



**CENTURY LAND JOINT STOCK COMPANY**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED SEPARATE  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**



**CENTURY LAND JOINT STOCK COMPANY**

1<sup>st</sup> Floor, Sky City B Tower, No. 88 Lang Ha, Lang Ha Ward,  
Dong Da District, Hanoi, S.R. Vietnam

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**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE EXECUTIVE BOARD	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 4
BALANCE SHEET	5 - 6
INCOME STATEMENT	7
CASH FLOW STATEMENT	8
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	9 - 30



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Dong Da District, Hanoi, S.R. Vietnam

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**STATEMENT OF THE EXECUTIVE BOARD**

The Executive Board of Century Land Joint Stock Company (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2019.

**BOARD OF DIRECTORS AND EXECUTIVE BOARD**

The members of the Boards of Directors and the Executive Board of the Company who held office during the year and to the date of this report are as follows:

**Board of Directors:**

Mr. Nguyen Trung Vu	Chairman
Mr. Pham Thanh Hung	Vice Chairman
Mr. Nguyen Duc Vui	Member
Ms. Nguyen Thi Hoang Oanh	Member
Mr. Nguyen Tho Tuyen	Member (resigned on 02 March 2020)
Mr. Le Xuan Nga	Member (resigned on 18 July 2019)

**Executive Board:**

Mr. Chu Huu Chien	Chief Executive Officer (appointed on 02 March 2020)
Mr. Nguyen Tho Tuyen	Chief Executive Officer (resigned on 02 March 2020)
Ms. Nguyen Thi Thanh	Executive Officer
Mr. Nguyen Anh Huong	Executive Officer
Ms. Nguyen Minh Hoi	Executive Officer
Ms. Nguyen Quynh Mai	Executive Officer (appointed on 02 March 2020)
Mr. Can Cong Viet	Executive Officer (resigned on 25 November 2019)
Mr. Le Xuan Nga	Executive Officer (resigned on 18 July 2019)
Mr. Truong Hung Cuong	Executive Officer (resigned on 25 November 2019)

**EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY**

The Executive Board of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Executive Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and

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**STATEMENT OF THE EXECUTIVE BOARD (Continued)**

**EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY (Continued)**

- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

The Executive Board is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Executive Board confirms that the Company has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Executive Board, 



**Chu Hui Chien**  
**Chief Executive Officer** 

30 March 2020

No.: 0914 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders  
The Board of Directors and Executive Board  
Century Land Joint Stock Company**

We have audited the accompanying separate financial statements of Century Land Joint Stock Company (the "Company"), prepared on 30 March 2020 as set out from page 05 to page 30, which comprise the balance sheet as at 31 December 2019, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### The Executive Board's Responsibility

The Executive Board is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting, and for such internal control as the Executive Board determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



**Dang Chi Dung**

**Audit Partner**

Audit Practising Registration Certificate  
No. 0030-2018-001-1

**Vu Manh Hung**

**Auditor**

Audit Practising Registration Certificate  
No. 2737-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

*30 March 2020*

*Hanoi, S.R. Vietnam*



**CENTURY LAND JOINT STOCK COMPANY**

1<sup>st</sup> Floor, Sky City B Tower, No. 88 Lang Ha,  
Lang Ha Ward, Dong Da District,  
Hanoi, S.R. Vietnam

**FORM B 01-DN**

Issued under Circular No.200/2014/TT-BTC dated  
22 December 2014 of the Ministry of Finance

**BALANCE SHEET**  
*As at 31 December 2019*

Unit: VND

<b>ASSETS</b>	<b>Codes</b>	<b>Notes</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>1,435,481,895,023</b>	<b>1,469,530,097,504</b>
<b>I. Cash</b>	<b>110</b>	<b>4</b>	<b>125,819,376,543</b>	<b>274,788,860,733</b>
1. Cash	111		73,879,129,953	274,788,860,733
2. Cash equivalents	112		51,940,246,590	-
<b>II. Short-term receivables</b>	<b>130</b>		<b>1,173,079,332,537</b>	<b>742,340,601,536</b>
1. Short-term trade receivables	131	6	696,706,158,679	611,456,393,218
2. Short-term advances to suppliers	132		1,220,490,584	11,408,561,139
3. Short-term loan receivables	135	7	164,500,000,000	-
4. Other short-term receivables	136	8	317,024,296,339	125,847,260,244
5. Provision for short-term doubtful debts	137	9	(6,371,613,065)	(6,371,613,065)
<b>III. Inventories</b>	<b>140</b>	<b>10</b>	<b>135,237,368,109</b>	<b>451,427,489,086</b>
1. Inventories	141		135,237,368,109	451,427,489,086
<b>IV. Other short-term assets</b>	<b>150</b>		<b>1,345,817,834</b>	<b>973,146,149</b>
1. Short-term prepayments	151	11	1,345,817,834	973,146,149
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>907,599,966,642</b>	<b>667,023,112,984</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>652,381,057,429</b>	<b>481,361,313,009</b>
1. Other long-term receivables	216	8	652,381,057,429	481,361,313,009
<b>II. Fixed assets</b>	<b>220</b>		<b>148,766,303,009</b>	<b>135,251,273,072</b>
1. Tangible fixed assets	221	12	140,390,464,647	134,698,643,379
- Cost	222		158,287,225,661	142,951,675,661
- Accumulated depreciation	223		(17,896,761,014)	(8,253,032,282)
2. Intangible assets	227	13	8,375,838,362	552,629,693
- Cost	228		9,344,387,658	1,247,902,042
- Accumulated amortisation	229		(968,549,296)	(695,272,349)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>37,648,390,955</b>	<b>5,614,765,426</b>
1. Construction in progress	242	14	37,648,390,955	5,614,765,426
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>50,520,000,000</b>	<b>40,000,000,000</b>
1. Investment in subsidiaries	251		50,520,000,000	40,000,000,000
<b>V. Other long-term assets</b>	<b>260</b>		<b>18,284,215,249</b>	<b>4,795,761,477</b>
1. Long-term prepayments	261	11	18,284,215,249	4,795,761,477
<b>TOTAL ASSETS (270=100 + 200)</b>	<b>270</b>		<b>2,343,081,861,665</b>	<b>2,136,553,210,488</b>

*The accompanying notes are an integral part of these separate financial statements*

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**FORM B 01-DN**

Issued under Circular No.200/2014/TT-BTC dated  
22 December 2014 of the Ministry of Finance

**BALANCE SHEET (Continued)**

As at 31 December 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>580,664,205,100</b>	<b>724,159,822,638</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>577,387,339,005</b>	<b>722,000,083,513</b>
1. Short-term trade payables	311	15	98,804,314,618	124,381,472,977
2. Short-term advances from customers	312	16	19,235,801,317	13,707,420,279
3. Taxes and amounts payable to the State budget	313	17	109,519,614,310	78,290,607,461
4. Payables to employees	314		74,180,726,145	51,220,585,888
5. Short-term accrued expenses	315		688,947,570	-
6. Short-term unearned revenue	318		270,242,313	3,310,297,747
7. Other current payables	319	18	161,334,316,281	245,983,352,314
8. Short-term loans	320	19	82,727,415,533	170,000,000,000
9. Bonus and welfare funds	322		30,625,960,918	35,106,346,847
<b>II. Long-term liabilities</b>	<b>330</b>		<b>3,276,866,095</b>	<b>2,159,739,125</b>
1. Other long-term payables	337	18	3,276,866,095	2,159,739,125
<b>D. EQUITY</b>	<b>400</b>		<b>1,762,417,656,565</b>	<b>1,412,393,387,850</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>20</b>	<b>1,762,417,656,565</b>	<b>1,412,393,387,850</b>
1. Owners' contributed capital	411		800,000,000,000	500,000,000,000
- Ordinary shares carrying voting rights	411a		800,000,000,000	500,000,000,000
2. Share premium	412		150,000,000,000	375,000,000,000
3. Treasury shares	415		(1,080,000)	-
4. Investment and development fund	418		64,310,531,382	34,610,103,952
5. Retained earnings	421		748,108,205,183	502,783,283,898
- Retained earnings accumulated to the prior year end	421a		377,292,557,267	205,779,009,597
- Retained earnings of the current period	421b		370,815,647,916	297,004,274,301
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>2,343,081,861,665</b>	<b>2,136,553,210,488</b>

  
Nguyen Cong Son  
Preparer

  
Le Thi Lan  
Chief Accountant



  
Chu Huu Chien  
Chief Executive Officer

30 March 2020

The accompanying notes are an integral part of these separate financial statements



**INCOME STATEMENT**

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>22</b>	<b>1,987,758,432,856</b>	<b>1,390,541,454,277</b>
2. Deductions	02		12,802,872,727	-
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>		<b>1,974,955,560,129</b>	<b>1,390,541,454,277</b>
4. Cost of sales	11	23	1,358,255,049,012	941,459,364,885
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>616,700,511,117</b>	<b>449,082,089,392</b>
6. Financial income	21	26	5,184,139,857	2,645,763,985
7. Financial expenses	22		22,231,183,764	-
- In which: Interest expense	23		22,231,183,764	-
8. Selling expenses	25	24	41,127,410,219	7,988,538,833
9. General and administration expenses	26	24	93,572,241,204	71,385,444,835
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>464,953,815,787</b>	<b>372,353,869,709</b>
11. Other income	31		319,310,271	326,202,609
12. Other expenses	32		1,609,852,930	1,139,783,553
<b>13. (Loss) from other activities (40=31-32)</b>	<b>40</b>		<b>(1,290,542,659)</b>	<b>(813,580,944)</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>463,663,273,128</b>	<b>371,540,288,765</b>
15. Current corporate income tax expense	51	27	92,847,625,212	74,536,014,464
<b>16. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>370,815,647,916</b>	<b>297,004,274,301</b>

  
**Nguyen Cong Son**  
Preparer

  
**Le Thi Lan**  
Chief Accountant

  
**Chu Hữu Chiên**  
Chief Executive Officer

30 March 2020

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**CASH FLOW STATEMENT**

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	463,663,273,128	371,540,288,765
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	9,917,005,679	3,603,728,767
Provisions	03	-	980,612,741
(Gain) from investing activities	05	(5,184,139,857)	(2,587,636,680)
Interest expense	06	22,231,183,764	-
3. Operating profit before movements in working capital	08	490,627,322,714	373,536,993,593
Changes in receivables	09	(435,869,913,777)	(455,160,255,766)
Changes in inventories	10	316,190,120,977	(451,427,489,086)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(63,123,537,933)	215,328,316,571
Changes in prepaid expenses	12	(13,861,125,457)	(1,228,326,269)
Interest paid	14	(22,231,183,764)	-
Corporate income tax paid	15	(79,745,633,821)	(56,130,565,085)
Other cash outflows	17	(25,270,685,130)	(17,572,799,773)
Net cash generated by/(used in) operating activities	20	166,715,363,809	(392,654,125,815)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(57,186,761,745)	(53,661,186,030)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	72,727,273
3. Cash outflow for lending, buying debt instruments of other entities	23	(211,500,000,000)	(713,500,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	47,000,000,000	713,500,000,000
5. Equity investments in other entities	25	(10,520,000,000)	-
6. Interest earned, dividends and profits received	27	3,795,578,213	2,514,909,407
Net cash (used in) investing activities	30	(228,411,183,532)	(51,073,549,350)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue and owners' contributed capital	31	-	625,000,000,000
2. Capital withdrawals, buy-back of issued shares	32	(1,080,000)	-
2. Proceeds from borrowings	33	272,927,415,533	170,000,000,000
3. Repayment of borrowings	34	(360,200,000,000)	(100,000,000,000)
Net cash (used in)/generated by financing activities	40	(87,273,664,467)	695,000,000,000
Net increase in cash (50=20+30+40)	50	(148,969,484,190)	251,272,324,835
Cash at the beginning of the year	60	274,788,860,733	23,516,535,898
Cash at the end of the year (70=50+60)	70	125,819,376,543	274,788,860,733

Nguyen Cong Son  
Preparer

Le Thi Lan  
Chief Accountant

Chu Huu Chien  
Chief Executive Officer

30 March 2020

The accompanying notes are an integral part of these separate financial statements

**CENTURY LAND JOINT STOCK COMPANY**

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**FORM B 09-DN/HN**

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**NOTES TO THE SEPARATE FINANCIAL STATEMENT**

*These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements*

**1. GENERAL INFORMATION****Structure of ownership**

Century Land Joint Stock Company operates under Business Registration Certificate No. 0101160306 issued by Hanoi Authority for Planning and Investment on 20 August 2001 and its 18th amendment dated 17 March 2020.

The Company's head office is located at 1<sup>st</sup> Floor, Sky City B Tower, No. 88 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi City, Vietnam.

The total number of employees of the Company as at 31 December 2019 was 1,344 (as at 31 December 2018: 1,331).

**Operating industry and principal activities**

The Company's operating industry includes:

- Real estate brokerage and consulting services;
- Real estate business, trade of construction materials;
- Investing, consulting, brokerage financial services;
- Commercial brokerage; and
- Real estate management services.

**Normal production and business cycle**

For investment and real estate business, normal production and business cycle is carried out for a time period equal to the construction/implementation period of the relevant work/project.

For other business activities, normal production and business cycle is carried out for a time period of 12 months or less.

**The Company's structure**

The Company has four subsidiaries. General information about the Company's subsidiaries is as follows:

Name	Place of incorporation and operation	Proportion of ownership and interest %	Proportion of voting power held %	Principal activity
Worldstar Land Services Joint Stock Company	Hanoi	51.00%	51.00%	Real estate activities with owned or leased properties; consultancy, brokerage, management and advertising relating to real estate
Rising Star Media Joint Stock Company	Hanoi	80.00%	80.00%	Providing value-added services on the Internet, advertising, organizing trade promotion, market research
Cen Sai Gon Real Estate Joint Stock Company	Ho Chi Minh City	80.00%	80.00%	Real estate activities with owned or leased properties; consultancy, brokerage, management and advertising relating to real estate
Century M&I Joint Stock Company	Hanoi	51.00%	51.00%	Consultancy, brokerage, auction relating to real estate and land use rights

Besides, the Company has branches operating in various provinces, including: Vinh Phuc, Bac Ninh, Thai Nguyen, Quang Ninh, Hai Phong, Hung Yen, Thanh Hoa, Nghe An, Da Nang, Nha Trang, Can Tho, Dong Nai and a representative office in Korea.

**Disclosure of information comparability in the separate financial statements**

Comparative figures are the audited figures of the Company's separate financial statements for the year ended 31 December 2018.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

The separate financial statements have been prepared solely for the Holding Company and do not include the financial statements of its subsidiaries. The separate financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2019 for complete information about the Company's financial position as well as its results of operations and its cash flows during the year.

**Financial year**

The Company's financial year begins on 01 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

**Estimates**

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial investments**

***Loan receivables***

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

***Investments in subsidiaries***

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries are made when there is objective evidence of impairment as at the balance sheet date.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

**Inventories**

Inventories of the Company reflect the value of real estate products formed from the real estate business projects acquired by the Company from the investors, which will be sold in the form of transfers of ownership rights to the buyer. Inventories are stated at the lower of cost and net realisable value.

Cost comprises cost of purchases and other directly attributable expenses in bringing real estate products to their present location and condition. Net realisable value represents the



estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations. Accordingly, provisions are allowed for inventories which have costs higher than net realisable values as at the balance sheet date.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	<b>Years</b>
Buildings, structures	30
Motor vehicles	6
Office equipment	3 - 5

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

### **Intangible assets and amortization**

Intangible assets represent land use right, computer software and other intangible assets. Intangible assets are stated at cost less accumulated amortization.

Land use rights are amortised using the straight-line method over the duration of the right to use the land. Infinity-term land use rights are not amortized.

Computer software and other intangible assets amortized using the straight-line method over the period from 3 to 5 years.

### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Costs include those that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Prepayments comprise costs of small tools, supplies and spare parts issued for consumption, office repair and other expenses which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

**Revenue recognition**

Revenue from goods sold

Revenue from the sale of goods is recognized when all five (5) following conditions are satisfied:

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

Revenue from service rendered

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the balance of deposits accounts and the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

**Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

**Taxation**

Corporate income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

**4. CASH AND CASH EQUIVALENTS**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,939,489,447	3,778,403,869
Bank demand deposits	71,939,640,506	271,010,456,864
Cash equivalents (i)	51,940,246,590	-
	<b>125,819,376,543</b>	<b>274,788,860,733</b>

- (i) Cash equivalents represent short-term deposits with original terms from 01 to 04 months at commercial banks with interest rates of 4.1% - 5.3% per annum.

**5. FINANCIAL INVESTMENTS**

	<b>Closing balance</b>			<b>Opening balance</b>		
	<b>Cost</b>	<b>Provision</b>	<b>Book value</b>	<b>Cost</b>	<b>Provision</b>	<b>Book value</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Investments in subsidiaries</b>	<b>50,520,000,000</b>	<b>-</b>	<b>50,520,000,000</b>	<b>40,000,000,000</b>	<b>-</b>	<b>40,000,000,000</b>
World Star Real Estate Services Joint Stock Company	25,500,000,000	-	25,500,000,000	16,000,000,000	-	16,000,000,000
Cen Sai Gon Real Estate Joint Stock Company	16,000,000,000	-	16,000,000,000	16,000,000,000	-	16,000,000,000
Rising Star Media Joint Stock Company	8,000,000,000	-	8,000,000,000	8,000,000,000	-	8,000,000,000
Century M&I Joint Stock Company	1,020,000,000	-	1,020,000,000	-	-	-

The Company has not assessed fair value of its financial investments as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

The operating results of the subsidiaries for the year ended 31 December 2019 are as follows:

	<b>Current year</b>	<b>Prior year</b>
World Star Real Estate Services Joint Stock Company	Profit-making	Profit-making
Cen Sai Gon Real Estate Joint Stock Company	Profit-making	Profit-making
Rising Star Media Joint Stock Company	Profit-making	Profit-making
Century M&I Joint Stock Company	Not profit-making	Not yet established

Significant transactions between the Company and its subsidiaries during the year are presented in Note 28.

**6. SHORT-TERM TRADE RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Century Real Estate Investment and Development Joint Stock Company	155,256,087,945	83,126,606,578
Galaxy Land Real Estate Joint Stock Company	154,476,270,156	168,531,870,156
World Star Real Estate Services Joint Stock Company	86,177,802,141	12,591,833,641
Hong Lam Xuan Thanh Joint Stock Company	50,493,352,293	-
Bitexco Joint Stock Company	44,155,189,652	-
VMF Joint Stock Company	39,284,199,789	86,239,992,938
Gamuda Land Vietnam Company Limited	34,616,300,490	61,661,483,507
Phuc Son Group Joint Stock Company	22,373,972,812	26,268,475,059
Belleville Hanoi Real Estate Joint Stock Company	15,423,949,805	15,798,263,316
Hanoi Sunrise Development Investment Joint Stock Company	1,008,593,153	7,399,732,261
Hoa Binh Company Limited	3,432,616,224	856,799,020
Khai Son Joint Stock Company	1,341,973,394	36,130,085,422
FLC Group Joint Stock Company	126,557,485	6,486,882,187
Others	88,539,293,340	106,364,369,133
	<b>696,706,158,679</b>	<b>611,456,393,218</b>
<b>Trade receivables from related parties (Details presented in Note 28)</b>	<b>242,491,702,892</b>	<b>95,797,639,575</b>

**7. SHORT-TERM LOAN RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
VMF Joint Stock Company (i)	113,000,000,000	-
Century Real Estate Investment and Development Joint Stock Company (ii)	30,000,000,000	-
Dai Nam Son Construction Investment and Design Consulting Joint Stock Company (iii)	11,500,000,000	-
Cen Sai Gon Real Estate Joint Stock Company (iv)	10,000,000,000	-
	<b>164,500,000,000</b>	<b>-</b>
<b>Advances to related parties (Details presented in Note 28)</b>	<b>40,000,000,000</b>	<b>-</b>

- (i) Represents loan to VMF Joint Stock Company under credit contracts with terms of 3 - 6 months and interest rate of 9.5% per annum to supplement the borrower's working capital. The loan is unsecured.
- (ii) Represents loan to Century Real Estate Investment and Development Joint Stock Company under credit contracts with terms of 6 - 12 months and interest rate of 9.5% per annum to supplement the borrower's working capital. The loan is unsecured.
- (iii) Represents loan to Dai Nam Son Construction Investment and Design Consulting Joint Stock Company under the interest-free credit contract No. 01/HDVV/CENLAND-



**CENTURY LAND JOINT STOCK COMPANY**  
**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

**FORM B 09-DN**

DAINAMSON with a term of 3 months to pay for expenses related to the construction project of An Binh Can Tho commercial housing area. The loan's collateral is 24 plots of land and ownership of 24 rough-constructed houses on Nguyen Van Cu street.

- (iv) Represents loan to Cen Sai Gon Real Estate Joint Stock Company under credit contracts with terms of 12 months and interest rate of 9.5% per annum to supplement the borrower's working capital. The loan is unsecured.

**8. OTHER RECEIVABLES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>a. Short-term</b>		
Binh Minh Housing Development Joint Stock Company (i)	200,000,000,000	-
Viet Anh Development and Investment Joint Stock Company (ii)	62,225,124,126	75,181,130,714
Gia Phu Real Estate Company Limited	5,391,000,324	5,391,000,324
Nam Hong Company Limited	24,866,804,508	23,441,015,836
An Thinh Technology and Solution Company Limited	384,300,000	384,300,000
Hanoi Sunrise Development Investment Joint Stock Company	50,527,654	11,800,807,194
Advances to employees	24,061,589,327	9,578,039,581
Deposits	10,000,000	-
Others	34,950,400	70,966,595
	<b>317,024,296,339</b>	<b>125,847,260,244</b>
<b>b. Long-term</b>		
Deposits (iii)	652,381,057,429	481,361,313,009
<i>In which:</i>		
- Guarantee for general project-distribution agents	647,521,756,394	479,960,025,174
+ Century Real Estate Investment and Development Joint Stock Company	499,800,000,000	315,000,000,000
+ Bitexco Joint Stock Company	50,000,000,000	-
+ Solell Investment and Hotel Services Joint Stock Company	22,550,000,000	25,600,000,000
+ Gamuda Land Vietnam Company Limited	30,787,922,212	58,974,025,174
+ Dolphin 2 Vietnam Joint Stock Company	-	30,000,000,000
+ Khai Son Joint Stock Company	9,600,000,000	18,000,000,000
+ FLC Group Joint Stock Company	400,000,000	400,000,000
+ Geleximco Group - Joint Stock Company	-	10,000,000,000
+ Others	34,383,834,182	21,986,000,000
- Other deposits	4,859,301,035	1,401,287,835
	<b>652,381,057,429</b>	<b>481,361,313,009</b>
<b>Other receivables from related parties</b> <b>(Details presented in Note 28)</b>	<b>499,800,000,000</b>	<b>345,000,000,000</b>

- (i) Represents the value of capital contribution under the Business Co-operation Contract between the Company and Binh Minh Housing Development Joint Stock Company for the Project on Plaschem Complex Building of Apartments, Commercial Service and Office at No. 93 Duc Giang Street, Duc Giang Ward, Long Bien District, Hanoi City. Under the terms of the Business Co-operation Contract, the Company will co-operate with Binh Minh Housing

Development Joint Stock Company to contribute capital, invest in construction and trade products of the above project the above project. Binh Minh Housing Development Joint Stock Company is responsible for the implementation and construction activities of the project, the Company will be responsible for co-funding the project and has right to participate in the development of business, marketing and accounting plans, sales plan of the project.

- (ii) Represents the value of capital contributions under the Business Co-operation Contract dated 23 May 2018 between the Company and Viet Anh Investment and Development Joint Stock Company for the Project on construction of the Village of overseas Vietnamese in Vinh Niem Ward, Le Chan District, Hai Phong City. Under the terms of the Business Co-operation Contract, the Company will cooperate with Viet Anh Investment and Development Joint Stock Company to process the legal procedures to implement infrastructure/rough construction of the Project according to the approved plan and design, and to trade the Project products on the 45 land plots of the Project. Viet Anh Investment and Development Joint Stock Company is responsible for the whole project development and implementation; the Company is responsible for co-funding the Project implementation and the sale of all real estate products under the Project. The capital contribution will be recovered by the Company either by receiving payments from Viet Anh Investment and Development Joint Stock Company or by withholding payment from the customers purchasing the products of this Project.

The part of sales corresponding to the value of land use rights of land lots calculated using the unit price of VND 25 million per square meter belongs to Viet Anh Investment and Development Joint Stock Company; the part of sales calculated using the unit price equaling the actual selling unit price minus (-) unit cost of construction minus (-) VND 25 million per square meter belongs to the Company; the Company also bears the costs related to sales and construction of the Project.

- (iii) Mainly including deposits secured for the performance of contracts that the Company has paid to the investors to act as general sales agents for real estate products formed under the relevant projects.

## **9. BAD DEBTS**

	Closing balance		Opening balance	
	Recoverable		Recoverable	
	Cost	amount	Cost	amount
	VND	VND	VND	VND
<b>Doubtful debts by debtor</b>	<b>6,371,613,065</b>	<b>-</b>	<b>6,371,613,065</b>	<b>-</b>
<b>a) Past due over 3 years</b>				
Gia Phu Real Estate Company Limited	5,391,000,324	-	5,391,000,324	-
An Thinh Technology and Solution Company Limited	384,300,000	-	384,300,000	-
West Lake Development and Investment Company Limited	106,244,294	-	106,244,294	-
Thang Long Real Estate Joint Stock Company	60,615,000	-	60,615,000	-
TID Joint Stock Company	343,870,941	-	343,870,941	-
Hanoi General Import-Export Joint Stock Company	39,683,691	-	39,683,691	-
<b>b) Past due for over 2 years to under 3 years</b>				
Bao Viet Investment Joint Stock Company	45,898,815	-	45,898,815	-

Recoverable amount is determined at cost less provision for doubtful debts that had been made as at the balance sheet date.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Real estate (i)	134,236,820,986	-	447,532,625,040	-
Work in progress	1,000,547,123	-	3,894,864,046	-
<b>Total</b>	<b>135,237,368,109</b>	<b>-</b>	<b>451,427,489,086</b>	<b>-</b>

- (i) Represents the value of real estate including apartments and land purchased by the Company from the investors to re-sell.

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Short-term</b>		
Tools and supplies	315,286,089	380,642,859
Office repair	131,789,342	857,500
Office rentals	898,742,403	591,645,790
	<b>1,345,817,834</b>	<b>973,146,149</b>
<b>b. Long-term</b>		
Tools and supplies	2,456,384,391	2,846,930,540
Office repair	15,743,678,244	1,570,783,346
Other long-term prepayments	84,152,614	378,047,591
	<b>18,284,215,249</b>	<b>4,795,761,477</b>

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings, structures	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	110,684,934,984	29,535,189,637	2,731,551,040	142,951,675,661
Purchases	8,756,504,608	4,215,734,547	10,459,796,461	23,432,035,616
Reclassification to intangible fixed assets	(8,096,485,616)	-	-	(8,096,485,616)
<b>Closing balance</b>	<b>111,344,953,976</b>	<b>33,750,924,184</b>	<b>13,191,347,501</b>	<b>158,287,225,661</b>
<b>ACCUMULATED DEPRECIATION</b>				
Opening balance	121,523,592	6,430,271,381	1,701,237,309	8,253,032,282
Charge for the period	3,661,399,244	3,587,988,266	2,394,341,222	9,643,728,732
<b>Closing balance</b>	<b>3,782,922,836</b>	<b>10,018,259,647</b>	<b>4,095,578,531</b>	<b>17,896,761,014</b>
<b>NET BOOK VALUE</b>				
Closing balance	107,562,031,140	23,732,664,537	9,095,768,970	140,390,464,647
Opening balance	110,563,411,392	23,104,918,256	1,030,313,731	134,698,643,379

The cost of tangible fixed assets as at 31 December 2019 includes VND 2,931,116,488 (as at 31 December 2018: VND 1,870,532,949) of assets which have been fully depreciated but are still in use.

**13. INCREASES, DECREASES IN INTANGIBLE ASSETS**

	<b>Computer software</b>	<b>Others</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>COST</b>			
<b>Opening balance</b>	<b>873,174,769</b>	<b>374,727,273</b>	<b>1,247,902,042</b>
Reclassification from tangible assets	-	-	8,096,485,616
<b>Closing balance</b>	<b>873,174,769</b>	<b>374,727,273</b>	<b>9,344,387,658</b>
<b>ACCUMULATED AMORTISATION</b>			
<b>Opening balance</b>	<b>519,291,409</b>	<b>175,980,940</b>	<b>695,272,349</b>
Charge for the year	149,664,031	123,612,916	273,276,947
<b>Closing balance</b>	<b>668,955,440</b>	<b>299,593,856</b>	<b>968,549,296</b>
<b>NET BOOK VALUE</b>			
<b>Closing balance</b>	<b>204,219,329</b>	<b>75,133,417</b>	<b>8,375,838,362</b>
<b>Opening balance</b>	<b>353,883,360</b>	<b>198,746,333</b>	<b>552,629,693</b>

The cost of intangible assets as at 31 December 2019 includes VND 114,760,000 (as at 31 December 2018: VND 58,860,000) of assets which have been fully amortised but are still in use.

**14. CONSTRUCTION IN PROGRESS**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
- Acquisition (i)	30,704,340,916	1,663,675,708
- Construction in progress (ii)	6,944,050,039	3,951,089,718
	<b>37,648,390,955</b>	<b>5,614,765,426</b>

- (i) Represents the value of the management software which is being invested by the Company to be used in the future.
- (ii) Represents the value of real estate acquired to form the Company's future fixed assets being office and trading service areas.

**15. SHORT-TERM TRADE PAYABLES**

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
World Star Real Estate Services Joint Stock Company	68,114,482,824	68,114,482,824	64,541,873,140	64,541,873,140
Rising Star Media Joint Stock Company	14,054,380,711	14,054,380,711	38,480,514,133	38,480,514,133
Galaxy Land Real Estate Joint Stock Company	3,089,023,296	3,089,023,296	-	-
Cen Sai Gon Real Estate Joint Stock Company	2,135,526,303	2,135,526,303	3,713,226,474	3,713,226,474
Dolphin 2 Vietnam Joint Stock Company	2,005,260,500	2,005,260,500	-	-
Century Group Joint Stock Company	1,076,862,480	1,076,862,480	4,332,931,966	4,332,931,966
Century Value Added Service Joint Stock Company	6,954,065	6,954,065	5,047,738,427	5,047,738,427
Nha re 24H Joint Stock Company	-	-	3,241,149,985	3,241,149,985
Others	8,321,824,439	8,321,824,439	5,024,038,852	5,024,038,852
	<b>98,804,314,618</b>	<b>98,804,314,618</b>	<b>124,381,472,977</b>	<b>124,381,472,977</b>
Trade payables to related parties (Details presented in Note 28)	<b>87,830,049,708</b>	<b>87,830,049,708</b>	<b>116,152,694,040</b>	<b>116,152,694,040</b>

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

	Closing balance	Opening balance
	VND	VND
My Dinh Real Estate Investment Joint Stock Company	9,572,124,801	9,572,124,801
Se Add Company Limited	4,424,200,000	-
Thanh Cong Vinh Phuc Construction Investment Joint Stock Company	2,222,000,000	-
Flamingo Dai Lai Resort Joint Stock Company	2,211,042,867	1,675,976,693
Customers buying apartments of Gia Phu project	577,533,761	401,879,345
Customers buying apartments of Dong Son project	-	1,806,785,024
Others	228,899,888	250,654,416
	<b>19,235,801,317</b>	<b>13,707,420,279</b>



**17. TAXES AND OTHER PAYABLES TO THE STATE BUDGET**

Items	Movement in the year			Closing balance
	Opening balance	Amount payable	Amount paid	
	VND	VND	VND	VND
Value added tax	6,764,128,369	116,557,026,679	109,736,789,111	13,584,365,937
Corporate income tax	44,012,413,011	92,847,625,212	79,745,633,821	57,114,404,402
Personal income tax	27,514,066,081	65,967,193,567	54,660,415,677	38,820,843,971
Other taxes	-	1,187,617,094	1,187,617,094	-
Business license tax	-	21,275,400	21,275,400	-
Other taxes and payables	-	1,166,341,694	1,166,341,694	-
<b>Total</b>	<b>78,290,607,461</b>	<b>276,559,462,552</b>	<b>245,330,455,703</b>	<b>109,519,614,310</b>

**18. OTHER PAYABLES**

	Closing balance	Opening balance
	VND	VND
<b>a. Short-term</b>		
Trade union fee	9,894,158	62,577,296
Capital contribution received from business cooperation contract	-	168,049,784,150
- Galaxy Land Real Estate Joint Stock Company	-	143,049,784,150
- Word Eye Vision Company Limited	-	25,000,000,000
Deposits received for sales of apartments (i)	155,859,112,218	77,785,970,868
Short-term deposits	1,349,013,750	-
Payables to contractors	4,023,996,155	-
Others	92,300,000	85,020,000
	<b>161,334,316,281</b>	<b>245,983,352,314</b>
<b>b. Long-term</b>		
Long-term deposits	3,276,866,095	2,159,739,125
	<b>3,276,866,095</b>	<b>2,159,739,125</b>

- (i) Represents the deposits received from customers buying apartments, semi-attached houses, villas, etc. distributed by the Company. These deposits will be offset against the value of the customers' first payments under the terms of the relevant contracts.

**19. SHORT-TERM LOAN**

	Opening balance		In the period		Closing balance	
	VND Amount	VND Amount likely to be paid off	VND Increases	VND Decreases	VND Amount	VND Amount likely to be paid off
Joint Stock Commercial Bank for Investment and Development of Vietnam - East Hanoi Branch (i)	30,000,000,000	30,000,000,000	30,000,000,000	30,000,000,000	30,000,000,000	30,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank (ii)	140,000,000,000	140,000,000,000	60,000,000,000	185,200,000,000	14,800,000,000	14,800,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Ha Branch (iii)	-	-	137,927,415,533	100,000,000,000	37,927,415,533	37,927,415,533
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da Branch (iv)	-	-	45,000,000,000	45,000,000,000	-	-
<b>Total</b>	<b>170,000,000,000</b>	<b>170,000,000,000</b>	<b>272,927,415,533</b>	<b>360,200,000,000</b>	<b>82,727,415,533</b>	<b>82,727,415,533</b>

(i) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - East Hanoi Branch under credit contract No. 01/2018/352851/HDTD dated 21 December 2018 with a credit limit of VND 30 billion to finance working capital, guarantee, open L/C with the term of 225 days. Loan interest rate is 8,7%/year; the applied floating rate is adjustable every 3 months with the first adjustment period starting from 01 March 2019. The loan is secured by land use rights and trading area on the first floor of Building J, H and K in Block CT7 of the high-rise apartment complex NCG Residential project, Duong Noi Urban Area, Ha Dong District, Hanoi City owned by Century Real Estate Investment and Development Joint Stock Company.

(ii) Short-term borrowings from Vietnam Prosperity Joint Stock Commercial Bank under the credit limit contract No. 0618/HDHM/VPB-CENLAND dated 03 October 2018 with the credit limit of VND 200,000,000,000 to cover deposits paid within 01 month under the brokerage contracts before the date of this contract; to pay for commissions for real estate brokerage business activities of the Company from the effective date of this contract; to pay Nam Hong Company Limited and other expenditures under the Business Co-operation Contract No. 05/2018/HD/CEN-NAM HONG relating to the Project on the Complex of sport activities, school, public works, urban area in Dong Ky ward, Tu Son commune, Bac Ninh province. The first withdrawal date is 29 December 2018 with the amount of VND 140 billion to partially cover payments made under the business cooperation contract No. 05/2018/HD/CEN-NAM HONG. The term of this loan is 12 months and the maturity date is 29 December 2019. Loan interest rate of 9.5%/year is adjustable once a month with the first adjustment period starting from 29 January 2019. Principal is payable every 3 months in 4 periods, the first payment period is from 29 March 2019.

Collateral assets of the loan are the 2<sup>nd</sup> and 3<sup>rd</sup> floors' office area of the high-class Dolphin Plaza Complex of apartments and offices at No. 28 Tran Binh Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City.

(iii) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Ha Branch under credit contract No. 02/2019/352851/HDTD dated 23 October 2019 with a credit limit of VND 50 billion to finance working capital for production and business activities. The loan period is 12 months from the first disbursement date. The loan bears fixed rate of 7.8%/year during the loan period. The loan's collateral is properties owned by Century Real Estate Investment and Development Joint Stock Company and Galaxy Land Real Estate Joint Stock Company, specifically:

- Land use right and commercial service areas on the first and second floors, commercial service areas SH - 41, SH - 43 at plot H - CT2, Hi Brand Residential Area, Van Phu New Urban Area, Ward Phu La, Ha Dong District, Hanoi City.
- Apartment No. B0607 at Building B, Sky City Tower Complex at 88 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi City.

20. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Share premium	Treasury shares	Investment and development fund	Retained earnings	Total
	VND	VND		VND	VND	VND
Prior year's opening balance	250,000,000,000	-	-	12,899,194,890	260,949,108,944	523,848,303,834
Stock issuance	250,000,000,000	375,000,000,000	-	-	-	625,000,000,000
Profit for the year	-	-	-	-	297,004,274,301	297,004,274,301
Distribution to funds	-	-	-	21,710,909,062	(21,710,909,062)	-
Distribution to bonus and welfare funds (ii)	-	-	-	-	(32,566,363,593)	(32,566,363,593)
Other decreases	-	-	-	-	(892,826,692)	(892,826,692)
Current year's opening balance	500,000,000,000	375,000,000,000	-	34,610,103,952	502,783,283,898	1,412,393,387,850
Stock issuance (i)	300,000,000,000	(225,000,000,000)	-	-	(75,000,000,000)	-
Profit for the year	-	-	-	-	370,815,647,916	370,815,647,916
Distribution to investment and development fund (ii)	-	-	-	29,700,427,430	(29,700,427,430)	-
Distribution to bonus and welfare funds (ii)	-	-	-	-	(20,790,299,201)	(20,790,299,201)
Treasury shares acquisition (i)	-	-	(1,080,000)	-	-	(1,080,000)
Current year's closing balance	800,000,000,000	150,000,000,000	(1,080,000)	64,310,531,382	748,108,205,183	1,762,417,656,565

- (i) According to Resolution No. 06/2019/NQ-HDQT dated 16 January 2019 of the Board of Directors approving the implementation of the share issuance plan passed at the General Meeting of Shareholder at Resolution No. 02/2019/NQ-DHDCD dated 9 January 2019, the Company increased its charter capital by VND 300 billion in the form of share dividend payment of VND 75 billion from 2018 retained earnings and share issuance to increase its owners' equity of VND 225 billion using funds of share premium. At the same time, the Company also bought back 108 treasury shares, equivalent to VND 1,080,000 due to the fractional shares.
- (ii) The Company distributed 2018 retained earnings to the investment and development fund and the bonus and welfare funds with the amounts of VND 29,700,427,430 and VND 20,790,299,201, respectively, in accordance with Resolution No. 03/2019/NQ-DHDCD dated 19 April 2019.

Charter capital

Under the 18<sup>th</sup> amended Business Registration Certificate dated 17 March 2020, the Company's charter capital is VND 800 billion.

**Shares**

At 31 December 2019, the number of outstanding shares in circulation of the Company is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Shares</b>		
Number of shares issued to public		
+ <i>Common shares</i>	80,000,000	50,000,000
Number of treasury shares		
+ <i>Common shares</i>	108	-
Number of outstanding shares in circulation		
+ <i>Ordinary shares</i>	79,999,892	50,000,000

An ordinary share has a par value of VND 10,000.

**21. BUSINESS AND GEOGRAPHICAL SEGMENTS**

Geographical segments

The Company does not have any business activities outside Vietnam; therefore, the Company does not have geographical segment outside Vietnam.

Business segments

The Company's operating industry and principal activities in the year only relate to real estate business including real estate brokerage, real estate transfer and consulting services; therefore, the financial information presented on the balance sheet as at 31 December 2019, and all revenue and expenses presented in the statement of income for the year ended 31 December 2019 only relate to real estate business. Revenue and cost of sales' details are presented in Note 22 and Note 23.

**22. REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
<b>Gross revenue from goods sold and services rendered</b>	<b>1,987,758,432,856</b>	<b>1,390,541,454,277</b>
<i>In which:</i>		
Revenue from real estate brokerage	988,104,528,690	927,974,385,319
Revenue from real estate transfer	980,073,167,138	462,567,068,958
Revenue from office leasing	19,580,737,028	-
	<b>1,987,758,432,856</b>	<b>1,390,541,454,277</b>
<b>Deductions</b>		
Sales return	12,802,872,727	-
	<b>12,802,872,727</b>	<b>-</b>
<b>Revenue from related parties (Details presented in Note 28)</b>	<b>303,154,093,449</b>	<b>278,658,697,154</b>

**23. COST OF SALES**

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
Cost of real estate brokerage services	644,699,313,225	556,800,915,255
Cost of real estate transfer	704,430,594,159	384,658,449,630
Cost of office leasing	9,125,141,628	-
	<b>1,358,255,049,012</b>	<b>941,459,364,885</b>

**24. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
<b>Selling expenses incurred during the year</b>		
Expenses for promotion and advertisement	12,829,981,276	7,911,374,569
Others	28,297,428,943	77,164,264
	<b>41,127,410,219</b>	<b>7,988,538,833</b>
<b>General and administration expenses incurred during the year</b>		
Raw materials and consumables	24,522,727	17,230,000
Labour	27,074,847,660	24,754,185,494
Depreciation and amortisation	9,259,497,740	3,126,319,227
Out-sourced services	25,085,302,900	20,445,939,365
Others	32,128,070,177	23,041,770,749
	<b>93,572,241,204</b>	<b>71,385,444,835</b>

**25. PRODUCTION COST BY NATURE**

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
Tools and supplies	24,522,727	17,230,000
Labour	422,235,189,088	336,891,190,961
Depreciation and amortization	9,917,005,679	3,603,728,767
Out-sourced services	304,530,349,419	292,102,062,753
Other expenses	60,340,882,629	23,118,935,013
	<b>797,047,949,542</b>	<b>655,733,147,494</b>

**26. FINANCE INCOME**

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
Bank interest	1,779,756,295	1,991,758,722
Loan interest	3,404,383,562	523,150,685
Foreign exchange gain arising from settlements	-	130,854,578
	<b>5,184,139,857</b>	<b>2,645,763,985</b>



**27. CURRENT CORPORATE INCOME TAX EXPENSE**

	<u>Current year</u> VND	<u>Prior year</u> VND
<b>Profit before tax</b>	<b>463,663,273,128</b>	<b>371,540,288,765</b>
Add back: Non-deductible expenses	574,852,930	1,139,783,553
<b>Taxable profit</b>	<b>464,238,126,058</b>	<b>372,680,072,318</b>
Corporate income tax expense based on taxable profit in the current year	92,847,625,212	74,536,014,464
<b>Current corporate income tax expense</b>	<b>92,847,625,212</b>	<b>74,536,014,464</b>

**28. RELATED PARTY TRANSACTIONS AND BALANCES**

*List of related parties with significant transactions and balances for the year:*

<u>Related parties</u>	<u>Relationship</u>
Century Group Joint Stock Company	Holding company of Company
Worldstar Land Services Joint Stock Company	Subsidiary
Cen Sai Gon Real Estate Joint Stock Company	Subsidiary
Rising Star Media Joint Stock Company	Subsidiary
Century Real Estate Increasing Services Joint Stock Company	Same Group
Century Real Estate Development and Investment Joint Stock Company	Same Group
Century Golf and Travel Services Joint Stock Company	Same Group
Century Appraisal Joint Stock Company	Same Group
Dolphin 2 Vietnam Joint Stock Company	Same Group

**CENTURY LAND JOINT STOCK COMPANY**  
**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

**FORM B 09-DN**

*During the year, the Company entered into the following significant transactions with its related parties:*

	<b>Current year VND</b>	<b>Prior year VND</b>
<b>Sales</b>		
Century Real Estate Development and Investment Joint Stock Company	175,770,792,572	242,886,917,855
World Star Real Estate Services Joint Stock Company	119,052,055,270	32,759,971,452
Dolphin 2 Vietnam Joint Stock Company	6,246,959,102	2,986,437,665
Century Valuation Joint Stock Company	952,350,311	-
Rising Star Media Joint Stock Company	670,201,367	-
Century Value Added Service Joint Stock Company	355,371,188	-
Cen Sai Gon Real Estate Joint Stock Company	106,363,639	25,370,182
	<b>303,154,093,449</b>	<b>278,658,697,154</b>
<b>Purchases</b>		
World Star Real Estate Services Joint Stock Company	179,564,350,876	157,944,586,195
Dolphin 2 Vietnam Joint Stock Company	137,580,500,102	144,209,181,818
Century Real Estate Development and Investment Joint Stock Company	-	71,395,379,934
Rising Star Media Joint Stock Company	69,433,181,903	66,409,235,259
Cen Sai Gon Real Estate Joint Stock Company	5,412,364,933	4,686,026,262
Century Value Added Service Joint Stock Company	4,091,974,578	21,014,444,968
Century Group Joint Stock Company	13,460,090,050	9,530,981,716
Century Golf Services and Trading Joint Stock Company	400,694,007	824,345,991
Century Valuation Joint Stock Company	10,000,000	-
	<b>409,953,156,449</b>	<b>476,014,182,143</b>
<b>Interest income</b>		
Century Real Estate Development and Investment Joint Stock Company	1,556,178,082	523,150,685
Century Group Joint Stock Company	234,767,123	-
	<b>1,790,945,205</b>	<b>523,150,685</b>
<b>Lending</b>		
Century Real Estate Development and Investment Joint Stock Company	72,000,000,000	-
Cen Sai Gon Real Estate Joint Stock Company	15,000,000,000	-
	<b>87,000,000,000</b>	-
<b>Lending principal recovered</b>		
Century Real Estate Development and Investment Joint Stock Company	42,000,000,000	-
Cen Sai Gon Real Estate Joint Stock Company	5,000,000,000	-
	<b>47,000,000,000</b>	-
<b>Capital contribution</b>		
World Star Real Estate Services Joint Stock Company	9,500,000,000	-
Century M&I Joint Stock Company	1,020,000,000	-
	<b>10,520,000,000</b>	-
<b>Remuneration of the Board of Directors and Executive Board</b>	<b>5,427,059,638</b>	<b>5,292,434,301</b>

**CENTURY LAND JOINT STOCK COMPANY**  
**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

**FORM B 09-DN**

*Significant related party balances as at the balance sheet date were as follows:*

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Short-term trade receivables</b>		
Century Real Estate Development and Investment Joint Stock Company	155,256,087,945	83,126,606,578
World Star Real Estate Services Joint Stock Company	86,177,802,141	12,591,833,641
Rising Star Media Joint Stock Company	608,521,504	-
Cen Sai Gon Real Estate Joint Stock Company	193,424,657	27,907,200
Century Valuation Joint Stock Company	109,908,599	-
Century Value Added Service Joint Stock Company	6,534,000	-
Dolphin 2 Vietnam Joint Stock Company	139,424,046	51,292,156
	<b>242,491,702,892</b>	<b>95,797,639,575</b>
<b>Advances to suppliers</b>		
Century Real Estate Development and Investment Joint Stock Company	-	901,717,390
	<b>-</b>	<b>901,717,390</b>
<b>Short-term trade payables</b>		
World Star Real Estate Services Joint Stock Company	68,114,482,824	64,541,873,140
Rising Star Media Joint Stock Company	14,054,380,711	38,480,514,133
Cen Sai Gon Real Estate Joint Stock Company	2,135,526,303	3,713,226,474
Dolphin 2 Vietnam Joint Stock Company	2,005,260,500	-
Century Group Joint Stock Company	1,076,862,480	4,332,931,966
Century Golf Services and Trading Joint Stock Company	122,581,901	36,409,900
Century Real Estate Development and Investment Joint Stock Company	314,000,924	-
Century Value Added Service Joint Stock Company	6,954,065	5,047,738,427
	<b>87,830,049,708</b>	<b>116,152,694,040</b>
<b>Other receivables</b>		
Century Real Estate Development and Investment Joint Stock Company	499,800,000,000	315,000,000,000
Dolphin 2 Vietnam Joint Stock Company	-	30,000,000,000
	<b>499,800,000,000</b>	<b>345,000,000,000</b>
<b>Loan receivables</b>		
Century Real Estate Development and Investment Joint Stock Company	30,000,000,000	-
Cen Sai Gon Real Estate Joint Stock Company	10,000,000,000	-
	<b>40,000,000,000</b>	<b>-</b>

**29. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

**Supplemental non-cash disclosures**

As stated in Note 20, during the year, the Company completed the share dividend payment and share issuance to increase share capital of 30,000,000 shares in total; consequently, there were no proceeds from share issue and owners' contributed capital in the cashflow statement for the year ended 31 December 2019.

**30. OTHER INFORMATION**

According to Resolutions No. 03, 04 and 05/2019/NQ-DHDCD dated 19 April 2019, the General Meeting of Shareholders approved the plan to increase charter capital to VND 1,599,998,920,000 by share issuance. The purpose of share issuance is to finance investment and construction activities of the project in Dong Ky ward urban area, Bac Ninh province; pay for loans coming due; grant the remaining fund and complete construction items under the Project on construction of the Village of overseas Vietnamese; finance working capital.

**31. EVENTS AFTER REPORTING DATE**

Due to impacts of COVID-19 disease outbreak, the Company's operating industries have been subject to risks of changes in the real estate market. Such significant changes may dramatically affect economic benefits and obligations of the Company. However, the Company's Executive Board assessed that market changes due to COVID-19 disease outbreak are unpredictable. Currently, the Company's Executive Board is prudently monitoring and evaluating the possible effects of this matter on the Company's operations in 2020.

  
\_\_\_\_\_  
**Nguyen Cong Son**  
Preparer

  
\_\_\_\_\_  
**Le Thi Lan**  
Chief Accountant

  
\_\_\_\_\_  
**Chu Hui Chien**  
Chief Executive Officer

30 March 2020 