



ANNUAL REPORT | 2020

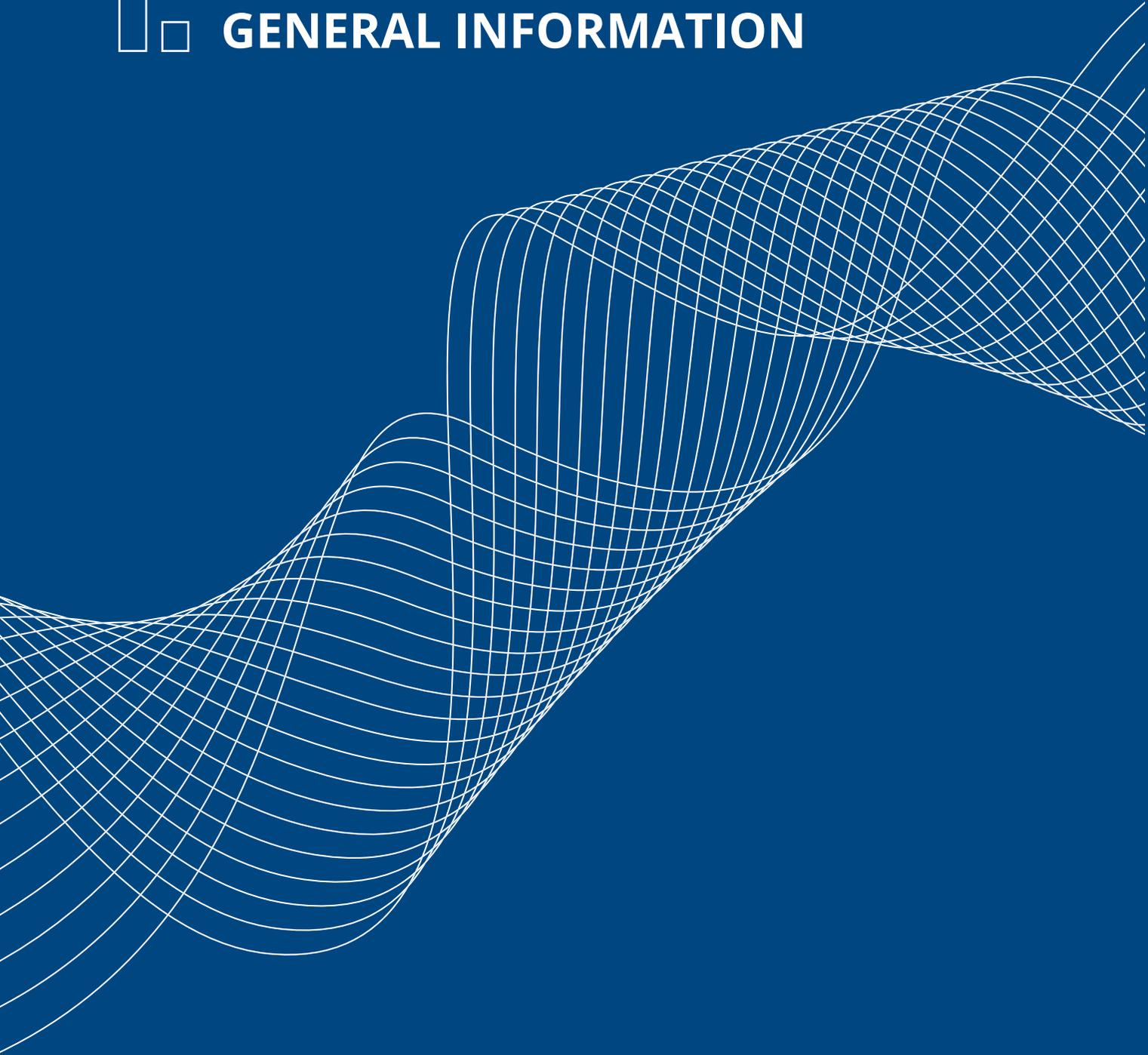


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GENERAL INFORMATION



1. SUMMARY INFORMATION

Trading name

Nam Viet Joint Stock Company

Address

18F Tang Nhon Phu, Phuoc long B
Ward, Thu Duc City, Ho Chi Minh City,
Viet Nam

Securities code

NAV

Telephone

028 3728 2102

Fax

028 3731 3641

Website

www.navifico.vn

Mail

naviinfo@navifico-corp.com

Certificate of Business Registration

No. 0302205973. The first registration dated 01 Feb, 2001. The thirteenth amendment dated 8 Mar, 2021.

Charter capital

80.000.000.000 VNĐ

Owners' capital

80,000,000,000 VNĐ

Incorporation and Development Process

- Nam Viet Joint Stock Company (NAVIFICO), formerly known as Nam Viet Company, was established in 1963.
- In 1975, NAVIFICO was transformed into a State-owned Company under the People's Committee of Ho Chi Minh City.
- In 2001, Nam Viet Company officially became a joint stock company under the name of Nam Viet Joint Stock Company.
- On 22 Dec, 2006, the Company's shares were listed on the HOSE (Ho Chi Minh City Stock Exchange).

Other events

NAVIFICO was a member of the IIBCC 2014 Viet Nam (International Inorganic Bonded Composite Conference) – a worldwide conference in fiber cement industry.

2. LINES AND MARKET PLACES

- Lines of the business:
Wood furniture processing and warehouse leasing services.
- Market places:
Domestic market and foreign markets mainly in Europe, the USA, Japan, Australia.



3. INFORMATION ON MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

Management model

The Company chose the Model No. 1 as stipulated at the Article 137 of the Law of Enterprises 2020 as follows:

- Annual Meeting of Shareholders (AMS)
- Board of Directors (BOD)
- Board of Supervisors (BOS)
- Board of Management (BOM)

The organization structure

Subsidiary:

- Nam Viet Wood Furniture Processing Factory

Departments

- The Company office
- Finance and Accounting Department

Associate

Contribution of 38.33 % share capital of Saigon Development Corporation (SDC).

• SAIGON DEVELOPMENT CORPORATION (SDC)

Charter capital: 45,000,000,000 VND

Office address: 143/7 D Ung Van Khiem Str., Ward 25, Binh Thanh District, Ho Chi Minh City.

Factory: 65, Street 12, Long Son Quarter, Long Binh Ward, Thu Duc City.

Lines of SDC's business: Cement grinding station, wood furniture processing.

4. DEVELOPMENT ORIENTATIONS

- Main development orientation of the Company: following the plan of the City, the Company discontinued the production activities at the location 18 F Tang Nhon Phu ; preserving the Company's capital and increasing the value of the Company's shares.
- The medium and long-term development orientation: Being investor of the real estate project at the location 18 F Tang Nhon Phu Street, Phuoc Long B Ward, District 9, Thu Duc City.
- Sustainable development orientation: investing finance in sustainable industries; implementing the measures keeping safety and protecting the environment in accordance with the legal regulations.

5. RISKS IN BUSINESS ACTIVITIES

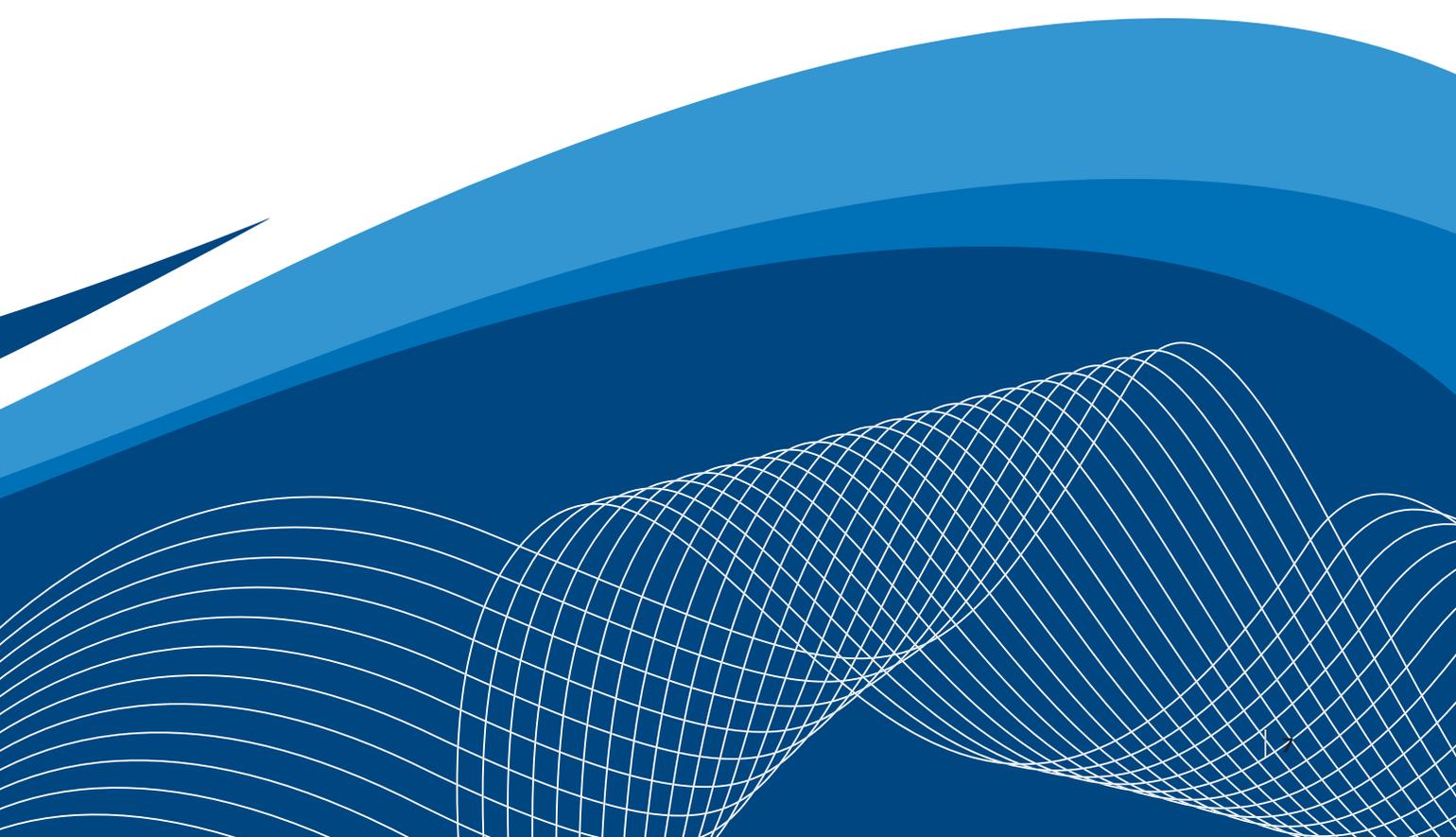
Compliance risks

- The change of the State's policies on land use planning: the Company had to adjust the business objectives in accordance with the land use planning of Thu Duc City.
 - Narrowing down production activities; increasing warehousing and commercial services;
 - Investing in real estate business;
 - Assuring the condition for labor safety, fire prevention and fighting; environmental protection, etc.

Trading risks

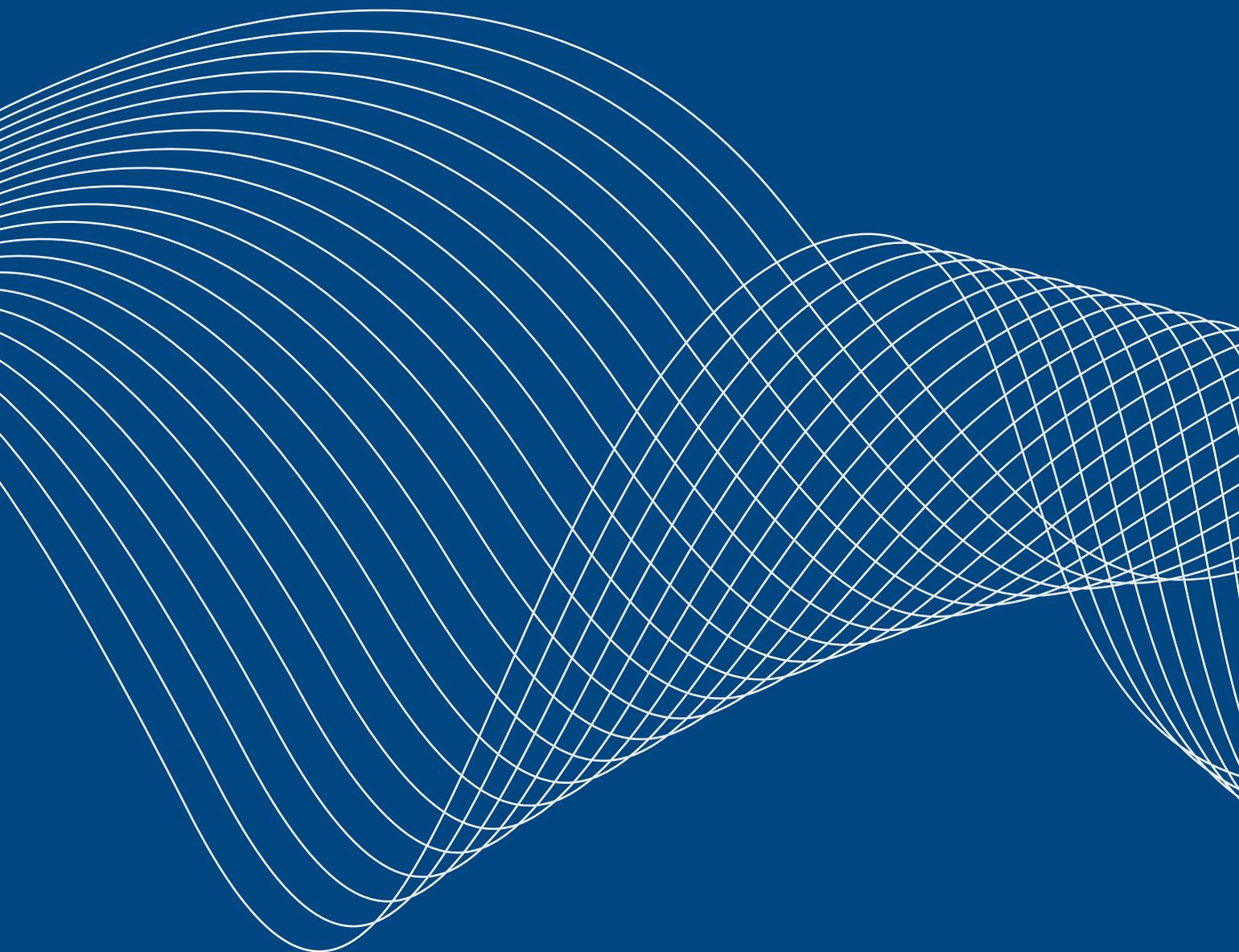
- Risks in inspection the financial duties of the Company;
 - Risks from the suppliers and customers;
 - Risks from changing the policies of the State in terms of finance, credit, exchange rate. In particular, the effects of warehouse leasing business, regional transportation infrastructure and traffic density passing through the residential areas.
- As for financial investment activities:
- Investing to the stable and sustainable industries;
 - Taking advantage of unemployed capital for short-term bank deposit as a temporary solution.
 - The financial investment at Saigon Development Corporation (SDC) has contributed well to the Company's financial income.

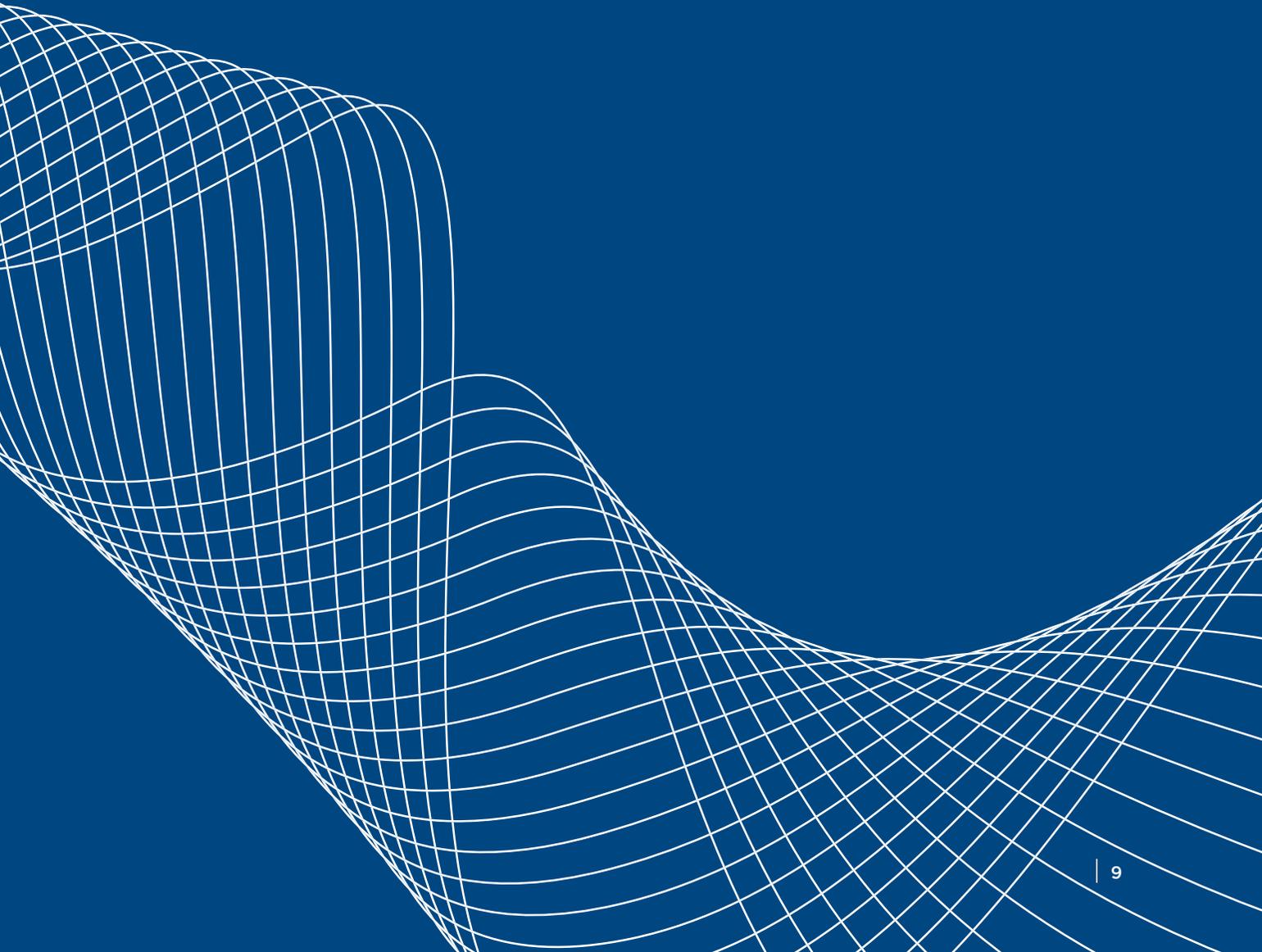
The Company continues to strengthen financial management, controlling strictly expenses which maintain the business activities





SITUATION OF BUSINESS OPERATION 2016 – 2020

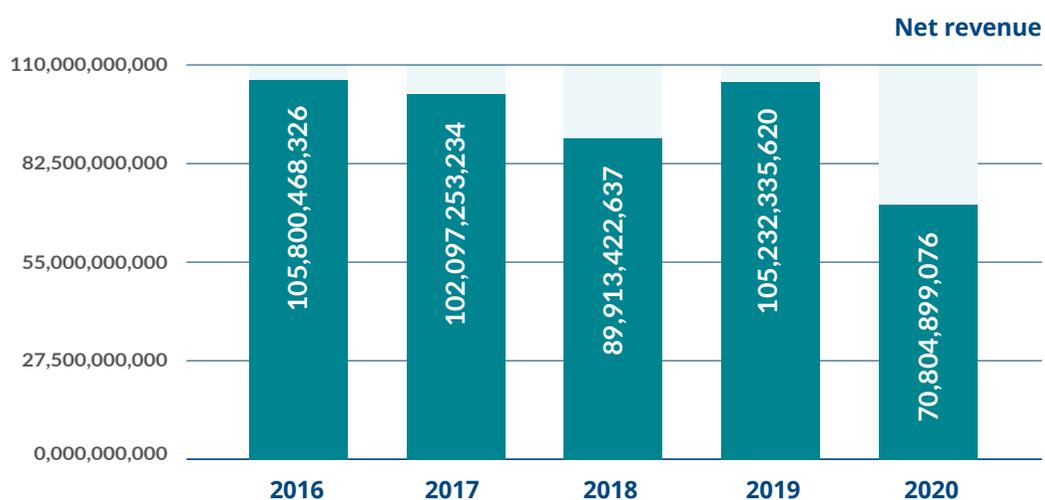


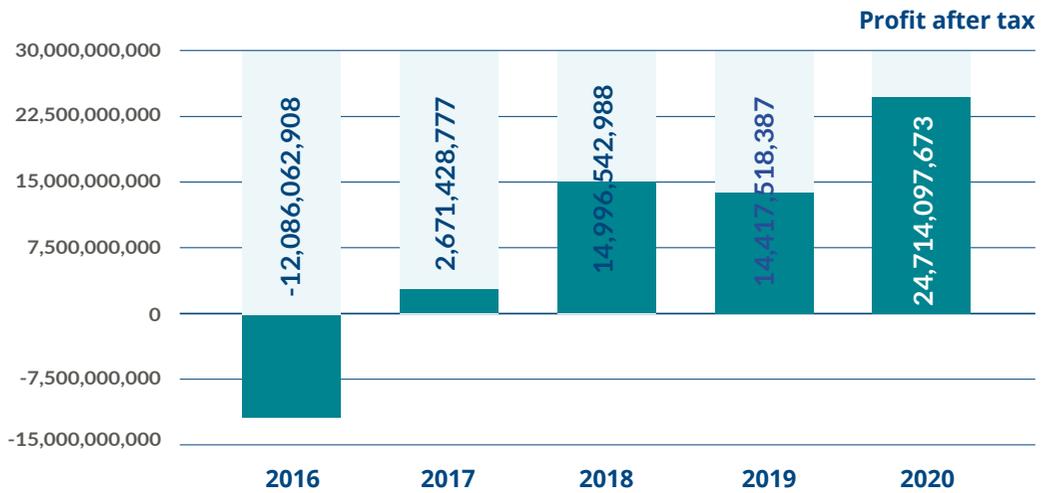


The year 2020 was the end of 2016-2020 term. The following figures were the business performance of this period.

1. BUSINESS HIGHLIGHT

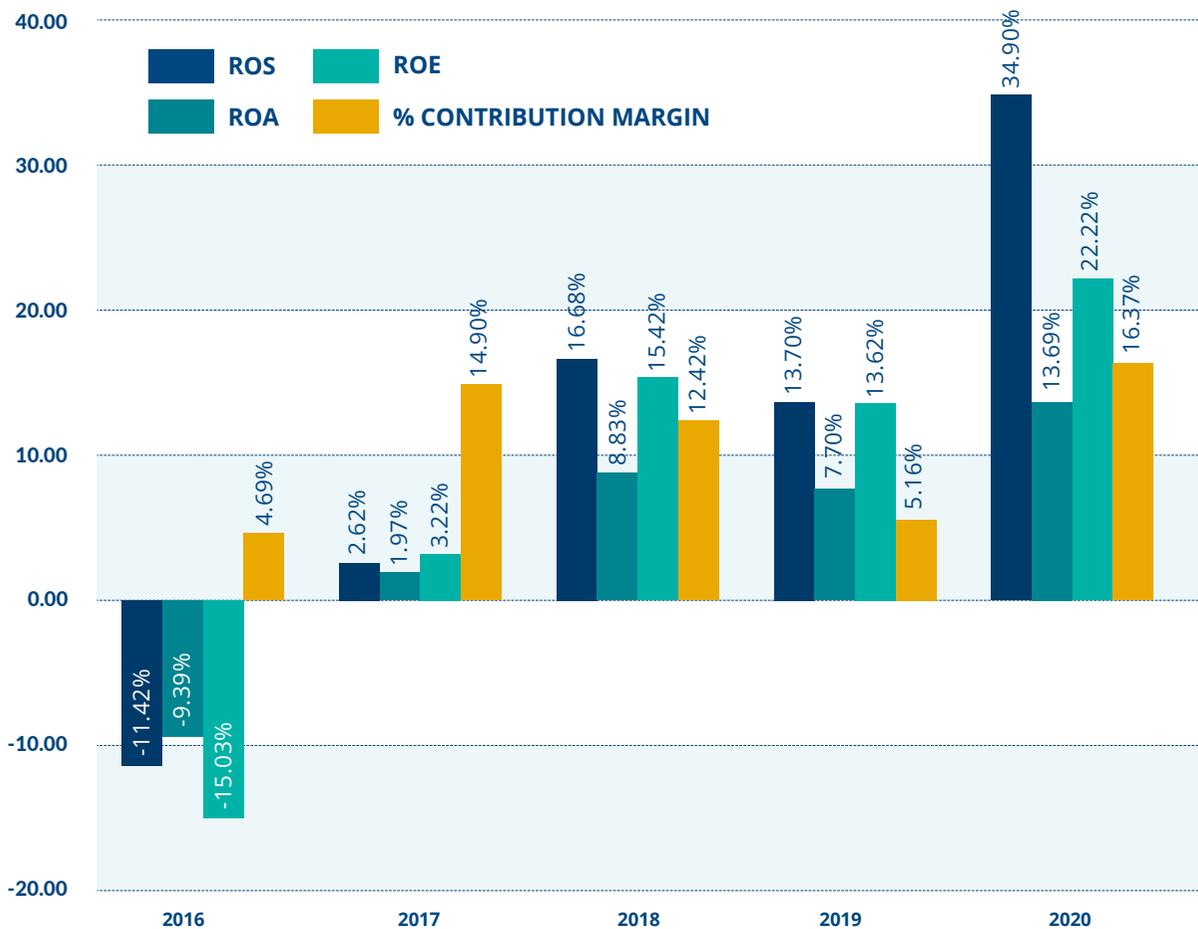
	2016	2017	2018	2019	2020
Net revenue	105,800,468,326	102,097,253,234	89,913,422,637	105,232,335,620	70,804,899,076
Cost of sales	100,838,078,894	86,889,008,865	78,748,607,317	99,806,127,541	59,211,653,764
Profit after tax	(12,086,062,908)	2,671,428,777	14,996,542,988	14,417,518,387	24,714,097,673
ROS	-11.42%	2.62%	16.68%	13.70%	34.90%
ROA	-9.39%	1.97%	8.83%	7.70%	13.69%
ROE	-15.03%	3.22%	15.42%	13.62%	22.22%
% Contribution margin	4.69%	14.90%	12.42%	5.16%	16.37%





Since the establishment of the Company, the year 2016 was the first year the Company was lost due to the subjective reasons in technical direction and operating the Company. The difficulties prolonged from 2016 to 2018 that gradually overcome after the decisions which changed the personnel and organizational apparatus.

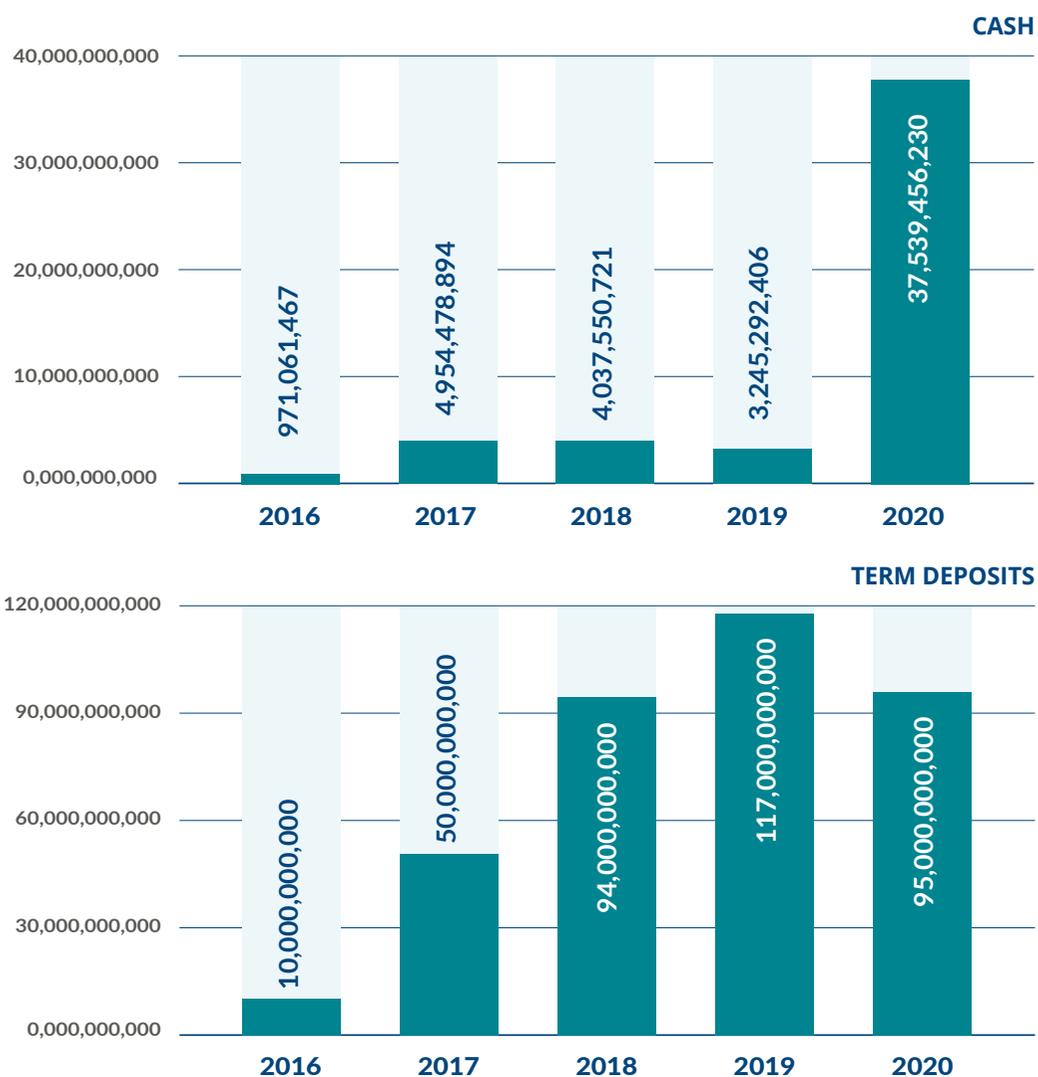
By the end of the 2016-2020 term until now, the Company has passed the turbulent period specially in the challenging context of pandemic Covid-19.



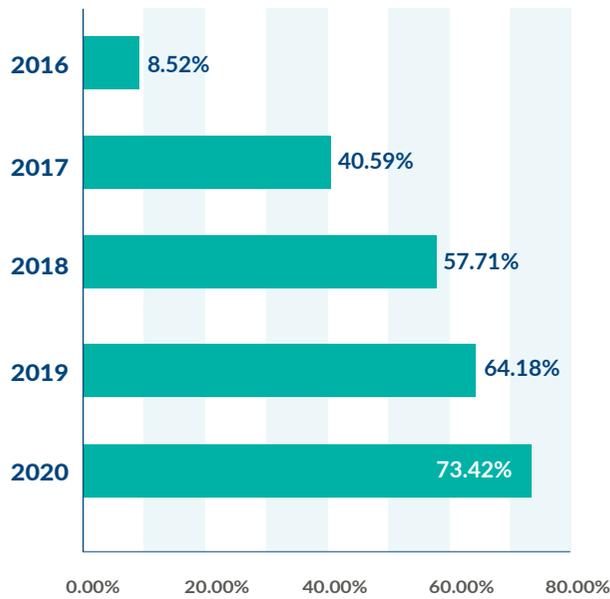
2. FINANCIAL SITUATION

	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
Cash	971,061,467	4,954,478,894	4,037,550,721	3,245,292,406	37,539,456,230
Term deposits	10,000,000,000	50,000,000,000	94,000,000,000	117,000,000,000	95,000,000,000
Total assets	128,780,235,680	135,381,506,085	169,890,777,239	187,351,156,939	180,525,356,379
The amount of money in the annual asset structure	8.52%	40.59%	57.71%	64.18%	73.42%
Increase the amount of money in the asset structure compared to the previous year	5.18%	31.30%	17.11%	6.48%	9.24%
Bank loan balance	22,754,196,323	-	-	-	-

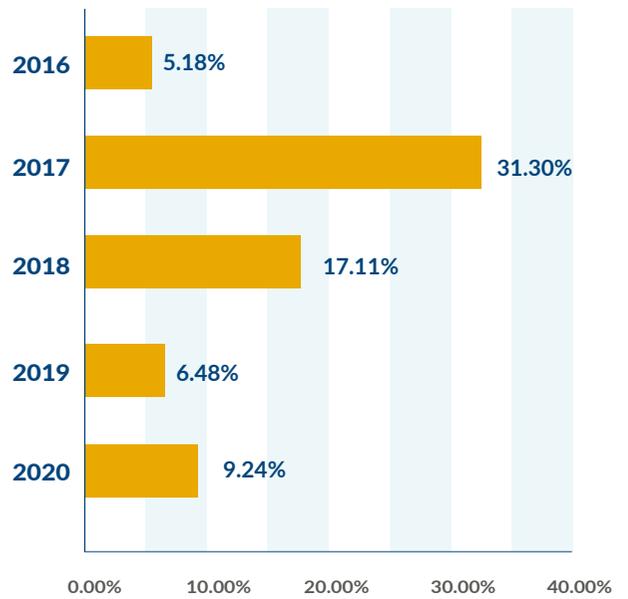
The Company achieved the goal of which concentrated on accumulating cash capital in the Company's total assets when there was no new investment demand.



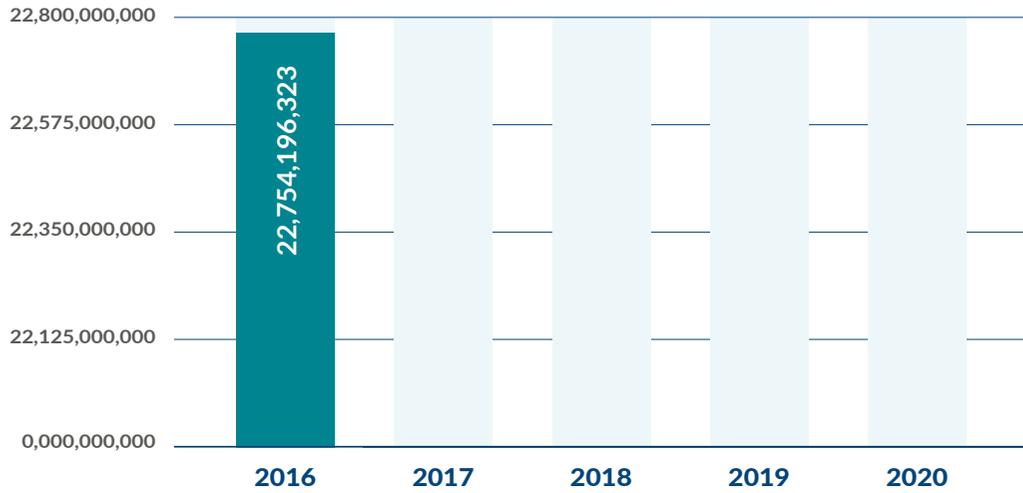
The amount of money in the annual asset structure



Increase the amount of money in the asset structure compared to the previous year



BANK LOAN BALANCE



Total assets

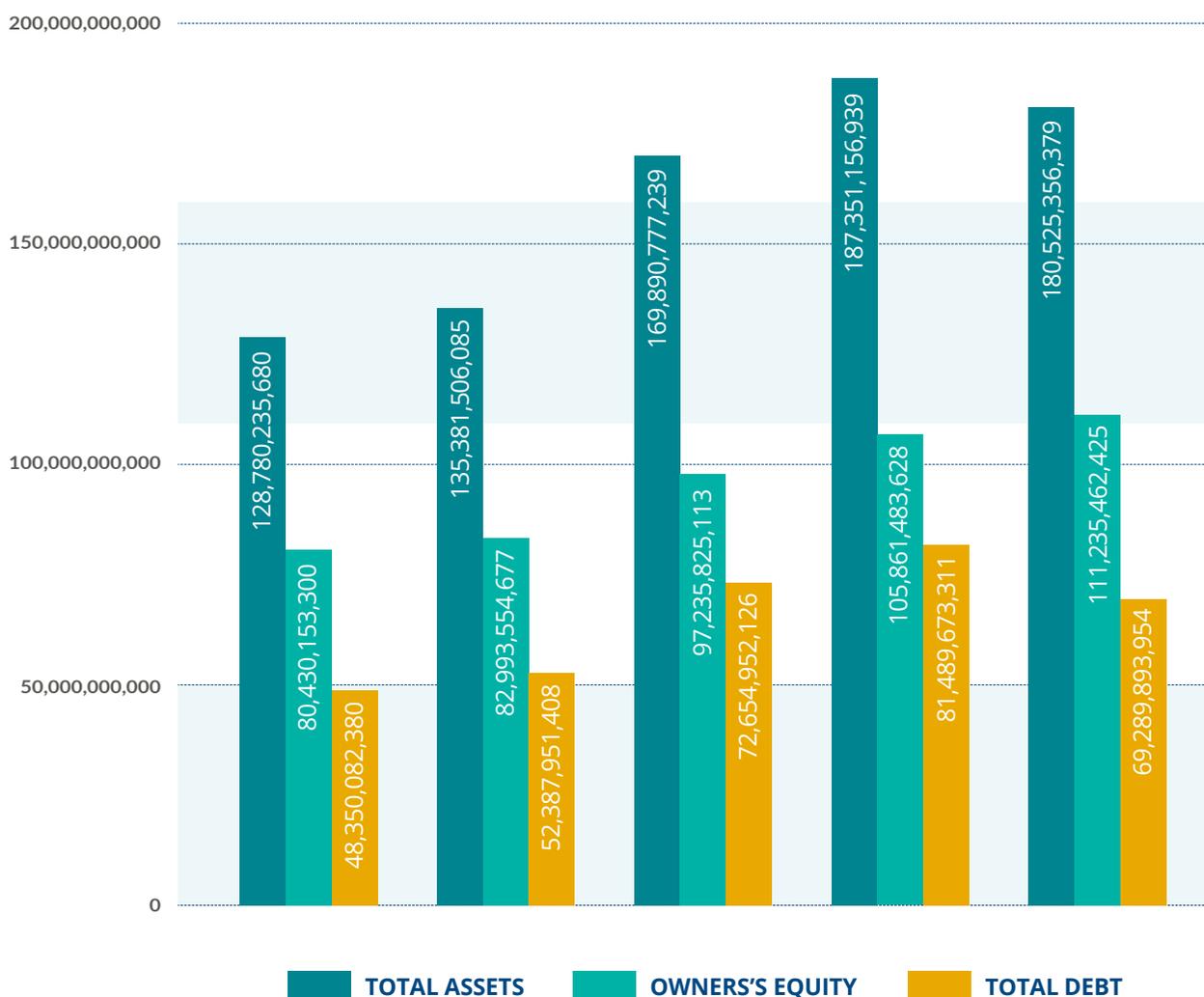


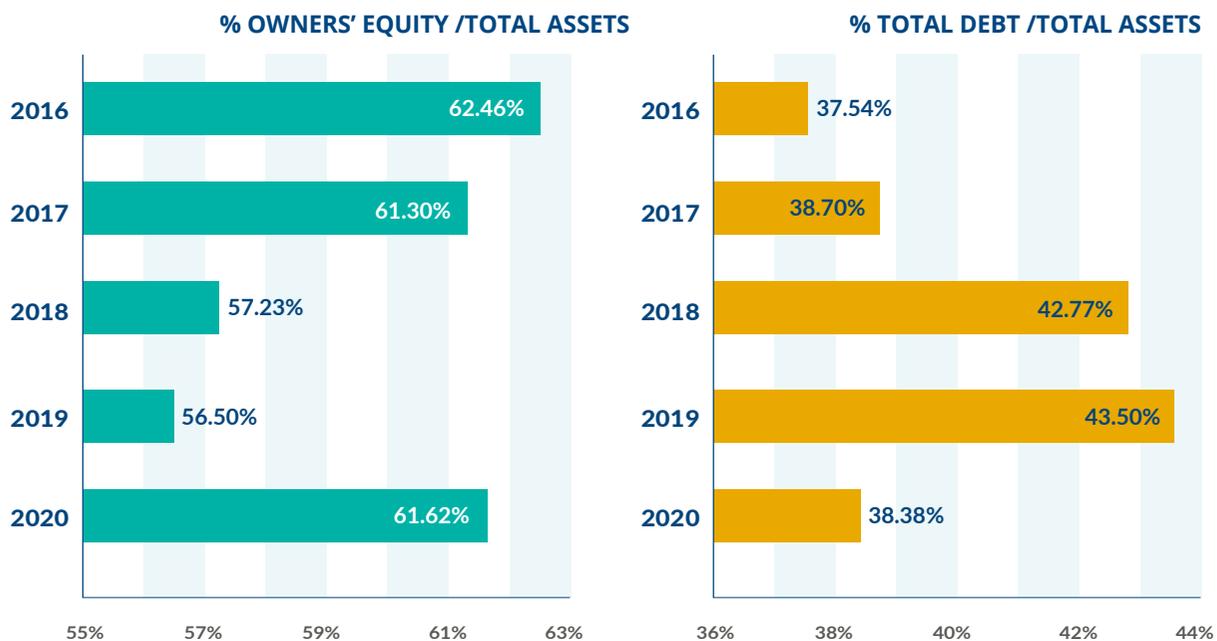
3. ASSETS SITUATION

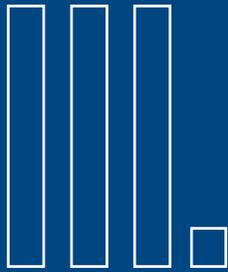
	2016	2017	2018	2019	2020
Total assets	128,780,235,680	135,381,506,085	169,890,777,239	187,351,156,939	180,525,356,379
Owners's equity	80,430,153,300	82,993,554,677	97,235,825,113	105,861,483,628	111,235,462,425
Total debt	48,350,082,380	52,387,951,408	72,654,952,126	81,489,673,311	69,289,893,954
% Owners' equity /Total assets	62.46%	61.30%	57.23%	56.50%	61.62%
% Total debt /Total assets	37.54%	38.70%	42.77%	43.50%	38.38%

The activities should be conducted immediately:

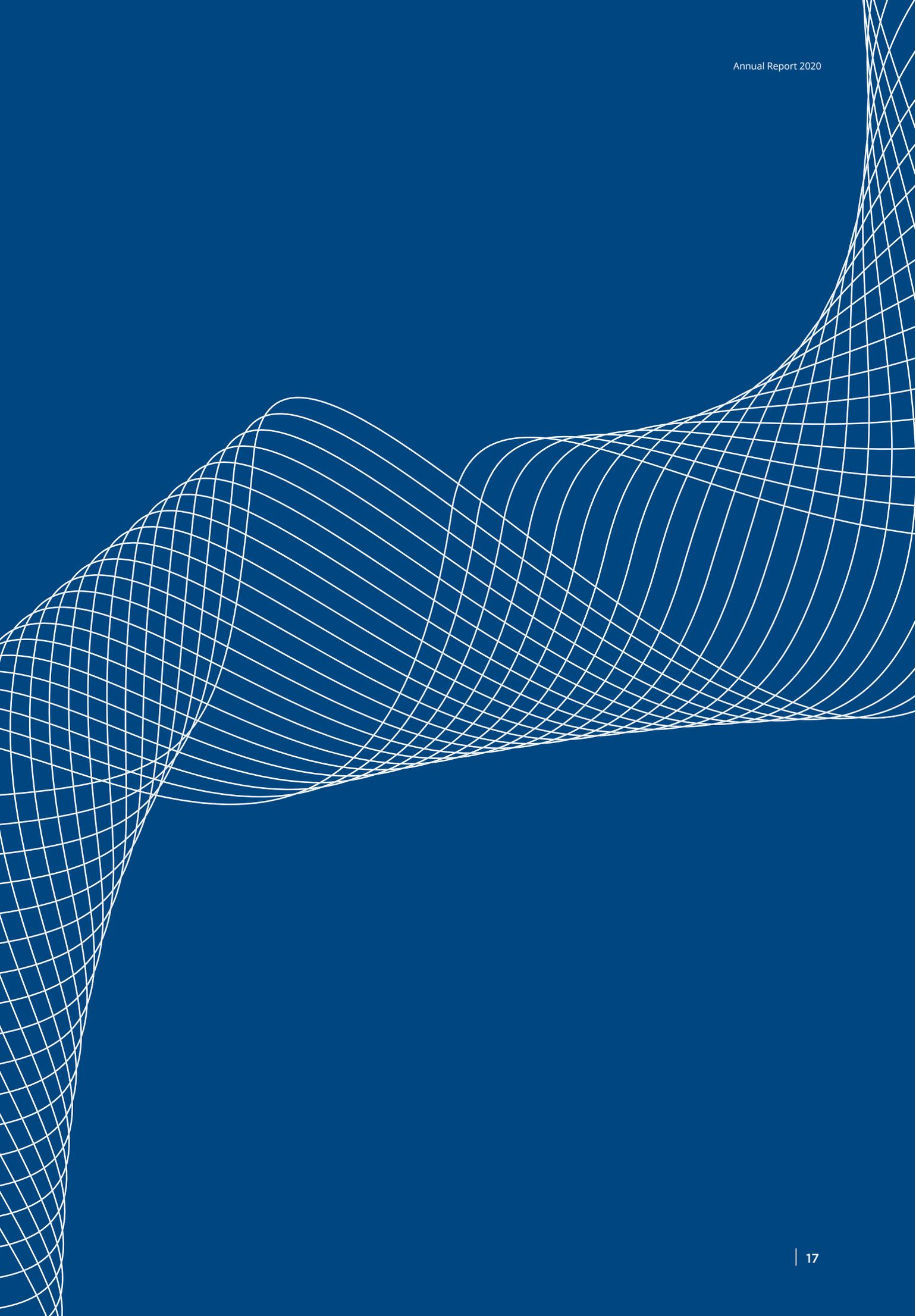
- Contacting the Department of Natural Resources and Environment to extend the Company's land lease contract.
- Developing financial plan for 2021-2025 term.







REPORT AND ASSESSMENT FROM THE BOARD OF MANAGEMENT



1. BUSINESS PERFORMANCE IN THE YEAR 2020

In 2020, the world economies have had to go through the most difficulties of the Covid-19 pandemic, however, Viet Nam has continued to be one of the countries which has still achieved the positive growth in the ASEAN region and maintaining its economic stability in the world.

Items	Actual 2019	Actual 2020	Compared to 2019	Comparative ratio to 2019 (%)
Net revenue on sales and services	105,232,335,620	70,804,899,076	(34,427,436,544)	67.28%
Total profit before tax	14,417,518,387	27,085,993,461	12,668,475,074	187.87%

(*) The Revenue decreased sharply over the same period last year due to the impact of the Covid 19 pandemic. Comparing the targets assigned by the Annual Meeting of Shareholders 2020 and the actual performance 2020.

Items	Resolution of Annual Meeting of Shareholders	Actual 2020	Compare (+/-)
Net revenue on sales and services	106,000,000,000	70,804,899,076	66.80%
Total profit before tax	18,000,000,000	27,085,993,461	150.48%

The revenue reached only 66.80% of the plan, but the Company still achieved the pre-tax profit 150.48% compared to the plan.

Items	Actual 2019	Actual 2020
Total value of assets	187,351,156,939	180,525,356,379
Net revenue	105,232,335,620	70,804,899,076
Cost of sales	99,806,127,541	59,211,653,764
Gross Profit	5,426,208,079	11,593,245,312
Profit before tax	14,417,518,387	27,085,993,461
Profit after tax	14,417,518,387	24,714,097,673
Profit rate paying dividend	18.02%	30.89%

(*) Maintaining the ability to pay dividends in cash to shareholders in accordance with the resolution of the Annual Meeting of Shareholders 2020 through the professional measures

- Strengthening financial management, strictly control operating costs, liquidating unsuitable materials, goods, and fixed assets; taking advantage of assets for doing business of warehouse and logistics.
- Following the Prime Minister's Decisions No. 64/2003/QĐ-TTg dated April 22, 2003; No. 86/2010/QĐ-TTg dated December 22, 2010 and No. 1469 / QĐ-TTg dated 22 Aug, 2014 and also the plan of the People's Committee of Ho Chi Minh City to relocate polluting production facilities out of the city center, the Company has made efforts to stop the production of the Wood Processing Factory on Dec 31, 2020 and liquidating the equipment, materials and goods. At the same time, the Company settled the unemployment allowance for the employees.

2. ORGANIZATION AND PERSONNEL

List of Executive Board

BOARD OF DIRECTORS (BOD)

Chairwoman of BOD
Ms. **Nguyen Thi Huong Ngan**
Member of BOD
Mr. **Ton That Manh**
Member of BOD
Mr. **Dao Nguyen Thoai**
Member of BOD
Mr. **Hoang Kieu Phong**
Member of BOD
Mr. **Nguyen Minh Triet**

BOARD OF SUPERVISORS

Head of the Board of Supervisors
Mr. **Nguyen Ngoc Phi**
Member of the Board of Supervisors
Mr. **Nguyen Ton Nhan**
Member of the Board of Supervisors
Mr. **Nguyen Dinh Minh**

(* Mr. Vu Hai Bang resigned as member of BOD and Chairman of BOD on 01 Jan, 2020.

(* Mr. Nguyen Quang Hung was elected by the BOD to be the Chairman of the BOD on 10 Jan, 2020

(* Mr. Nguyen Quang Hung resigned as member of BOD on 01 July, 2020

BOARD OF MANAGEMENT

General Director
Mr. **Ton That Manh**
Deputy General Director
Mr. **Pham Minh Tuyen**

CHIEF ACCOUNTANT

Ms. **Tran Thi My Thanh**
Be concurrently Corporate Governance Officer from 31 Dec, 2020.

(* Mr. Ton That Manh resigned his post as General Director at 30 Sept, 2020

(* Mr. Hoang Quoc Khanh was in charge of General Director on 01 Oct, 2020

(* Mr. Pham Minh Tuyen resigned as Deputy General Director on 31 Oct, 2020

3. NUMBER OF THE STAFF

Total number of employees by Dec 31, 2020
29 persons

Classified by professional level:

Post graduate	1 persons
University	8 persons
College	1 persons
Intermediate	3 persons
Skilled labor force	16 persons

4. SHAREHOLDERS STRUCTURE AND THE CHANGE OF INVESTMENT CAPITAL OF THE OWNERS.

Total number of shares: 8,000,000 shares which are all common shares.

• Individual shareholders	20,134 %
• Institution shareholders	79,866 %
• Domestic shareholders	99,105 %
• Foreign shareholders	0,895 %
• State shareholder	20 %
• Other shareholders	80 %

5. FINANCIAL SITUATIONS IN THE YEAR 2020

In the fiscal year 2020, a rapid increase in cash capital which in 2019, accounted for 64.18% of total assets; in 2020, this ratio reached 73.42%, increased by 9.24% compared to 2019.

	Dec 31, 2019	Dec 31, 2020
Cash	3,245,292,406	37,539,456,230
Term deposit	117,000,000,000	95,000,000,000
Total assets	187,351,156,939	180,525,356,379
Amount of money in the annual asset structure	64.18%	73.42%
Increase in the amount of money in the asset structure compared to the previous year	6.48%	9.24%

Key financial indicators

Financial indexes	Unit	2019	2020
1. Solvency index	Time		
Short-term payment ratio			
Short-term assets/short-term debt	Time	1.70	2.14
Quick payment ratio			
Short-term assets/ Inventory	Time	1.52	1.88
Short-term debt			
2. Capital structure index			
Debt/ Total assets ratio	%	41.85%	34.78%
Debt/ Owners' equity	%	74.07%	56.44%
3. Operation capability index			
Inventory turnover			
Cost sales/ Average inventory	Time	7.4	4.0
Total asset turnover			
Net revenue/Average total assets	VND	0.56	0.38
4. Profitability index			
Profit after tax/ Net revenue ratio	ROS	13.70%	34.90%
Profit after tax/ Owners' capital ratio	ROE	13.62%	22.22%
Profit after tax/ Total assets ratio	ROA	7.70%	13.69%
Profit from operating/ Net revenue ratio	GOS	5.16%	16.37%

6. REPORT ON THE ENVIRONMENT AND SOCIAL RESPONSIBILITY OF THE COMPANY

The Company complied seriously with the environmental laws and the regulations, so there did not violate the environment regulations in 2020.





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**ASSESSMENT ON THE
BUSINESS ACTIVITIES OF
□ THE BOARD OF DIRECTORS**



1. ASSESSMENT ON THE BUSINESS ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors performed the following duties:

- Operating business in accordance with the provisions of the Enterprises Law, Securities Law, Company's Charter and Internal Regulations.
- The coordination between the Board of Directors, the Board of Management and the Board of Supervisors was in accordance with the functions, responsibilities and the Company's regulations.
- The Board of Directors instructed the Board of Management to focus all Company activities for the purpose of capital preservation and well implemented the Resolutions of the Annual Meeting of Shareholders 2020.
- The Board of Directors instructed the Board of Management to promptly respond to issues that emerged.

2. LIST OF THE BOARD OF DIRECTORS AND NUMBER OF SHARES HELD AS OF 31 DEC, 2020

Ms. Nguyen Thi Huong Ngan
Position at NAVIFICO: Chairwoman of the BOD
Education: 12/12
Total shares held (NAV): 2.568.442
Ownership ratio (%): 32,11
Professional qualification: University
Role: Non- executive
Position at other entity
SOLAR AG JSC, Director. MGA Viet Nam JSC, Director

Mr. Ton That Manh
Position at NAVIFICO: Member of the BOD
Education: 12/12
Total shares held (NAV): -
Ownership ratio (%): 0,00
Professional qualification: Bachelor of Business Management
Role: General Director
Position at other entity:
Chairman of BOD Saigon development Corporation (SDC)

Mr. Hoang Kieu Phong
Position at NAVIFICO: Member of BOD
Education: 12/12
Total shares held (NAV): 804.226
Ownership ratio (%): 10,05
Professional qualification: Master of Business Management
Role: Non- executive
Position at other entity:
Tien Trian Viet Nam Ltd., Deputy General Director
Quang Minh Mechanical Engineering and Five Metals Ltd, Chairman cum Director

Mr. Dao Nguyen Thoai
Position at NAVIFICO: Member of the BOD
Education: 12/12
Total shares held (NAV): -
Ownership ratio (%): 0,00%
Professional qualification:
Role: Non-executive
Position at other entity:
Chief of Organization and Personnel
Department of SGCC

Mr. Nguyen Quang Hung
Position at NAVIFICO: Member of the BOD
Education: 12/12
Total shares held (NAV): -
Ownership ratio (%): 0,00%
Professional qualification: Bachelor of Business Management
Role: Non-executive
Position at other entity:
Chairman of the BOD Viet Hai Investment JSC Co.

Mr. Nguyen Minh Triet
Position at NAVIFICO: Member of the BOD
Education: 12/12
Total shares held (NAV): -
Ownership ratio (%): 0,00%
Professional qualification: Master
Role: Non-executive
Position at other entity:
MGA Viet Nam JSC, Sales Director

3. THE BOARD OF DIRECTORS'S ACTIVITIES

Holding quarterly and unscheduled key meetings at the request of members of the Board of Directors, the Board of Supervisors and the Board of Management to take measures to promptly handle the problems and issuing the instructions in accordance with the situations.

The Resolution /Decision of the Board of Directors

No	Resolution/Decision No.	Date	Content
1	01-2020/NQ-HĐQT-NAV	Jan 03, 2020	Resolution on approval of the resignation letter of Mr. Vu Hai Bang
2	02-2020/NQ-HĐQT-NAV	Jan 10, 2020	Resolution of the Board of Directors of Nam Viet Joint Stock Company unanimously assigned Mr. Nguyen Quang Hung to assume the role of Chairman of the Board of Directors from January 10, 2020
3	01-2020/QĐ-HĐQT-NAV	Mar 12, 2020	Decision on the establishment the organizing committee of the Annual General Meeting of Shareholders 2020
4	03-2020/ NQ-HĐQT-NAV	Mar 12, 2020	Resolution on organizing the Annual General Meeting of Shareholders 2020
5	04-2020/NQ-HĐQT-NAV	Mar 12, 2020	Regarding the approval of documents submitted to the Annual General Meeting of Shareholders in 2020
6	05-2020/NQ-HĐQT-NAV	May 25, 2020	Resolution on appointment of Ms. Nguyen Thi Huong Ngan as Chairwoman of the Board of Directors
7	06-2020/NQ-HĐQT-NAV	May 25, 2020	Resolution on additional payment for dividends in 2019
8	07-2020/NQ-HĐQT-NAV	May 25, 2020	Resolution on advance payment for dividends in 2020
9	08-2020/NQ-HĐQT-NAV	May 25, 2020	Resolution on approval for the salary unit price 2020
10	09-2020/NQ-HĐQT-NAV	July 30, 2020	Resolution on the first payment of cash dividends in 2020
11	10-2020/NQ-HĐQT-NAV	July 30, 2020	Resolution on holding the Extraordinary General Meeting of Shareholders in 2020
12	11-2020/NQ-HĐQT-NAV	July 30, 2020	Resolution on approval of the documents for Extraordinary General Meeting of Shareholders 2020
13	02-2020/QĐ-HĐQT-NAV	Aug 10, 2020	Decision on establishment of the Organizing Committee of the Extraordinary General Meeting of Shareholders 2020
14	12-2020/NQ-HĐQT-NAV	Sep 5, 2020	Resolution of the Board of Directors on the appointment of Mr. Hoang Quoc Khanh as General Director.
15	03-2020/QĐ-HĐQT-NAV	Oct 01, 2020	Decision of the Board of Directors on the appointment of Mr. Hoang Quoc Khanh as General Director from October 1, 2020
16	13-2020/NQ-HĐQT-NAV	Dec 30, 2020	Resolution of the Board of Directors on the appointment of Ms. Tran Thi My Thanh as the person in charge of Corporate Governance

4. ASSESSMENT FROM THE BOARD OF DIRECTORS ON THE ACTIVITIES OF THE BOARD OF MANAGEMENT

From assessing the risks in business, the Board of Directors had the following decisions:

- Capitalizing by money all assets of the Company.
- Setting out the Company’s business orientation for 2021-2025 term.

List of the Board of Directors’ members attending Corporate Governance seminar.

Full name	Position	Attended seminar on Corporate Governance by IFC & HOSE	No Corporate Governance Certificate
Ms NGUYEN THI HUONG NGAN	Chairwoman of BOD		
Mr. TON THAT MANH	Member of BOD		
Mr. DAO NGUYEN THOAI.	Member of BOD		
Mr HOANG KIEU PHONG	Member of BOD		
Mr NGUYEN MINH TRIET	Member of BOD		



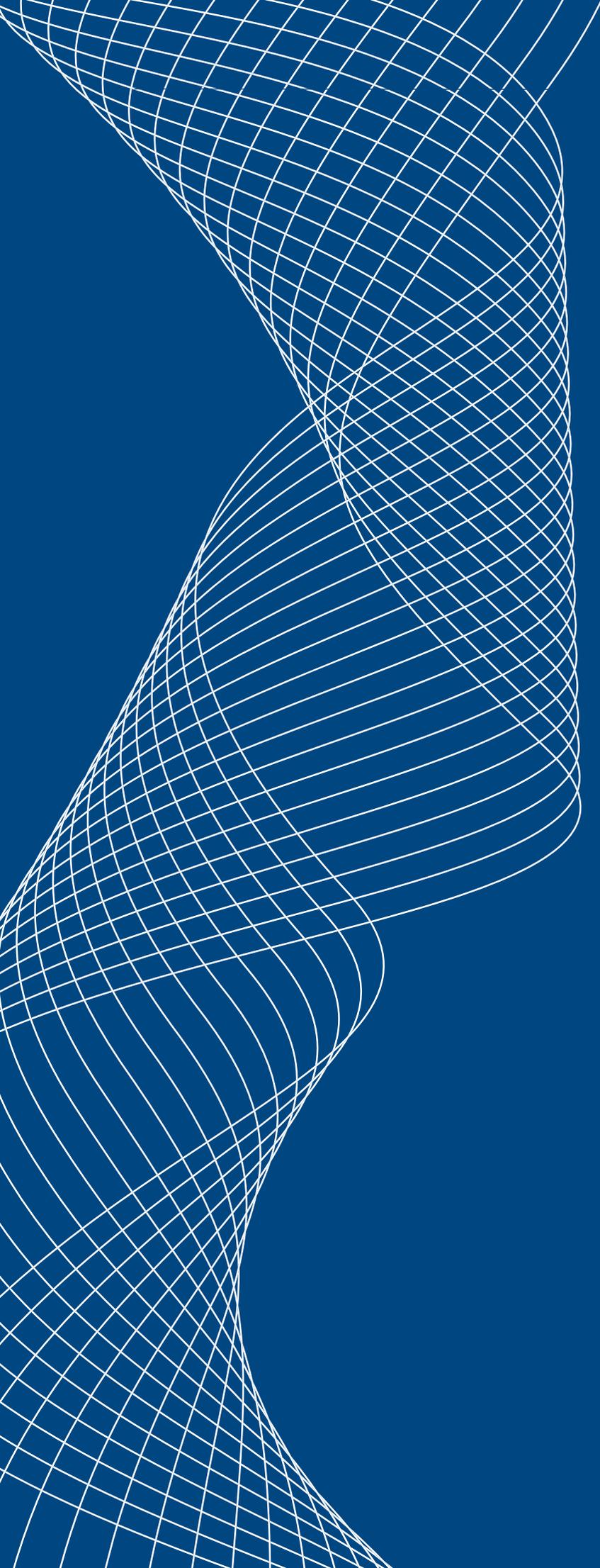
Annual General Meeting of Shareholders 2019-2020

Transactions of insiders and related persons on the Company's shares

No.	Related person	Relationship with insider	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for the increase, decrease (buy, sell, convert, reward, etc.)
			Number of share	(%)	Number of share	(%)	Buy shares
1	Nguyen Thi Huong Ngan		1.717.832	21,47%	2.568.442	32,11%	Buy shares
2	Hoang Kieu Phong		0	0,00%	804.226	10,05%	Buy shares
3	Ton That Manh		84.640	1,06%	0	0 %	Sell shares
4	Nguyen Thi Dieu Lan	Mr. Ton That Manh's wife	132.000	1,65%	0	0 %	Sell shares
5	Nguyen Truong Khoa	Mr. Ton That Manh 's son in law	168.940	2,11%	0	0 %	Sell shares
6	Pham Minh Tuyen		27.748	0,35%	0	0 %	Sell shares
7	Nguyen Ton Nhan		10.226	0,13%	6	0 %	Sell shares
8	Nguyen Ton Hao Nhu	Mr. Nguyen Ton Nhan's elder sister	3.540	0,04%	0	0 %	Sell shares
9	Nguyen Ton Nghiem	Mr. Nguyen Ton Nhan's younger bro	1.016	0,01%	6	0 %	Sell shares
10	Nguyen Ton Diem Nha	Mr. Nguyen Ton Nhan's younger sister	371.718	4,65%	0	0 %	Sell shares
11	Tran Thi My Thanh		2.000	0,03%	0	0 %	Sell shares



THE REPORT OF THE BOARD OF SUPERVISORS (BOS)



1. MEMBERS OF THE BOARD OF SUPERVISORS

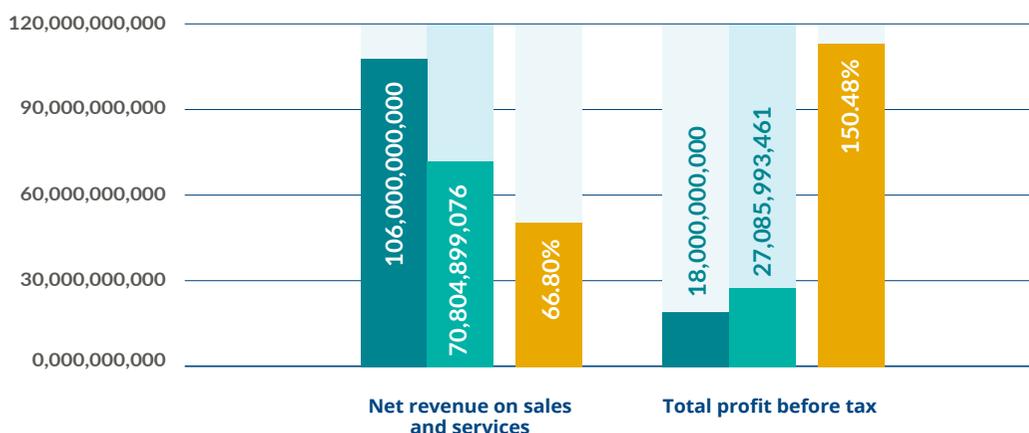
Full name	Position at NAVIFICO	Edu	Total shares held (NAV)	Ownership ratio (%)	Professional level	Role	Other positions
BOARD OF SUPERVISIONS							
Mr. Nguyen Ngoc Phi	Head of the BOS	12/12	0	0 %	University of Economics	Non-Executive	
Mr. Nguyen Ton Nhan	Member of the BOS	12/12	6	0 %	Bachelor of Finance and Accounting, Fisheries University	Non-Executive	Member of the Board of Supervisors of SDC
Mr. Nguyen Dinh Minh	Member of the BOS	12/12	0	0 %	University of Economics	Non-Executive	Head of the Board of Supervisors of SDC

2. SUPERVISING THE IMPLEMENTATION OF THE RESOLUTIONS OF ANNUAL MEETING OF SHAREHOLDERS 2020.

Results of business performance

Items	Resolution AMS 2020	Actual 2020	Compare to AMS Resolution (%)
Net revenue on sales and services	106,000,000,000	70,804,899,076	66.80%
Total profit before tax	18,000,000,000	27,085,993,461	150.48%

Through the reported data, the Board of Management had successfully performed the major targets of 2020 that the Annual Meeting of Shareholders assigned.



3. ACTIVITIES OF THE BOARD OF SUPERVISORS 2020

In 2020, the Board of Supervisors actively participated with the analysts to analyze the fluctuations of financial situation of the Company.

The Board of Supervisors supervised the following issues:

- Actively monitoring the receivables, the ability to recover debts, making financial provisions, and handling bad debt provisions
- Checking inventory periodically and made adjusting entry after the revaluation of the actual value to the book value, making provision for the devaluation of slow-moving inventory.

The Board of Supervisors:

- Agreeing to the performance results and the indicators in the report of General Director.
- The Board of Supervisors reviewed the legality in implementing the decisions of the Board of Directors and the Board of Management in the fields of finance, risk prevention and the matters to be supervised.
- The Board of Supervisors agreed with the auditor's opinion on audit report No A0620243-R/AISC-DN6 dated Mar 01, 2021 on the Financial Statement of the Company prepared for year ended Dec 31, 2020.

4. SUPERVISING THE PERFORMANCE OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT.

- The Board of Supervisors had performed the tasks in accordance with the Company Charter, Internal Regulations and relevant legal regulations through the following contents:
 - Monitoring the performance of the Company's business plans.
 - Supervising the implementation of the resolutions of the Annual Meeting of Shareholders; the operation of the Board of Directors, the Board of Management and the executive officers within the supervision function.
 - Complying with the legal requirements on information disclosure.
- The Board of Directors held regular meetings and requesting the Board of Management to perform timely the information disclosure which stipulated by the authority

5. ASSESSMENT ON THE COORDINATION BETWEEN THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS AND THE BOARD OF MANAGEMENT.

In 2020, the Board of Directors and the Board of Management always created favorable conditions for the Board of Supervisors to update and supervising the Company's production and business situations.

6. RESULTS OF SUPERVISING TASK OF THE BOARD OF SUPERVISORS

- a) The Board of Management has implemented the Resolutions of the Annual Meeting of Shareholders 2020 and the directions of the Board of Directors according to the work assignment.
- b) Through the Company's financial supervision, the Board of Directors and the Board of Management has found the shortcomings in the operation and directed the solutions to solve the notable issues that arise in compliance with the Corporate Governance regulations; carrying out the specific measures to overcome the obstacles, improving the Company's efficiency.
- c) The Board of Supervisors has not detected any unusual transaction cases of the members of the Board of Directors, members of the Board of Management and the executive staff of the Company.

Some basic financial indicators:

The highlights in the fiscal year 2019 - 2020 were shown as:

Indicators	Actual 2019	Actual 2020
Total assets value	187,351,156,939	180,525,356,379
Net revenue	105,232,335,620	70,804,899,076
Cost sales	99,806,127,541	59,211,653,764
Gross profit	5,426,208,079	11,593,245,312
Profit before tax	14,417,518,387	27,085,993,461
Profit after tax	14,417,518,387	24,714,097,673
Rate of profit to pay dividends	18.02%	30.89%

Through the audit results, the Company had reduced the operating costs, increasing accumulation deposit of the unemployed capital to the banks. The financial investment in Saigon Development Corporation resulted in good profit after tax 2020.

7. SUGGESTIONS AND RECOMMENDATIONS:

The Board of Directors and the Board of Management have determinedly made efforts to fulfil the duties to control and maintain the Company's stability; focusing on preparing the necessary conditions for the future projects.

Prepare the condition for implementing the projects:

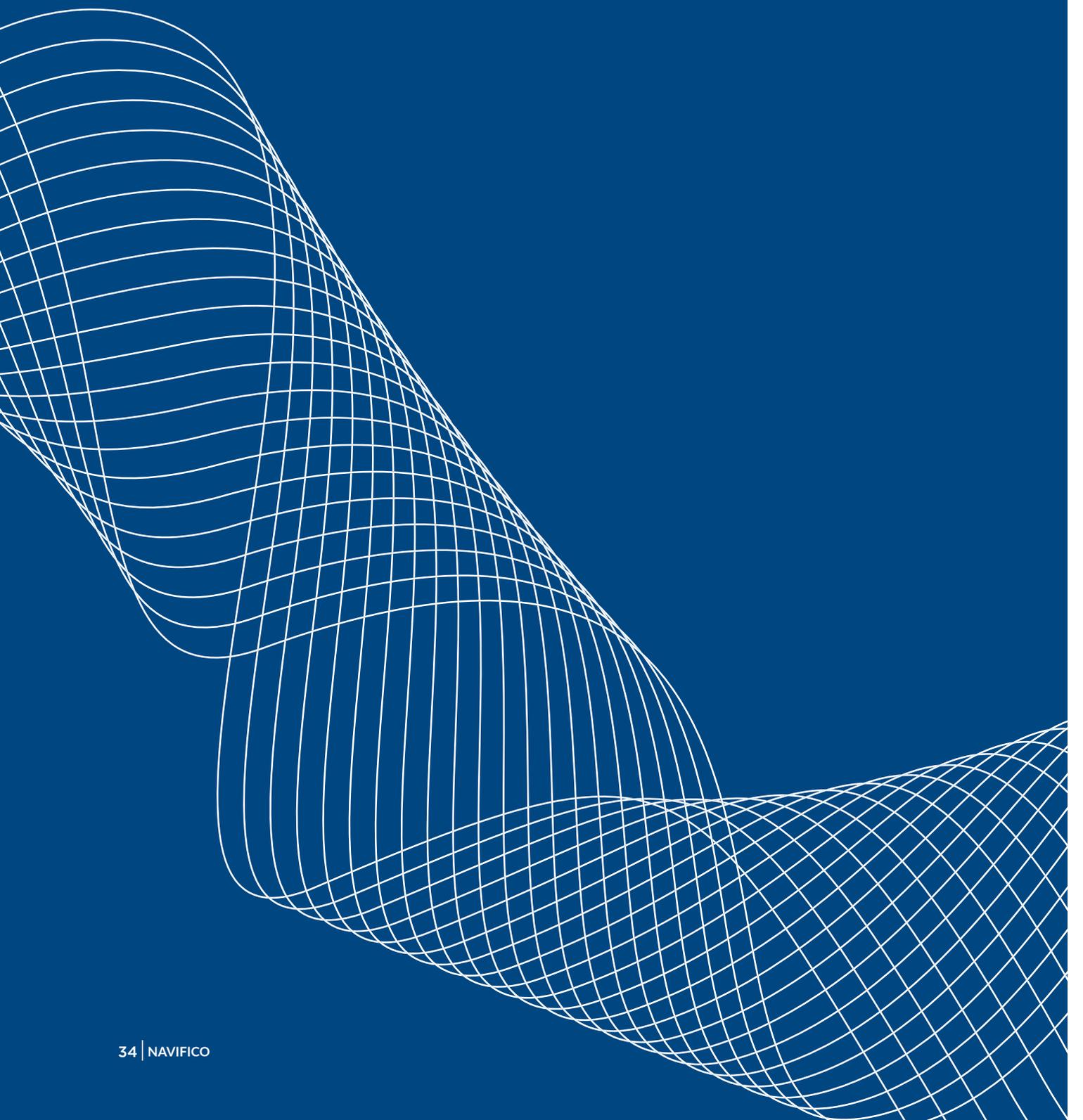
- Focusing on signing the Company's land lease contract with the Department of Natural Resources and Environment.
- Preparing the pre-feasibility report and the economic and technical feasibility study for the plan of stock issuance for capital mobilization.

8. REMUNERATION AND SALARY

Full name	Remuneration 2020 BOD & BOS (VND)	Salary received 2020 (VND)	Remarks
BOARD OF DIRECTORS (BOD)			
Ms. Nguyen Thi Huong Ngan	65.756.205		
Mr. Ton That Manh	97.487.977		General Director
Mr. Dao Nguyen Thoai	97.487.977		
Mr. Hoang Kieu Phong	65.756.205		
Mr. Nguyen Minh Triet	59.409.851		
(*) Mr. Nguyen Quang Hung	38.078.126		Resigned as the Board of Directors from July 01, 2020
BOARD OF SUPERVISORS (BOS)			
Mr. Nguyen Ngoc Phi	97.487.977		Head of BOS
Mr. Nguyen Ton Nhan	97.487.977	282.000.000	Member of BOS
Mr. Nguyen Dinh Minh	97.487.977	120,000,000	Member of BOS
BOARD OF MANAGEMENT (BOM)			
(*) Mr. Ton That Manh		598.996.905	General Director up to Sep 30, 2020
Mr. Hoang Quoc Khanh		173.552.250	General Director from Oct 01, 2020
Ms. Tran Thi My Thanh		429.000.000	Corporate Governance Officer

VI

**THE PLAN OF DEVELOPMENT
AND CAPITAL MOBILIZATION
IN 2021 -2025 TERM**



Being the investor of the Apartment and Commercial Complex Project at the location 18 F Tang Nhon Phu, Phuoc Long B Ward, District 9, Thu Duc City, the Company has prepared the following conditions:

1. Having the 1/2000-scale planning map for the zone where the project locate.
2. Having the land lease contract at the project's location.
3. After accomplishing the two above points, the Company continues signing consultancy contract with the professional companies specializing in performing the feasibility study; issuing securities; contacting the credit institutions to finance for the medium and long-term period.

The project need to be submitted to the Annual Meeting of Shareholders 2021 -2025 term for approval.

In term of legal procedures, it is necessary a 1/500-scale detailed planning of the project's location at 18F Tang Nhon Phu, Phuoc Long B Ward, Thu Duc City. Besides that:

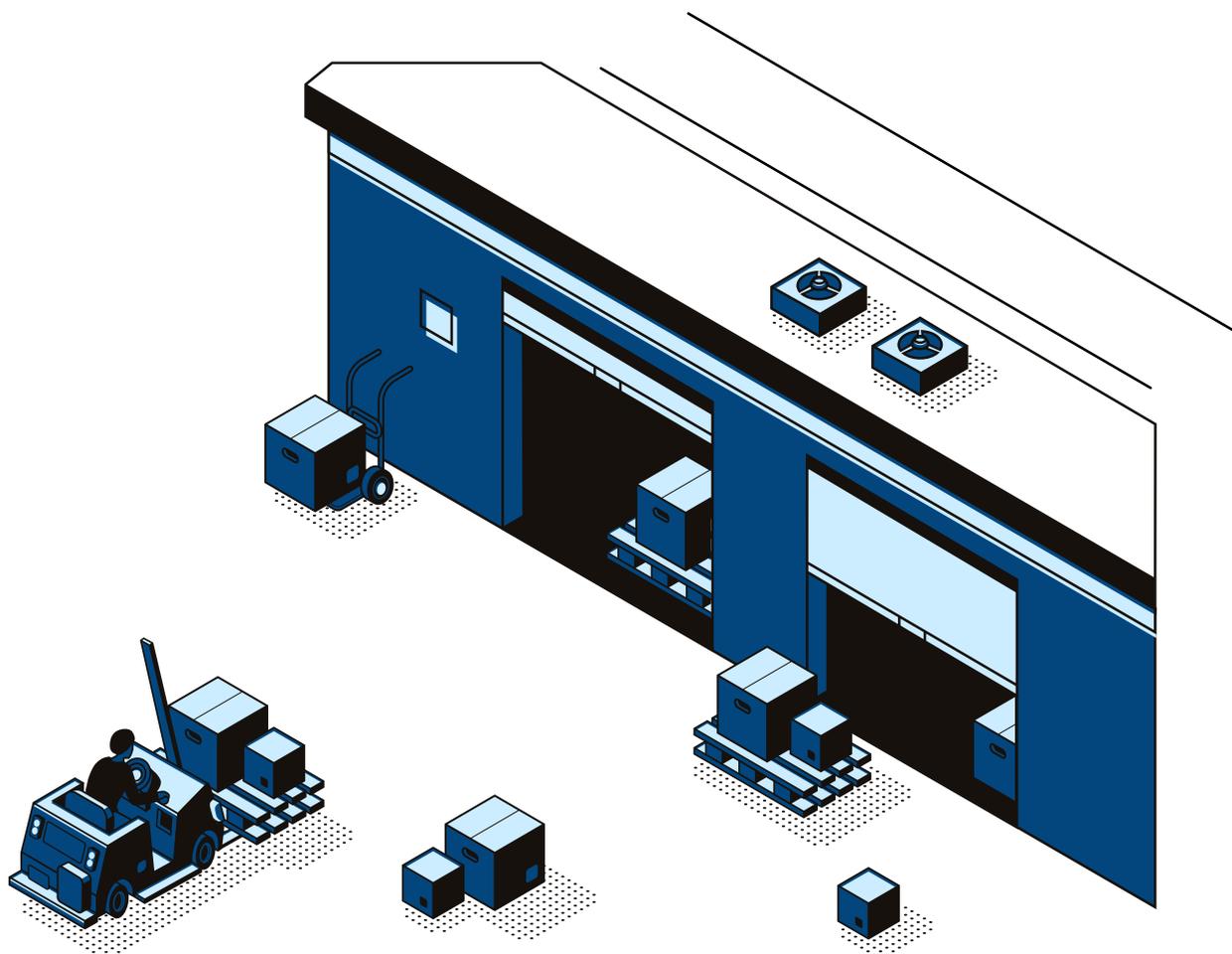
- The Company needs to have reciprocal capital to ensure the ratio of equity capital to the total capital of the project in accordance with the law. The capital mobilization channel will be on the stock exchange.
- The remaining fund of the project will be through the medium-term-loans from the Bank.
- Expected project completion time: 3 years.

CHARTER CAPITAL INCREASE PLAN

- Purpose of the mobilization: ensuring the reciprocal capital rate on the total investment capital.
- The loan financing bank is also the underwriter bank.

METHODS OF INCREASE THE CHARTER CAPITAL

- Issue shares to the existing shareholders
- Par value of shares: 10,000 VND



VII

PLAN OF BUSINESS ACTIVITIES 2021



Indicators	Actual 2020	Plan 2021	% compare to actual 2020
Net value on sales and services	70,804,899,076	26,000,000,000	36.72%
Total profit before tax	27,085,993,461	18,000,000,000	66.46%

1. THE COMPANY CONTINUES TO IMPLEMENT THE TASKS

- Classifying and assessing the assets.
- Conducting the procedures of financial provisions.
- Actively handling the the raw materials and the finished products which are slow-moving and low quality.
- Carrying out the procedures to extend the land lease contract and cooperating with partners to perform the real estate project at the location 18 F Tang Nhon Phu.

2. PLAN TO SETTING UP THE COMPANY FUNDS AND PAYING DIVIDENDS 2021

- Bonus and welfare fund : 4% profit after tax
- Paying dividend 2021 by cash: 15 % face value of the shares.

3. REMUNERATION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS 2021

3% profit after tax and after setting up the Company's funds.



VIII **FINANCIAL STATEMENT**





REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2020

The Board of General Director has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2020.

1. BUSINESS HIGHLIGHTS:

Establishment:

Nam Viet Joint Stock Company is incorporate in accordance with Business and taxation registration certificate for joint stock company No. 0302205973 dated February 01, 2001 (business registration No. 4103000281) and the thirteenth amended certificate dated March 8, 2021 issued by the HCMC Department of Planning and Investment. Reason: change the Legal representative

Structure of ownership: Joint Stock Company.

The Company's principal activities:

Manufacturing construction materials; Manufacturing types of mobile home, spare parts, machinery and components for mechanics; Constructing industrial and civil works; Producing and processing farm, forestry and seafood products; Trading real estates (in compliance with Clause 1, Article 10, Law on Real Estates Business); Design: Engineering for industrial, civil works, interior decoration; Rendering domestic tourist service; Hotels, restaurants (the provision of services must be implemented in parallel with the construction, improvement, upgrade or purchase of hotels - not at the head office).

Listing code: NAV

Head office: No. 18F Tang Nhon Phu Street, Ward 4, Phuoc Long B Ward, Dist. 9, HCMC.

2. FINANCIAL POSITION AND RESULTS OF OPERATION:

The Company's financial position and results of operation in the year are presented in the attached financial statements.

3. BOARD OF MANAGEMENT, BOARD OF SUPERVISORS AND BOARD OF GENERAL DIRECTORS AND CHIEF ACCOUNTANT:

The Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant holding office in the year and to the reporting date include:

BOARD OF MANAGEMENT

Ms.	Nguyen Thi Huong Ngan	Chairman (appointed on May 25th, 2020)
Mr.	Ton That Manh	Member
Mr.	Dao Nguyen Thoai	Member
Mr.	Nguyen Quang Hung	Member - Not participate the Board of Managements from July 01st, 2020
Mr.	Nguyen Minh Triet	Member (appointed on September 05th, 2020)
Mr.	Hoang Kieu Phong	Member (appointed on May 25th, 2020)

BOARD OF SUPERVISORS

Mr.	Nguyen Ngoc Phi	Chief Supervisor
Mr.	Nguyen Dinh Minh	Member
Mr.	Nguyen Ton Nhan	Member

BOARD OF GENERAL DIRECTORS AND CHIEF ACCOUNTANT

Mr.	Hoang Kieu Phong	General Director appointed on Feb 05th, 2021
Mr.	Hoang Quoc Khanh	General Director resigned on Feb 05th, 2021
Mr.	Ton That Manh	General Director resigned on October 1, 2020
Mr.	Pham Minh Tuyen	Vice General Director - The End of The Labor Contract on Oct 31, 2020
Ms.	Tran Thi My Thanh	Chief Accountant cum manager of the company

4. LEGAL REPRESENTATIVES OF THE COMPANY IN THE YEAR AND TO THE REPORTING DATE ARE:

Ms.	Nguyen Thi Huong Ngan	Chairman
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5. AUDITOR

Auditing and Informatic Services Limited Company (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2020.

6. STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of General Directors of the Company are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company as of December 31, 2020 as well as its results of operation and cash flows for the year then ended. In order to prepare these financial statements, the Board of General Directors have considered and complied with the following matters:

- Selected appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The financial statements of the Company are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors are responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements are prepared in compliance with the accounting policies stated in the Notes to the Financial Statements. The Board of General Directors are also responsible for safeguarding the assets of the Company and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. APPROVAL OF THE FINANCIAL STATEMENTS

In the Board of General Directors's opinion, the financial statements consisting of Balance Sheet as at December 31, 2020, Income Statement, Cash Flow Statement and Notes to the Financial Statements enclosed with this report give a true and fair view of the financial position of the Company as well as its operating results and cash flows for the fiscal year ended December 31, 2020.

The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System.

HCMC, March 01, 2021

For and on behalf of the General Directors



Hoang Kieu Phong
General Director

INDEPENDENT AUDITOR'S REPORT

No: A0620243-R/AISC-DN6

To: SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS NAM VIET JOINT STOCK COMPANY

We have audited the financial statements of Nam Viet Joint Stock Company consisting of Balance Sheet as at December 31, 2020, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 38, which were prepared on March 01, 2021.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing regulations applicable to the preparation and presentation of the financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

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

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

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

Auditor's opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Nam Viet Joint Stock Company as at December 31, 2020 as well as the results of its operation and its cash flows for the year then ended. The financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Accounting System and other statutory requirements relevant to the preparation and presentation of the financial statements. quan đến việc lập và trình bày báo cáo tài chính.

HCMC, March 01, 2021

PP. GENERAL DIRECTOR
DEPUTY GENERAL DIRECTOR



Huỳnh Tiểu Phụng

*Certificate of Audit Practice Registration
No. 1269-2018-005-1
Issued by the Ministry of Finance*

AUDITOR

Ta Van Gioi

*Certificate of Audit Practice Registration
No. 3497-2021-005-1
Issued by the Ministry of Finance*

BALANCE SHEET

As at December 31, 2020

Unit: VND

ASSETS		Code	Notes	Dec. 31, 2020	Jan. 01, 2020
A.	CURRENT ASSETS	100		134,548,603,842	133,001,527,560
I.	Cash and cash equivalents	110	V.1	37,539,456,230	3,245,292,406
1	Cash	111		2,243,703,330	3,245,292,406
2	Cash equivalents	112		35,295,752,900	0
II.	Short-term financial investments	120	V.2	65,000,000,000	87,000,000,000
1	Trading securities	121		0	0
2	Provision for devaluation of trading securities	122		0	0
3	Held-to-maturity investments	123		65,000,000,000	87,000,000,000
III.	Short-term Accounts receivable	130		17,234,831,001	23,310,756,162
1	Trade accounts receivable	131	V.3	4,449,125,288	8,105,241,589
2	Prepayments to suppliers	132	V.4	300,091,944	725,701,184
3	Intercompany receivables	133		-	-
4	Construction contract-in-progress receivables	134		-	-
5	Receivables from short-term loans	135	V.5	-	166,301,000
6	Other receivables	136	V.6	12,805,017,703	14,632,916,323
7	Provision for doubtful debts	137	V.3,4	-319,403,934	-319,403,934
8	Shortage of assets awaiting resolution	139		-	-
IV.	Inventories	140	V.8	13,551,351,360	16,361,016,388
1	Inventories	141		16,926,140,213	19,933,339,080
2	Provision for decline in value of inventories	149		-3,374,788,853	-3,572,322,692
V.	Other current assets	150		1,222,965,251	3,084,462,604
1	Short-term prepayments	151	V.12	209,653,483	54,781,224
2	Deductible VAT	152		1,013,311,768	2,600,136,386
3	Taxes and other receivables from the State Budget	153	V.15	0	429,544,994
4	Repurchase and sale of Government's bonds	154		0	0
5	Other current assets	155		0	0

BALANCE SHEET (Continue)

As at December 31, 2020

ASSETS	Code	Notes	Dec.31,2020	Jan.01,2020
B. LONG-TERM ASSETS	200		45,976,752,537	54,349,629,379
I Long-term receivables	210		-	-
1 Long-term trade receivables	211		-	-
2 Long-term prepayments to suppliers	212		-	-
3 Working capital from sub-units	213		-	-
4 Long-term intercompany receivables	214		-	-
5 Receivables from long-term loans	215		-	-
6 Other long-term receivables	216		-	-
7 Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		4,478,652,537	12,407,004,230
1 Tangible fixed assets	221	V.10	4,478,652,537	12,407,004,230
- Cost	222		20,215,523,583	57,418,153,730
- Accumulated depreciation	223		(15,736,871,046)	(45,011,149,500)
2 Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3 Intangible fixed assets	227	V.11	-	-
- Cost	228		900,098,950	900,098,950
- Accumulated amortization	229		(900,098,950)	(900,098,950)
III Investment Properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV Non-current assets in progress	240	V.9	-	444,525,149
1. Works in progress	241		-	-
2. Capital construction in progress	242		-	444,525,149
V Long-term investments	250	V.2	41,498,100,000	41,498,100,000
1 Investments in subsidiaries	251		-	-
2 Investments in associates, joint-ventures	252		11,498,100,000	11,498,100,000
3 Investments in equity of other entities	253		-	-
4 Provision for decline in the value of long-term investments	254		-	-
5 Held-to-maturity investments	255		30,000,000,000	30,000,000,000
VI Other long-term assets	260		-	-
1 Long-term prepaid expenses	261		-	-
2 Deferred income tax assets	262		-	-
3 Equipment, materials, spare parts	263		-	-
4 Other long-term assets	268		-	-
TOTAL ASSETS	270		180,525,356,379	187,351,156,939

RESOURCES		Code	Notes	Dec.31,2020	Jan.01,2020
C.	LIABILITIES	300		69,289,893,954	81,489,673,311
I.	Current liabilities	310		62,778,493,954	78,414,823,311
1	Short-term trade payables	311	V.13	1,680,189,746	11,565,920,129
2	Prepayments from customers	312	V.14	1,111,672,548	3,948,597,125
3	Taxes and other payables to the State Budget	313	V.15a	664,720,918	721,131,317
4	Payables to employees	314		903,018,747	3,938,249,062
5	Short-term accrued expenses	315	V.16	764,666,066	1,577,873,652
6	Short-term intercompany payables	316		-	-
7	Construction contract-in-progress payables	317		-	-
8	Short-term unrealized revenue	318	V.18	573,844,194	199,054,194
9	Other short-term payables	319	V.17a	56,637,730,515	55,734,968,490
10	Short-term borrowings and financial lease liabilities	320		-	-
11	Provision for short-term payables	321		-	-
12	Bonus and welfare fund	322		442,651,220	729,029,342
13	Price stabilization fund	323		-	-
14	Repurchase and sale of Government's bond	324		-	-
II.	Long-term liabilities	330		6,511,400,000	3,074,850,000
1	Long-term trade payables	331		-	-
2	Long-term prepayments from customers	332		-	-
3	Long-term accrued expenses	333		-	-
4	Inter-company payables for operating capital received	334		-	-
5	Long-term intercompany payables	335		-	-
6	Long-term unrealized revenue	336		-	-
7	Other long-term payables	337	V.17b	6,511,400,000	3,074,850,000
8	Long-term borrowings and financial lease liabilities	338		-	-
9	Convertible bond	339		-	-
10	Preferred shares	340		-	-
11	Deferred income tax liabilities	341		-	-
12	Provision for long-term liabilities	342		-	-
13	Fund for science and technology development	343		-	-

BALANCE SHEET (Continue)

As at December 31, 2020

RESOURCES	Code	Notes	Dec.31,2020	Jan.01,2020
D Owners' equity	400		111,235,462,425	105,861,483,628
I. Owners' equity	410	V.19	111,235,462,425	56,362,596,675
1 Owners' capital	411		80,000,000,000	80,000,000,000
- Ordinary shares with voting rights	411a		80,000,000,000	80,000,000,000
- Preferred shares	411b		-	-
2 Share premium	412		-	-
3 Bond conversion option	413		-	-
4 Owners' other capital	414		-	-
5 Treasury shares	415		(190,000)	(190,000)
6 Difference upon assets revaluation	416		-	-
7 Foreign exchange differences	417		-	-
8 Investment and development fund	418		12,243,398,279	12,243,398,279
9 Fund for support of arrangement of enterprises	419		-	-
10 Other funds	420		-	-
11 Undistributed earnings	421		18,992,254,146	13,618,275,349
- Undistributed earnings accumulated to the end of prior period	421a		1,618,305,349	4,992,616,832
- Undistributed earnings in this period	421b		17,373,948,797	8,625,658,517
12 Investment reserve for basic construction	422		-	-
II Budget sources and other funds	430		-	-
Budget sources	431		-	-
Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		180,525,356,379	187,351,156,939

Prepared by/Chief Accountant

Tran Thi My Thanh

HCMC, March 01, 2021

General Director



Hoang Kieu Phong

INCOME STATEMENT

For the fiscal year ended December 31, 2020

Unit: VND

	ITEMS	Code	Notes	Year 2020	Year 2019
1	Sales	01	VI.1	70,804,899,076	105,232,335,620
2	Less sales deductions	02	VI.2	-	-
3	Net sales	10	VI.3	70,804,899,076	105,232,335,620
4	Cost of sales	11	VI.4	59,211,653,764	99,806,127,541
5	Gross profit (20 = 10 - 11)	20		11,593,245,312	5,426,208,079
6	Financial income	21	VI.5	25,362,680,775	20,362,771,284
7	Financial expenses	22	VI.6	700,698	4,537,732
	In which: loan interest expenses	23		-	-
8	Selling expenses	25	VI.7	1,704,951,284	2,714,007,816
9	General & administration expenses	26	VI.7	10,539,709,387	8,953,336,893
10	Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		24,710,564,718	14,117,096,922
11	Other income	31	VI.8	4,951,747,368	2,298,311,534
12	Other expenses	32	VI.9	2,576,318,625	1,997,890,069
13	Other profit (40 = 31 - 32)	40		2,375,428,743	300,421,465
14	Net accounting profit before tax (50 = 30 + 40)	50		27,085,993,461	14,417,518,387
15	Corporate income tax - current	51	VI.11	2,371,895,788	0
16	Corporate income tax - deferred	52		-	-
17	Net profit after corporate income tax (60 = 50 - 51 - 52)	60		24,714,097,673	14,417,518,387
18	Earnings per share	70	VI.12	2,963	1,800
19	Diluted earnings per share	71	VI.13	2,963	1,800

Prepared by/Chief Accountant

Tran Thi My Thanh

HCMC, March 01, 2021

General Director

**Hoang Kieu Phong**

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2020

Unit: VND

	ITEMS	Code	Notes	Year 2020	Year 2019
I.	I. CASH FLOWS FROM OPERATING ACTIVITIES				
1	Net profit before tax	01		27,085,993,461	14,417,518,387
2	Adjustments for:				
	- Depreciation of fixed assets and investment properties	02	V.10	2,092,247,562	2,938,486,389
	- Provisions	03		(197,533,839)	2,235,566,546
	- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		-	(14,369,290)
	- Gains/losses from investing activities	05		(29,259,920,597)	(20,710,565,058)
	- Interest expense	06		-	-
	- Other adjustments	07		444,525,149	-
3	Profit from operating activities before changes in working capital	08		165,311,736	(1,133,363,026)
	- Increase (-)/ decrease (+) in receivables	09		7,647,004,768	(780,126,027)
	- Increase (-)/ decrease (+) in inventories	10		3,007,198,867	7,974,638,913
	- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		(15,921,126,787)	7,842,849,316
	- Increase (-)/ decrease (+) in prepaid expenses	12		(154,872,259)	1,720,144,737
	- Increase (-)/ decrease (+) in trading securities	13		-	-
	- Interest paid	14		-	-
	- Corporate income tax paid	15	V.15	(1,510,711,234)	-
	- Other receipts from operating activities	16		-	-
	- Other payments on operating activities	17		-	-
	Net cash inflows/(outflows) from operating activities	20		(6,767,194,909)	15,624,143,914
II.	CASH FLOWS FROM INVESTING ACTIVITIES				
1	Purchases of fixed assets and other long-term assets	21		-	(2,766,638,023)
2	Proceeds from disposals of fixed assets and other long-term assets	22		9,733,508,134	373,909,090
3	Loans granted, purchases of debt instruments of other entities	23		(100,000,000,000)	(117,000,000,000)
4	Collection of loans, proceeds from sales of debt instruments of other entities	24		122,000,000,000	94,000,000,000
5	Investments in other entities	25		-	-
6	Proceeds from divestment in other entities	26		-	-
7	Dividends and interest received	27		25,807,806,599	13,761,945,416
	Net cash inflows/(outflows) from investing activities	30		57,541,314,733	(11,630,783,517)

	ITEMS	Code	Notes	Year 2020	Year 2019
III.	III. CASH FLOWS FROM FINANCING ACTIVITIES				
1	Proceeds from issue of shares and capital contribution	31		-	-
2	Repayment of contributed capital and repurchase of stock issued	32		-	-
3	Proceeds from borrowings	33		-	-
4	Repayments of borrowings	34		-	-
5	Payments for finance lease liabilities	35		-	-
6	Dividends paid	36		(16,479,956,000)	(4,799,988,000)
	Net cash inflows/(outflows) from financing activities	40		(16,479,956,000)	(4,799,988,000)
	Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		34,294,163,824	(806,627,603)
	Cash and cash equivalents at the beginning of the year	60		3,245,292,406	4,037,550,721
	Effect of foreign exchange differences	61		-	14,369,290
	Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	37,539,456,230	3,245,292,406

Prepared by/Chief Accountant



Tran Thi My Thanh

HCMC, March 01, 2021
 General Director



Hoang Kieu Phong

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2020

I. BUSINESS HIGHLIGHTS

1. Structure of ownership:

Nam Viet Joint Stock Company is incorporate in accordance with Business and taxation registration certificate for joint stock company No. 0302205973 dated February 01, 2001 (business registration No. 4103000281) and the thirteenth amended certificate dated March 8, 2021 issued by the HCMC Department of Planning and Investment. Reason: change the Legal representative

Head office: No. 18F Tang Nhon Phu Street, Ward 4, Phuoc Long B Ward, Dist. 9, HCMC.

2. Structure of ownership: Joint Stock Company

3. Principal activities: Manufacturing construction materials; Manufacturing types of mobile home, spare parts, machinery and components for mechanics; Constructing industrial and civil works; Producing and processing farm, forestry and seafood products; Trading real estates (in compliance with Clause 1, Article 10, Law on Real Estates Business); Design: Engineering for industrial, civil works, interior decoration; Rendering domestic tourist service; Hotels, restaurants (the provision of services must be implemented in parallel with the construction, improvement, upgrade or purchase of hotels - not at the head office).

4. Normal operating cycle.

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from January 01 and ending on December 31.

5. Operations in the fiscal year affecting the financial statements: Not applicable.

6. Total employees to Dec. 31, 2020: 29 persons (Dec. 31, 2019: 115 persons)

7. Enterprise Structure

As at December 31, 2020, the Company has one (01) associate as follows:

Company's name and address: Saigon

Development JSC

Address: 143/7D Ung Van Khiem, Ward 25, Binh Thanh Dist., HCMC

Principal activities:

Producing and trading types of cement and adhesion materials; Trading, producing wooden products and materials; Local river port services; Co-operating for producing fresh concrete

Percentage of shareholding

45,000,000,000

Percentage of owning

38.33%

Percentage of voting right

38.33%

II. ACCOUNTING PERIOD AND REPORTING CURRENCY

1. Fiscal year

The fiscal year is begun on January 01 and ended December 31 annually.

2. Reporting currency

Vietnam Dong (VND) is used as a currency unit for accounting records.

III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

1. Applicable Accounting System

The Company applies Vietnamese Corporate Accounting System in accordance with the guidance of Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Vietnam Ministry of Finance.

2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System

We conducted our accounting, preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The financial statements give a true and fair view of the state of affairs of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the financial statements is complied with the material

principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Foreign exchange rate applicable in accounting

The Company has translated foreign currencies into Vietnam Dong at the actual rate and book rate.

Principles for determining the actual rate

All transactions denominated in foreign currencies which arise during the period (recording receivables and payables) are converted at the actual exchange rates ruling at the transaction dates.

Closing balance of monetary items (demand deposit, bank loans and receivables) denominated in foreign currencies are revaluated at the actual rate ruling at the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of Vietinbank - Eastern Saigon Branch. The buying rate as at December 31, 2020: 22.995 VND/USD.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate stated by Vietinbank - Eastern Saigon Branch. The exchange rate as at December 31, 2020: 23.195 VND/USD.

Foreign exchange differences, which arise from foreign currency transactions during the period, shall be included in the income statement. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included in the income statement.

Principle for determining book rate

When recovering receivables, payments for payables in foreign currencies, the Company uses specific identification book rate.

When making payment by foreign currencies, the Company uses moving weighted average rate.

2. The actual interest rate (effective rate) for discounting the cash flows

The actual exchange rate for discounting the cash flows in relation to the items being recorded at the present value is determined on the basis of the market rate.

3. Principles for recording cash and cash equivalents

Cash includes cash on hand, demand deposit and cash in transit.

Cash equivalents comprise term deposits and other short-term investments with an original maturity of three months or less, highly liquid, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

4. Principles for accounting financial investments

Principles for recording financial investments in Associates

The investment in associate is recorded when the Company has 20% - 50% of voting right in those companies and has considerable influence over their decisions on financial policies.

Investments in associates are initially stated at original cost and will not be adjusted thereafter for change in the investor's share of the investee's net assets. The original cost includes purchase price and costs attributable to the investment. In case the investment is by non-monetary assets, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

NOTES TO THE FINANCIAL STATEMENTS (Continue)

For the fiscal year ended December 31, 2020

Provision for loss of investments in subsidiaries, joint-ventures, associates is made when the investee suffers from loss and thus the Company possibly loses its capital or the investments' value is devalued. Basis for making provision for loss of investments is financial statements of the investee.

5. Principles for recording trade receivables and other receivables:

Principle for recording receivables: At original cost less provision for doubtful debts.

Method of making provision for doubtful debts: Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankruptcy, making procedures for dissolution, go missing or run away....

6. Principles for recording inventories:

Principles adopted in recording inventory:

Inventories are stated at original cost less (-) the provisions for the decline in value of inventories and obsolete, deteriorated inventories.

Original costs are determined as follows:

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.

- Finished goods: costs of materials, direct labor and manufacturing overheads which are allocated on the basis of major materials costs.

Work in progress: costs of raw materials, labor and other directly costs for producing inventories incurred in the duration of production.

Method of calculating inventories' value:

Weighted average method.

Method of accounting for the inventories:

Perpetual method.

Method of making provision for decline in value of inventories:

Provision for decline in value of inventories is made when the net realisable value of inventories is lower than their original cost. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for decline in value of inventories is the difference between the cost of inventories greater than their net realisable value. Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value.

7. Principles for recording fixed assets:

7.1 Principles for recording tangible fixed assets:

Tangible fixed assets are stated at original cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Determination of original costs of tangible fixed assets:

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price

less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

7.2 Principles for recording intangible fixed assets:

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

Purchase of separate intangible fixed assets

The original cost of purchased intangible fixed assets shall consist of the actual purchase price payable less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation. The land use rights which are purchased together with buildings, structures will be determined separately and recorded as intangible fixed assets.

Computer software

The original cost of a intangible fixed asset which is the computer software shall be the total of actual expenses incurred by the Company to obtain the computer software.

7.3 Method of depreciating and amortizing fixed assets

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 10 years
Transportation and facilities	3 - 10 years
Office equipment	3 - 5 years
Intangible fixed assets is software	3 - 8 years

8. Principles for recording construction in progress:

Construction in progress is stated at original cost. These are all necessary costs for purchasing fixed assets, building or repairing, improving, extending or equipping of the works such as construction of factory, installation auxiliary equipment for the purpose of production.

These costs are capitalised as an additional cost of asset when the works have been completed. After the works have been finalized, the asset will be handed over and put into use.

9. Principles for recording prepaid expenses:

Prepaid expenses are all expenses that actually incurred but relate to the operating result of several accounting periods. The Company's prepaid expenses include: insurances, labor clothes, tools and supplies...

Method of allocating prepaid expenses: The determining and allocating of prepaid expenses into costs of production and doing business of each period is on a straight-line basis. Based on the nature and level of each expense, the term of allocation is defined as follows: short-term prepaid expenses should be allocated within one year; Long-term expenses should be allocated in the term from 12 months to 36 months.

Land use rights under the annual land lease

NOTES TO THE FINANCIAL STATEMENTS (Continue)

For the fiscal year ended December 31, 2020

contract No. 846 / HDTĐ-DKKTD dated June 21, 2006, expired on December 31, 2020. Up to the time of reporting, the Company is doing procedures to apply an extension of land lease rights and factory conversion, building a residential project on the old factory land at 18F Tang Nhon Phu, Phuoc Long Ward. B, District 9.

10. Principles for recording liabilities

Liabilities are recorded at original cost and not lower than the payment obligation.

Liabilities shall be classified into trade payables, inter-company payables and other payables depending on the nature of transactions and relationship between the Company and debtors.

Liabilities must be kept records in detail according to payment schedule, creditor and other factors according to requirements of the enterprise.

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable shall be recorded according to cautious rules.

11. Principles for recording borrowings

Borrowings are total amounts the Company owes to banks.

Borrowings and financial lease liabilities are monitored in detail according to creditor, agreement and borrowed asset.

12. Principles for recording and capitalizing borrowing costs:

Principles for recording borrowing costs:

Borrowing costs are loan interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs related to borrowings in respect of the construction or production of uncompleted assets, in which case the borrowing costs incurred during the period of construction are computed in those assets'

value (capitalised) as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

13. Principles for recording accruals:

Accruals include power, loan interests and production expenses...which have been arised in the reporting period, but have not been settled. These costs are recognised on the basis of reasonable estimates on the amounts to be paid in accordance with contracts, agreements.....

14. Principles for recoding unearned revenue

Unrealized revenue is the revenue which will be recorded in correspondence with the obligations that the Company must perform in one or more following accounting periods.

Unearned revenue include amounts of customers paid in advance for the contract value of services supply and installation of interior decoration which have not been completed. Method of allocating unearned revenue is on the principle of conformity with obligations that the Company will perform in next one or several accounting periods.

15. Principles for recording owner's Equity

Principles for recording owner's paid-in capital

The paid-in capital is the amount that is contributed by members and supplemented from the profit after tax. The owners' equity will be recorded at the actual contributed capital by cash or assets in the early establishment period or additional mobilization to expand operation.

Principles for recognising undistributed profit

The undistributed profit is recorded at the profit (loss) from the Company's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Company approved by the annual shareholder meeting.

16. Principles for recording treasury shares

The owners' equity instruments acquired by the Company (treasury share) are recorded at original cost and deducted into the owners' equity. The Company does not record gain (loss) when purchasing, selling, issuing or cancelling its equity instruments. Upon reissue, the difference between reissue price and cost will be recorded in item "Share premium".

17. Principles for recording revenues

Revenue from goods sold

Revenue from the sale of good should be recognised when all the five (5) following conditions have been satisfied: 1) The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2) The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3) The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 4) The economic benefits associated with the transaction has flown or will flow to the enterprise; 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions,

the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

Principles for recording financial income

Financial incomes include interests, distributed dividends and profits and income from other financing activities (Foreign exchange gains).

Income arising from interests, royalties, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

- Interests recognized on the basis of the actual time and interest rates in each period;

- Distributed dividends and profits shall be recognized when shareholders are entitled to receive dividends or the capital-contributing parties are entitled to receive profits from the capital contribution.

When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.

18. Principles and method of recording cost of goods sold

NOTES TO THE FINANCIAL STATEMENTS (Continue)

For the fiscal year ended December 31, 2020

Cost of goods sold is the cost of products, goods, services sold in the period. The cost of goods sold is recorded at the date the transaction incurs or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

19. Principles and method of recording financial expenses

Financial expenses include loan interests, foreign exchange loss.

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

20. Principles and methods of recording taxes

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current tax: is the tax payable on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

Deferred income tax liabilities are the amounts of income tax payable in the future periods arising from the recording of the deferred income tax payable in the year and reversing the deferred income tax being recorded from prior years. The Company does not record in this account the deferred income tax assets or deferred income tax liabilities arising from the transactions being recorded directly in the owners' equity.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has

been issued by the tax office.

The Company pays tax at 20%.

The period of 2020, the company was decreased 30 percent of corporate income tax by the resolution 116/2020/QH14 of government.

The company had been a tax examination in 2018

21. Principles for recording earnings per share

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

22. Financial instruments:

Initial recognition

Financial assets

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210), financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash, short-term deposits, trade accounts receivables and other receivables.

Financial liabilities

According to Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the Income Statement, financial liabilities determined on amortised cost basis. The Company decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings from banks.

Re-measurements after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

23. Related parties

Related parties include: Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them

significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

24. Principles for presenting assets, revenue and operating results by segment

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

For the purpose of management, so it presents major segment reporting by business sector, the minor segment reporting by geographical segment.





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