,584,069,675
Others	27,539,741,570	28,157,229,494

(\*) The following LURs have been mortgaged to secure the Group's outstanding borrowings (Note 24):

- LURs in Long Hung Ward, Bien Hoa City, Dong Nai Province; and
- LURs and associated assets in An Thanh Ward, Ben Luc District, Long An Province.

(\*\*) During the period, the Group capitalised interest amounting to VND 55,400,355,672 to those inventory properties under development (for the six-month period ended 30 June 2022: VND 90,159,928,521).

**12. PREPAID EXPENSES**

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>		
Commission and guarantee fees	271,820,031,259	241,602,459,553
Tools and supplies	11,493,569,835	7,222,143,799
Others	5,038,061,738	3,986,990,407
	<u>288,351,662,832</u>	<u>252,811,593,759</u>
<b>Long-term</b>		
Commission fees	206,174,631,727	175,495,489,922
Tools and supplies	16,300,241,753	20,338,931,694
Others	111,826,657,752	161,439,212,624
	<u>334,301,531,232</u>	<u>357,273,634,240</u>
<b>TOTAL</b>	<b>622,653,194,064</b>	<b>610,085,227,999</b>



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as at 30 June 2023 and for the six-month period then ended

**13. TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment and furniture	Other assets	Total	VND
<b>Cost:</b>							
31 December 2022	98,666,140,312	27,436,432,195	27,421,047,617	10,746,062,958	4,238,447,197	168,508,130,279	
New purchase	261,672,727	30,078,000	1,708,181,818	-	96,000,000	2,095,932,545	
Transfer from investment properties	2,085,997,064	-	-	-	-	2,085,997,064	
Disposal	-	(1,345,454,545)	-	-	-	(1,345,454,545)	
30 June 2023	101,013,810,103	26,121,055,650	29,129,229,435	10,746,062,958	4,334,447,197	171,344,605,343	
<i>In which:</i>							
Fully depreciated	11,210,599,497	5,955,195,467	3,106,602,326	10,746,062,958	1,292,036,145	32,310,496,393	
<b>Accumulated depreciation:</b>							
31 December 2022	(55,172,683,342)	(14,925,173,812)	(20,280,730,175)	(9,734,900,826)	(1,749,499,947)	(101,862,988,102)	
Depreciation for the period	(1,524,222,007)	(651,914,385)	(1,802,933,763)	(1,011,162,132)	(106,319,371)	(5,096,551,658)	
Disposal	-	1,345,454,545	-	-	-	1,345,454,545	
30 June 2023	(56,696,905,349)	(14,231,633,652)	(22,083,663,938)	(10,746,062,958)	(1,855,819,318)	(105,614,085,215)	
<b>Net carrying amount:</b>							
31 December 2022	43,493,456,970	12,511,258,383	7,140,317,442	1,011,162,132	2,488,947,250	66,645,142,177	
30 June 2023	44,316,904,754	11,889,421,998	7,045,565,497	-	2,478,627,879	65,730,520,128	
<i>In which:</i>							
Pledged as loans security (Note 24.1)	3,267,194,070	-	-	-	-	3,267,194,070	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

#### 14. INTANGIBLE ASSETS

			VND
	<i>Land use rights (*)</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
31 December 2022	13,564,231,213	97,733,809,584	111,298,040,797
New purchase	-	7,154,247,400	7,154,247,400
30 June 2023	<u>13,564,231,213</u>	<u>104,888,056,984</u>	<u>118,452,288,197</u>
<i>In which:</i>			
<i>Fully amortised</i>	-	8,350,056,807	8,350,056,807
<b>Accumulated amortisation:</b>			
31 December 2022	(2,490,721,905)	(21,744,701,086)	(24,235,422,991)
Amortisation for the period	(41,126,010)	(9,633,407,957)	(9,674,533,967)
30 June 2023	<u>(2,531,847,915)</u>	<u>(31,378,109,043)</u>	<u>(33,909,956,958)</u>
<b>Net carrying amount:</b>			
31 December 2022	<u>11,073,509,308</u>	<u>75,989,108,498</u>	<u>87,062,617,806</u>
30 June 2023	<u>11,032,383,298</u>	<u>73,509,947,941</u>	<u>84,542,331,239</u>

(\*) Part of land use rights was used to pledge as loans security of the Group (Note 24).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**15. INVESTMENT PROPERTIES**

	VND		
	<i>Land use rights</i>	<i>Buildings and structures</i>	<i>Total</i>
<b>Cost:</b>			
31 December 2022	25,019,644,770	346,523,751,871	371,543,396,641
Transfer from construction in progress	-	463,122,400	463,122,400
30 June 2023	<u>25,019,644,770</u>	<u>346,986,874,271</u>	<u>372,006,519,041</u>
<i>In which:</i>			
Fully depreciation	23,159,092,750	-	23,159,092,750
<b>Accumulated depreciation and amortisation:</b>			
31 December 2022	(9,610,737,250)	(24,800,908,531)	(34,411,645,781)
Charge for the period	(19,726,726)	(6,418,648,087)	(6,438,374,813)
30 June 2023	<u>(9,630,463,976)</u>	<u>(31,219,556,618)</u>	<u>(40,850,020,594)</u>
<b>Net carrying amount:</b>			
31 December 2022	<u>15,408,907,520</u>	<u>321,722,843,340</u>	<u>337,131,750,860</u>
30 June 2023	<u>15,389,180,794</u>	<u>315,767,317,653</u>	<u>331,156,498,447</u>

The rental income and operating expenses relating to investment properties is presented as below:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Rental income from investment properties	16,585,337,581	10,854,979,951
Direct operating expenses of investment properties that generated rental income during the period	(6,438,374,813)	(3,906,947,543)

The future annual rental receivable under the operating leases is included in Note 38.

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2023. However, given the present occupancy of these properties and the market value of the land, it is management's assessment that these properties' fair values are higher than their carrying values at the interim consolidated balance sheet date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**16. CONSTRUCTION IN PROGRESS**

	VND	
	30 June 2023	31 December 2022
An Thanh market construction expenses	12,738,288,465	12,914,998,010
Others	9,788,979,925	12,873,948,754
<b>TOTAL</b>	<b>22,527,268,390</b>	<b>25,788,946,764</b>

**17. LONG-TERM INVESTMENTS**

	VND	
	30 June 2023	31 December 2022
Investment in an associates and jointly-controlled entities (Note 17.1)	1,927,047,629,906	2,034,429,627,000
Other long-term investments (Note 17.2)	2,409,000,000	2,409,000,000
Held-to-maturity investments	-	99,000,000,000
<b>TOTAL</b>	<b>1,929,456,629,906</b>	<b>2,135,838,627,000</b>

**17.1 Investment in an associate and a jointly-controlled entity**

Entities	Business	30 June 2023		31 December 2022	
		Interest	Cost of investment	Interest	Cost of investment
		%	VND	%	VND
Paragon Dai Phuoc Limited Company (i)	Real Estate	75.00	1,251,778,695,316	75.00	1,251,778,695,316
NNH Mizuki Joint Stock Company (ii)	Real Estate	50.00	540,000,000,000	50.00	750,000,000,000
Anabuki NL Housing Service Vietnam Co., Ltd.	Real estate	30.59	834,000,000	30.59	834,000,000
<b>TOTAL</b>			<b>1,792,612,695,316</b>		<b>2,002,612,695,316</b>

(i) The principal activity of Paragon is to develop Nam Long Dai Phuoc Residential Area on an area of 45 hectares in Dai Phuoc Island, Nhon Trach District, Dong Nai Province, Vietnam.

(ii) The main activity of NNH Mizuki Joint Stock Company is to develop Mizuki Park Urban Area on an area of 26 hectares in Saigon South Urban Area, Binh Hung Ward, Binh Chanh District, Ho Chi Minh City.

In accordance with the Shareholders' Resolution No 05/2023/NQ/DHDCD dated 21 June 2023 of NNH Mizuki Joint Stock Company ("NNH Mizuki"), NNH Mizuki redeemed its share capital and returned to their shareholders based on their actual percentage of interest ownership. Accordingly, the Company redeemed the investment in NNH Mizuki with the amount of VND 210,000,000,000. On 27 June 2023, NNH Mizuki received 5<sup>th</sup> ERC issued by DPI of Ho Chi Minh City approving for such the decrease in share capital.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**17. LONG-TERM INVESTMENTS (continued)**

**17.1 Investment in an associate and jointly-controlled entities (continued)**

Detail of this investment in an associate and jointly-controlled entities are as follows:

	Anabuki	NNH Mizuki	Paragon	VND Total
<b>Cost of investment:</b>				
31 December 2022	834,000,000	750,000,000,000	1,251,778,695,316	2,002,612,695,316
Decrease in period	-	(210,000,000,000)	-	(210,000,000,000)
30 June 2023	834,000,000	540,000,000,000	1,251,778,695,316	1,792,612,695,316
<b>Accumulated share in post-acquisition profit:</b>				
31 December 2022	7,007,096,512	24,809,835,172	-	31,816,931,684
Profits (loss) from associates and joint ventures	1,240,556,385	114,471,363,975	(208,620,651)	115,503,299,709
Dividend from preference shares	-	(12,885,296,803)	-	(12,885,296,803)
30 June 2023	8,247,652,897	126,395,902,344	(208,620,651)	134,434,934,590
<b>Net carrying amount:</b>				
31 December 2022	7,841,096,512	774,809,835,172	1,251,778,695,316	2,034,429,627,000
30 June 2023	9,081,652,897	666,395,902,344	1,251,570,074,665	1,927,047,629,906

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

**17.2 Other long-term investments**

Name of entity	Business	30 June 2023		31 December 2022	
		Interest	Cost of investment	Interest	Cost of investment
		%	VND	%	VND
Hong Phat Finance Investment Corporation	Financing activities	1.25	<u>2,409,000,000</u>	1.25	<u>2,409,000,000</u>

**18. GOODWILL**

	6D	Southgate	VND Total
<b>Cost:</b>			
31 December 2022 and 30 June 2023	<u>7,601,818,460</u>	<u>9,408,936,083</u>	<u>17,010,754,543</u>
<b>Accumulated amortisation:</b>			
31 December 2022	(5,321,272,942)	(3,860,076,342)	(9,181,349,284)
Amortisation for the period	<u>(760,181,844)</u>	<u>(1,568,156,016)</u>	<u>(2,328,337,860)</u>
30 June 2023	<u>(6,081,454,786)</u>	<u>(5,428,232,358)</u>	<u>(11,509,687,144)</u>
<b>Net carrying amount:</b>			
31 December 2022	<u>2,280,545,518</u>	<u>5,548,859,741</u>	<u>7,829,405,259</u>
30 June 2023	<u>1,520,363,674</u>	<u>3,980,703,725</u>	<u>5,501,067,399</u>



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**19. SHORT-TERM TRADE PAYABLES**

	VND	
	30 June 2023	31 December 2022
Cotecons Construction Joint Stock Company	202,362,309,226	73,046,074,690
Newtecons Investment Construction Joint Stock Company	67,708,377,730	88,942,806,296
Pham Nguyen Construction Joint Stock Company	53,227,672,869	58,651,447,493
Ricons Construction Investment Joint Stock Company	39,871,328,172	125,696,141,270
Hung Quoc Think Services Trading Company Limited	28,039,099,804	62,829,672,086
Payables to other suppliers	<u>550,769,791,742</u>	<u>572,179,250,100</u>
<b>TOTAL</b>	<b><u>941,978,579,543</u></b>	<b><u>981,345,391,935</u></b>
<i>In which:</i>		
<i>Due from other parties</i>	939,261,016,362	977,173,890,614
<i>Due from a related party (Note 36)</i>	2,717,563,181	4,171,501,321

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

	VND	
	30 June 2023	31 December 2022
Advances from customers purchasing real estate properties (*)	2,687,769,977,565	2,608,609,040,894
Advance for disposal of shares (**)	662,500,000,000	662,500,000,000
Others	<u>1,086,712,981</u>	<u>-</u>
<b>TOTAL</b>	<b><u>3,351,356,690,546</u></b>	<b><u>3,271,109,040,894</u></b>
<i>In which:</i>		
<i>Due from other parties</i>	3,350,269,977,565	3,271,109,040,894
<i>Due from a related party (Note 36)</i>	1,086,712,981	-

(\*) This amount mainly represents advances from customers for the purchase of apartments, town houses, villas and land use rights which were not handed-over as at the interim consolidated balance sheet date.

(\*\*) This amount represented advances received from Paragon Urban Development Co.,Ltd for disposal of 25% interest ownership of Paragon in accordance with Share Transfer Agreement dated 30 August 2021.

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**21. STATUTORY OBLIGATIONS AND RECEIVABLES TAX**

	31 December 2022	Increase	Decrease	VND 30 June 2023
<b>Receivable</b>				
Value-added tax	305,520,152,552	270,384,618,160	(181,274,574,651)	394,630,196,061
Corporate income tax ("CIT")	83,646,694	487,324,219	(495,334,219)	75,636,694
Other taxes	945,807,623	632,896,759	(739,185,971)	839,518,411
<b>TOTAL</b>	<b>306,549,606,869</b>	<b>271,504,839,138</b>	<b>(182,509,094,841)</b>	<b>395,545,351,166</b>
<b>Payable</b>				
Corporate income tax	241,335,936,381	105,752,507,783	(221,341,766,027)	125,746,678,137
<i>In which:</i>				
CIT	214,808,130,814	103,453,504,628	(217,377,049,056)	100,884,586,386
<i>Prepayment of CIT based on payment progress of customers</i>	26,527,805,567	2,299,003,155	(3,964,716,971)	24,862,091,751
Personal income tax	42,279,725,413	71,444,571,425	(86,079,560,221)	27,644,736,617
Value-added tax (*)	42,880,210,293	178,789,883,880	(208,941,424,580)	12,728,669,593
Other taxes	301,722,794	1,881,280,478	(1,934,019,423)	248,983,849
<b>TOTAL</b>	<b>326,797,594,881</b>	<b>357,868,243,566</b>	<b>(518,296,770,251)</b>	<b>166,369,068,196</b>

(\*) Movement of value-added tax payable represented the amount declared and being offset during the period.

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**22. SHORT-TERM ACCRUED EXPENSES**

	VND	
	30 June 2023	31 December 2022
Cost-to-complete of projects	718,203,918,994	704,639,605,872
Interest expense payables	124,713,270,713	159,934,359,702
Other operating costs	127,150,616,804	57,100,090,075
<b>TOTAL</b>	<b><u>970,067,806,511</u></b>	<b><u>921,674,055,649</u></b>

**23. OTHER PAYABLES**

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>		
Deposits from customers purchasing real estate products	578,027,480,519	574,974,307,519
Dividends payable to non-controlling interests	525,187,792,982	391,819,680,184
Maintenance and warranty expenses	289,109,178,283	274,034,531,009
Deposits received from others	86,886,265,895	78,513,760,713
Others	48,388,664,293	42,942,688,907
	<u>1,527,599,381,972</u>	<u>1,362,284,968,332</u>
<b>Long-term</b>		
Deposit received	118,366,527,396	121,188,855,790
Others	19,087,132,905	220,042,650
	<u>137,453,660,301</u>	<u>121,408,898,440</u>
<b>TOTAL</b>	<b><u>1,665,053,042,273</u></b>	<b><u>1,483,693,866,772</u></b>
<i>In which:</i>		
Due from other parties	1,665,053,042,273	1,408,693,866,772
Due from related parties (Note 36)	-	75,000,000,000

**24. LOANS**

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>		
Short-term loan from banks (Note 24.1)	699,838,854,068	919,137,730,587
Short-term loans from individuals (Note 24.3)	408,000,000,000	408,000,000,000
Current portion of long-term loans from banks (Note 24.2)	303,838,344,950	27,644,565,225
Current portion of long-term bonds	-	449,288,518,327
	<u>1,411,677,199,018</u>	<u>1,804,070,814,139</u>
<b>Long-term</b>		
Bonds (Note 24.4)	2,584,780,235,604	2,564,587,396,012
Long-term loans from banks (Note 24.2)	1,050,151,081,920	810,645,887,018
	<u>3,634,931,317,524</u>	<u>3,375,233,283,030</u>
<b>TOTAL</b>	<b><u>5,046,608,516,542</u></b>	<b><u>5,179,304,097,169</u></b>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

## 24. LOANS (continued)

### 24.1 Short-term loan from banks

Details of the short-term loans from banks to support working capital requirements are as follows:

Banks	30 June 2023	Maturity date	Interest rate % p.a	Description of collaterals
VND				
Orient Commercial Joint Stock Bank				
Loan 1	299,927,153,706	From 30 September 2023 to 29 March 2024	8.8% - 10.0%	Lot 2479 and Lot 226, Map sheet number 5 and Lot 779, Map sheet number 6, An Thanh Commune, Ben Luc District, Long An Province (Note 11)
Loan 2	126,373,271,198	From 14 October 2023 to 28 June 2024	9.3% - 11.3%	LURs and related assets located at No. 147 - 149, Tran Trong Cung Street, Tan Thuan Dong Ward, District 7, HCMC of Nam Khang (Notes 13 and 14)
Loan 3	29,299,424,127	From 15 September 2023 to 21 November 2023	11.5% - 13%	Guarantee by the Company
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch	89,793,731,248	28 December 2023	9.0% - 9.2%	Unsecured
Standard Chartered Bank (Vietnam) Limited	87,568,020,690	From 28 July 2023 to 20 February 2024	7.76% - 10.18%	Lot 6262, Map sheet number 6, An Thanh Commune, Ben Luc District, Long An Province (Note 11)
United Oversea Bank One Member Limited Liability Bank	66,877,253,099	From 12 July 2023 to 26 December 2023	7.45% - 7.65%	Remaining receivables from the Construction Contract of Block A5, B2 of MR1 Southgate project of Nam Khang
<b>TOTAL</b>	<b>699,838,854,068</b>			

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**24. LOANS (continued)**

**24.2 Long-term loan from banks**

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

Banks	30 June 2023	Maturity date	Purpose	Interest rate	Description of collaterals
	VND			% p.a	
Orient Commercial Joint Stock Bank	621,635,075,407	From 26 May 2024 to 31 May 2025	Financing for investing and developing Izumi project	10.50%	LUR of Izumi project and future receivables arising from the sales contract of the project (Note 11)
Sumitomo Mitsui Banking Corporation	398,095,940,235	From 16 April 2025 to 18 January 2027	Financing for investing and developing Izumi project	7.90%	Guarantee by Hankyu Hanshin Holding, Inc
Standard Chartered Bank (Vietnam) Limited	334,258,411,228	From 22 November 2024 to 22 May 2026	Financing for investing and developing Izumi project	8.74%	LUR of Izumi project and future receivables arising from the sales contract of the project (Note 11)

**TOTAL** 1,353,989,426,870

In which:

- Non-current portion 1,050,151,081,920  
- Current portion 303,838,344,950

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**24. LOANS** (continued)

**24.3 Short-term loans from individuals**

Details of the unsecured short-term loans from individuals to support working capital requirements are as follows:

<i>Banks</i>	<i>30 June 2023</i>	<i>Maturity date</i>	<i>Interest rate</i>
	<i>VND</i>		<i>% p.a</i>
Individual 5	160,000,000,000	30 September 2023	5.50%
Individual 6	130,000,000,000	30 September 2023	5.50%
Individual 7	92,000,000,000	30 September 2023	5.50%
	<u>26,000,000,000</u>	26 September 2023	5.50%
<b>TOTAL</b>	<b><u>408,000,000,000</u></b>		





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## 24. LOANS (continued)

### 24.4 Bonds

Arrangement organisations	Owners	Amount	Interest rate	Maturity date	Purpose	Collateral
Ho Chi Minh City Securities Joint Stock Company	International Finance Corporation	1,000,000,000,000	9.35% - 12.94%	28 March 2029	Implement the Company's investment plans and projects	182,553,653 Nam Long VCD's shares owned by the Group
Techcom Securities Joint Stock Company	Techcom Securities Joint Stock Company	950,000,000,000	15.78%	6 September 2024	Implement the Company's investment plans and projects	Unsecured
GuarantCo Ltd	Manulife (Vietnam) Limited	510,000,000,000				
	AIA (Vietnam) Life Insurance Co., Ltd	120,000,000,000				
	Generali Vietnam Life Insurance L.L.C	30,000,000,000				
		(25,219,764,396)				
Less: Issuance costs		<u>2,584,780,235,604</u>				
<b>30 June 2023</b>						
In which:						
- Non-current portion		2,584,780,235,604				
- Current portion		-				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**24. LOANS (continued)**

**24.5 Movements of loans and bond during the period**

		<i>Loans</i>	<i>Bond</i>	<i>VND</i> <i>Total</i>
31 December 2022	2,165,428,182,830	3,013,875,914,339	5,179,304,097,169	
Drawdown from borrowings	1,124,274,966,948	-	1,124,274,966,948	
Repayment from borrowings	(827,874,868,840)	(449,288,518,327)	(1,277,163,387,167)	
Cost of issuing bonds	-	(808,820,690)	(808,820,690)	
Allocated cost of issuing bonds	-	21,001,660,282	21,001,660,282	
30 June 2023	<u>2,461,828,280,938</u>	<u>2,584,780,235,604</u>	<u>5,046,608,516,542</u>	

**25. BONUS AND WELFARE FUND**

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
1 January	97,890,138,720	83,392,397,124
Increase ( <i>Note 28.1</i> )	10,000,000,000	42,161,004,507
Fund usage	<u>(13,061,848,870)</u>	<u>(11,118,675,351)</u>
30 June	<u>94,828,289,850</u>	<u>114,434,726,280</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**26. UNEARNED REVENUE**

Unearned revenue included:

- The value of the Group's income received from the transfer part of Mizuki Park Project to NNH Mizuki Joint Stock Company and the profit arising from providing services deferred as at reporting date, which is proportionate to the ownership of the Group in these joint ventures. The unearned revenue will be realised once the houses developed by these projects are handed to customers; and
- The rental fees which was received in advance for the whole rental period and are amortised periodically.

Details are as follow:

	VND	
	30 June 2023	31 December 2022
<b>Short-term</b>		
Rental fees received in advance	8,328,326,197	7,405,671,605
<b>Long-term</b>		
Unrealized profit of Mizuki Park Project	268,777,535,774	300,433,505,775
Rental fees received in advance	47,989,770,279	54,025,584,949
	316,767,306,053	354,459,090,724
<b>TOTAL</b>	<b>325,095,632,250</b>	<b>361,864,762,329</b>

**27. PROVISIONS**

The balance represented the provision for warranty for work and work items completed which was handed over as at the interim consolidated balance sheet date.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 28 OWNERS' EQUITY

### 28.1 Increases and decreases in owners' equity

	Share capital	Share premium	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Total	VND
<b>For the six-month period ended 30 June 2022</b>							
1 January 2022	3,829,400,130,000	2,643,023,306,759	10,709,490,423	2,216,611,139	2,444,093,640,820	8,929,443,179,141	
Net profit after tax	-	-	-	-	111,289,420,633	111,289,420,633	
Cash dividends declared	-	-	-	-	(213,948,585,639)	(213,948,585,639)	
Contribution to bonus and welfare funds	-	-	-	-	(42,161,004,507)	(42,161,004,507)	
Bonus of the Board of Directors	-	-	-	-	(10,710,000,000)	(10,710,000,000)	
Increase ownership in a subsidiary	-	-	-	-	(125,107,471,274)	(125,107,471,274)	
30 June 2022	3,829,400,130,000	2,643,023,306,759	10,709,490,423	2,216,611,139	2,163,456,000,033	8,648,805,538,354	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

**28.1 Increases and decreases in owners' equity** (continued)

	Share capital	Share premium	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Total
<b>For the six-month period ended 30 June 2023</b>						
1 January 2023	3,840,803,000,000	2,643,023,306,759	10,709,490,423	2,216,611,139	2,493,257,204,347	8,990,009,612,668
Net profit after tax	-	-	-	-	127,618,612,972	127,618,612,972
Cash dividends declared (i)	-	-	-	-	(76,816,060,000)	(76,816,060,000)
Contribution to bonus and welfare funds (ii)	-	-	-	-	(10,000,000,000)	(10,000,000,000)
Equity transactions with non-controlling interest (Note 4)	-	-	-	-	(10,685,996,476)	(10,685,996,476)
30 June 2023	<u>3,840,803,000,000</u>	<u>2,643,023,306,759</u>	<u>10,709,490,423</u>	<u>2,216,611,139</u>	<u>2,523,373,760,843</u>	<u>9,020,126,169,164</u>

(i) In accordance with the Board of Directors' Resolution No. 10/2023/NQ/HDQT/NLG dated 11 May 2023, the Company was approved to pay 2022 dividends by cash at 2% par value. This was also approved in accordance with the Shareholders' Resolution No. 01/2023/NQ/DHDCD/NLG dated 22 April 2023.

(ii) In accordance with the Shareholders' Resolution No. 01/2021/NQ/DHDCD/NLG dated 23 April 2022, the shareholders approved the appropriation of welfare fund of VND 10,000,000,000.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

**28.2 Shares**

	<i>Number of shares</i>	
	<i>As at 30 June 2023</i>	<i>As at 31 December 2022</i>
<b>Authorised shares</b>	<b>384,080,300</b>	<b>384,080,300</b>
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>	<i>384,080,300</i>	<i>384,080,300</i>
Ordinary shares	384,080,300	384,080,300
<b>Shares in circulation</b>		
Ordinary shares	384,080,300	384,080,300

Par value of outstanding share: VND 10,000 per share (31 December 2022: VND 10,000 per share). The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. Each ordinary share carries one vote per share without restriction.

**28.3 Increase and decrease in share capital**

	<i>VND</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Share capital</b>		
Beginning and ending balances	<u>3,840,803,000,000</u>	<u>3,829,400,130,000</u>
<b>Dividend declared and paid during the period</b>		
Cash dividends declared	76,816,060,000	213,948,585,639
Dividends paid in cash	68,120,933,093	227,942,094,925



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**29. NON-CONTROLLING INTERESTS**

	VND	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Contributed charter capital	2,417,160,473,936	2,554,349,364,448
Asset revaluation reserve	1,343,858,335,424	1,343,858,335,424
Share premium	26,394,994,873	26,394,994,873
Treasury shares	(656,280,000)	(656,280,000)
Investment and development fund	62,463,835	62,463,835
Other funds belonging to owners' equity	577,917,539	577,917,539
Undistributed earnings	343,635,602,404	400,533,775,634
<b>TOTAL</b>	<b><u>4,131,033,508,011</u></b>	<b><u>4,325,120,571,753</u></b>

Movements of non-controlling interests are as follows:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
1 January	4,325,120,571,753	4,598,222,320,688
Net profit for the period	120,086,060,686	113,641,166,902
Equity transactions with non-controlling interest	(137,188,890,512)	(233,492,528,726)
Capital withdrawal by cash	-	(175,000,000,000)
Dividends declared (*)	(176,984,233,916)	(180,641,036,812)
30 June	<u>4,131,033,508,011</u>	<u>4,122,729,922,052</u>
(*) In which:		
Dividends paid in cash	2,538,329,340	142,116,653,250

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as at 30 June 2023 and for the six-month period then ended

**30. REVENUES**

**30.1 Net revenues from sale of goods and rendering of services**

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Net revenues</b>	<b>1,188,480,356,856</b>	<b>1,828,096,302,243</b>
<i>In which:</i>		
<i>Sale of land use rights, apartments,     town houses and villas</i>	<i>1,052,072,374,413</i>	<i>1,718,682,804,092</i>
<i>Rendering of services</i>	<i>102,191,527,068</i>	<i>86,533,679,475</i>
<i>Sales from construction services</i>	<i>17,631,117,794</i>	<i>12,024,838,725</i>
<i>Rental income from investment properties</i>	<i>16,585,337,581</i>	<i>10,854,979,951</i>
<b>TOTAL</b>	<b><u>1,188,480,356,856</u></b>	<b><u>1,828,096,302,243</u></b>
<i>In which:</i>		
<i>Sale to other parties</i>	<i>1,004,348,908,794</i>	<i>1,698,300,915,424</i>
<i>Sales to related parties (Note 36)</i>	<i>184,131,448,062</i>	<i>129,795,386,819</i>

**30.2 Finance income**

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest income	86,308,479,512	49,535,765,701
Others	-	88,755,007
<b>TOTAL</b>	<b><u>86,308,479,512</u></b>	<b><u>49,624,520,708</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Cost of land, apartments, town houses and villas	411,746,409,079	928,322,824,724
Cost of rendering of services	39,111,898,686	69,222,005,088
Cost of construction services	8,992,915,013	11,409,875,145
Operating costs of investment properties	8,159,624,172	7,676,790,881
<b>TOTAL</b>	<b><u>468,010,846,950</u></b>	<b><u>1,016,631,495,838</u></b>

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

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Selling expenses</b>		
Commission fees	133,157,139,685	188,799,287,622
Marketing fees and show-houses costs	13,902,993,979	14,073,148,966
External services	7,433,573,466	3,598,729,986
Salary expenses	7,389,813,166	10,554,339,150
Others	3,209,221,146	376,914,405
	<u>165,092,741,442</u>	<u>217,402,420,129</u>
<b>General and administrative expenses</b>		
Salary expenses	141,127,923,891	177,108,882,240
External services	84,682,594,116	83,286,802,681
Rental expenses	17,988,309,355	8,240,596,604
Depreciation expenses	11,359,738,723	6,112,793,813
Others	8,405,394,296	9,583,460,067
	<u>263,563,960,381</u>	<u>284,332,535,405</u>
<b>TOTAL</b>	<b><u>428,656,701,823</u></b>	<b><u>501,734,955,534</u></b>

**33. FINANCE EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest expenses on bonds issued and bank loans	<u>151,054,879,681</u>	<u>81,101,731,671</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**34. OTHER INCOME AND EXPENSES**

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Other income</b>		
Gain from contract compensation	13,437,866,698	5,760,219,804
Others	<u>5,413,383,214</u>	<u>3,058,842,658</u>
	<u>18,851,249,912</u>	<u>8,819,062,462</u>
<b>Other expenses</b>		
Penalty	(4,220,596,239)	(423,055,685)
Others	<u>(2,835,534,062)</u>	<u>(3,024,934,412)</u>
	<u>(7,056,130,301)</u>	<u>(3,447,990,097)</u>
<b>OTHER PROFIT</b>	<u><b>11,795,119,611</b></u>	<u><b>5,371,072,365</b></u>

**35. CORPORATE INCOME TAX**

The statutory enterprise income tax ("CIT") rate applicable to the Company is 20% of taxable profits. The CIT rates applicable for the Group's subsidiaries are ranging from 10% to 20% per entity and per project.

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

**35.1 CIT expense**

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Current tax expense	103,429,037,107	87,353,258,872
Under provision of CIT from previous years	<u>2,323,470,676</u>	<u>166,517,200</u>
	105,752,507,783	87,519,776,072
Deferred tax expense (income) (Note 35.3)	<u>907,645,793</u>	<u>(26,300,258,348)</u>
<b>TOTAL</b>	<u><b>106,660,153,576</b></u>	<u><b>61,219,517,724</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

**35.1 CIT expense (continued)**

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

	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>	VND
<b>Accounting profit before tax</b>	<b>354,364,827,234</b>	<b>286,150,105,259</b>	
At applicable CIT rate	70,796,079,077	57,230,021,052	
<i>Adjustments to increase (decrease):</i>			
Unrecognized deferred tax on tax loss carried forward	32,148,405,583	-	-
Non-deductible interest expenses (i)	22,670,684,966	-	-
Under provision of CIT from previous years	2,323,470,676	166,517,200	
Non-deductible expenses	1,088,339,342	4,044,040,776	
Goodwill allocation	465,667,572	441,542,096	
Profit share from associates and jointly controlled entities	(23,100,659,942)	(505,278,597)	
Others	268,166,302	(157,324,803)	
<b>CIT expense</b>	<b>106,660,153,576</b>	<b>61,219,517,724</b>	

- (i) In accordance with Decree No. 132/2020/ND-CP issued by the Government on 5 November 2020 which provides regulations on tax administration for the Company having related parties' transactions, this is the estimated non-deductible interest expense exceeding the prescribed threshold, which have not been deducted when calculating CIT for the current period, has not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

**35.2 Current tax**

The current tax payable is based on taxable profit for the period. The taxable profit of the parent company and its subsidiaries for the year differs from 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 at the balance sheet date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

**35.3 Deferred tax**

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

	Interim consolidated balance sheet		Interim consolidated income statement		VND
	30 June 2023	31 December 2022	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	
<b>Deferred tax assets</b>					
Intra-group unrealised profits ("URP") eliminated in consolidation	192,843,584,827	179,955,651,593	12,887,933,234	29,747,101,667	
Accrued expenses	105,214,318,224	102,220,042,778	2,994,275,446	(1,544,046,895)	
Prepayment of corporate income tax based on 1% payment progress of customers	49,490,741,765	49,378,025,988	112,715,777	8,569,816,274	
Tax loss carried forward	5,334,793,695	4,940,128,852	-	4,811,705,482	
Others			394,664,843	(2,335,626,546)	
	<b>352,883,438,511</b>	<b>336,493,849,211</b>			
<b>Deferred tax liabilities</b>					
Fair value adjustment on assets acquired in business combination	(966,084,955,101)	(966,084,955,101)	-	-	
Deductible interest expenses at entity level but capitalised on the consolidated financial statements	(92,907,266,928)	(75,610,031,835)	(17,297,235,093)	(12,948,691,634)	
Deductible expenses at entity level but capitalised in cost of investment on the consolidated financial statements	(4,920,000,000)	(4,920,000,000)	-	-	
	<b>(1,063,912,222,029)</b>	<b>(1,046,614,986,936)</b>			
<b>Net deferred tax (expense) income</b>			<b>(907,645,793)</b>	<b>26,300,258,348</b>	



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**36. TRANSACTIONS WITH RELATED PARTIES**

List of related parties as at 30 June 2023 is as follows:

<i>Related party</i>	<i>Relationship</i>
NNH Mizuki Joint Stock Company ("NNH Mizuki")	Jointly-controlled entity
Paragon Dai Phuoc Company Limited ("Paragon")	Jointly-controlled entity
Anabuki NL Housing Service Vietnam Co., Ltd.	Associate
Thai Binh Investment Joint Stock Company	Related party
Tan Hiep Investment Company Limited	Related party

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

<i>Related parties</i>	<i>Transactions</i>	<i>VND</i>	
		<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Thai Binh Investment Joint Stock Company	Acquisition of shares	-	358,600,000,000
	Received for capital contribution	-	64,830,508,475
NNH Mizuki	Capital redemption	210,000,000,000	-
	Rendering of services	184,131,448,062	129,795,386,819
	Other income	12,885,296,803	-
Paragon	Capital contribution	30,000,000,000	-
Anabuki NL Housing Service Vietnam Co., Ltd.	Management fee	9,551,768,159	-
Tan Hiep Investment Company Limited	Acquisition of shares	190,000,000,000	-
	Advance for acquisition of shares	-	100,000,000,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>VND</i>	
		<i>30 June 2023</i>	<i>31 December 2022</i>
<b><i>Short-term trade receivables</i></b>			
Thai Binh Investment Joint Stock Company	Disposal of investment	278,900,000,000	278,900,000,000
Paragon	Project management services	36,639,040,000	55,653,496,201
NNH Mizuki	Project management services	34,600,678,415	130,758,018,858
Anabuki NL Housing Service Vietnam Co., Ltd.	Project management services	1,826,212,914	1,826,212,914
		<u>351,965,931,329</u>	<u>467,137,727,973</u>
<b><i>Short-term advance to suppliers</i></b>			
Anabuki NL Housing Service Vietnam Co., Ltd.	Advance for management service	154,440,000	154,440,000
Tan Hiep Investment Company Limited	Advance for construction service	-	100,000,000,000
		<u>154,440,000</u>	<u>100,154,440,000</u>
<b><i>Other short-term receivables</i></b>			
NNH Mizuki	Capital redemption Receivables from BCC	210,000,000,000	-
		45,421,436,627	45,536,139,824
Paragon	Advance for contribution capital	120,000,000,000	90,000,000,000
		<u>375,421,436,627</u>	<u>135,536,139,824</u>
<b><i>Short-term payable</i></b>			
Anabuki NL Housing Service Vietnam Co., Ltd.	Management fee	2,717,563,181	4,171,501,321
<b><i>Short-term advance from customer</i></b>			
NNH Mizuki	Construction consulting service	1,086,712,981	-
<b><i>Other short-term payables</i></b>			
Thai Binh Investment Joint Stock Company	Advance capital contribution	-	64,830,508,475
Tan Hiep Investment Company Limited	Advance capital contribution	-	10,169,491,525
		<u>-</u>	<u>75,000,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

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

Remunerations for members of the Board of Directors ("BOD") and the Management are as follows:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Remunerations for members of the BODs	8,841,783,885	8,841,783,885
Remunerations for members of the Management	14,284,263,541	18,176,949,951
<b>TOTAL</b>	<b><u>23,126,047,426</u></b>	<b><u>27,018,733,836</u></b>

Salary and operating expenses of the Audit Committee is as follow:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Salary and operating expenses of Board of Audit Committee	554,092,083	554,092,083

**37. EARNINGS PER SHARE**

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

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

	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
<b>Net profit after tax (VND)</b>	<b>127,618,612,972</b>	<b>111,289,420,633</b>
<i>Less: Bonus and welfare fund (VND) (i)</i>	<i>(7,281,347,960)</i>	<i>(2,000,798,544)</i>
<b>Net profit attributable to ordinary shareholders (VND)</b>	<b>120,337,265,012</b>	<b>109,288,622,089</b>
Weighted average number of ordinary shares during the period ( <i>shares</i> )	384,080,300	382,940,013
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>384,080,300</b>	<b>382,940,013</b>
<b>Earnings per share (VND)</b>		
<i>Basic earnings per share</i>	313	285
<i>Diluted earnings per share</i>	313	285

- (i) Net profit used to compute earnings per share for the the six-month period ended 30 June 2022 was restated following the actual distribution to Bonus and welfare funds from 2022 undistributed earnings as approved in the Annual General Meeting's Resolution No 01/2022/NQ/DHDCH/NLG dated 22 April 2023 ("AGM Resolution 2023").

Net profit used to compute earnings per share for the six-month period ended 30 June 2023 is adjusted for distribution to Bonus and welfare funds and remuneration of the Board of Directors as approved in accordance with the AGM Resolution 2023.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**38. COMMITMENTS AND CONTINGENCIES**

***Operating lease commitments***

The Group leases assets under operating lease arrangements. The future minimum rental payable as at 30 June 2023 under the operating lease agreements are as follows:

	VND	
	30 June 2023	31 December 2022
Less than one year	10,734,062,136	41,388,031,714
From one to five years	19,988,850,000	73,739,201,857
Over five	-	2,065,788,354
<b>TOTAL</b>	<b><u>30,722,912,136</u></b>	<b><u>117,193,021,925</u></b>

The Group leases out assets under operating lease arrangements. The future minimum rental receivable as at 30 June 2023 under the operating lease agreements are as follows:

	VND	
	30 June 2023	31 December 2022
Less than one year	8,063,327,959	9,957,799,758
From one to five years	9,049,086,160	23,715,254,894
<b>TOTAL</b>	<b><u>17,112,414,119</u></b>	<b><u>33,673,054,652</u></b>

***Capital commitments***

As at 30 June 2023, the Group has contractual commitments for the construction work for its apartments, villa and strategy consulting projects as follows:

	VND		
	<i>Contracted amount</i>	<i>Recognized amount</i>	<i>Remaining commitments</i>
Akari project	2,722,730,535,290	598,283,497,866	2,124,447,037,424
Izumi project	843,834,666,668	63,011,419,549	780,823,247,119
Mizuki project	223,541,405,000	95,649,308,525	127,892,096,475
Southgate project	188,826,603,000	94,643,343,316	94,183,259,684
Others	15,497,218,114	8,832,287,761	6,664,930,353
<b>TOTAL</b>	<b><u>3,994,430,428,072</u></b>	<b><u>860,419,857,017</u></b>	<b><u>3,134,010,571,055</u></b>

***Other commitment***

As at the balance sheet date, the Company has the guarantee to loan of a related party with credit limit as follows:

			VND	
<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>30 June 2023</i>	<i>31 December 2022</i>
Nam Long CMI	Subsidiary	Bank loan	<u>30,000,000,000</u>	<u>30,000,000,000</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2023 and for the six-month period then ended

**39. EVENT AFTER THE BALANCE SHEET DATE**

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

  
Vo Hai Vu  
Preparer

  
Nguyen Quang Duc  
Chief Accountant

  
Tran Xuan Ngoc  
General Director



Ho Chi Minh City, Vietnam

15 August 2023

