

**HAI PHAT INVESTMENT JOINT STOCK COMPANY**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the fiscal year ended December 31, 2018**

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**STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of Hai Phat Investment Joint Stock Company presents report together with the Company's audited consolidated financial statements for the year ended 31 December, 2018.

**THE COMPANY**

Hai Phat Investment Joint Stock Company ("The Company") was formerly known as Hai Phat Construction - Tourism Joint Stock Company which was established pursuant to the Business Registration Certificate Joint Stock Company issued by the Department of Planning and Investment of Ha Tay Province on December 15, 2003 and operates under the Business Registration Certificate of Joint Stock Company No. 0500447004 dated 29 April 2011; the fourteenth registered change on January 11, 2019 by the Department of Planning and Investment of Hanoi City.

According to the fourteenth business registration certificate, the Company's charter capital is VND 1,999,963,050,000 corresponding to 199,996,305 shares, par value of a share is VND 10,000.

Company name: **CONG TY CO PHAN DAU TU HAI PHAT**

International transaction name is HAI PHAT INVESTMENT JOINT STOCK COMPANY.

Abbreviations: HAI PHAT INVEST

Company's address: Floor 5, Court CT3, The Pride, An Hung New Urban Area, La Khe Ward, Ha Dong District, Hanoi.

The company was approved for listing registration by Ho Chi Minh City Stock Exchange starting from July 2, 2018 with HPX stock code.

**Consolidated subsidiaries include:**

Binh Minh Real Estate Trading Joint Stock Company operates under the Business Registration Certificate of Joint Stock Company No. 4201213767 issued by Khanh Hoa Department of Planning and Investment for the first time on August 28, 2010, registration for the 4th change (fourth) on December 15, 2016. In which, Hai Phat Investment Joint Stock Company holds 482,500 shares, equivalent to 48,250,000,000 VND (Forty eight billion two hundred and fifty million dong), accounting for 77.2% of charter capital.

HP Hospitality Nha Trang Co., Ltd. was established and operated under the Business Registration Certificate of a limited liability company with two or more members No. 4201728653 issued by Khanh Hoa Department of Planning and Investment for the first time on February 28, 2017, registration for the 2nd change (second) on September 29, 2017. In which, Hai Phat Investment Joint Stock Company holds 169,500,000,000 VND (One hundred and sixty nine billion five hundred dong), accounting for 75% of charter capital.

Chau Son Real Estate Company Limited was established and operated under the Business Registration Certificate of one member limited company No. 0107997443 issued by Hanoi Department of Planning and Investment for the first time on September 20, 2017, registration for the first change on March 26, 2018.

**BOARDS OF MANAGEMENT AND DIRECTORS**

<b>The Board of Management</b>	Mr. Do Quy Hai	Chairman	
	Mr. Le Tien Hung	Standing Vice Chairman	
	Mr. Nguyen Van Phuong	Vice Chairman	
	Mrs. Tran Hoai Anh	Member	Dismissed on 27/4/2018
	Mrs. Chu Thi Luong	Member	Dismissed on 27/4/2018
	Mr. Nguyen Xuan Dong	Independent member	Appointed on 27/4/2018
	Mr. Hoang Ve Dung	Independent member	Appointed on 27/4/2018
	Mr. Pham Minh Tuan	Member	Appointed on 27/4/2018

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

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

<b>Board of General Directors</b>	Mr. Do Quy Hai	General Director	Dismissed on 24/7/2018
	Mr. Doan Hoa Thuan	General Director	Appointed on 24/7/2018
	Mr. Doan Hoa Thuan	Standing Deputy General Director	Appointed on 03/3/2018 Dismissed on 24/7/2018
	Mr. Le Tien Hung	Standing Deputy General Director	Dismissed on 03/3/2018
	Mr. Dao Tien Dung	Deputy General Director	Dismissed on 12/02/2018
	Mrs. Tran Hoai Anh	Deputy General Director	
	Mr. Pham Minh Tuan	Deputy General Director	Dismissed on 7/8/2018
	Mr. Le Viet Dung	Deputy General Director	
	Mr. Doan Hoa Thuan	Deputy General Director	Dismissed on 03/3/2018
	Mr. Ta Phu Cuong	Deputy General Director	Appointed on 08/02/2018
	Mr. Le Tien Dung	Deputy General Director	Appointed on 08/02/2018
	Mr. Nguyen Anh Tu	Deputy General Director	Appointed on 04/6/2018
			Dismissed on 12/10/2018
	Mrs. Phung Thi Hai Van	Deputy General Director	Appointed on 07/8/2018 Dismissed on 12/9/2018

**SUBSEQUENT EVENTS**

According to the Board of Directors, in the material respects, there have been no significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments or disclosures to be made in the consolidated financial statements the year ended as at 31 December 2018.

**AUDITOR**

CPA VIETNAM Auditing Company Limited - An independent member firm of Moore Stephens International Limited, has audited the consolidated financial statements for the year ended 31 December 2018.

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

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of Directors of the Company is responsible for preparing the financial statements of each year, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing those consolidated financial statements, the Board of Directors is required to:

- Selecting 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 consolidated financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Establishing and maintaining effective internal control in the preparation of consolidated financial statements to obtain reasonable assurance that the consolidated financial statements are free of material misstatement.

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

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of the Board of Directors,



**Doan Hoa Thuan**  
**General Director**

*Ha Noi, March 04<sup>th</sup> 2019*

No:131/2019/ BCKT-BCTCHN/CPA VIETNAM

**INDEPENDENT AUDITOR'S REPORT**

On the consolidated financial statements of the year 2018  
of Hai Phat Investment Joint Stock Company

To: **Shareholders**  
**The Boards of Management and Directors**  
**Hai Phat Investment Joint Stock Company**

We have audited the accompanying consolidated financial statements of Hai Phat Investment Joint Stock Company prepared on March 04 2019, presented from pages 06 to page 42 including balance sheet dated 31 December 2018, and the related consolidated statements of income and consolidated cash flows as well as the Notes to the consolidated Financial Statements.

**Board of Director's responsibilities**

The Company's Board of Directors is responsible for the preparation and true and fair presentation of the Company's consolidated financial statements in accordance with Accounting Standards, Accounting System of Vietnam Enterprise and the current legal provisions relating to the preparation and presentation of consolidated financial statements, the Board of Directors is also responsible for the internal controls that the Board of Directors determines it to be necessary to ensure the preparation and presentation of consolidated financial statements free of material misstatements due to fraud or errors.

**Auditors' responsibilities**

Our responsibility is to express our opinion on the Consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnam Auditing Standards. Those standards require that we comply with the standards and regulations of professional ethics, planning and implementation of the audit to obtain reasonable assurance about whether the consolidated financial statements of the Company are free of material misstatements.

An audit includes implementing procedures to gather audit evidence about the data and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements due to fraud or errors. When performing this risk assessment, the auditor has to consider internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate with the actual situation, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Company. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Auditor's Opinion**

In our opinion, the consolidated financial statements, in all material respects, give a true and fair view of the financial position of Hai Phat Investment Joint Stock Company as at 31 December 2018, and the results of its operations and its cash flows for the year ended 31/12/2018 in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant legal regulations relating to preparation and presentation of the consolidated financial statements.



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**Dinh Van Thang****Deputy General Director**

Certificate of registration of auditing practice

No: 1147-2018-137-1

*Authorization No. 03/2019/ UQ-CPA VIETNAM dated 02/01/2019 of Chairman of the Board Member*

For and on behalf of,

**CPAVIETNAM AUDITING COMPANY LIMITED****An independent member firm of Moore Stephens International Limited .***Ha Noi, March 04<sup>th</sup> 2019*

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**Nguyen Thi Mai Hoa****Auditor**

Certificate of registration of auditing practice

No: 2326-2018-137-1

**CONSOLIDATED BALANCE SHEET**  
 As at 31 December 2018

ASSETS	Code	Note	31/12/2018	01/01/2018
			VND	VND
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>3,049,971,860,209</b>	<b>2,598,889,116,493</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5.1</b>	<b>415,398,335,863</b>	<b>558,152,493,710</b>
1. Cash	111		353,398,335,863	221,152,493,710
2. Cash equivalents	112		62,000,000,000	337,000,000,000
<b>II. Short-term investments</b>	<b>120</b>	<b>5.2</b>	<b>45,000,000,000</b>	-
3. Held to maturity investments	123		45,000,000,000	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,349,073,407,261</b>	<b>1,269,907,680,788</b>
1. Receivables from customers	131	5.3	453,494,111,873	149,691,628,306
2. Advances to Suppliers	132	5.4	202,700,797,176	703,184,616,910
6. Other short-term receivables	136	5.5	692,878,498,212	456,031,435,572
7. Short-term allowances for doubtful debts	137		-	(39,000,000,000)
<b>IV. Inventories</b>	<b>140</b>		<b>1,160,948,437,913</b>	<b>697,227,812,455</b>
1. Inventories	141	5.6	1,160,948,437,913	697,227,812,455
<b>V. Other current assets</b>	<b>150</b>		<b>79,551,679,172</b>	<b>73,601,129,540</b>
1. Short-term prepaid expense	151	5.7	76,947,794	68,956,840
2. VAT deductibles	152		58,115,191,742	52,679,335,684
3. Tax and amount receivables from State budget	153	5.15	21,359,539,636	20,852,837,016
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>4,348,360,319,176</b>	<b>3,977,134,238,738</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>321,000,000,000</b>	<b>52,060,870,000</b>
6. Other long-term receivables	216	5.5	321,000,000,000	52,060,870,000
<b>II. Fixed assets</b>	<b>220</b>		<b>267,957,885,399</b>	<b>727,972,546,717</b>
1. Tangible fixed assets	221	5.8	205,518,082,449	665,532,743,767
- Historical Cost	222		220,074,774,291	682,856,531,536
- Accumulated depreciation	223		(14,556,691,842)	(17,323,787,769)
3. Intangible fixed assets	227	5.9	62,439,802,950	62,439,802,950
- Historical Cost	228		62,469,802,950	62,469,802,950
- Accumulated amortization	229		(30,000,000)	(30,000,000)
<b>III. Real estate investment</b>	<b>230</b>	<b>5.10</b>	<b>576,314,815,098</b>	-
1. Historical Cost	231		595,258,378,773	-
2. Accumulated depreciation	232		(18,943,563,675)	-
<b>IV. Long-term Construction in progress</b>	<b>240</b>	<b>5.11</b>	<b>2,259,009,398,986</b>	<b>2,220,600,781,538</b>
2. Construction in progress	242		2,259,009,398,986	2,220,600,781,538
<b>V. Long-term financial investment</b>	<b>250</b>	<b>5.12</b>	<b>590,730,862,467</b>	<b>540,003,762,758</b>
2. Investments in joint ventures and associates	252		464,182,401,159	387,923,762,758
3. Investments in equity of other entities	253		126,548,461,308	152,080,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>333,347,357,226</b>	<b>436,496,277,725</b>
1. Long-term prepaid expenses	261	5.7	58,326,600,128	40,000,895,313
2. Property tax deferred	262		533,257,098	2,595,382,412
5. Goodwill	269	5.7	274,487,500,000	393,900,000,000
<b>TOTAL ASSETS (270 = 100+200)</b>	<b>270</b>		<b>7,398,332,179,385</b>	<b>6,576,023,355,231</b>



**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2018

RESOURCES	Code	Note	31/12/2018	01/01/2018
			VND	VND
<b>C- LIABILITIES (300 = 310+330)</b>	<b>300</b>		<b>4,839,773,750,599</b>	<b>4,487,330,344,107</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,470,170,082,838</b>	<b>1,744,147,185,528</b>
1. Accounts payable to suppliers	311	5.13	374,062,025,578	217,290,366,190
2. Advances from customers	312	5.14	991,250,596,903	4,428,153,988
3. Taxes payable to State Treasury	313	5.15	98,283,432,593	66,865,846,663
4. Payables to employees	314		3,400,840,103	2,673,727,615
5. Accrued expenses	315	5.16	85,068,527,314	112,599,765,178
9. Other payables – short-term	319	5.17	289,231,904,803	1,140,084,201,210
10. Short-term borrowings, bonds and finance lease liabilities	320	5.18	617,316,306,840	194,632,987,948
12. Bonus and welfare funds	322		11,556,448,704	5,572,136,736
<b>II. Long-term liabilities</b>	<b>330</b>		<b>2,369,603,667,761</b>	<b>2,743,183,158,579</b>
2. Long-term repayments from customers	332	5.14	382,337,828,378	531,483,401,460
7. Other payables – long-term	337	5.17	339,721,685,091	543,911,379,296
8. Long-term borrowings, bonds and finance lease liabilities	338	5.18	1,644,481,432,421	1,667,788,377,823
11. Deferred tax payable	341		3,062,721,871	-
<b>D- OWNER'S EQUITY (400 = 410+430)</b>	<b>400</b>		<b>2,558,558,428,786</b>	<b>2,088,693,011,124</b>
<b>I- Owner's equity</b>	<b>410</b>	5.19	<b>2,558,558,428,786</b>	<b>2,088,693,011,124</b>
1. Contributed capital	411		1,999,963,050,000	1,500,000,000,000
- Ordinary shares with voting rights	411a		1,999,963,050,000	1,500,000,000,000
2. Capital surplus	412		60,986,800,000	335,950,000,000
10. Retained earnings	421		483,397,521,785	238,527,808,665
- Retained earnings of previous period	421a		1,705,531,873	3,209,293,581
- Retained profits for the current year	421b		481,691,989,912	235,318,515,084
13 Non-controlling shareholder interest	429		14,211,057,001	14,215,202,459
<b>OWNER'S EQUITY (440 = 300+400)</b>	<b>440</b>		<b>7,398,332,179,385</b>	<b>6,576,023,355,231</b>

Preparer



Ta Thi Hoan

Chief Accountant



Pham Huy Thong

Hà Nội, March 04<sup>th</sup> 2019

General Director

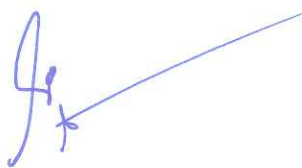


Doan Hoa Thuan

**CONSOLIDATED STATEMENT OF INCOME**  
For the year ended 31 December 2018

ITEMS	Code	Note	Year 2018	Year 2017
			VND	VND
1. Revenue from sales of goods and provision of services	01	5.20	2,019,623,990,873	1,080,467,398,252
2. Revenue deductions	02		-	-
3. Net revenue (10 = 01-02)	10		2,019,623,990,873	1,080,467,398,252
4. Cost of goods sold	11	5.21	1,525,775,265,443	797,246,871,292
<b>5. Gross profit from sales of goods and services (20 = 10-11)</b>	<b>20</b>		<b>493,848,725,430</b>	<b>283,220,526,960</b>
6. Financial income	21	5.22	246,335,973,066	306,951,473,732
7. Financial expenses	22	5.23	11,798,180,202	28,883,470,280
<i>In which: Interest expenses</i>	23		<i>11,798,180,202</i>	<i>28,867,153,361</i>
8. Gain (Loss) in joint ventures and associates,	24		(555,051,574)	162,451,395
9. Selling expenses	25		34,516,629,221	59,730,666,439
10. General and administration expenses	26		113,743,243,389	89,490,732,427
<b>11. Net operating profit {30 = 20+(21-22)+24-(25+26)}</b>	<b>30</b>		<b>579,571,594,110</b>	<b>412,229,582,941</b>
12. Other income	31	5.24	20,671,536,641	1,237,218,427
13. Other expenses	32	5.24	1,652,774,024	10,576,879,055
<b>14. Profit from other activities (40 = 31-32)</b>	<b>40</b>	<b>5.24</b>	<b>19,018,762,617</b>	<b>(9,339,660,628)</b>
<b>15. Accounting profit before tax (50 = 30+40+45)</b>	<b>50</b>		<b>598,590,356,727</b>	<b>402,889,922,313</b>
16. Current income tax expense	51	5.25	143,791,012,051	80,317,038,920
17. Deferred tax income/(expense)	52		2,529,464,773	(2,595,382,412)
<b>18. Net profit after tax (60 = 50-51-52)</b>	<b>60</b>		<b>452,269,879,903</b>	<b>325,168,265,805</b>
19. Profit after tax for shareholders of parent company	61		452,274,025,361	325,182,591,958
20. Non-controlling interest	62		(4,145,458)	(14,326,153)
20.1 Basic earnings per share	70	5.26	2,239	2,044
19. Diluted earnings per share	71			

Preparer



Ta Thi Hoan

Chief Accountant



Pham Huy Thong

Hà Nội, March 04<sup>th</sup> 2019

General Director



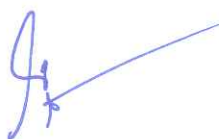
Doan Hoa Thuan

**CONSOLIDATED STATEMENT OF CASHFLOW**  
(Indirect method)

For the year ended 31 December 2018

No	ITEMS	Code Note		Year 2018	Year 2017
		2	3	VND	VND
	1			4	5
<b>I. Cash flows from operating activities</b>					
1.	<i>Profit before tax</i>	01		598,590,356,727	402,889,922,313
2.	<i>Adjustments for</i>				
	Depreciation and amortisation	02		17,514,991,421	11,305,820,825
	Allowances and provision	03		(39,000,000,000)	(10,000,000,000)
	Profit/ Loss from investing activities	05		(245,838,114,617)	(37,452,850,228)
	Interest expense	06		11,798,180,202	28,867,153,361
3.	<i>Operating profit before changes in working capital</i>	08		343,065,413,733	395,610,046,271
	Change in receivables	09		(326,763,816,372)	(1,319,761,166,267)
	Change in inventories	10		(463,720,625,458)	205,651,293,844
	Change in payables	11		(88,388,901,973)	606,226,942,921
	Change in prepaid expenses	12		98,016,082,360	(9,802,845,172)
	Interest paid	14		(11,798,180,202)	(27,854,142,695)
	Income tax paid	15		(113,293,856,387)	(65,466,913,869)
	Other payments for operating activities	17		(647,350,000)	(61,600,000,000)
	<i>Net cash flows from operating activities</i>	20		(563,531,234,299)	(276,996,784,967)
<b>II. Cash flows from investing activities</b>					
1.	Payments for additions to fixed assets and other long-term assets	21		(174,600,518,205)	(1,705,042,837,255)
2.	Proceeds from disposals of fixed assets and other long-term assets	22		2,432,454,546	-
3.	Payments for granting loans, purchase of debt instruments of other entities	23		(45,000,000,000)	-
5.	Payments for investments in other entities	25		(34,864,852,507)	(186,505,208,052)
6.	Proceeds from sale of investments in other entities	26		263,260,000,000	712,356,106,257
7.	Receipts of interests and dividends	27		10,173,619,128	315,341,100,515
	<i>Net cash flows from investing activities</i>	30		21,400,702,962	(863,850,838,535)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>					
1.	Proceeds from equity issued or capital contributed	31		-	635,950,000,000
3.	Proceeds from borrowings	33		2,253,845,333,358	1,884,150,903,878
4.	Payments to settle loan principals	34		(1,854,468,959,868)	(1,084,282,822,189)
	<i>Net cash from finance activities</i>	40		399,376,373,490	1,435,818,081,689
	<i>Net cash flows during the year</i>	50		(142,754,157,847)	294,970,458,187
	<i>Cash and cash equivalents at the beginning of the year</i>	60		558,152,493,710	263,182,035,523
	Effect of exchange rate fluctuations on cash and cash equivalents	61		-	-
	<i>Cash and cash equivalents at the end of the year</i>	70		415,398,335,863	558,152,493,710

Preparer



Ta Thi Hoan

Chef Accountant



Pham Huy Thong

Hà Nội, March 04<sup>th</sup> 2019

General Director



Doan Hoa Thuan

**1. GENERAL INFORMATION****1.1 Structure of ownership**

Hai Phat Investment Joint Stock Company ("The Company") was formerly known as Hai Phat Construction - Tourism Joint Stock Company which was established pursuant to the Business Registration Certificate Joint Stock Company issued by the Department of Planning and Investment of Ha Tay Province on December 15, 2003 and operates under the Business Registration Certificate of Joint Stock Company No. 0500447004 dated 29 April 2011; the fourteenth registered change on January 11, 2019 by the Department of Planning and Investment of Hanoi City.

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Company name: **CONG TY CO PHAN DAU TU HAI PHAT**

Company name: **CÔNG TY CỔ PHẦN ĐẦU TƯ HẢI PHÁT**

International transaction name is HAI PHAT INVESTMENT JOINT STOCK COMPANY.

Company's address: Floor 5, Court CT3, The Pride, An Hung New Urban Area, La Khe Ward, Ha Dong District, Hanoi.

The number of employees in 2018: 175 people.

The company was approved for listing registration by Ho Chi Minh City Stock Exchange starting from July 2, 2018 with HPX stock code.

**Consolidated subsidiaries include:**

- Binh Minh Real Estate Trading Joint Stock Company operates under the Business Registration Certificate of Joint Stock Company No. 4201213767 issued by Khanh Hoa Department of Planning and Investment for the first time on August 28, 2010, registration for the 4th change (fourth) on December 15, 2016. In which, Hai Phat Investment Joint Stock Company holds 482,500 shares, equivalent to 48,250,000,000 VND (Forty eight billion two hundred and fifty million dong), accounting for 77.2% of charter capital.

Charter capital according to business registration: VND 62,500,000,000

As of December 31, 2018, total contributed capital is 62,490,186,020 VND. In which, the actual contributed capital of Hai Phat Investment Joint Stock Company is 48,250,000,000 VND. Implement consolidation according to the ratio of real capital contribution.

Head office of the Company at: 24N Hoang Hoa Tham, Loc Tho Ward, Nha Trang City, Khanh Hoa Province, Vietnam.

Main business lines in the year: Real estate business.

- HP Hospitality Nha Trang Co., Ltd. was established and operated under the Business Registration Certificate of a limited liability company with two or more members No. 4201728653 issued by Khanh Hoa Department of Planning and Investment for the first time on February 28, 2017, registration for the 2nd change (second) on September 29, 2017. In which, Hai Phat Investment Joint Stock Company holds 169,500,000,000 VND (One hundred and sixty nine billion five hundred dong), accounting for 75% of charter capital.

Charter capital according to business registration: 226,000,000,000 VND

At the time of December 31, 2018, total contributed capital is 169,500,000,000 VND. In particular, the actual contributed capital of Hai Phat Investment Joint Stock Company is 169,500,000,000 VND, accounting for 100%. Implement consolidation according to the ratio of real capital contribution.

The head office of the Company is at Tan Lap Con, Khuong Huan Ward, Nha Trang City, Khanh Hoa Province, Vietnam.

Main business lines in the year: Real estate business.

**1.1 Structure of ownership (Continued)**

Chau Son Real Estate Company Limited was established and operated under the Business Registration Certificate of one member limited company No.0107997443 issued by Hanoi Department of Planning and Investment for the first time on September 20, 2017, registration for the second change on 18 August, 2018.

Charter capital according to business registration: 720,000,000,000 VND

The Company's head office is at: 5th Floor, Court CT3, The Pride, An Hung New Urban Area, La Khe Ward, Ha Dong District, Hanoi.

Main business lines in the year: Real estate business.

The equity of the Company actually contributed up to December 31, 2018 is VND 709,298,893,381.

The consolidated financial statements of Hai Phat Investment Joint Stock Company for the fiscal year ended 31/12/2018 include the financial statements of Hai Phat Investment Joint Stock Company and its subsidiaries, including: Binh Minh Real Estate Trading Joint Stock Company; HP Hospitality Nha Trang Company Limited; Chau Son Real Estate Company Limited.

**Business lines and principal activities**

- Construction houses of all kinds;
- Construction of railway and road works;
- Construction of lines and substations up to 35KV, construction of other civil engineering works;
- Installation of electrical systems;
- Ecotourism and tourism services;
- Real estate business;
- General commercial services;
- Building materials business;
- Producing and trading in wood products, processing forest products (except as prohibited by the State);
- Producing and trading electrical equipment;
- Water extraction, treatment and supply;
- Drainage and wastewater treatment;
- Car transport business; Passenger transportation along fixed routes; Transporting passengers by taxi; Passenger transportation under contracts; Transporting tourists, transporting good.

Principal activity of the Company in year: Construction real estate project owner for sale and lease.

**1.3 Entities structure**

As at 31/12/2018, the Company has subsidiaries, associated companies as follows:

	Principal activities	% of contributed capital	% of voting
<b>Subsidiaries</b>			
Binh Minh Trading And Real Estate Investment., SC	Investment in Real Estate Business	77,2%	77,2%
HP Hospitality Nha Trang Co., Ltd	Investment in Real Estate Business	75%	75%
Chau Son Land Company Limited	Investment in Real Estate Business	100%	100%
<b>Associated companies</b>			
Dai Dong A Investment., JCS	Investment in Real Estate Business	35%	35%
Civil Engineering Construction Corporation No.5., JSC	Investment in Real Estate Business	38,7%	38,7%
S.E.A Thuan Phuoc Real Estate., JSC	Investment in Real Estate Business	21%	21%
Ha Dong BT Company Limited	Investment in Real Estate Business	50%	50%

**1.4. Declaration on the comparability of information on the financial statements**

The Company has adopted the Circular No. 200/2014 / TT-BTC issued by the Ministry of Finance on December 22, 2014 ("Circular 200") so that the information and accounting data presented in the financial statements can be comparable because of having been consistently calculated and presented.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD****Accounting period**

The Company's fiscal year begins on 1st January and ends on 31st December

The financial statements are prepared for the fiscal year ended December 31, 2018.

**Monetary unit**

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

**3. APPLIED ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM****Applied accounting standards**

The Company applied Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014, and Vietnamese Accounting Standards issued by the Ministry of Finance.

**Statements for the compliance with Accounting Standards and System**

The Company's Board of General Directors confirmed to completely comply with Vietnamese Accounting Standards and Vietnamese Accounting System promulgated and taken effect relating to preparation and presentation of the financial statements for the year ended 31 December 2018.

**Accounting form**

The company uses accounting forms: journal voucher

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis for consolidated financial statements**

Consolidated financial statements of the Company are prepared in accordance with Circular 202/2014 / TT-BTC dated 22/12/2014 of the Ministry of Finance on guiding methodology prepared and presented in the consolidated financial statements, specifically:

Consolidated financial statements include the financial statements of the Company and the financial statements of companies controlled by the Company (its subsidiaries) up to December 31 each year. The control is achieved where the Company has the ability to control the financial and operating policies of the investee companies to obtain benefits from the activities of these companies.

Business operating results of subsidiaries acquired or disposed of during the year are presented in the report on the results of business operations consolidated from the date of acquisition or up to the date of sale of investments in subsidiaries there.

In case of necessity, the financial statements of subsidiaries are adjusted to make the accounting policies applied in the Company and its subsidiaries alike.

All transactions and balances between companies in the same company are eliminated in the consolidated financial statements.

The non-controlling interests in the net assets of consolidated subsidiaries are identified as a target separately from the equity portion of the shareholders of the parent company. Benefits of non-controlling shareholders include the value of the non-controlling interest at the date of the consolidation and to the benefit of non-controlling shareholders in the movement the total owner's equity from the date of consolidation. The losses incurred in the subsidiary must be allocated in proportion to the ownership of non-controlling shareholders, including the case the losses exceed the shares owned by non-controlling shareholders in net assets of subsidiaries.

The consolidated financial statements for the fiscal year ended 31/12/2018 are consolidated on the basis of the Financial Statements for the fiscal year ended on December 31, 2018 of the Parent Company is Hai Phat Investment Joint Stock Company, subsidiaries of Hai Phat Investment Joint Stock Company are is Binh Minh Real Estate Trading Joint Stock Company; HP Hospitality Nha Trang Company Limited; Chau Son Real Estate Company Limited.

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant legal regulations relating to preparation and presentation of the interim financial statements.

**Cash and cash equivalents**

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

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

Cash equivalents

Cash equivalents comprise short -term investments, deposits with recoverable period or maturity of less than 3 months that are easily convertible to known amounts of cash and are subject to an insignificant risk of changes in value after purchasing at the reporting date.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial investments**

Investments in joint ventures or associates and others

- Investments in joint ventures or associates: Investments in joint ventures or associates in which the Company has significant influence and are initially measured at cost.

Dividends and profits allocated in money or non-monetary asset after investment date shall be recorded to financial income according to the fair value on the date in which the dividends and profits are received. These ones before investment date shall not be recorded to financial income according to the fair value but they shall be recorded as a decrease in value of investment.

- Others: initially measured at cost

Allowance for impairment of investments in other entities

Provision for loss on investments in associated companies is made when the company suffered losses which may cause reduction in capital by declining value of investments in this companies (except for losses under the plan identified in the business plan before the investment). The level of provision corresponding to the capital contribution ratio of the Company in the economic organization with the guidance in Circular 89/2013 / TT-BTC dated 06/28/2013.

For others, allowance of investments on the fair value of the investment is determined reliably, the allowance shall be made according to the market value of the shares. With regard to an investment whose fair value is not identifiable at the reporting time, the allowance shall be made according to the loss of the investee.

**Principles for accounting of business cooperation contracts**

In case BCC stipulates the regulation of profit after tax division

BCC divides after-tax profits usually as BCC in the form of co-controlling or controlled by one party. In case BCC divides after-tax profits, the parties must appoint one party to account for all transactions of BCC, record revenue, expenses, monitor business results of BCC and tax finalization separately. When deciding to sign a BCC in this form, the parties must consider the risks that may be incurred.

If BCC stipulates that other parties participating in BCC will enjoy a fixed profit without depending on the business results of the contract, this case even though the legal form of the contract is BCC but the nature of the contract co-lease of assets. In this case, the accountant and tax finalist is actually the party that has the right to administer and govern the operation of the BCC, must apply the asset lease accounting method to the contract, record the payable to other parties is the cost to determine business results in the year.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Receivables and provisions for doubtful debts

These accounts must be recorded specifically to every entity, every receivables item and monitor the recovery terms and other factors according to requirements of the Company.

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

- The customer receivables is used to record receivables and payments of receivables of customers in commercial nature arising from purchase – sale transactions between the Company and buyers. The trade receivables are recognized in accordance with the standards of the time revenue recognition based on invoices.
- Other receivables: This account is used to record debt receivables other than accounts notes above.

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

Allowance for doubtful debts: Allowance for doubtful debts is made for each doubtful debts based on time overdue repayment of principal under the original debt commitments (excluding debt extension between the parties), or pursuant to expected losses can occur with the guidance in Circular No. 228/2009/TT-BTC dated 07/12/2009.

##### Inventories

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

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

##### Fixed assets and depreciation, amortization

Company manage, use and allocate depreciation of fixed assets in accordance with the guidance in Circular 45/2013/TT-BTC dated April 25, 2013 and Circular 147/2016/TT-BTC dated October 13, 2016 of the Ministry of Finance amending and supplementing a number of articles of Circular No. 45/2013/TT-BTC and Circular No. 28/2017/TT-BTC dated April 12, 2017 of the Ministry of Finance amending and supplementing a number of articles of 45/2013/TT-BTC dated April 25, 2013 and Circular No. 147/2016/TT-BTC dated October 13, 2016 of the Ministry financial guidance on management, use and extract depreciation of fixed assets.

HAIPHAT INVESTMENT JOINT STOCK COMPANY  
CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM  
Độc lập - Tự do - Hạnh phúc

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed assets and depreciation, amortization (Continued)

a. Rules for accounting

Tangible fixed assets

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

Whenever tangible fixed assets are sold or disposed, the cost and accumulated depreciation are eliminated and any gain or loss arising from the disposal are included in other income or other expenses during the period.

Intangible fixed assets

- Intangible assets of the Company are accounting software.
- Land use rights: are all actual expenses paid by the Company directly related to the land area used, including: money spent on land use rights, expenses for compensation, Clearance, levelling, registration fees ...

Land use rights with definite term are stated at cost less accumulated depreciation.

b. Method of depreciation

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

	<u>Year 2018</u>
	Useful lives
	(Years)
Buildings and structures	08 - 20
Machinery and equipment	05 - 20
Motor vehicles	06 - 15
Office equipment	03 - 05
Other tangible fixed assets	03 - 10

Intangible fixed assets include the value of leased land use rights and computer software. Value of land use right is allocated to the income statement using the straight-line method corresponding to the land use duration. Computer software is allocated to the Statement of income on a straight-line basis over a period of 3 years. Intangible fixed assets are stated at cost less accumulated depreciation and amortization is presented on a straight-line basis.

**Prepaid expenses**

This account is used to record expenses actually incurred but they are related to operation output of many accounting period and the transfer of these expenses to operating expenses of subsequent accounting periods.

Prepaid expenses are stated at cost and are classified under short-term and long-term on the balance sheet based on time payment upfront of each contract.

Long-term prepayments related to tools and instruments are initially stated at cost and are amortized on a straight-line basis over a period of 2 to 3 years.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Construction in progress**

The construction in progress of the company includes the following expenses:

The cost of real estate construction used for many purposes (office, rental or sale, for example, mixed apartment building), the Company gathers the costs directly related to the first construction on the account "Construction in progress". When works and projects are completed and handed over and put into use, accountants base on the actual use of assets to transfer construction investment costs in line with the nature of each type of property.

Cost of construction and repair of assets of the Company. This cost includes the costs necessary to form the asset including construction costs, equipment, other costs and related borrowing costs in accordance with the Company's accounting policy. These costs will be transferred to the cost of fixed assets at the estimated cost (if no settlement is approved) when the assets are handed over and put into use.

**Payables**

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

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

- Trade payables: includes commercial payables arising from the purchase of goods, services and assets between the Company and the seller (the independent unit of the Company, including amounts payable between the Parent company and its subsidiaries, joint ventures, affiliate). This includes accounts payable when importing through a trustee (the trustee import transaction)
- Other payables includes of non-commercial payables, non-related transactions of purchasing and selling of goods and services.

**Loans and finance lease liabilities**

Including loans, financial lease liabilities, not including loans in the form of issuing bonds or preferred stocks with provisions that require the issuers to buy back at a certain time in the future .

The company tracks loans and finance lease loans in detail by each type of debt and short-term and long-term classification according to the repayment period.

Costs directly related to the loan are recognized into financial expenses, except for expenses incurred from a separate loan for the purpose of investment, construction or production of uncompleted assets, which are capitalized according to Borrowing Accounting Standard.

**Accrued expenses**

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

Accrued expenses include: Interest expenses, interest rate support for homebuyers, construction costs.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Owner's equity**

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

Undistributed earnings is determined based on the business result after corporation income tax and on distributed profit or loss handling of the Company.

Profit after tax of the Company is divided in the form of dividend for shareholders after being approved by Board of Management on General Shareholders Meeting and after the provision funds being extracted according to the regulations of the Company.

Dividends is announced and paid based on estimated profit of the Company. Dividends are announced and paid in the next period from the undistributed profit based on the approval of the Board of Management on General Shareholders Meeting of the Company.

**Revenue recognition, other income.**

*Real estate revenue is the construction works and items that the Company is the investor recorded when simultaneously meeting all five (5) following conditions:*

- (a) The property has been fully completed and handed over to the buyer, the Company has transferred the risks and benefits associated with the ownership of the property to the buyer; In case the customer has the right to complete the interior of the real estate and the Company performs the interior finishing of the property in accordance with the design, design and requirements of the customer, the Company recognizes the revenue when completing the property city, handing over raw construction parts to customers;
- (b) The company no longer holds the right to manage real estate such as real estate owner or property control;
- (c) The revenue can be measured reliably;
- (d) The business has obtained or will gain economic benefits from the sale of real estate;
- (e) Determine the costs associated with the sale of real estate.

*Revenue from real estate divided into subdivided plots, if the land has been transferred to customers (regardless of whether or not they have completed legal procedures for land use right certificates) and the irrevocable contract is recorded revenue for sold land when satisfying the following conditions simultaneously:*

- (a) Have transferred risks and benefits associated with land use rights to buyers;
- (b) The revenue can be measured reliably;
- (c) Determining the costs associated with the sale of the ground;
- (d) The company has obtained or will surely gain economic benefits from the sale of land.

*Sales of goods are recognized when all five (5) following conditions are satisfied:*

- (a) The Company has transferred most of the risks and benefits associated with ownership of the product or goods to the buyer;
- (b) The Company no longer holds the right to manage goods such as the owner of the goods or the control of the goods;
- (c) The revenue can be measured reliably;
- (d) The company will gain economic benefits from sales;
- (e) Determine the costs associated with the sales transaction.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Revenue recognition, other income (Continued)**

*Revenue of a transaction involving the provision of services is recognized when the outcome of that transaction is determined reliably. The results of the service delivery transaction are determined when all four (4) following conditions are satisfied:*

- (a) The revenue can be measured reliably;
- (b) It is possible to obtain economic benefits from the service provision transaction;
- (c) Identify the completed work at the balance sheet date;
- (d) Determine the costs incurred for the transaction and the cost to complete the transaction to provide that service.

For interest, dividend, profit and other income: Revenue is recognized when the Company has the possibility of obtaining economic benefits from operating in and can be measured reliably.

**Revenue deductions**

Revenue deductions:

- Sale returns: the amount is deducted if the contract settlement is not paid by investors.

In the case the construction buildings from the previous term incur expenses in the following term, the Company records according to the following standards:

- If incurring before the release date of the financial statement: revenue deductions are recorded in the financial statement of the period.
- If incurring after the release date of the financial statement: revenue deductions are recorded in the following period.

**Cost of goods sold**

Including the cost of products, goods, services, real estate investment in the period (including depreciation costs, repair costs; the cost of leasing real estate for investment by operating leasing method, the cost of selling, liquidating the investment property ..., is recognized in accordance with the revenue consumed in the period.

For direct raw material costs direct consumption that exceed the normal cost, labor costs, fixed general production costs that are not allocated to the value of warehoused products are immediately recognized in cost of goods sold (after deducting compensation, if any) even if the product or goods has not been determined to be consumed.

The company is determining the unit cost of 1m<sup>2</sup> of real estate based on the temporarily calculated unit price based on the total cost of items which has been finalized with the value of contracts of items that not yet accepted and finalized and divided into the total construction area that can be sold or leased.

**Financial expenses**

- Losses relating to financial investment activity:

- Losses from outside investment capital: are recognized under principles actually incurred.
- Securities investment losses: Is created for each listed and unlisted securities on the market and has a market price decrease compared to the book value.

- Interests expenses of loan: Recorded monthly based on the loan, the interest rate and the actual dates of loans.

- Expenses regarding to joint ventures, transfer of securities: according to the actual incurred.

- Foreign exchange loss incurred in period; Losses in revaluation of monetary items denominated in foreign currencies.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Current corporate income tax and deferred tax expenses**

Corporate income tax expense (tax income): is the total amount of current income tax expense and deferred income tax expense (or income) in determining of profit or loss for the period.

- Current corporate income tax expense: is the amount of corporate income tax payable based on taxable income in the year and current corporate income tax rate. Current income tax expenses are income tax payables computed on taxable income during year and current income tax rate. Taxable income is different from accounting profit is adjusted by the difference between accounting profit and taxable income under current tax policies.

The Company has an obligation to pay corporate income tax at the rate of 20% on taxable income.

**Estimates**

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

**Earnings per share**

Basic earnings per share and diluted earnings per share with respect to common shares shall be calculated by dividing profit or loss attributable to common stock holders by the weighted average number of common shares outstanding during the period. Diluted earnings per share shall be calculated by adjusting profit or loss attributable to common stock holders, and the weighted average number of shares outstanding due to the effects of common shares which are possible to dilute including convertible bonds and share option.

**Related parties**

Related parties are enterprises that include Parent companies, Subsidiaries of Parent Company, individuals owning, directly or indirectly through one or more intermediaries, control over the Company or under control with the Company. Associations, individuals possess directly or indirectly voting rights of the Company that considerably influence the Company. Key management that include General Directors, Officers of the Company, and close members of families of these individuals or associations or companies in association with these individuals are considered as related parties.

**Segment report**

Component parts that can distinguish the company engaged in providing related products or services (by business segment), or in providing products or services within a particular economic environment (geographical area that every segment has its economic risk and benefits different from another business segment. The Board of Directors confirms that the Company operates in business lines of Construction and other activities; Sales and road fee collection services; Investment, Real Estate Business, operating in Vietnam. Segment reporting is prepared in term of business lines.

## 5. INFORMATION SUPPLEMENTED FOR ITEMS IN THE INTERIM CONSOLIDATED BALANCE SHEET AND CONSOLIDATED INCOME STATEMENTS

## 5.1 Cash and cash equivalents

	31/12/2018	01/01/2018
	VND	VND
Cash	4,339,348,783	760,891,043
Cash on bank	349,058,987,080	220,391,602,667
Cash equivalent	62,000,000,000	337,000,000,000
- Termly deposit under 3 months(*)	62,000,000,000	337,000,000,000
<b>Total</b>	<b>415,398,335,863</b>	<b>558,152,493,710</b>

(\*) Deposit contract of Bao Viet Commercial Joint Stock Bank – Head Office No. 003/22062018/SGD /HDTG-DAUTUHAIPHAT on June 22, 2018, amount of VND 22,000,000,000 term of 1 month. The contract is mortgaged for contract No. 02/2018/HDBT with Bao Viet Commercial Joint Stock Bank - Head Office.

Deposit contract of Viet Capital Commercial Joint Stock Bank - Thang Long Branch No. 0084 / HDTG-VCCB-Thang Long Branch-2017 December 4, 2017, amount of VND 20,000,000,000, term of 1 month.

Deposit contract of Viet Capital Commercial Joint Stock Bank - Thang Long Branch No. 010/HDTG- VCCB-Thang Long Branch-2018 May 18, 2018, amount of VND 20,000,000,000, term of 3 months.

## 5.2 Short-term investment

	31/12/2018		01/01/2018	
	Historical cost	Book value	Historical cost	Book value
Short-term	45,000,000,000	45,000,000,000	-	-
- Term deposits	45,000,000,000	45,000,000,000	-	-
Bao Viet Joint Stock Commercial Bank - Head office	45,000,000,000	45,000,000,000	-	-
<b>Total</b>	<b>45,000,000,000</b>	<b>45,000,000,000</b>	<b>-</b>	<b>-</b>

Unit: VND

## 5.3 Receivable from customers

	31/12/2018 VND	01/01/2018 VND
<b>Short-term</b>	<b>453,494,111,873</b>	<b>149,691,628,306</b>
Hai Phat Thu Do Investment., JSC	16,355,465,698	-
Private Construction Enterprise No. 1	30,000,000,000	-
Hai Phat Real Estate., JSC	28,812,160,665	13,517,397,717
Receivable customers from Phu Lam project	70,156,406,332	-
Receivable customers from Trau Quy project	264,202,137,654	-
Receivable customers from HP Plaza project	28,800,655,013	-
Dai Dong A Investment., JCS	331,665,201	86,971,970,909
Others	14,835,621,310	49,202,259,680
<i>In which: Relate-party receivable</i>		
Hai Phat Kinh Bac., JSC	-	156,000,000
PSP Hai Phat Urban Services., JSC	-	8,548,980,600
Dai Dong A Investment., JCS	331,665,201	86,971,970,909
Hai Phat Thu Do Investment., JSC	16,355,465,698	-
Hai Phat Construction., JSC	500,892,339	-
<b>Total</b>	<b>453,494,111,873</b>	<b>149,691,628,306</b>

## 5.4 Repayments to suppliers

	31/12/2018 VND	01/01/2018 VND
<b>Short-term repayments to suppliers</b>	<b>202,700,797,176</b>	<b>703,184,616,910</b>
Trung Viet Construction Investment., JSC	8,959,125,000	225,466,527,436
Hai Phat Conc., JSC	-	81,295,153,329
Samcons Vietnam Construction and Investment., JSC	25,880,218,965	130,178,628,000
Thanh Nhan Construction and Trading Investment JSC	40,928,302,897	-
Thien An Incons., JSC	12,207,247,000	-
Others	114,725,903,314	266,244,308,145
<i>In which: Relate-party repayments</i>		
Hai Phat Conc., JSC	-	81,295,153,329
<b>Total</b>	<b>202,700,797,176</b>	<b>703,184,616,910</b>



5.5 Other receivables

Unit: VND

	31/12/2018		01/01/2018	
	Book value	Provision	Book value	Provision
<b>Short-term</b>	<b>692,878,498,212</b>	<b>-</b>	<b>456,031,435,572</b>	<b>(39,000,000,000)</b>
Advances	47,588,550,577	-	147,494,410,560	-
Collateral, deposits	8,000,000	-	80,047,000,000	-
Others	645,281,947,635	-	228,490,025,012	(39,000,000,000)
<i>Infrastructure Investment -</i>				
<i>Urban Business., JSC</i>	-	-	49,000,000,000	(39,000,000,000)
<i>Pham Van Dinh</i>	-	-	96,095,260,000	-
<i>Dinh The Quynh</i>	-	-	28,428,000,000	-
<i>Thanh Nhan Construction and</i>				
<i>Trading Investment., JSC</i>	-	-	37,200,000,000	-
<i>Hai Phat Real Estate., JSC (1)</i>	605,000,000,000	-	1,415,426,012	-
<i>Phu Minh Hung Real</i>				
<i>Estate., JSC (2)</i>	30,000,000,000	-	-	-
<i>Others</i>	10,281,947,635	-	16,351,339,000	-
<b>Long-term</b>	<b>321,000,000,000</b>	<b>-</b>	<b>52,060,870,000</b>	<b>-</b>
Collateral, deposits (3)	300,000,000,000	-	-	-
Others	21,000,000,000	-	52,060,870,000	-
Fico Service and Trading,				
Finance Investment., JSC	-	-	1,060,870,000	-
VIETINCO., JSC	21,000,000,000	-	21,000,000,000	-
Private Construction	-	-	30,000,000,000	-
Enterprise No. 1	-	-	-	-
<b>Total</b>	<b>1,013,878,498,212</b>	<b>-</b>	<b>508,092,305,572</b>	<b>(39,000,000,000)</b>

(1) Pursuant to the Agreement No. 468 / HPL-HPX dated 2 November 2018 between Hai Phat Investment Joint Stock Company and Hai Phat Real Estate Joint Stock Company on jointly transferring the contributed capital in Hai Phong Real Estate Development Joint Stock Company. Accordingly, Hai Phat Real Estate Joint Stock Company authorized Hai Phat Investment Joint Stock Company to select and seek a transferee and Hai Phat Investment Joint Stock Company transferred to Hai Phat Real Estate Joint Stock Company a previous amount which agreed by the two parties.

(2) Principle agreement No. 548 /TTNT/HP-PM dated December 27, 2018 between the Company and Phu Minh Hung Real Estate Investment Joint Stock Company. Phu Minh Hung Real Estate Investment Joint Stock Company is the owner and is legally authorized by the owners to manage and implement a part of an area of 310 hectares in Kinh Dinh Ward and Long Huong Ward, Ba Ria - Vung Tau City. Accordingly, Hai Phat Investment Joint Stock Company cooperated to carry out procedures to apply for the establishment, investment, construction, deployment, exploitation of business and operating the project "Southwest ecological urban area in Ba Ria City, Ba Ria-Vung Tau Province", the Company contributed capital to the project according to the schedule with a total amount of 110,000,000,000 VND.

(3) Under the Investment Cooperation Contract No. 215 HDHTĐT/2018/HQC-HP dated May 29, 2018 and Appendix 01, the Company and Hoang Quan Consulting - Trading Real Estate Corporation agreed to corporately contribute capital to establish a partnership to implement the project "Ham Tien - Mui Ne tourism service center, Ham Tien ward, Phan Thiet city, Binh Thuan province" in proportion of Hai Phat Investment Joint Stock Company holds 70%, Hoang Quan Consulting - Trading Real Estate Joint Stock Company 30%.

5.5 Other receivables (Continued)

(4) Under the investment cooperation agreement No.523/2010/TT HTĐT dated December 15, 2010 on "contribution of capital to implement the investment project for construction of South National Highway 32. The parties agree to authorize Vietinco Joint Stock Company to represent the joint venture parties to contribute capital to negotiate and sign a loan contract with the investor of South National Highway 32 Urban Area - Lung Lo 5 Investment and Development Joint Stock Company to lend capital for the purpose of transferring the land use right of infrastructure of the project to implement secondary projects, including low construction land floors and land for building high-rise buildings. Loan value is VND 720 billion. In which, Hai Phat Investment Joint Stock Company contributed VND 612 billion, equivalent to 85% of the total contributed capital of the parties, Vietinco Joint Stock Company contributed VND 108 billion, equivalent to 15% of the total contributed capital of the parties. As of December 31, 2011, the company has transferred VND 91 billion under the above contract. In 2012, due to the adjustment of the business strategy, the company negotiated with the customer and collected a part of the transferred value of VND70 billion, the remaining amount is VND21 billion.

5.6 Inventories

	31/12/2018		01/01/2018	
	Historical cost	Provision	Historical cost	Provision
	<i>Unit: VND</i>			
Work in progress	1,080,978,170,220	-	696,997,432,601	-
Finished products	16,254,061,250	-	-	-
Goods	63,716,206,443	-	230,379,854	-
<b>Total</b>	<b>1,160,948,437,913</b>	<b>-</b>	<b>697,227,812,455</b>	<b>-</b>
Work in progress include:				
Phu Hai project (1)	51,170,321,029	-	-	-
Tan Tay Do project	-	-	23,303,623,700	-
Van Phuc project	-	-	44,459,530,378	-
Phu Luong project(2)	798,598,617,736	-	272,048,749,464	-
Tray Quy project (3)	131,074,561,555	-	258,104,927,836	-
Con Lap Tan project (4)	60,099,495,433	-	59,846,497,000	-
Others	40,035,174,467	-	39,234,104,223	-

(1) Notice No.589/2018/TB-DGTC dated December 17,2018 of Global Auction Service Joint Stock Company, about announcing the successful auction of land use rights to implement the housing investment project at Phu Hai Ward, Phan Thiet City, Binh Thuan Province. Total area of 50,191.9 m2.

(2) Phu Luong Project: Including investment costs under Investment Cooperation Contract No.196/HDHTĐT/HP-TV dated November 27,2015, accordingly the Company cooperates with Trung Viet Joint Venture - Song Da 2 - Hong Quang ("Joint venture") to be exploited to invest in the land of Phu Luong New Urban Area project, with a total area of about 53,095 m2. Contract of land use right transfer No. 108 / HDCN-TV-HP dated March 29, 2018 between the Company and Trung Viet Construction Investment Joint Stock Company (Joint venture representative) about the transfer of a part of the project associated with the Land with total area of 35,761 m2 including 08 adjacent lots with area of 12,037 m2 and 05 villa lots of 23,724 m2 of Phu Luong new urban area project.

3) Decision No. 8126/QD-UBND dated November 23, 2017 of Hanoi People's Committee, approving the results of auction of land use rights to implement investment projects on construction of low-rise houses in the land plot TT14 to TT19 Trau Quy town, Gia Lam district. Total area of 13,147.9m2. The project is mortgaged under medium and long-term credit contract No. 0142/2017/HDTDTDH-PN/SHB.111500 with Saigon - Hanoi Commercial Joint Stock Bank on December 18, 2017

(4) Project of 8,110.8 m2 of land under the Investment Project of TM1 Commercial Area - Con Tan Lap Residential Area Project, Xuong Huan Ward, Nha Trang City, Khanh Hoa Province; The project includes 2 basements and 19 floating floors.

## 5.7 Prepaid expenses, goodwill

	31/12/2018	01/01/2018
	VND	VND
<b>Short-term</b>	<b>76,947,794</b>	<b>68,956,840</b>
Tools and devices expenses	38,008,762	24,401,240
Others	38,939,032	44,555,600
<b>Long-term</b>	<b>58,326,600,128</b>	<b>40,000,895,313</b>
Instruments and tools	1,688,127,318	909,158,362
Real estate brokerage fee	52,086,311,419	37,841,736,951
Others	4,552,161,391	1,250,000,000
<b>Goodwill</b>	<b>274,487,500,000</b>	<b>393,900,000,000</b>
HP Hospitality Nha Trang Co., Ltd (*)	274,487,500,000	393,900,000,000
<b>Total</b>	<b>332,891,047,922</b>	<b>433,969,852,153</b>

(\*) Goodwill arising from the acquisition of VND 79,200,000,000 at HP Hospitality Nha Trang Co., Ltd with the value of VND 483,200,000,000, allocated over 10 years.



**HAI PHAT INVESTMENT JOINT STOCK COMPANY**  
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**5.8 Tangible fixed assets**

Unit: VND

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Total
<b>HISTORICAL COST</b>					
Balance at 01/01/2018	663,295,979,884	316,661,037	17,682,658,182	1,561,232,433	682,856,531,536
Increase	130,004,193,498	185,000,000	4,749,716,364	1,252,990,895	136,191,900,757
Purchases	83,040,471,393	185,000,000	4,749,716,364	1,252,990,895	89,228,178,652
Completed capital construction in process	46,963,722,105				46,963,722,105
Decrease	595,258,378,773	31,742,856	3,606,400,000	77,136,373	598,973,658,002
Disposals	-	31,742,856	3,606,400,000	77,136,373	3,715,279,229
Internal transfer, classify (*)	595,258,378,773	-	-	-	595,258,378,773
Balance at 31/12/2018	198,041,794,609	469,918,181	18,825,974,546	2,737,086,955	220,074,774,291
<b>ACCUMULATED DEPRECIATION</b>					
Balance at 01/01/2018	9,808,125,139	297,772,141	5,817,369,290	1,400,521,199	17,323,787,769
Increase	14,510,359,954	58,596,759	2,803,765,948	142,268,760	17,514,991,421
Depreciation	14,510,359,954	58,596,759	2,803,765,948	142,268,760	17,514,991,421
Decrease	18,943,563,675	31,742,856	1,229,644,444	77,136,373	20,282,087,348
Disposals	-	31,742,856	1,229,644,444	77,136,373	1,338,523,673
Internal transfer, classify (*)	18,943,563,675	-	-	-	18,943,563,675
Balance at 31/12/2018	5,374,921,418	324,626,044	7,391,490,794	1,465,653,586	14,556,691,842
<b>NET BOOK VALUE</b>					
Balance at 01/01/2018	653,487,854,745	18,888,896	11,865,288,892	160,711,234	665,532,743,767
Balance at 31/12/2018	192,666,873,191	145,292,137	11,434,483,752	1,271,433,369	205,518,082,449

(\*) The Company reduced its fixed assets to investment properties for sale/ rent during the year.

**HAI PHAT INVESTMENT JOINT STOCK COMPANY**

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

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**5.9 Intangible fixed assets**

	<i>Unit: VND</i>		
	Use rights land	Others	Total
<b>HIATORICAL COST</b>			
Balance at 01/01/2018	62,439,802,950	30,000,000	62,469,802,950
Increase	-	-	-
Decrease	-	-	-
Balance at 31/12/2018	<u>62,439,802,950</u>	<u>30,000,000</u>	<u>62,469,802,950</u>
<b>ACCUMULATED DEPRECIATION</b>			
Balance at 01/01/2018	-	30,000,000	30,000,000
Increase	-	-	-
Decrease	-	-	-
Balance at 31/12/2018	<u>-</u>	<u>30,000,000</u>	<u>30,000,000</u>
<b>NET BOOK VALUE</b>			
Balance at 01/01/2018	<u>62,439,802,950</u>	-	<u>62,439,802,950</u>
Balance at 31/12/2018	<u>62,439,802,950</u>	-	<u>62,439,802,950</u>

**5.10 Investment property**

ITEMS	<i>Unit: VND</i>			
	01/01/2018	Increase	Decrease	31/12/2018
<b>a. Investment property for rent</b>				
Historical cost	-	595,258,378,773	-	595,258,378,773
- House and land use rights	-	595,258,378,773	-	595,258,378,773
Accumulated depreciation	-	18,943,563,675	-	18,943,563,675
- House and land use rights	-	18,943,563,675	-	18,943,563,675
Net book value	-	576,314,815,098	-	576,314,815,098
- House and land use rights	-	576,314,815,098	-	576,314,815,098

**5.11 Capital construction in progress**

	<i>Unit: VND</i>			
	31/12/2018		01/01/2018	
	Historical cost	Recoverable value	Historical cost	Recoverable value
Contruction in progress	2,259,009,398,986	2,259,009,398,986	2,220,600,781,538	2,220,600,781,538
Phu Lam social housing project (1)	702,937,356,331	702,937,356,331	1,043,440,759,156	1,043,440,759,156
Hai Phat Plaza Project (2)	1,546,170,879,078	1,546,170,879,078	1,172,683,267,549	1,172,683,267,549
Tan Lap Con project	7,574,761,706	7,574,761,706	4,476,754,833	4,476,754,833
Repair company office	2,153,438,869	2,153,438,869	-	-
198 Ham Tien - Mui Ne Project	88,470,275	88,470,275	-	-
Phuong An Binh new urban areas Project (Area 1)	84,492,727	84,492,727	-	-
<b>Total</b>	<u>2,259,009,398,986</u>	<u>2,259,009,398,986</u>	<u>2,220,600,781,538</u>	<u>2,220,600,781,538</u>

**5.11 Capital construction in progress (Continued)**

((1) Phu Lam Social House Project: Decision No.7112/QD-UBND dated December 24, 2015 of Hanoi People's Committee allowing Hai Phat Investment Joint Stock Company to use 45,122 m2 of land in Phu Lam Ward, Ha Dong District to implement the project of building Phu Lam social housing area. The project consists of 5 buildings CT1 to CT5, the total investment is VND 1,758,689,656,000. Mortgaged projects under credit contracts No. 01/2016-HDTDDA/NHCT322-HP of Vietnam Joint Stock Commercial Bank for Industry and Trade - Song Nhue Branch (now Vietnam Joint Stock Commercial Bank for Industry and Trade - Do Thanh Branch).

(2) Hai Phat Plaza Project: Decision No.3923/QD-UBND dated July 18, 2016 of Hanoi People's Committee on the allocation of 35,893 m2 of land in Dai Mo Ward, Nam Tu Liem District to Hai Phat Investment Joint Stock Company to implementing the investment project to build Hai Phat Plaza commercial, service and luxury apartment complex. The project includes: a 25-storey mixed-use block and three basements; eight 3-storey villas with ladders which lead to the roof; thirty-nine adjoining 3-storey houses with ladders leading to the roof. The total cost estimate for the project is VND 1,731,087,744,000. Mortgage loan project under the credit agreement once 0101/03817/TDTL-PN dated July 6, 2017 of Ban Viet Commercial Joint Stock Bank-Thang Long Branch and the loan for investment project No. 01/2017 -HDDCVDADDT /NHCT106-HPI on 27/05/2016 with Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch.

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**HAI PHAT INVESTMENT JOINT STOCK COMPANY**

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**5.12 Long-term financial investments**

*Unit: VND*

	The rate of		31/12/2018		01/01/2018	
	Equity owned	Voting rights	Historical cost	Fair value	Historical cost	Fair value
<b>Investments in joint ventures and associates</b>						
Dai Dong A Investment, JCS (1)	35.00%	35.00%	464,182,401,159	-	387,923,762,758	-
Civil Engineering Construction Corporation No.5., JSC	38.68%	38.68%	52,901,819,847	-	49,641,463,364	-
Hai Phong Land Development Company Limited (2)	42.99%	42.99%	304,090,733,605	-	303,967,686,159	-
S.E.A Thuan Phuoc Real Estate, JSC	21%	21%	79,801,891,359	-	34,314,613,235	-
Ha Dong BT Company Limited	50%	50%	27,387,956,348	-	-	-
<b>Investments in equity of other entities</b>						
Hai Phong Land Development Company Limited (2)	10%	10%	126,548,461,308	-	152,080,000,000	-
Rail way land, JSC	10%	10%	11,468,461,308	-	-	-
Hai Phat Thu Do Investment, JSC	13.76%	13.76%	5,000,000,000	-	5,000,000,000	-
S.E.A Thuan Phuoc Real Estate, JSC			110,080,000,000	-	110,080,000,000	-
<b>Total</b>			<b>590,730,862,467</b>		<b>540,003,762,758</b>	

(1) According to the business registration certificate of Dai Dong A Investment Joint Stock Company with charter capital of 160 billion dong (1.600.000 shares), Hai Phat Investment Joint Stock Company holds a 35% stake of 56 billion dong. In 2018, the Company contributed additional VND 4,150,000,000 according to the business registration certificate.

(2) The charter capital according to the business license of Hai Phong Real Estate Development Company Limited is VND 300 billion. At the time of January 1, 2018, the ratio of capital ownership of Hai Phat Investment Joint Stock Company is 42.99%. In 2018, the Company sold 32.99% of the contributed capital to Hai Phat Real Estate Investment Joint Stock Company, so at the time of December 31, 2018, the ratio of capital contribution of the Company at Hai Phong Real Estate Development Company Limited is 10%.

5.13 Suppliers payables

Unit: VND

	31/12/2018		01/01/2018	
	Book value	Amount within payment capacity	Book value	Amount within payment capacity
<b>a. Short-term</b>	<b>374,062,025,578</b>	<b>374,062,025,578</b>	<b>217,290,366,190</b>	<b>217,290,366,190</b>
Supplier payable	25,039,134,058	25,039,134,058	20,051,811,000	20,051,811,000
Song Hong No.1 Construction., JSC	13,294,498,873	13,294,498,873	13,294,498,873	13,294,498,873
Hai Phat Build., JSC	59,705,952,267	59,705,952,267	12,171,101,056	12,171,101,056
An Quy Hung Co., Ltd	9,728,989,435	9,728,989,435	13,340,210,577	13,340,210,577
PSP Hai Phat Urban Services., JSC	3,762,779,087	3,762,779,087	13,034,242,556	13,034,242,556
Hai Phat Conc., JSC	21,261,363,414	21,261,363,414	-	-
Others	241,269,308,444	241,269,308,444	145,398,502,128	145,398,502,128
<b>In which: Related parties</b>				
An Quy Hung Co., Ltd	9,728,989,435	9,728,989,435	13,340,210,577	13,340,210,577
PSP Hai Phat Urban Services., JSC	3,762,779,087	3,762,779,087	13,034,242,556	13,034,242,556
Hai Phat Construction., JSC	21,261,363,414	21,261,363,414	-	-
<b>b. Long-term</b>	-	-	-	-
<b>Total</b>	<b>374,062,025,578</b>	<b>374,062,025,578</b>	<b>217,290,366,190</b>	<b>217,290,366,190</b>

5.14 Buyers pay in advance

	31/12/2018	01/01/2018
	VND	VND
<b>a. Short-term</b>	<b>991,250,596,903</b>	<b>4,428,153,988</b>
Customers pay in advance of apartments in project NOXHPL	231,814,233,205	-
Customers pay in advance of apartments in project Phu Luong	654,209,695,134	-
Customers pay in advance of apartments in project Trau Quy	103,210,322,160	-
Others	2,016,346,404	4,428,153,988
<b>b. Long-term</b>	<b>382,337,828,378</b>	<b>531,483,401,460</b>
Customers pay in advance of apartments in project "Hải Phát Plaza"	382,337,828,378	112,510,552,766
Customers pay in advance of apartments kiot in project "Phú Lãm"	-	418,972,848,694
<b>Total</b>	<b>1,373,588,425,281</b>	<b>535,911,555,448</b>



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	01/01/2018	Payables	Paid	31/12/2018
<b>Payables</b>	<b>66,865,846,663</b>	<b>149,556,169,444</b>	<b>118,138,583,514</b>	<b>98,283,432,593</b>
Value-added tax	-	593,550,219	593,550,219	-
Corporation income tax	66,748,871,684	143,791,012,051	112,787,153,767	97,752,729,968
Personal income tax	116,974,979	3,738,516,751	3,324,789,105	530,702,625
Land & housing tax, 1 and rental charges	-	357,406,787	357,406,787	-
Environment protection tax and other taxes	-	12,000,000	12,000,000	-
Charges, fees and other payables	-	1,063,683,636	1,063,683,636	-
<b>Receivables</b>	<b>20,852,837,016</b>	-	<b>506,702,620</b>	<b>21,359,539,636</b>
Profit tax (*)	20,852,837,016	-	506,702,620	21,359,539,636

(\*) Temporarily payment of corporate income tax at the rate of 1% on revenue earned and this revenue is not included in the turnover of corporate income tax calculation for the year.

**5.16 Accrued expenses**

	31/12/2018	01/01/2018
	VND	VND
<b>Short-term</b>	<b>85,068,527,314</b>	<b>112,599,765,178</b>
Receivable customers from An Hung project	25,360,460,441	111,586,754,512
Interest expense accruals	24,532,624,657	1,013,010,666
Accrued expenses from Tan Tay Do project	5,995,109,843	-
Accrued expenses from HPPLaza project	4,410,379,853	-
Interest subsidy costs	24,769,952,520	-
<b>Long-term</b>	-	-
<b>Total</b>	<b>85,068,527,314</b>	<b>112,599,765,178</b>

5.17 Other payables

	31/12/2018	01/01/2018
	VND	VND
<b>Short-term</b>	<b>289,231,904,803</b>	<b>1,140,084,201,210</b>
Trade union fees	753,236,088	881,389,923
Social insurance	-	216,721,645
Health insurance	-	39,459,401
Unemployment insurance	-	16,851,269
Receive short-term deposits	159,682,119,075	724,659,366,662
Others	128,796,549,640	414,270,412,310
<i>Northen Green Land Real Estate and Services., JSC</i>	-	145,958,780,000
<i>Song Da - Thang Long., JSC (1)</i>	28,180,465,630	118,480,465,630
<i>An Quy Hung Co., Ltd</i>	-	3,969,660,760
<i>Hai Luong Services and Investment Co., Ltd</i>	-	5,302,959,296
<i>Hai Phat Thu Do Investment., JSC</i>	-	12,844,534,302
<i>Project maintenance fee</i>	85,190,729,679	94,469,209,072
<i>Other</i>	15,425,354,331	33,244,803,250
<i>In which: Payable to Related party:</i>		
Dai Dong A Investment., JCS (deposit)	20,000,000,000	-
Hai Luong Services and Investment Co., Ltd	-	5,302,959,296
Hai Phat Thu Do Investment., JSC	-	12,844,534,302
<b>Long-term</b>	<b>339,721,685,091</b>	<b>543,911,379,296</b>
Receive long-term deposits	366,736,125	-
Others	339,354,948,966	543,911,379,296
<i>Hai Phat Thu Do Investment., JSC (2)</i>	202,200,220,000	202,200,220,000
<i>Hai Phat Real Estate., JSC</i>	-	280,000,000,000
<i>Northen Green Land Real Estate and Services., JSC (3)</i>	118,528,387,190	-
<i>Others</i>	18,626,341,776	61,711,159,296
<i>In which: Payable to Related party:</i>		
Hai Phat Thu Do Investment., JSC	202,200,220,000	202,200,220,000
<b>Total</b>	<b>628,953,589,894</b>	<b>1,683,995,580,506</b>

(1) Contributed capital transfer contract No. 17/2017/HDCN on September 28, 2017, transfer 75% of the total charter capital of HP Hospitality Nha Trang Company Limited.

(2) Contract No.342/2015/HD-UQ authorizing Hai Phat Investment Joint Stock Company to buy shares of equitized transport construction corporations through legal forms permitted by law. The maximum number of authorized shares to be bought is 10,176,000 shares with par value of VND 10,000 /share. The maximum value of transfer shall not exceed VND 210,000,000,000.

(3) Deposits for marketing and exclusive distribution of 300 apartments with 25,928 m2 area of Hai Phat Plaza Commercial, Service and Apartment Complex project under contract 362/2016/HDVPP/HP-DXMB.

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**5.18 Loan and financial liabilities**

Unit: VND

	31/12/2018		Movement during the year			01/01/2018	
	Carrying amount	Amount within repayment capacity	Increase	Decrease	Carrying amount	Amount within repayment capacity	
<b>a. Borrowings</b>							
<b>Short-term borrowings</b>							
Bao Viet Joint Stock Commercial Bank – Head office (1)	44,013,493,520	44,013,493,520	331,432,532,764	482,052,027,192	194,632,987,948	194,632,987,948	
Sai Gon - Ha Noi Commercial Joint Stock Bank - Han Thuyen Branch (2)	185,955,855,120	185,955,855,120	185,955,855,120	-	-	-	
Viet Capital Bank - Thang Long Branch (3)	184,563,458,200	184,563,458,200	184,563,458,200	-	-	-	
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Ha Noi Branch (4)	42,780,000,000	42,780,000,000	42,780,000,000	-	-	-	
P.H Investment Group., JSC	3,500,000	3,500,000	3,500,000	-	-	-	
<b>Bond issued</b>							
BIDV Bank - Ba Dinh Branch (5)	160,000,000,000	160,000,000,000	160,000,000,000	-	-	-	
<b>Long-term borrowings</b>							
<b>-From 12 months to 60 months</b>							
- Less than 60 months							
Vietnam Joint Stock Commercial Bank for Industry and Trade - Do Thanh Branch (6)	218,934,406,293	218,934,406,293	115,127,854,787	246,329,253,999	350,135,805,505	350,135,805,505	
Indovina Bank - Thien Long Branch	-	-	-	150,999,975,000	150,999,975,000	150,999,975,000	
Viet Capital Bank - Thang Long Branch (3)	184,547,026,128	184,547,026,128	96,750,575,010	184,563,458,200	272,359,909,318	272,359,909,318	
Sai Gon - Ha Noi Commercial Joint Stock Bank - Han Thuyen Branch	-	-	69,530,870,797	249,920,058,797	180,389,188,000	180,389,188,000	
Indovina Bank- Business center	-	-	-	500,000,000,000	500,000,000,000	500,000,000,000	
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Ha Noi Branch	-	-	-	213,900,000,000	213,900,000,000	213,900,000,000	
MB Securities Joint Stock Company	-	-	240,000,000,000	240,000,000,000	-	-	
P.H Investment Group., JSC	-	-	-	3,500,000	3,500,000	3,500,000	
<b>Bonds issued</b>							
Petrovietnam Securities Incorporated (7)	200,000,000,000	200,000,000,000	200,000,000,000	-	-	-	
IB Securities., JSC (8)	300,000,000,000	300,000,000,000	300,000,000,000	-	-	-	
MB Securities Joint Stock Company (9)	240,000,000,000	240,000,000,000	240,000,000,000	-	-	-	
Indovina Bank- Ho Chi Minh (10)	500,000,000,000	500,000,000,000	500,000,000,000	-	-	-	
Chu Thanh Tuan	1,000,000,000	1,000,000,000	1,000,000,000	-	-	-	
<b>Total</b>	<b>2,261,797,739,261</b>	<b>2,261,797,739,261</b>	<b>2,667,144,646,678</b>	<b>2,267,768,273,188</b>	<b>1,862,421,365,771</b>	<b>1,862,421,365,771</b>	

## HAI PHAT INVESTMENT JOINT STOCK COMPANY

Cosolidated Financial Statements for the year ended 31 December 2018

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FORM B 09-DN/HN

- (1) Overdraft contract of account No. 1535/2018/HDDTC/ BVB005 with Bao Viet Commercial Joint Stock Bank - Branch of Transaction Office on 8/11/2018. Overdraft limit of VND 195 billion. Overdraft period: from November 8, 2018 to November 8, 2019. The purpose of capital withdrawal: Serving production and business. Interest rate: When there is a balance on the overdraft account of the Customer. Customers are entitled to non-term interest rates according to the current interest rate schedule of the Bank. The overdraft interest rate is equal to the interest rate of the deposit contract at BAOVIET BANK used as collateral plus a margin of 0.7% / year. Collateral: the term deposit contracts of customers at BAOVIET BANK.
- (2) Medium and long-term credit contract No. 0142/2017/HDTDDH-PN/SHB.111500 with Saigon Commercial Joint Stock Bank - Hanoi Han Thuyen branch on December 18, 2017. Loan amount: VND 250 billion. Loan purpose: to implement an investment project to build low-rise houses in the land plots from TT14 to TT19 in the auction area of Trau Quy town, Gia Lam District, Hanoi. Loan term: 24 months from the first disbursement. Lending rate: 11.7% for the first 3 months and adjusted every 3 months. Collateral: Property rights arising from the investment project for construction of low-rise houses in the land plots from TT14 to TT19 in the auction area of Trau Quy town, Gia Lam district. Valuation value: 399,016,000,000 VND.
- (3) Loans under the credit agreement 0101/03817 / TDTL-PN dated 6/7/2017 of Viet Capital Commercial Joint Stock Bank - Thang Long Branch; The maximum loan amount is VND 420,000,000,000; the method of receiving loans on a case-by-case basis; Loan purpose: Invest in building the project and compensate a part of land use fee of the project: "High-rise part - Hai Phat Plaza high-class commercial and service apartment complex"; Loan term: 36 months from the date the borrower receives the debt for the first time; Interest rate: According to each debt receipt at the time of disbursement. Collateral: Real estate at the address: Investment project to build a commercial complex. Hai Phat Plaza high-class apartments and services under the land use right certificate, ownership of houses and other assets attached to land No. CI402924, number in the certificate book No. CT 07116 issued by Hanoi City Department of Natural Resources and Environment on 10/5/2017; value of investment project to build Hai Phat Plaza high-class commercial and service complex (High-rise mixed-use construction zone).
- (4) The loan is under the loan agreement of the investment project No. 01/2017-HDDCVDADD/NHCT106-HPI dated 27/05/2017 with Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch. Loan amount: VND 300,000,000,000; Loan purpose: payment of reasonable expenses. valid and legal to invest in low-rise buildings - Hai Phat Plaza high-class commercial and service complex project. Loan term: 24 months from the next day of the first loan disbursement date; Lending interest rate: according to each debt receipt and adjustment.
- (5) The contract to order bonds No. 01/2018/HDMTP/HPX with Joint Stock Commercial Bank for Investment and Development of Vietnam - Ba Dinh Branch on November 21, 2018 on the bond maturing in November 2019 of Hai Phat Investment Joint Stock Company. The total amount of PH bonds is 1.6 million bonds respectively 160 billion VND. The number of issued bonds is VND 1,600,000, equivalent to VND 160,000,000,000. Fixed interest rate is 10% / year. Interest period once every 3 months. The interest payment period for the first period is February 23, 2019.
- (6) Loan under the credit contract No. 01/2016-HDTDDA/NHCT322-HP of Vietnam Joint Stock Commercial Bank for Industry and Trade - Song Nhue Branch (now Vietnam Joint Stock Commercial Bank for Industry and Trade - Do Thanh Branch), maximum loan limit is VND 900,000,000,000; Loan purposes are used to pay legitimate investment costs. reasonable and valid to implement the Project: investment in Phu Lam social housing area. Ha Dong, Ha Noi; The interest rate applied in 2016 is 5% per year and it is possible to change the interest rate for housing support loans announced annually by the State Bank; loan term is 60 months from the first disbursement date. Contract for mortgage of housing construction investment project No. 01/2016 / HDTCDA-NHCT322/HP. Collateral is the entire investment project of Phu Lam social housing. Phu Lam ward. Ha Dong. Hanoi was built on a land plot of 45,122 m2 in Phu Lam Ward. Ha Dong District. Hanoi according to Decision on land allocation No. 7112 / QD-UBND dated December 24, 2015 of Hanoi People's Committee and Construction License No. 05 / GPXD-SXD issued by Hanoi Construction Department on February 2, 2016 about building 05 works in Phu Lam Ward. Ha Dong District. Hanoi.

## HAI PHAT INVESTMENT JOINT STOCK COMPANY

Cosolidated Financial Statements for the year ended 31 December 2018

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FORM B 09-DN/HN

- (7) Enterprise Bond issuance agency contract No. 115/2018/PSI-HPX with PetroVietnam Securities Joint Stock Company dated October 17, 2018 on the issue of bonds by private offering method to individuals and organizations investors expired in April 2020 of Hai Phat Investment Joint Stock Company. The total number of PH bonds is 2,000,000 bonds equivalent to VND 200 billion. The number of issued bonds is VND 2,000,000, equivalent to VND 200 billion. Fixed interest rate is 11% / year. Period of interest calculation once every 6 months. The interest payment period for the first period is April 18, 2019
- (8) Enterprise Bond issuance agency contract No. 01/2018/IBSC-HPX with IB Securities Joint Stock Company on 06/12/2018 on the issue of bonds by individual offering method to fish investors and organizes to maturity in December 2020 of Hai Phat Investment Joint Stock Company. The total number of PH bonds is 3,000,000 bonds equivalent to 300,000,000 VND. The number of issued bonds is 3,000,000, equivalent to VND 300,000,000,000. The applicable interest rate for the first two interest periods is 10.5% / year, next period is 11%. Period of interest calculation : every 6 months. The interest payment period for the first period is June 2019.
- (9) Bond sale and purchase contract No. 01/2018 / HDMTTP/MBS-HPX of MB Securities Joint Stock Company with the issuance volume of VND 240 billion; The purpose is to increase the scale of operating capital, invest in the project programs of the Company. Term of bond: 30 months, Type of bond: secured assets, not converted, without warrants; Interest rate is 11% /year; Release date: July 26, 2018; Maturity date: January 26, 2021.
- (10) The bond order contract No.0112/2017/HDĐMTTP/HaiPhat-IVB with Indovina Bank Limited on December 1, 2017, on the bond maturing in December 2022 of Hai Phat Investment Joint Stock Company. The total number of bonds issued is 1,300 bonds equivalent to VND 1,300,000,000,000. In which, the number of Phase 1 Bonds is: 500 Bonds equivalent to VND 500,000,000,000. The applicable interest rate for the first 2 interest periods is 10.85% / year. Interest period is once every 6 months. The interest payment period for the first period is 01/06/2018.

**HAI PHAT INVESTMENT JOINT STOCK COMPANY**

Cosolidated Financial Statements for the year ended 31 December 2018

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

FORM B 09-DN/HN

**5.19 Owner's equity**

**a. Changes in owner's equity**

*Unit: VND*

	Owner's equity	Surplus equity	Undistributed profit after tax	Non-controlling shareholder interest	Total
<b>Balance at 01/01/2017</b>	750,000,000,000	-	431,802,810,888	96,489,143,636	1,278,291,954,524
Increase capital from dividends	450,000,000,000	-	(450,000,000,000)	-	-
Increasing capital for additional issuance	300,000,000,000	335,950,000,000	-	-	635,950,000,000
Distributing business cooperation profits	-	-	(61,600,000,000)	-	(61,600,000,000)
Appropriate funds 2016	-	-	(5,000,000,000)	-	(5,000,000,000)
Gain in year	-	-	325,182,591,958	(14,326,153)	325,168,265,805
Adjusted by selling capital in consolidated subsidiaries at the beginning of the year	-	-	531,818,880	(82,259,615,024)	(81,727,796,144)
Appropriate funds associated companies	-	-	(2,366,564,388)	-	(2,366,564,388)
Selling capital at the company still holds control	-	-	(22,848,673)	-	(22,848,673)
<b>Balance at 31/12/2017</b>	<b>1,500,000,000,000</b>	<b>335,950,000,000</b>	<b>238,527,808,665</b>	<b>14,215,202,459</b>	<b>2,088,693,011,124</b>
<b>Balance at 01/01/2018</b>	<b>1,500,000,000,000</b>	<b>335,950,000,000</b>	<b>238,527,808,665</b>	<b>14,215,202,459</b>	<b>2,088,693,011,124</b>
Increase capital from dividends	224,999,850,000	-	(224,999,850,000)	-	-
Increase capital from surplus	274,963,200,000	(274,963,200,000)	-	-	-
Gain in year	-	-	452,274,025,361	(4,145,458)	452,269,879,903
Appropriate funds 2017	-	-	(6,631,661,968)	-	(6,631,661,968)
Remuneration of the board 2018	-	-	(4,467,764,723)	-	(4,467,764,723)
Increase due to changes in capital structure (*)	-	-	31,290,346,862	-	31,290,346,862
Other adjustments	-	-	(2,595,382,412)	-	(2,595,382,412)
<b>Balance at 31/12/2018</b>	<b>1,999,963,050,000</b>	<b>60,986,800,000</b>	<b>483,397,521,785</b>	<b>14,211,057,001</b>	<b>2,558,558,428,786</b>

(\*) Distribution of accumulated profits in the previous period due to increased ownership in associates.

## 5.19 Owner's equity (Continued)

## b. Detail of owners' equity

	31/12/2018	01/01/2018
	VND	VND
Do Quy Hai	800,753,980,000	600,576,000,000
Do Quy Duong	-	120,000,000,000
Chu Thi Luong	159,997,200,000	120,000,000,000
Vietnam Enterprise Investments LTD	174,542,400,000	130,909,100,000
Others	864,669,470,000	528,514,900,000
<b>Total</b>	<b>1,999,963,050,000</b>	<b>1,500,000,000,000</b>

## c. Capital transactions with owners and dividends distribution

	Year 2018	Year 2017
	VND	VND
<b>Owner's investment capital</b>		
As at 1 January	1,500,000,000,000	750,000,000,000
Increase in this year	499,963,050,000	750,000,000,000
Decrease in the year	-	-
As at 31 December	1,999,963,050,000	1,500,000,000,000
<b>Dividend</b>	<b>224,999,850,000</b>	<b>450,000,000,000</b>
<b>Appropriate funds</b>	<b>6,631,661,968</b>	<b>5,000,000,000</b>

## d. Shares

	31/12/2018	01/01/2018
	Shares	Shares
<b>Share quantity registered to be issued</b>	<b>199,996,305</b>	<b>150,000,000</b>
<b>Number of shares sold to the public</b>	<b>199,996,305</b>	<b>150,000,000</b>
Common shares	199,996,305	150,000,000
<b>Number of shares bought back</b>	<b>-</b>	<b>-</b>
<b>Number of outstanding shares</b>	<b>199,996,305</b>	<b>150,000,000</b>
Common shares	199,996,305	150,000,000
Par value of outstanding share(VND/share)	10,000	10,000

## 5.20 Sale of goods and services

	Year 2018	Year 2017
	VND	VND
Interest earned on investments sale	1,910,426,090,767	1,021,065,130,745
Selling revenue	-	7,811,710,500
Revenue from other activities	109,197,900,106	51,590,557,007
<b>Total</b>	<b>2,019,623,990,873</b>	<b>1,080,467,398,252</b>

**5.21 Cost of good sold**

	Year 2018 VND	Year 2017 VND
Cost of real estate sold	1,480,510,290,475	781,412,701,418
Cost of good sold	-	7,810,250,400
Cost of service provision	45,264,974,968	8,023,919,474
<b>Total</b>	<b>1,525,775,265,443</b>	<b>797,246,871,292</b>

**5.22 Financial income**

	Year 2018 VND	Year 2017 VND
Interest income	10,173,619,128	1,984,749,893
Interest earned on investments sale (*)	236,163,848,073	304,966,723,839
<b>Total</b>	<b>246,337,467,201</b>	<b>306,951,473,732</b>

(\*) Contracts to transfer capital contributed No.106/2018/HDCN on March 26, 2018 on the transfer of 32.99% of the total charter capital according to the business registration of Hai Phong Real Estate Development Company Limited (equivalent to 98,970,000,000VND). The total transfer value is 263,260,000,000 VND.

**5.23 Financial expenses**

	Year 2018 VND	Year 2017 VND
Loan interest	11,798,180,202	28,867,153,361
Others	-	16,316,919
<b>Total</b>	<b>11,798,180,202</b>	<b>28,883,470,280</b>

**5.24 Other income/ expense**

	Year 2018 VND	Year 2017 VND
Other income		
Gain from disposal	55,698,990	-
Late payment interest	1,156,070,186	1,025,752,491
Debt settlement	18,279,414,236	-
Penalties for breach of contract	560,876,362	
Others income	619,476,867	211,465,936
<b>Total</b>	<b>20,671,536,641</b>	<b>1,237,218,427</b>
<b>Other expenses</b>		
Tax fines expenses	1,067,183,636	5,862,830,389
Others	585,590,388	4,714,048,666
<b>Total</b>	<b>1,652,774,024</b>	<b>10,576,879,055</b>
<b>Other profit</b>	<b>19,018,762,617</b>	<b>(9,339,660,628)</b>



**5.25 Current income tax expense**

	Year 2018 VND	Year 2017 VND
Corporate income tax expense calculated on current taxable income	143,791,012,051	80,317,038,920
<b>Total</b>	<b>143,791,012,051</b>	<b>80,317,038,920</b>

**5.26 Earnings per share**

	Year 2018 VND	Year 2017 VND
Accounting profit after tax (VND)	452,269,879,903	325,168,265,805
Non-controlled interest	(4,145,458)	(14,326,153)
Decrease adjustment	4,467,764,723	6,631,661,968
Profit or loss attributable to Parent company shareholders owning common stock	447,806,260,638	318,550,929,990
Weighted average number of ordinary shares for basic earnings per share (convertible par value of VND 10,000 / share)	199,996,305	155,852,047
Earnings per share (VND/share)	2,239	2,044

The profit of 2018 allocated to shareholders owning common shares does not include distribution deductions into funds.

**6. OTHER INFORMATION**

**6.1 Related parties**

**Balance with related parties**

<b>Related parties</b>	<b>Relationship</b>	<b>31/12/2018</b>	<b>01/01/2018</b>
<b>Trade receivables</b>			
Hai Phat Thu Do Investment., JSC	Co-control	16,355,465,698	-
Hai Phat Kinh Bac., JSC	Co-control	-	156,000,000
PSP Hai Phat Urban Services., JSC	The company relates to the Company's leadership	-	8,548,980,600
Dai Dong A Investment., JCS	Associated company	331,665,201	86,971,970,909
Hai Phat Conc., JSC	Related companies of members are intimate with the Company's leaders	500,892,339	-
<b>Short-term repayments to suppliers</b>			
Hai Phat Construction., JSC	Related companies of members are intimate with the Company's leaders	-	81,295,153,329
<b>Related parties</b>	<b>Relationship</b>	<b>31/12/2018</b>	<b>01/01/2018</b>
<b>Trade payables</b>			
PSP Hai Phat Urban Services., JSC	The company relates to the Company's leadership	3,762,779,087	13,034,242,556
An Quy Hung Co., Ltd	Co-control	9,728,989,435	13,340,210,577
Hai Phat Conc., JSC	Related companies of members are intimate with the Company's leaders	21,261,363,414	
<b>Other payable</b>			
Hai Phat Thu Do Investment., JSC	Co-control	202,200,220,000	215,044,754,302
Hai Luong Services and Investment Co., Ltd	The company relates to the Company's leadership	-	5,302,959,296
Deposits received			
Dai Dong A Investment., JCS	Associated company	20,000,000,000	-

**Significant transactions with key personnel**

<b>Related parties</b>	<b>Nature of transaction</b>	<b>Year 2018 VND</b>	<b>Year 2017 VND</b>
Member of the Board	Remuneration	9,617,089,929	4,646,220,648

## 6.1 Related parties (Continued)

## Transactions with related parties

Related parties	Nature of transaction	Year 2018	Year 2017
<b>Purchase transactions</b>			
PSP Hai Phat Urban Services., JSC	Buy goods and services	24,196,381,120	20,178,460,260
Hai Luong Services and Investment Co., Ltd	Buy goods and services	-	37,187,254,546
Thanh Nhan Construction and Trading Investment., JSC	Construction	-	12,257,317,273
Hai Phat Conc., JSC	Construction	236,172,807,505	128,730,604,509
Hai Phat Thu Do Investment., JSC	Transfer of shares	-	234,304,854,302
An Quy Hung Co., Ltd	Construction	7,386,049,185	-
Do Quy Hai	Transfer of shares	-	37,765,290,000
Dai Dong A Investment., JCS	Buy Real estste	79,764,831,185	-
Railway Urban and Infrastructure Development Investment JSC	Construction and Buy goods and services	4,169,849,892	-
UHY Ltd Auditing & Consulting Company Limited	Service	736,493,636	-
H.p.t Building Materials.,JSC	Buy goods	2,052,706,308	-
<b>Transaction from borrowing</b>			
Hai Luong Services and Investment Co., Ltd	Interest	190,333,583	3,414,218,484
Chu Thi Luong	Interest	433,333,333	6,809,648,416
Tran Hoai Anh	Borrow	-	14,701,000,000
	Interest	-	914,184,394
Tran Thanh Huong	Borrow	-	1,300,000,000
	Interest	16,791,667	207,869,887
Do Quy Thanh	Borrow	-	3,400,000,000
	Interest	-	701,094,640
Tran Thi Thu Hang	Borrow	-	2,900,000,000
	Interest	22,958,333	22,958,333
Dao Tien Dung	Interest	-	847,807,021
Tran Thuy Anh	Borrow	-	10,000,000,000
	Interest	-	387,265,532
Do Quy Cuong	Borrow	-	14,701,000,000
	Interest	-	546,078,175
Le Viet Dung	Borrow	-	5,000,000,000
	Interest	-	206,122,535
	Borrow	-	9,500,000,000
	Interest	81,250,000	1,496,314,732
<b>Other payable transactions</b>			
Tran Hoai Anh	Borrow	-	104,349,471,000
	Borrow	-	50,000,000,000
Hai Phat Conc., JSC	Borrow	5,000,000,000	35,000,000,000
Le Tien Hung	Borrow	-	186,359,170,000
Hai Phat Thu Do Investment., JSC	Loan	52,000,000,000	-
	Centralized capital management	79,000,000,000	-
<b>Deposits received transactions</b>			
Dai Dong A Investment., JCS	Down payment	20,000,000,000	-

**HAI PHAT INVESTMENT JOINT STOCK COMPANY**

Consolidated Financial Statements for the year ended 31 December 2018

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** FORM B 09-DN**6.1 Related parties (Continued)**

Related parties	Nature of transaction	Year 2018 VND	Year 2017 VND
Sale transactions			
PSP Hai Phat Urban Services., JSC	Service provider	29,042,672,392	24,259,105,183
Hai Luong Services and Investment Co., Ltd	Service provider	-	1,069,848,406
	Sale real estate	-	31,075,000,000
Hai Phat Thu Do Investment., JSC	Service provider	70,389,185,560	2,271,578,925
Hai Phat Conc., JSC	Service provider	455,356,672	335,363,101
Thanh Nhan Construction and Trading Investment., JSC	Sale goods	-	7,811,710,500
Dai Dong A Investment., JCS	Sale trading floor	301,513,819	77,653,545,456
Do Quy Thanh	Transfer of shares	-	143,056,000,000
Other receivable transactions			
Hai Phong Land Development Company Limited	Investment cooperation	-	300,032,160,000
Duc Hong Fine Arts Co., Ltd.	Loan	-	750,000,000
Hai Phat Thu Do Investment., JSC	Loan	-	158,000,000,000

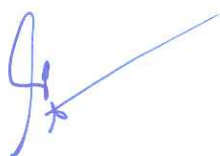
**6.2 Segment reporting**

Based on the guidelines in accounting standard No. 28 - report the department, in the main operation period of the company which is to build real estate for sale. At the same time, the company's business activities are carried out in Vietnamese territory. Real estate construction business for sale in the territory of Vietnam mainly generates revenue and profit for the company, while other revenue accounts for a small proportion of the total revenue of the company. Therefore, the Board of Management believes that the Company operates mainly in real estate and a division by key geographical areas of Vietnam territory. Hence, the Company does not need to prepare department reports.

**6.3 Corresponding figures**

Comparative information is taken from the Company's audited consolidated financial statements for the year ended 31 December 2017 with unqualified opinion.

Preparer



Ta Thi Hoan

Chief Accountant



Pham Huy Thong

Hanoi, March 04<sup>th</sup> 2019

General Director



Doan Hoa Thuan