



# REALIZE VISION 2020

ANNUAL REPORT 2019

# CONTENT

## REALIZE VISION 2020

- Top 3 township - developer of Vietnam best understand and meet customers' expectations.
- Top 3 "affordable housing" in Viet Nam by the market share.
- Expert in Project Management, Financing, Marketing & Sales.
- Workforces: accountability, competencies and strong leadership qualities.
- Collaborating to achieve common goals and sharing the results.
- Join the league of "Billion-Dollar" companies.

**NAM LONG - FIRST ALWAYS!**

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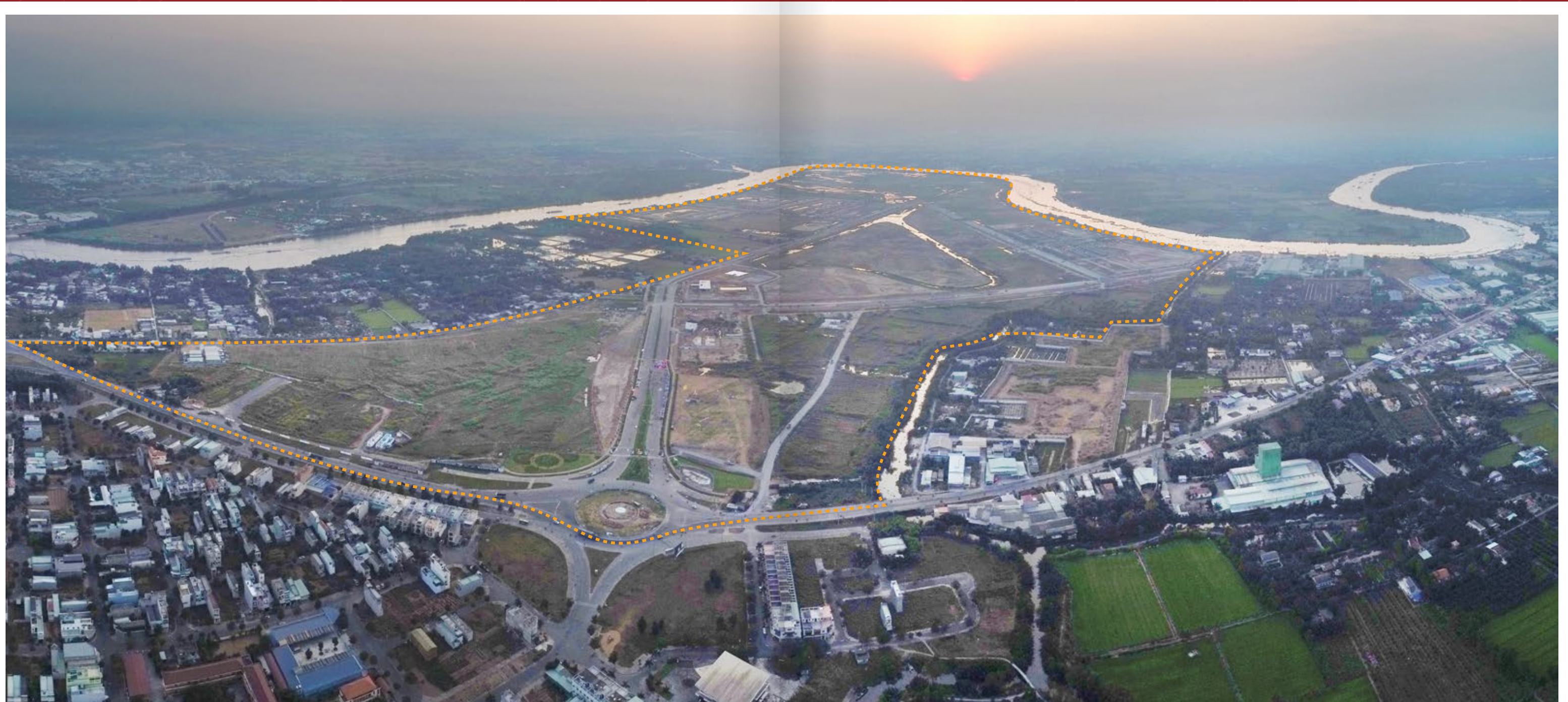
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# 01 . CORPORATE PROFILE

Waterpoint - Township - 355 ha



- Overview
- 27 years history of development
- Key figures for 2019
- Chairman's message
- CEO's executive report
- Core Business
- Shareholder structure

📍 Ben Luc, Long An

## OVERVIEW

Company name: CÔNG TY CỔ PHẦN ĐẦU TƯ NAM LONG  
 English name: Nam Long Investment Corporation  
 Charter capital: 2.597.025.750.000  
 Headquarter: 06 Nguyen Khac Vien, Tan Phu Ward, District 7, HCM City  
 Tel: (+84-28) - 54 16 17 18  
 Fax: (+84-28) - 54 17 18 19  
 Website: www.namlongvn.com  
 Email: info@namlongvn.com

## MISSION

Create living environments with humanitarian values to the community.

## CORE VALUES

- Professionalism
- Integrity
- Ownership



## 27 YEARS HISTORY OF DEVELOPMENT

Nam Long Limited was established as the first non-state-owned enterprise in the construction sector in Vietnam

Nam Long received synergy of two strategic shareholders:  
 • Nam Viet Corporation (100% owned by Goldman Sachs)  
 • ASPL fund (Malaysia)

Nam Long officially listed and traded on the Ho Chi Minh City Stock Exchange (HOSE: NLG)

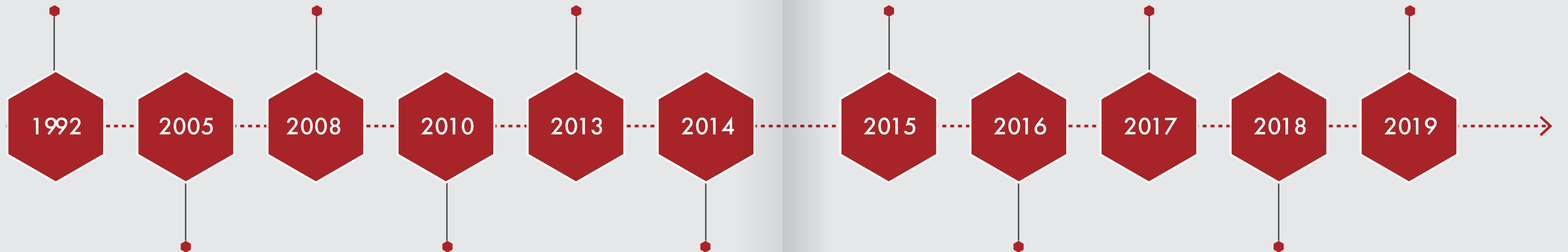
Nam Long collaborated with:  
 • Strategic partner - Keppel Land  
 • Japanese partners - Hankyu Hanshin Properties and Nishitetsu Group to develop projects.

Continued partnered with Hankyu Hanshin Properties and Nishitetsu Group to develop 26 ha of Mizuki Township (part of Nguyen Son 37 ha)  
 Signed with Anabuki - one of the leading housing developer in Japan.

In-depth announcement of Township Development Strategy.

Expand the market, accelerate the acquisition of 236 ha of "clean" land: Nam Long Hai Phong (21ha), Waterfront (Dong Nai, 170ha), Nam Long Dai Phuoc (45ha)

Vanto programme to transform corporate culture in order to realize Nam Long Vision 2020



Nam Long Limited was transformed into Nam Long Investment Corporation, with charter capital increased by 78 times compared to when it was initially established

Nam Long welcomed a strategic shareholder - Mekong Capital 2005

Nam Long welcomed strategic shareholders:  
 • IFC(World Bank)  
 • Bridger Capital (US)  
 • Probus Asja

Nam Long expanded with new collaborations With Hankyu Hanshin Properties and Nishitetsu Group In developng Fuji Residence & Kikyo Residence Projects (Include Nam Long Phuoc Long B Township 34 ha & Nam Long Phu Huu 17.5 ha)

Nam Long Group cooperated with Hankyu. Hanshin Properties and Nishitetsu Group to develop the fifth project called Akari City 85 ha.  
 Nam Long along with ther Japanese partner - Nishitetsu Group. TBS Group and Tan Hiep Investment Limited Will develop Southgate 165 ha (Phase 1 of Waterpoint Township 355 ha)

## KEY FIGURES FOR 2019

## BUSINESS PERFORMANCE (Billion VND)

Total assets	10,904	Total asset value increased by 1,330 bil. y.o.y, mainly from increasing owner's equity and profit generated in 2018.
Net Revenue	2,546	Net revenue decreased by 27%, equivalent to 934 bil. compared to 2018.
Pre-tax profit	1,226	Gross profit increased by 9%, equivalent to 98 bil. compared to 2018.
Net profit after-tax & minority interest	961	Profit after tax of NLIC increased by 26%, equivalent to 198 bil. compared to 2018.
Earnings per share (EPS)	4,479	EPS increased by 1,017 vnd equivalent to a 29% increase compared to 2018.



Mizuki construction progress December/2019

## TOTAL SALES (units)

Flora	1,971	In 2019, strong sale result for Flora product line, increased by 11% compared to 2018, equivalent to 195 units.
Landlots	10	Landlot sales decreased by 212 units, equivalent to 95% compared to 2020.
EHome/ EHomeS	552	EHome. EHomeS sales achieved 552 units, equivalent to 50% of 2018.
Valora	480	Valora sales increased by 318 units compared to 2018, equivalent to 196%.
Total	3,013	



Akari City construction progress December/2019

## CHAIRMAN'S MESSAGE

Dear Shareholders, Partners, and Employees of Nam Long Group!

On behalf of the Board of Directors, I humbly present to you the achievements of 2019 and the strategy to realize the value of Nam Long Group in 2020

### 2019 - SPEEDING UP

The year 2019 brought a peculiarly deep colour to Vietnam real estate market. From a macroeconomic perspective, the statistics showed positivity: GDP increased by 7.02%; FDI achieved 35 billion USD, inflation rate remained at approximately 3%, etc. however, the real estate market showed signs of decline, in the supply of both projects and housing products, as well as transaction volume. Despite the generally inevitable impact of the market, Nam Long was able to attain remarkable achievements in 2019 through years of preparation for adaptive measures against potential risks. In 2019, Nam Long has:

- Continued to concurrently develop **3 townships** (Mizuki, Akari, and Waterpoint), with the **pre-sale volume (booking) rated amongst the tops** of the current housing market for more than 5,000 products.
- Handed over more than 3,000 products** of E-Home, Flora product lines in various townships to the clients.
- Completed the establishment of sales and project development system in **Ha Noi and Hai Phong**.
- Establish and enhance corporate culture with Vanto Group** – a prestigious American-based consultant, specialized in delivering breakthrough performance through corporate culture transformation.
- Appeared for the first time on the "Vietnam top-50 most valued brand" ranking, amongst other prestigious awards such as Thousand-billion profit club 2019, Forbes top-50 best listed company in Vietnam, Vietnam top-50 best performance company (NCDT magazine), international awards for projects and transaction floor of International Property Awards.
- Conducted social security programmes more pronouncedly in response to the national housing development programmes through EHomeS product line; maintained the group's annual "Swing for dream" scholarship, funding underprivileged students.

### 2020 - REALIZATION OF 2020 VISION

2020 is a pivotal year for Nam Long, with the challenge to achieve the targets and visions that had been established for 10 years. Nam Long shall realize the vision and become a top-3 'affordable housing' developer, and a top-3 township developer who best facilitate the demand and expectation of clients through core businesses. Specifically:



### TOWNSHIP DEVELOPMENT

- Continue to expand the market and project scale to key economic zone across the nation, in addition to the implementation of more than 681 hectares of available 'clean' land bank to develop Waterpoint (355 hectares), Mizuki (36 hectares), Waterfront (170 hectares), Nam Long – Dai Phuoc (45 hectares), Nam Long – Hai Phong (21 hectares), etc.
- Professionalization of Project M&A activities, seeking new land bank, suitable to develop the product lines and townships with the annual target to acquire an additional 10 – 20 hectares.
- Improve the capacity for township development of land bank development team, social infrastructure and township facility development team, planning team, designing team, construction team, sales team, township management team, etc. to firstly add value to the township's land price; and then Joint-venturing or partly transferring the project to recognize additional profit and create new opportunities for business and investment.
- Maintain partnership with long-term international partners such as Hankyu Hanshin, Nishitetsu, Keppel Land, etc. or seek new suitable partner to joint-venture for each particular township as well as sub-projects.

“2020 is a pivotal year for Nam Long, with the challenge to achieve the targets and visions that had been established for 10 years. Nam Long shall realize the vision and become a top-3 “affordable housing” developer, and a top-3 township developer who best facilitate the demand and expectation of clients ...”

### HOUSING DEVELOPMENT

- Launch 3,000 products from all segments of Mizuki, Akari, Waterpoint, Nam Long – Hai Phong, Waterfront to bring in an estimated sale amount of 8,000 billion.
- Standardize the criteria of well-received 'affordable housing' product line such as EHomeS, EHome, Flora, or more luxurious segment such as Valora, generally enhance efficiency.
- Study and cooperate with partners such as Keppel Land, Hankyu Hanshin, Nishitetsu, etc. to develop new products at mid-end, high-end segment, suitable to the market demand in each locality.
- Strengthen project management capacity (quality control, progress monitoring, budget control, etc.) in order to create a standard for all projects and handover as committed to the clients.

### COMMERCIAL PROPERTIES AND SERVICES

- Realize the unlocking of 40% of 113 hectares commercial – services land bank. Focus primarily on major facilities such as malls, schools, hospitals, etc. in current projects, enhance the value of Nam Long's townships, assisting sales, and bring in capital, sustainable development for the group.
- Strengthen the capacity of Services – Commercial Properties Development Division within the parent company, and Nam Long Property Management and Development Company, becoming professional in sales and investment, negotiation and operation of services – commercial assets within the group.

### MANAGE – INVEST – DEVELOP & ENHANCE VALUE FOR THE GROUP'S ECOSYSTEM

- Establish the business plans and breakthrough development in order to implement the roadmap of the 3 companies within the group's real estate development chain, namely Nam Khang (construction), Nam Long PMD (develop real estate and services), and Nam Long ADC ('affordable housing'); and elevate them to be thousand-billion companies that add value to the group.

- With McKinsey** – a world-class business management and strategy consulting firm to study and present a new strategic orientation to Nam Long Group for the 2020-2030 period.

In addition to its business operation, Nam Long shall focus on team development in 2020, establishing the organizational culture of "PROFESSIONALISM – INTEGRITY – OWNERSHIP" for the group, building collective spiritual power. We also remember to accompany our staffs, sharing achievements with employees, partners, the nation, and society. The group shall continue to search for viable land to develop the social housing product line EHomeS in response to the national housing strategy; maintain community-supporting activities; mitigate the environmental impacts of construction, prioritize the balance and sustainable development of society in township planning. We incessantly strive to bring long-term, sustainable benefits to our shareholders, strategic partners, employees, and community.

Nam Long sincerely offer heartfelt thanks to the shareholders, strategic partners, and employees who constantly trusted and supported the growth of the Company. We shall, together, summon the most powerful motivation for the upcoming growth period.

I wish you all good health and success.



**Nguyen Xuan Quang**

Chairman

## CEO'S EXECUTIVE REPORT

“ For the fiscal year 2019, the group achieved another sustainable growth wherein the Profit after Tax of parent company increased by 26% to VND 961 billion compared to VND 763 billion in 2018. Despite the great challenges and difficulties due to the regulatory imposition to the real estate industry by the government; through sheer team commitment, our 2019 net profit performance was able to comply with the strategic business plan.

### CORPORATE OVERVIEW 2019

For the fiscal year 2019, the group achieved another sustainable growth wherein the Profit after Tax of parent company increased by 26% to VND 960 billion compared to VND 763 billion in 2018. Despite the great challenges and difficulties due to the regulatory imposition to the real estate industry by the government; through sheer team commitment, our 2019 net profit performance was able to comply with the strategic business plan.

### PREPARATION FOR REALIZATION OF VISION 2020

We stayed focused on our strategic roadmap for continuous improvement to strengthen our organization and management, based on our Vision 2020 and Core Values of **PROFESSIONALISM, INTEGRITY** and **OWNERSHIP**.

In March 2019, we engaged Vanto Group – a boutique global consulting firm based in America – to address Nam Long's most critical challenges in work culture, individual behaviours, management processes, and peoples/organization in order to achieve better performances and business transformation. We named these challenges as Nam Long 2020, whence we set our goals to achieve Vision 2020, specifically:

To become a top-3 Township Developer in Vietnam – Nam Long (NL), recognized by the industry through numerous awards in 2019 such as the Asia – Pacific Property Awards, top-50 best listed company voted by Forbes Vietnam, the Ashui award organized by the Vietnam Urban Planning and Development Association, etc. These have become undeniable evidences of our influence on the market and our brand recognition.

To become a top-3 “Affordable Housing” developer in Vietnam – With approximately 681 hectares of ‘clean’ land bank available for development, Nam Long is among the top residential developers who provide affordable housing to the local market. Nam Long's current projects located in 5 provinces: Can Tho, Long An, Ho Chi Minh City, Dong Nai and Hai Phong.

To be an expert in Project Management, Financing and Marketing & Sales – Nam Long is an ‘organic’ developer that possess the entire real estate value chain and interaction patterns aim at value creation. With 27 years of development history with strong professional Board and BOM and strategic foreign partnership, NL have indeed acquired special skills and expert in these scopes of works.

Workforces accountability, competencies and leadership – With the total workforce of 625 employees, professional Board of Directors and Board of Managers, Nam Long organization works on the principles of Core Values, KPI-driven Performance, Business Plans and Corporate Governance. These were translated into successful financial performances over the years.

Collaboration and result sharing – Nam Long's working principles based on mutually beneficial solutions, transparency and effective corporate governance. These have allowed the Company to gain the confidence of international partners, demonstrated through the presence of international institutional shareholders such as Keppel Land, PYN Elite, J.P. Morgan, etc. who make up 49% of total



shares. Additionally, 5 out of 9 board members are of foreign nationalities. At project level, Nam Long strategic partners include Hankyu Hanshin Properties, Nishitetsu, Anabuki, Keppel Land, Thai Binh Shoes, and Tan Hiep Investment.

Joining “Billion Dollar” companies – This work is in progress. Nam Long strategic business plan is the combination of organic growth and transformational development, effective and continuous IR plan, future land bank and efficient financing structure with the ultimate target of becoming a USD 1 billion company in 2022.

### MOVING FORWARD 2020

The real estate industry in particular, and the economy in general has been very challenging in light of the governmental regulation and inspection; in addition to the Coronavirus affecting Vietnam and the world. These also affected consumer confidence and their sentiment, along with the general stock market.

Despite the challenges, the real estate market remained promising with an ever stronger demand from the majority of Vietnamese families for affordable housing products.

Nam Long Group is constantly transforming, focusing on improvement to strengthen our development platform, in order to bring forth the best operation efficiency and deliver sustainable results. In 2020, we are working on the following:

- Continue to implement and apply Vanto program for Organizational Transformation.
- Implement Nam Long Growth Strategy 2020-2030 with McKinsey & Company.

- Implement Enterprise Risk Management with Price Waterhouse Coopers (PwC)
- Propose the implementation of Enterprise Resource Planning (ERP) to digitize and integrate all functions

Nam Long Group is optimistic about the ‘affordable’ segment and township market in Vietnam. Nam Long is planning to improve the performances and net profit of 3 years (2020-2022) to be much higher than 2019.

### ACKNOWLEDGEMENT

I would like to extend my sincere gratitude to the Board of Directors for the unwavering commitment to the sustainability of our continuous growth. I would also like to present my thanks to the Board of Managers and the employees of Nam Long Group for their dedication and hard work.

Finally, I present my heartfelt appreciation to all of our customers, stakeholders and shareholders for the perpetual support, trust and loyalty.

Thank you!

**STEVEN CHU CHEE KWANG**

Group Chief Executive Officer

## CORE BUSINESS

### 1. TOWNHOUSE DEVELOPMENT



**WATERPOINT**  
 An Thanh, Long An Province



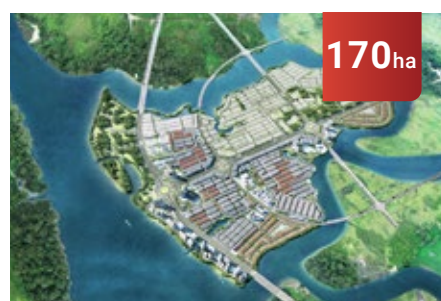
**MIZUKI-NGUYEN SON**  
 Binh Chanh, HCM City



**AKARI CITY**  
 Binh Tan, HCM City



**NAM LONG DAI PHUOC**  
 Nhon Trach, Dong Nai Province



**WATERFRONT**  
 Long Hung, Dong Nai Province



**NAM LONG HAI PHONG**  
 Thuy Nguyen, Hai Phong City

### COMPLETED TOWNSHIPS



**NAM LONG TAN THUAN DONG**  
 Tran Trong Cung, Dist. 7, HCM City



**NAM LONG PHUOC LONG B**  
 Do Xuan Hop, Dist. 9, HCM City



**NAM LONG PHU HUU**  
 Phu Huu, Dist. 9, HCM City



**NAM LONG BAC SAI GON**  
 Thuan An, Binh Duong Province



**NAM LONG CAN THO**  
 Cai Rang, Can Tho Province

**27 YEAR**  
**EXPERIENCE**  
 IN REAL ESTATE  
 DEVELOPMENT

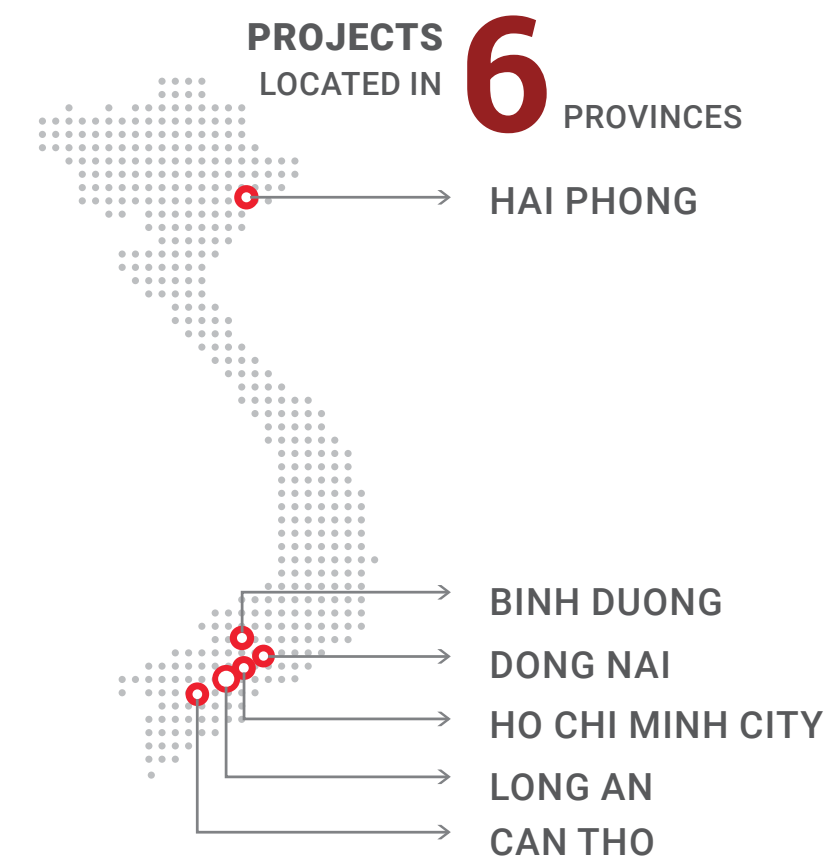
**20** SUBSIDIARIES and  
 JOINT VENTURES

**20.000**  
 FAMILIES HAVE CHOSEN  
**NAM LONG**

**LANDBANKS** **681** ha

**EMPLOYEES** **620** Individuals

**TOTAL ASSETS** **10.904** Bil.vnd  
 31DEC 2019



### 2. NON-RESIDENTIAL AND COMMERCIAL REAL ESTATE

Nam Long optimally developed the new business zone of "Management, Operation and Non-Residential & Commercial Real Estate" at existing and future landbanks in large townships. Besides adding values to Nam Long's projects, it also brings steady revenues and profits to the Group's sustainable development in coming years.

#### HIGHLIGHTED NAM LONG COMMERCIAL PROPERTIES

- Capital Tower Building, District 7
- Vincom + Supermarket, District 7
- Sunflower Tue Duc kinder garden
- Kinder garden/Elementary schools, District 7



EMASI Nam Long School - Road no. 8, Nam Long Township, Dist. 7, HCMC.



# CORE BUSINESS (CONTINUED)

## 3. DEVELOPING THREE KEY HOUSING PRODUCT LINES

### A. AFFORDABLE, VILLA



Camellia Garden



Valora Fuji



Valora Kikyo



Valora Island



Dalia Garden



Valora Shophouse Mizuki Park



### B. AFFORDABLE CONDOMINIUM



The Bridgeview



Flora Sakura



Flora Fuji



Flora Kikyo



Flora Mizuki



Flora Novia

### C. AFFORDABLE HOUSING



EHome 1



EHome 2



EHome 3



EHome 4



EHomeS - Phu Huu

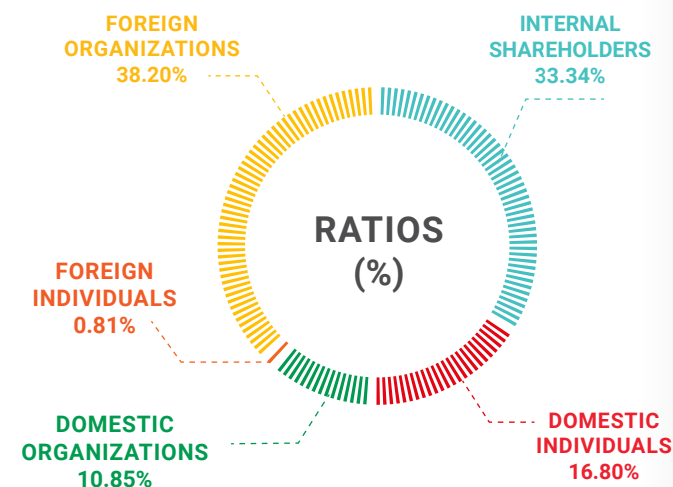


EHomeS - Nam Sai Gon

## SHAREHOLDER STRUCTURE

### SHAREHOLDER STRUCTURE AS AT 17/02/2020

SHAREHOLDER	AMOUNT	NUMBER OF SHARES
<b>INTERNAL SHAREHOLDERS</b>	10	86,572,978
<b>EXTERNAL SHAREHOLDERS</b>	5,239	173,129,597
Domestic individuals	5,042	43,599,482
Domestic organizations	68	28,172,198
Foreign individuals	48	2,100,998
Foreign organizations	81	99,256,919
<b>TOTAL</b>	<b>5,249</b>	<b>259,702,575</b>



**\* Note:**

Treasury share as of February 17, 2020: total number of treasury share is 20,330,505, of which 10,000,000 are held by TCPH, and the remaining 10,330,505 are held by Nam Khang Construction, Investment, Development One-Member, LLC.

NLIC has paid the dividend for the second period of 2018 by 18,855,693 shares on September 05, 2019; Issued shares through selected programmes to employees: 1,709,964 shares on September 19, 2019; and by cash at 4.78% per share value on December 12, 2019

### LIST OF SHAREHOLDERS OWNING OVER 5% SHARE CAPITAL AS AT 17/02/2020

NO.	SHAREHOLDER	NUMBER OF SHARES	RATIO (%)
1	Nguyen Xuan Quang	34,800,959	13.4%
2	Ibeworthy Pte. Ltd	25,896,336	10.0%
<b>TOTAL</b>		<b>60,697,295</b>	<b>23.4%</b>

### LIST OF FOUNDING SHAREHOLDERS AS AT 17/02/2020

NO.	SHAREHOLDER	NUMBER OF SHARES	RATIO (%)
1	Nguyen Xuan Quang	34,800,959	13.40%
2	Nguyen Thi Huong	31,774	0.01%
3	Ngo Thi Ngoc Lieu	7,117,611	2.74%
4	Nguyen Thi Bich Ngoc	11,200,406	4.31%
5	Tran Thanh Phong	12,484,985	4.81%
6	Do Ngoc Minh	1,257,477	0.48%
7	Lam Xuan Hoang Lan	7,507	0.00%
8	Nam Khang Construction Investment Development One Member Limited Liability Company	10,330,505	3.98%
<b>TOTAL</b>		<b>77,231,224</b>	<b>29.74%</b>

### LIST OF INTERNAL SHAREHOLDERS AS AT 17/02/2020

NO.	FULL NAME	POSITION	NUMBER OF SHARES	RATIO (%)
<b>BOARD OF MANAGEMENT</b>				
1	Nguyen Xuan Quang	Chairman	34,800,959	13.40%
2	Tran Thanh Phong	Vice Chairman	12,484,985	4.81%
3	Lai Voon Hon	Member	-	0.00%
4	Cao Tan thach	Member	658,158	0.25%
5	Ngian Siew Siong	Member	-	0.00%
6	Bui Duc Khang - Individuals: 705.087 - Representative of Nam Khang: 10.330.505	Member	11,035,592	4.25%
7	Chad Ryan Ovel	Member	-	0.00%
8	Ziang Tony Ngo	Member	-	0.00%
9	Linson Lim Soon Kooi - Representative of IBE WORTH PTE., LTD: 25.896.336	Member	25,896,336	9.97%
<b>BOARD OF DIRECTORS</b>				
1	Chu Chee Kwang	Chief Executive Officer	1,503,948	0.58%
2	Nguyen Thanh Son	Chief Operation Officer	-	0.00%
3	Pham Dinh Huy	Chief Investment Officer	-	0.00%
4	Chau Quang Phuc	Chief Financial Officer	177,048	0.07%
5	Nguyen Quang Duc	Chief Accountant	4,455	0.00%

# 02. OVERALL OPERATIONAL PERFORMANCE IN 2019

Mizuki Nguyen Son - Township - 37 ha



- Financial Analysis
- Corporate Milestones 2019
- Awards 2019
- Projects Portfolio 2019 update
- Projects Portfolio

📍 Binh Chanh, HCM City

## FINANCIAL ANALYSIS

### BUSINESS RESULTS

BIL. VND

ITEMS	2015	2016	2017	2018	2019
Total assets	5,022	6,209	7,906	9,574	10,904
Net revenue	1,259	2,534	3,161	3,480	2,546
Pre-tax profit	276	484	950	1,128	1,226
Net profit after-tax of the parent	206	345	535	763	961
Earnings per share	1,424	2,159	3,314	3,521	4,479

### TOTAL SALES

Units

ITEMS	2015	2016	2017	2018	2019
EHome/ EHomeS	1,809	1,415	1,270	1,112	552
Flora	-	650	1,156	1,776	1,971
Valora	74	170	340	162	480
Landlots	86	293	187	222	10
<b>TOTAL</b>	<b>1,969</b>	<b>2,528</b>	<b>2,953</b>	<b>3,272</b>	<b>3,013</b>



### NET PROFIT AFTER-TAX

# 961

BILLION VND

INCREASE **26%** y.o.y



### FINANCE STATEMENT

BIL. VND

ITEMS	2018	2019	INCREASE/DECREASE
Total assets	9,574	10,904	14%
Revenue	3,480	2,549	-27%
Net revenue	3,480	2,546	-27%
Operating profit	1,119	844	-25%
Other profits	9	383	4151%
Pre-tax profit	1,128	1,226	9%
Net profit after-tax of the parent	763	961	26%
Corporate income taxes and other taxes	185	252	36%

### KEY FINANCIAL INDICATORS

BIL. VND

INDICATORS	2018	2019
<b>LIQUIDITY RATIO</b>		
Current ratio: Current assets/Current liabilities	2.72	2.62
<b>CAPITAL STRUCTURE</b>		
Total liabilities/Total assets	45%	43%
Total liabilities/Owners' equity	93%	93%
<b>OPERATING CAPACITY</b>		
Inventory turnover	0.55	0.39
Asset turnover: Net revenue/Total assets	0.40	0.25
<b>PROFITABILITY RATIO</b>		
After-tax profit/Net revenue	20%	38%
After-tax profit/Equity	22%	21%
After-tax profit/Total assets	9%	10%

### TOTAL ASSETS IN 2019

# 10,904

BILLION VND

INCREASE **14%** y.o.y

## FINANCIAL ANALYSIS (CONTINUED)

### BUSINESS PERFORMANCE (BILLION VND)

BIL. VND

ITEMS	2015	2016	2017	2018	2019
Net revenue	1,259	2,534	3,161	3,480	2,546
Pre-tax profit	276	484	950	1,128	1,226
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Earnings per share (EPS)	1,424	2,159	3,314	3,521	4,479

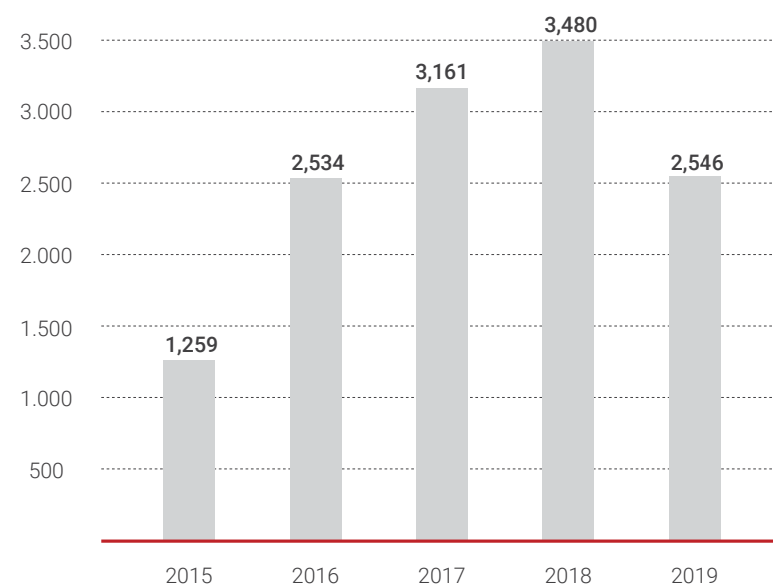
### NET REVENUE

BIL. VND

Revenue in 2019 was 27% lower at VND 2,546 Billion as compared to VND 3,480 Billion in 2018. The Ehomes/Flora apartment product has occupied at highest proportion in total revenues (approx. 52%), increasing by 9% compared to 2018, this apartment product line remained as the key selling of Nam Long Group. In 2019, the Group also increased its revenue from Flora Novia (Thu Duc District).

Revenue from Valora product line decreased 44% compared to 2018, was mainly from Small Island and Valora Island - Mizuki Park (Binh Chanh District) and occupied 18% of the 2019 total revenue.

Revenue from land lots decreased by 89% from 2018, accounting for 1.6% of total revenue of 2019, mainly from Dalia Garden (Can Tho City) project.

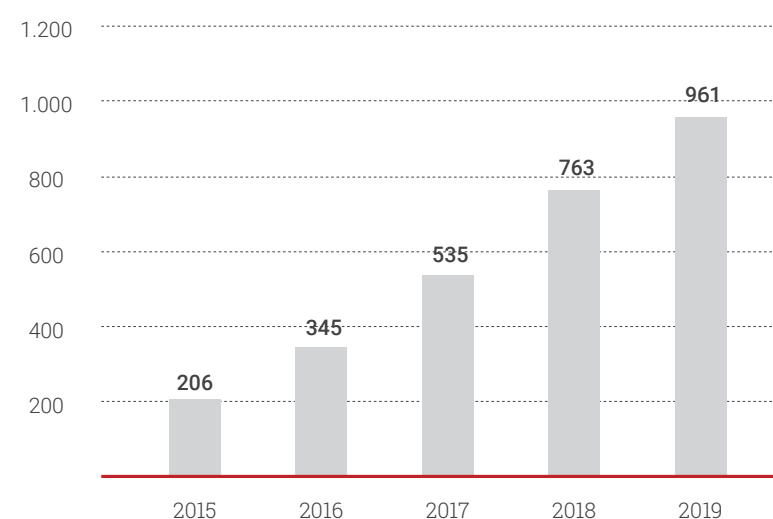


### NET PROFIT AFTER-TAX & MINORITY INTEREST

BIL. VND

Net profit after-tax of the parent increased by 26% at VND 961 Billion in 2019, as a result of the stabilisation of product lines and the successful acquisition of Viet Thien Lam.

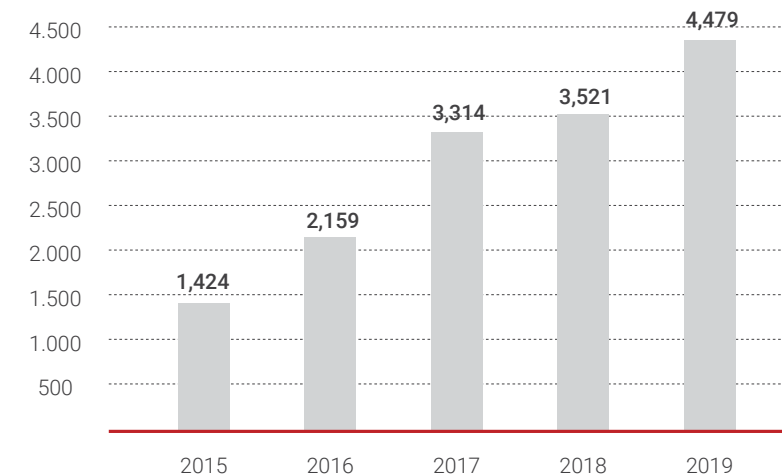
Together with steady growth, the parent company has paid dividends in cash since 2015 at the rate of 5% - 7% per share. The Group has also changed its policy of dividend payment by issuing dividends in forms of stocks at the rate of 11.25% in 2018 and 8.23% in 2019.



### EARNINGS PER SHARE (EPS)

VND

In 5 consecutive years, the Compound Annual Growth Rate (CAGR) of after-tax profit attributable to shareholders of the parent company were 59% and 42% respectively. The growth rate of EPS was lower than Nam Long issued stocks separately in 2015 (7,100,000 shares); issued stocks in form of employee selection in 2016 (542,353 shares), 2017 (958,160 shares); 2018 (1,680,616 shares) and paid dividends in form of share at the rate of 9.96% (14,153,739 shares) in 2017, the rate of 11.25% (20,259,037 shares) in 2018 and the rate of 8.23% (18,867,196 shares) in 2019. In 2018, the company has changed bonds into 27,560,355 shares.



### BALANCE SHEETS (BILLION VND)

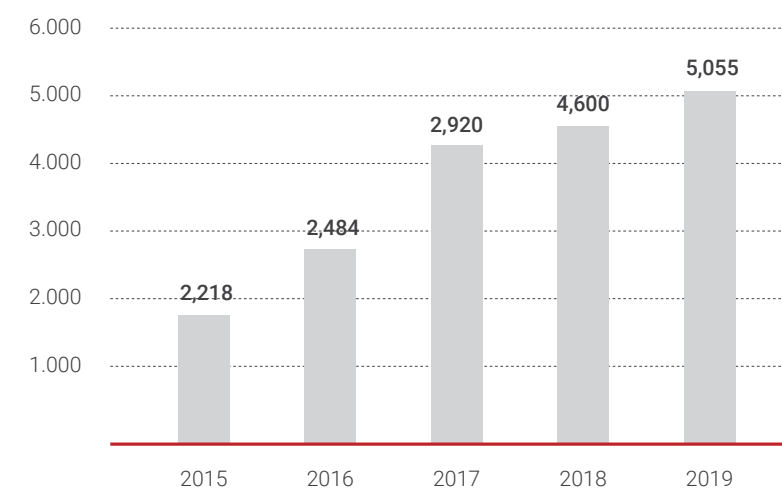
BIL. VND

ITEMS	2015	2016	2017	2018	2019
Charter capital	1,416	1,421	1,572	2,391	2,597
Equity	2,218	2,484	2,920	4,600	5,055
Total assets	5,022	6,209	7,906	9,574	10,904
Loan & Borrowings	637	1,166	916	1,007	870
Book value/share (Billion VND)	17,057	22,054	23,596	22,045	23,801

### CAPITAL

BIL. VND

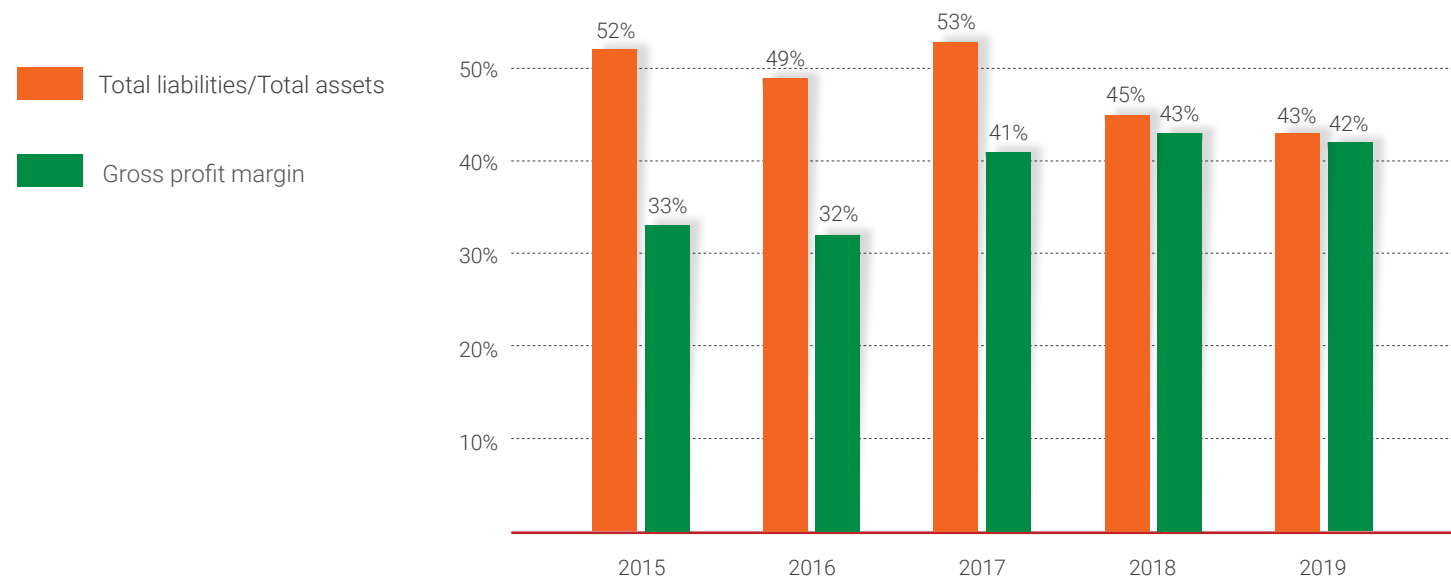
Total asset of Nam Long Investment Corporation has increased steady. In 2019, total assets increased by 14% (Year 2018: 21%), from VND 9,574 Billion to VND 10,904 Billion. In which, inventories increased 32%, or VND 1,037 Billion, mainly due to the recognition of land value of Viet Thien Lam.



## FINANCIAL ANALYSIS (CONTINUED)

### FINANCIAL INDICATORS

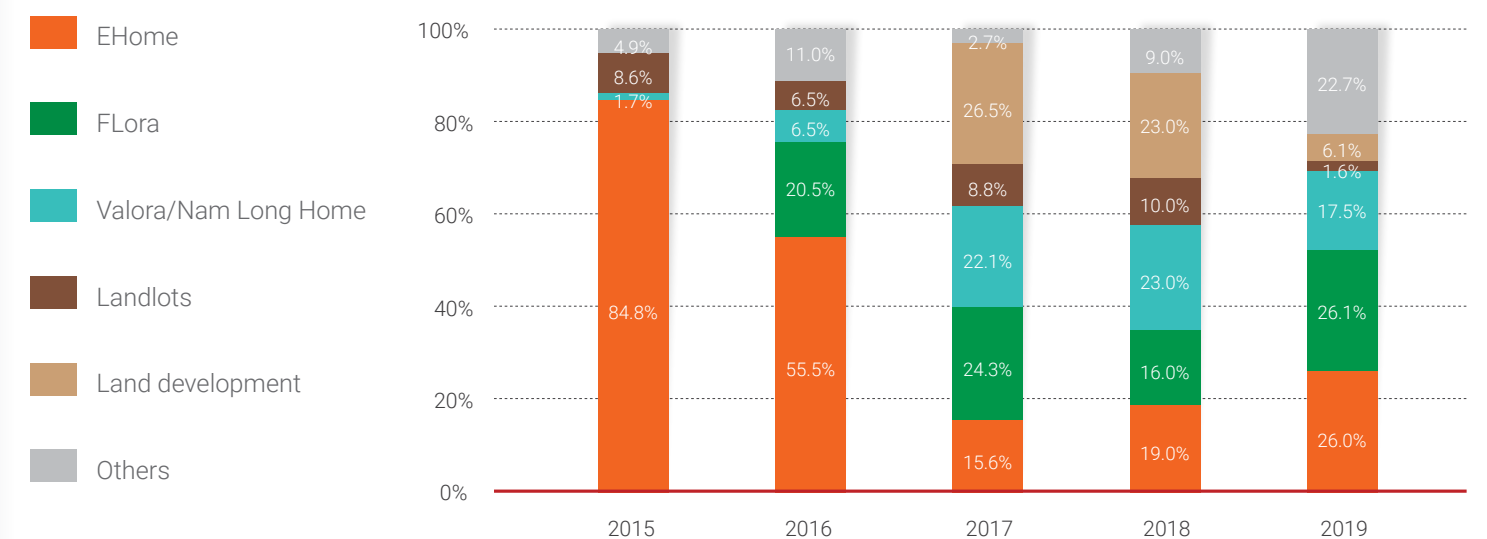
INDICATORS	2015	2016	2017	2018	2019
<b>LIQUIDITY RATIO</b>					
Short-term solvency ratio (times)	2.24	2.67	2.21	2.72	2.62
Quick ratio (times)	0.49	0.98	0.95	1.51	1.20
<b>DEBT-TO-EQUITY RATIO</b>					
Total debt/Total assets	29%	47%	31%	22%	17%
Total liabilities/Owners' equity	117%	123%	143%	93%	93%
Total liabilities/Total assets	52%	49%	53%	45%	43%
<b>OPERATING RATIO</b>					
Inventory turnover	0.27	0.46	0.49	0.55	0.39
Total assets turnover	0.28	0.45	0.45	0.40	0.25
<b>PROFITABILITY RATIO</b>					
Gross profit margin	33%	32%	41%	43%	42%
Net profit margin	16%	14%	17%	22%	38%
Net profit/Total equity	10%	15%	20%	20%	21%
Net profit/Total assets	5%	6%	8%	9%	10%



### REVENUE BREAKDOWN (BY PRODUCTS)

BIL. VND

PRODUCTS	2015	2016	2017	2018	2019
<b>TOTAL</b>	<b>1,259</b>	<b>2,534</b>	<b>3,161</b>	<b>3,480</b>	<b>2,546</b>
EHome	1,068	1,405	494	655	663
Flora	-	519	768	565	665
Valora/Nam Long Home	21	166	699	794	444
Landlots	109	166	279	360	41
Land development	-	-	838	795	155
Others	61	278	83	310	578
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
EHome	84.8%	55.5%	15.6%	19.0%	26.0%
Flora	0.0%	20.5%	24.3%	16.0%	26.1%
Valora/Nam Long Home	1.7%	6.5%	22.1%	23.0%	17.5%
Landlots	8.6%	6.5%	8.8%	10.0%	1.6%
Land development	0.0%	0.0%	26.5%	23.0%	6.1%
Others	4.9%	11.0%	2.7%	9.0%	22.7%



## COPORATE MILESTONES 2019



### FEBRUARY

- Commencement of the Vanto corporate-culture training programme in order to deliver breakthrough effects, realize Nam Long's value. The programme lasts 15 months, including 06 breakthrough projects.

### MARCH

- Announcement of the township development strategy, and acquire an additional 240 hectares of 'clean' land bank to expand the market towards Dong Nai provinces and Hai Phong provinces, at the Nam Long Day events, attended by at least 3,000 participants.

### APRIL

- Successfully organize the Annual General Meeting.

### JUNE

- Convert 1,000 saving books from "Housing Saving Programme" into unit selection for Akari City – Phase 1 customers.
- Handover 500 social housing apartment of block G, block H - EhomeS South Saigon.

### JULY

- Opening the show houses of Akari City on Vo Van Kiet Avenue, Binh Tan District.

### SEPTEMBER

- Cotecons officially commence the first construction phase of Akari City, which consists of more than 1,800 units from 6 blocks; each of which has 21 floors, and a basement.

### OCTOBER

- More than 1,000 customers participated in the announcement event for Phase 1 Valora products: Garden houses, semi-detached house, detached villa of Aquaria and Rivera (Waterpoint). Absorption rate: 100%.

### NOVEMBER

- Celebrate 27 years of Nam Long's establishment.
- More than 600 customers participated in the announcement event for Phase 1 Shophouse of Aquaria and Rivera (Waterpoint). Absorption rate: 100%.
- Open the One Stop Customer Service of Nam Long Group.

### DECEMBER

- Nam Long Friendship Golf Tournament 2019 raised VND 300 million for the 'Swing for Dream' scholarship, dedicated to underprivileged students in HCMC.
- 4,300 customers participated in the lucky draw for the last 2 blocks of Akari City - Phase 1
- Handover 1,400 Flora apartments in 5 blocks of Mizuki Park township – Phase 1
- Handover 518 Flora apartments in Project Flora Novia
- 13,000 visitors participated in the event chain 'Waterpoint Festive Season', organized every weekend with various free activities in Project Waterpoint.

## AWARDS 2019

- Asia Pacific Property Awards 2019-2020 for
  - Best Mixed use Development for Vietnam: Waterpoint Township.
  - Best Condominium for Vietnam: Akari City.
  - Best Development Marketing for Vietnam: Mizuki Park Township.
  - Best Commercial Real Estate Agency for Vietnam: Nam Long Transaction Floor.
- Best Township Developer Awards – Prestigious Brand of Vietnam 2019
- Top-10 Prestigious Developers of Vietnam 2019
- Top-500 largest corporate of Vietnam (VNR500)
- Top-500 fast growing company of Vietnam (FAST-500)
- Top-50 best growing company of Vietnam 2019
- Top-50 best performance company of Vietnam 2018-2019
- Top-50 best listed company of Vietnam by Forbes
- Top-50 leading company of Vietnam by Forbes
- Top-4 most valuable real estate brand by Forbes Vietnam
- Ashui Award by VUPDA
  - Developer of the Year
  - National Gold Award for Township Planning



**PROJECTS PORTFOLIO 2019 UPDATE**



PHASE / PRODUCT	PHASE 1	PHASE 2			PHASE 3			
	1,479 units	CC3 760 units	CC5 796 units	VALORA 24 units	FLORA 436 units	VALORA 39 units	CCTM 3 200 units	CCTM 1-2 427 units
Start		Q4/2020	Q3/2021	Q3/2021	Q1/2021	Q2/2021	Q2/2021	Q4/2020
Hand over	11/ 2019	2022	2023	2023	Q3/2022	Q4/2022	Q2/2023	Q4/2023



PHASE / PRODUCT	PHASE 1		Aquaria 1B	Aquaria 1C	Aquaria 1B +1C	Rivera 2A	Rivera 2B	Southgate 1
	289 units	204 units	1,207 units			129 units	275 units	78 units
Start	Q4/2019	Q4/2020	Q2/2020	Q2/2020	Q4/2020	Q4/2020	Q2/2021	Q1/2021
Hand over	Q4/2020	Q1/2021	Q1/2021	Q4/2020	Q2/2021	Q1/2022	Q1/2022	Q1/2022



PHASE / PRODUCT	PHASE 1	PHASE 2 & 3
	1,862 units	1,500 units
Start	Q3/2019	Q3/2021
Hand over	Q3/2021	Q1/2024



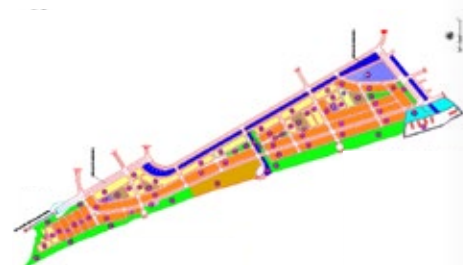
Waterpoint construction progress December/2019



**PROJECTS PORTFOLIO 2019 UPDATE  
(CONTINUED)**



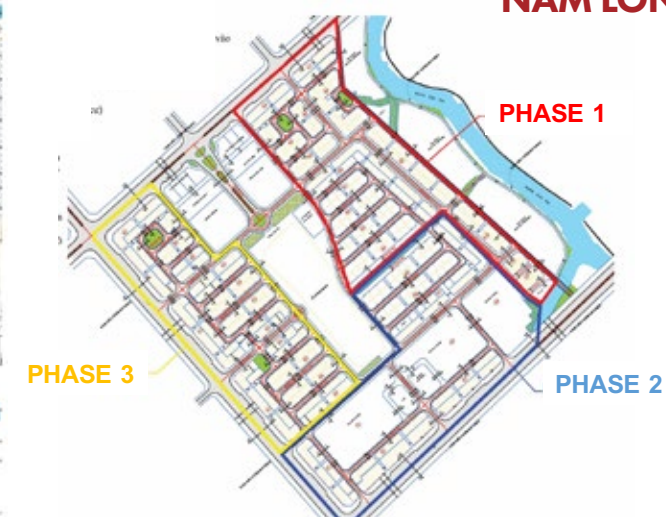
**NAM LONG DAI PHUOC  
(DONG NAI)**



PHASE / PRODUCT	PHASE 1 - VALORA	PHASE 2 - VALORA
		243 units
<b>Start</b>	Q3/2021	Q1/2022
<b>Hand over</b>	Q4/2022	Q2/2023



**NAM LONG CAN THO**



PHASE / PRODUCT	PHASE 1		PHASE 2		PHASE 3		
	VALORA	LANDLOTS	VALORA	LANDLOTS	EHOMES	VALORA	LANDLOTS
	30 units	383 units	72 units	183 units	419 units	85 units	359 units
<b>Start</b>	Q4/2020		Q1/2021		Q3/2021	Q3/2021	
<b>Hand over</b>	Q2/2022	Q4/2021	Q3/2022	Q1/2022	Q4/2022	Q4/2022	



**WATERFRONT  
(DONG NAI)**

PHASE / PRODUCT	PHASE 1A	PHASE 1B	PHASE 2	PHASE 3A	PHASE 3B	PHASE 4
		447 sp	797 sp	424 sp	593 sp	743 sp
<b>Start</b>	Q2/2021	Q3/2021	Q2/2022	Q4/2023	Q3/2024	Q4/2024
<b>Hand over</b>	Q3/2022	Q3/2023	Q3/2024	Q2/2025	Q1/2026	Q2/2026



**NAM LONG HAI PHONG**



PHASE / PRODUCT	PHASE 1 - VALORA	PHASE 2A - VALORA	PHASE 2B - EHOME
		369 units	370 units
<b>Start</b>	Q4/2020	Q2/2021	Q1/2022
<b>Hand over</b>	Q4/2021	Q3/2022	Q3/2023



# 03 . CORPORATE GOVERNANCE REPORT

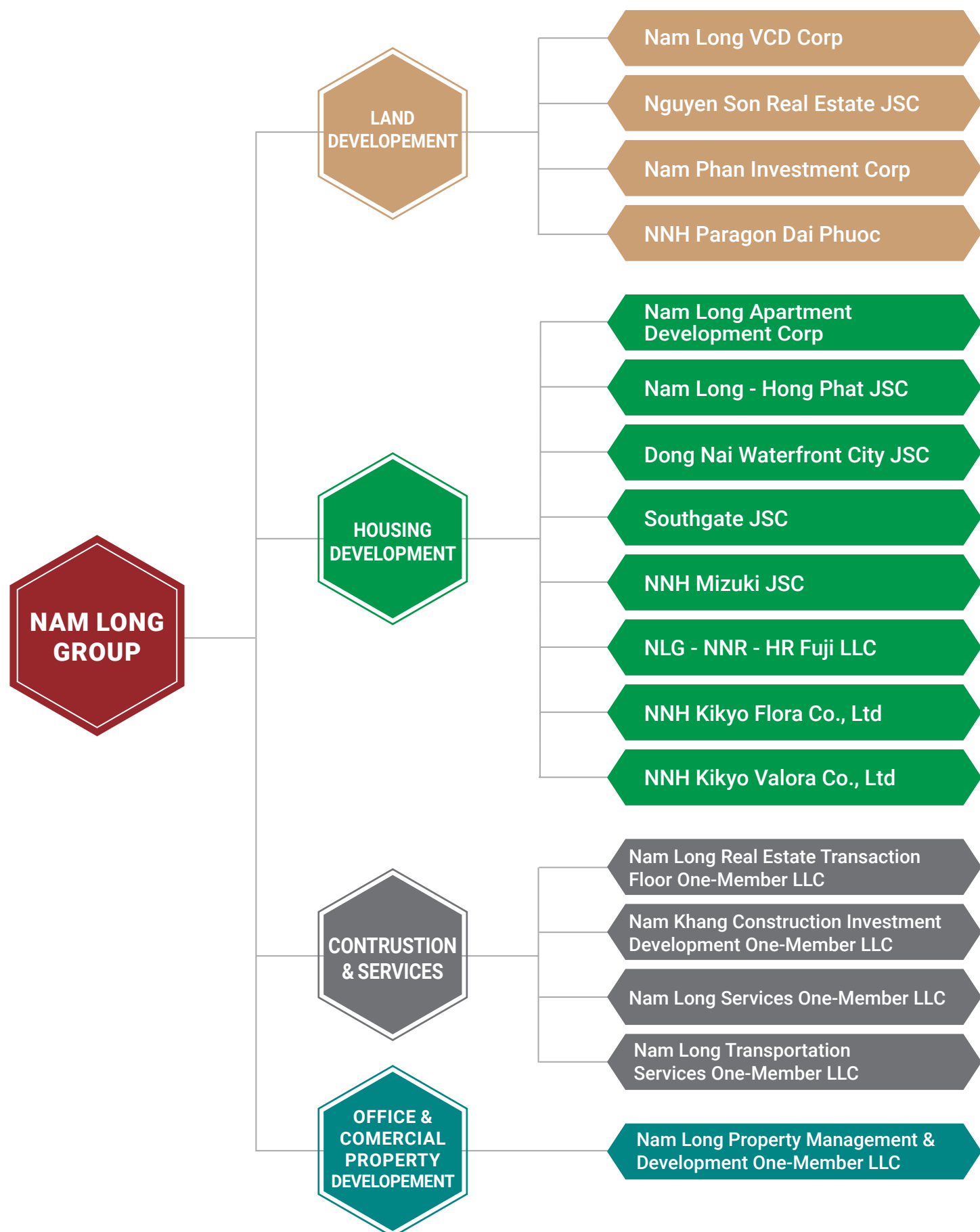
Akari City - Township - 8,5 ha



- Corporate Structure Report
- Organization Structure
- Introduction Board of Directors, & Board of Management

📍 Binh Tan, HCM City

## CORPORATE STRUCTURE REPORT



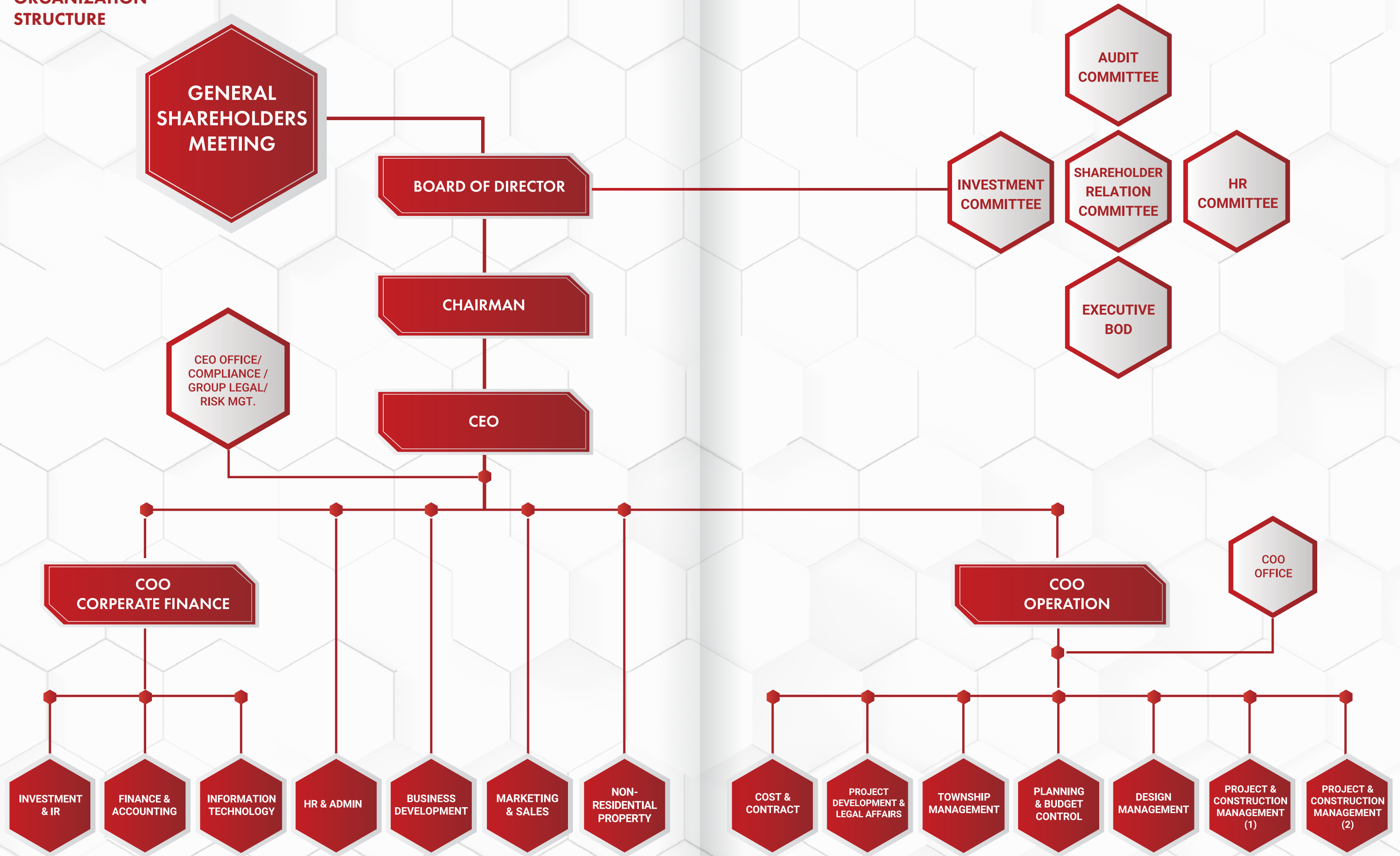
BUSINESS LINE	CHARTER CAPITAL (BIL. VND)	OWNERSHIP RATIO (%)
Investment in the construction and business of new township	1,128,9	89.33%
Real estate business; civil, industrial and infrastructure engineering	197,5	87.33%
Real estate business; civil, industrial and infrastructure engineering	511,3	100.00%
Real estate business; civil, industrial and infrastructure engineering	511,3	100.00%

Real Estate sales and management. Typical product: EHome apartment	300,0	99.87%
Real estate business; civil, industrial and infrastructure engineering	60,0	75.25%
Real Estate	1,200,0	70.00%
Real Estate	1,833,0	50.00%
Real Estate	1,500,0	50.00%
Real Estate	1,450,0	50.00%
Real Estate	20,0	50.00%
Real Estate	583,0	50.00%

Real Estate Services	6,0	100.00%
Real estate business; civil, industrial and infrastructure engineering	116,0	100.00%
Real Estate Services	5,3	100.00%
Transportation Services	20,0	100.00%

Real Estate; Real Estate Management Services; F&B	251,4	100.00%
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**ORGANIZATION  
STRUCTURE**



## INTRODUCTION BOARD OF DIRECTORS & BOARD OF MANAGEMENT

### BOARD OF DIRECTORS

Mr. **NGUYEN XUAN QUANG**  
Chairman

More than 30 years of experience in architectural design, construction, and real estate development.

Currently Head of Investment Committee.



Mr. **TRAN THANH PHONG**  
Vice Chairman

More than 25 years of experience in construction and real estate development.

Currently Head of Shareholder's Relation Committee.



Mr. **BUI ĐỨC KHANG**  
Member of the BOD

More than 30 years of experience in architectural design, construction, and real estate development.



Mr. **LINSON LIM SOON KOOI**  
Member of BOD

More than 30 years of experience in construction and real estate development.

Currently CEO of Keppel Land Ltd.



Mr. **CAO TAN THACH**  
Member of BOD

Civil Engineer (graduated from UC Irvine, California, USA). Previously worked for Linscott, Law & Greenspan Engineers, USA. Currently a member of ASCE, USA.



Mr. **NGIAN SIEW SIONG**  
Member of BOD

More than 30 years of experience in real estate development. Currently advisor to the CEO of Mah Sing Group.

Previously the CEO of Sunway City BHD & advisor to the chairman of Pavilion Group.

Currently the Head of HR Committee.



Mr. **LAI VOON HON**  
Member of BOD

More than 25 years of experience in architectural design. Currently Chairman cum CEO of Ireka Development Management Sdn Bhd.



Mr. **ZIANG TONY NGO**  
Member of BOD

Master Degree from Harvard and Stanford. Nearly 15 years of experience on the American financial market.

Currently the Head of Audit Committee



Mr. **CHAD RYAN OVEL**  
Member of BOD

More than 20 years of experience in corporate management, investment, and finance.

Currently a Board member of Mekong Capital.



## BOARD OF MANAGEMENT

### DEPARTMENT OF FINANCE & INVESTMENT



**1.**  
Mr. **STEVEN CHU CHEE KWANG**  
Group Chief Executive Officer

More than 30 years of experience in Project Management, Real Estate Development in Malaysia, Australia, Japan, Cambodia, and the Philippines.

**4.**  
Mr. **LE CHIEN THANG**  
Business Development Divisional Director

More than 15 years of experience in Real Estate industry.

**7.**  
Mr. **LE GIA PHONG**  
IT Divisional Director

More than 28 years of experience in IT, corporate transformation, business restructuring of prestigious groups in Vietnam.

**2.**  
Mr. **CHAU QUANG PHUC**  
CFO

Nearly 15 years of experience in Finance & Accounting in prestigious consumer goods companies and Real Estate.

**5.**  
Mr. **NGUYEN MINH QUANG**  
Marketing & Sales Divisional Director  
Cum Non - Residential Property Director

Marketing & Sales Divisional Director:  
More than 15 years of experience in Real Estate industry.

**8.**  
Mr. **NGUYEN QUANG DUC**  
Chief Accountant

More than 21 years of experience in Accounting.

**3.**  
Mr. **PHAM DINH HUY**  
CIO

More than 12 years of experience in Investment, Finance, and Business Development in domestic and international companies.

**6.**  
Mr. **NGUYEN VAN SANG**  
CPO

More than 20 years of experience in human resource management of domestic and international corporations.

## PROJECT DEPARTMENT



**9.**  
Mr. **NGUYEN THANH SON**  
COO

More than 24 years of experience in construction, project development in Singapore, Japan, and other prestigious groups in Vietnam such as Vingroup, MIK Group, Novaland, Indochina Land.

**12.**  
Mr. **DUONG TAN VINH**  
Project Legal Development Division Director

Nearly 15 years of experience in Real Estate industry.

**10.**  
Mr. **TRAN TRUNG NINH**  
Acting Director of Design Management Division

More than 16 years of experience in Architectural Design Management in various companies (KYTA, FUJINAMI, NQH, etc.)

**13.**  
Mr. **TRAN QUOC THANG**  
Planning & Budget Control

More than 20 years of experience in Real Estate industry

**11.**  
Mr. **LAO SAM THANH**  
Project Management / Construction Management Division 1 Director

More than 27 years of experience in Real Estate industry, both internationally and domestically.

**14.**  
Mr. **NGUYEN NGOC HUYEN**  
Project Management / Construction Management Division 2 Director

More than 10 years of experience in Real Estate industry.

**15.**  
Mr. **NGUYEN MINH TUAN**  
Township Management Division Director

Nearly 20 years of experience in Real Estate industry, including 18 years working for Phu My Hung Group.

# 04. SUSTAINABLE DEVELOPMENT REPORT

Waterfront - Township - 170 ha



- Organization & Human Resources
- Environment and Society

📍 Long Hung, Dong Nai

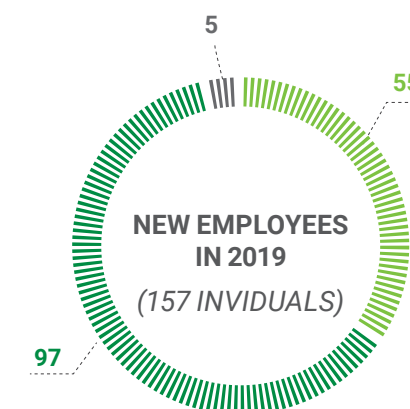
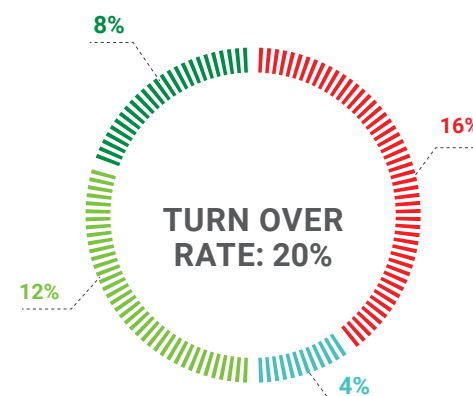
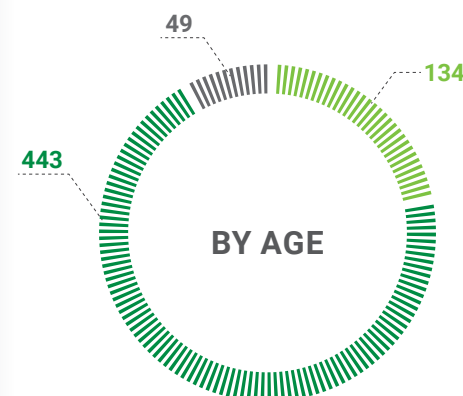
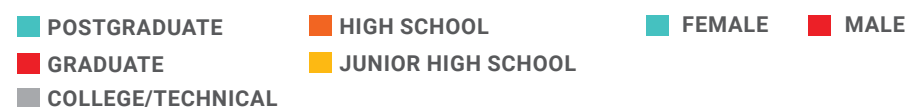
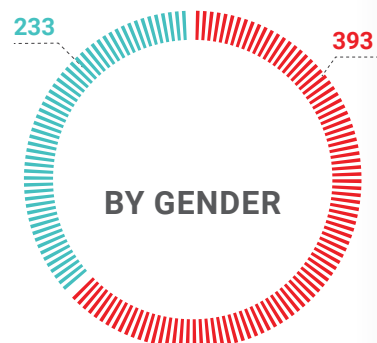
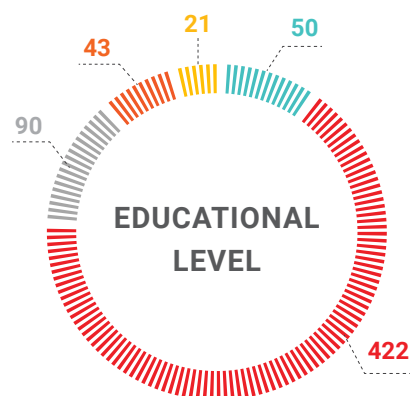


## ORGANIZATION & HUMAN RESOURCES

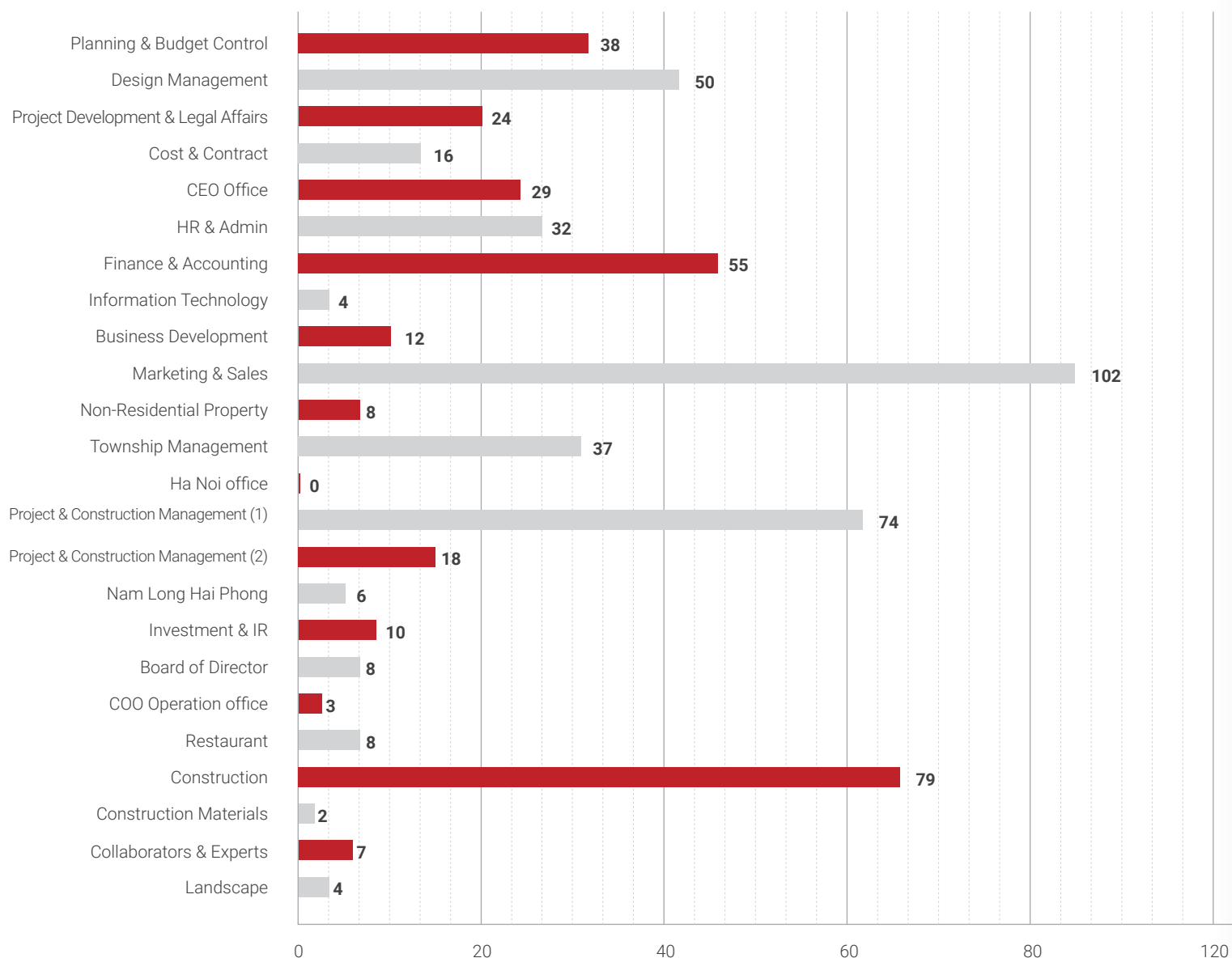
**NAM LONG INVESTMENT CORPORATION**



**TOTAL EMPLOYEES**  
**626** people  
as at 31 Dec 2019



### STRUCTURE BY DEPARTMENT



### TRAINING & DEVELOPMENT POLICY

In 2019, Nam Long Group partnered with Vanto Group – a global consulting firm - to create breakthrough results, organizational transformation, and a culture of high performance, implemented with sustainability and velocity. Over the first 9 months of this engagement, with 240 hours of coaching of over 220 top managers and employees, Nam Long has accomplished:

- The Executive members of the Board of Directors and the Board of Management of Nam Long have held authentic conversations that allow them to operate at a new level of effectiveness and coordinated action.
- The Nam Long Team has established new ways of communicating, relating to one another and working together, that allows for alignment, partnership and new found effective action.
- 220 Nam Long team members from across the organization - from employees to Board of Directors - gave their word to own the future of Nam Long and be accountable for fulfilling the Nam Long Vision 2020.
- Nam Long is transforming into a self-led organization, with satisfied and engaged employees reliably operating from the values of Professionalism, Integrity and Ownership.

## ENVIRONMENT AND SOCIETY

### SUSTAINABLE TOWNSHIP PLANNING

Balancing between profit generation and a better environment for the community and society, all projects developed by Nam Long conducted their Environmental Impact Assessments (EIA) to propose suitable project planning for township development throughout a 50 – 100 year period. In all past and current projects developed by Nam Long, regardless of the product line (social housing, mid-end, or high-end), each project is created on the criteria of green living environment, from low density construction (16% - 30%), conserve the natural aquatic ecology, reserve a large area for trees, communal buildings, landscape lakes, etc. Nam Long sacrificed a part of its profit to create a better system of facilities to improve the quality of life within the projects. For each building area taken from nature, an ecological facility is returned to the natural ecosystem by Nam Long.

Evidently in Waterpoint Township, in order to preserve the natural features of Vam Co Dong river, the 50-metre wide, 5.8-kilometre long estuarine wetland is left untouched without any dike or embankment. Within Waterpoint, an 8.6 hectare freshwater bay is created alongside 8 kilometres of internal manmade canal designed by the world leading consultant Royal Haskoning DHV (Netherlands) to control the water level in construction area, and prevent future floods.

Nam Long started to direct its operation towards sustainable development of large-scale townships – Creating Shared Value (CSV) through the planning of a real-estate service ecosystem, not only facilitating business performance, but also stimulate local businesses by creating jobs, connecting infrastructures, improving local communities for many years to come. In 2019, Nam Long completed the crossroad to connect Mizuki Park Township to Nguyen Van Linh Boulevard, essentially connecting the project to the city's common infrastructure. The completion of this crossroad not only improve the accessibility of nearby area, but also save each citizen 10 – 15 minutes per trip.



Mizuki Park - Nguyen Van Linh crossroad

### ENVIRONMENT PROTECTION

With the purpose of efficient Health – Safety – Environment (HSE) management in all construction sites, Nam Long implemented HSE Manual System, ensuring strict compliance to required standards within the boundary of project development, such as master planning, architectural design, structural, M&E, drainage and infrastructure design, project management, health & environment.

During construction, Nam Long requested all contractor to carefully cover and secure the site to prevent dust and noise pollution affecting nearby areas. In each project, depending on the specific design, Nam Long requested contractor to apply new modern technology to minimize the environmental impact. Nam Long is also among the firsts to apply the Ministry of Construction's policy to use unburnt bricks in project construction. The usage of this unburnt brick reduced the building's carbon footprint, and acted as a step towards the use of environment-friendly materials. However, the use of unburnt bricks also led to certain difficulties, namely elevated cost of materials, trainings for workers to ensure the quality of products. Additionally, Nam Long also used the additive "Miclayco" to improve the characteristic of clay, salt in available materials, making them suitable for aggregates, cemented concrete, traffic-related work items, etc. to conserve, and minimize the use of rare elements.



Actual Waterpoint Township riverside

## SOCIAL RESPONSIBILITY

### EHOMES SOCIAL HOUSING DEVELOPMENT

In response to the national housing programme, Nam Long overcame the challenges in developing social housing and ever-increasing construction cost. In 2019, Nam Long feasibly implemented, completed construction, and handed over at least 1,100 EHomeS apartment at 450 – 600 million VND per unit from 2 projects: EHomeS Phu HUU, and EHomeS South Saigon. As of now, Nam Long's social housing product line – EhomeS – has provided the opportunities to own a fully facilitated, well-connected home to approximately 3,000 low-income households in HCMC at the lowest cost in the market.

In order to constantly improve the quality of life for the citizens, Nam Long ceaselessly implemented comprehensive solutions, including the activity chains, from fund assurance, strong financing (construction without advance payment from customers), and cost-saving, centralized corporate structure for design, construction, sales, aftersales, management, building operation, and financial support packages.

### SOCIAL RESPONSIBILITIES & COMMUNITY SUPPORT

In addition to the focus on business growth, Nam Long shares a part of its annual profit in order to contribute to social activities, for the Group believes and considers that social responsibilities must be maintained seriously. This is shown through the ever increasing annual contribution to the government's reserve, social securities in Nam Long's townships, job opportunities for hundreds of employees, and many other charity programmes.

Attending to the life quality in Nam Long township communities, the group regularly organize and sponsor communal activities such as firefighting training, soft skills training for apartment life, Children day festival (June-01), Mid-autumn festival, Halloween, children's orientations, weekend market, green environment weekend, free health checkup, issue Nam Long magazines to share various life experiences in Nam Long townships, "Waterpoint festival season" event chain, etc.



Nam Long continue to find new land bank, and willingly cooperate with other partners whose land is suitable to apply the social housing model EHomeS, add on to the 'Social Housing' land bank, and assist the Government to better care for the low-income population in HCMC.

Together with local authorities in HCMC, Long An, etc., Nam Long sponsored Tet presents to poor families, notebooks for students, gratitude houses, donated to "For the Sea & Island – For the National Frontline" fund to support the border defense force. Furthermore, Nam Long – along with Vietnamnet, Dan Tri news – brought gift to poor children in remote areas, brought livelihood to poor families in Quang Binh province, organized "Swing for Life" gold tournament to raise "School with clean water" fund for 130 schools and educational centers in Bac Binh ward, Binh Thuan Provinces, etc.

Notably, Nam Long focused heavily on supporting education and contribute to the sustainability of the society. Through the annual "Nam Long friendship golf tournament", the group has raised VND 300 million for "Swing for Dream" scholarship, awarded to underprivileged-but-determined student in HCMC University of Architecture, HCMC University of Economy, HCMC Polytechnic, etc.

In addition to the common activities initiated by the group, the staffs of Nam Long also donated towards small gifts for sick children in Children's Hospital 1, Home in District 8, etc. The supportive, protective spirit was spread from the leaders, to each member of Nam Long during the group's establishment and development, which, in turn, contributed to the sustainable development of Nam Long today.

# 05. APPENDIX 1

Nam Long Dai Phuoc - Township - 45 ha



## INTRODUCTION OF SUBSIDIARIES

### LAND DEVELOPMENT

#### Nam Long VCD Corp

- Charter capital: 1.128.991.150.000 vnd
- Office Address: 21 - 23, Road no.3, Nam Long Residence, An Thanh Ward, Ben Luc District, Long An Province.
- Representative office in HCMC: Floor 5B, Capital Tower – 06 Nguyen Khac Vien, District 7, HCMC.

Nam Long VCD Joint Stock Company was established to focus on developing Waterpoint township of 355 hectares located in Long An Province. This is the largest project of Nam Long Group. In 2018, Nam Long Group signed a strategic investment contract with Thai Binh Group, Tan Hiep Investment Corporation, and two Japanese investors (Southgate Urban Development Company Limited), in order to initially develop 164,9 hectares in a total of 359 hectares landbanks.

#### Nam Phan Investment JSC

- Charter capital: 511.341.780.000 vnd
- Office Address: 151 Tran Trong Cung Str., Tan Thuan Dong Ward, District 7, HCMC.

Nam Phan Investment Joint Stock Company in the progress to completing the remaining categories of the 17.8 hectares project located at Phu Huu Ward, District 9, Ho Chi Minh City. In which, EHome S Phu Huu (with 1240 apartments) is the first social-housing project to be developed by Nam Long Group to meet the enormous demands of low-incomes individuals.

### HOUSING DEVELOPMENT

#### Nam Long Apartment Development JSC (Nam Long ADC)

- Charter capital: 300.000.000.000 vnd
- Office Address: Floor 9, Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Nam Long Apartment Development Corporation (referred to as Nam Long ADC), established on 11th September 2007 with 300 Billion VND charter capital, strived from the idea of establishing the first real estate company in the market which is specialized in investment, development of the average price apartments ('affordable housing'), inherited Nam Long Investment Corporation shareholders' 25 years of real estate development experience.

Currently, Nam Long ADC is engaged in investment and development two EHome S social housing projects located in District 9 and Binh Chanh District, HCMC.

#### Nguyen Son Real Estate JSC

- Charter capital: 197.500.000.000 vnd
- Office Address: Floor 5B, Capital Tower – 06 Nguyen Khac Vien, District 7, HCMC.

Nguyen Son Construction and Trading Co., Ltd. was established in 1999 aiming at land development in a new township of South Sai Gon, which was rated as one of the central urban area in the future. Currently, the Company focuses on constructing and delivering remaining categories: social housing, townhouses/shophouse, villas etc. of Nguyen Son residences project with an area of 10 hectares close to the strategic Nguyen Van Linh boulevard. With a strategic location, large scale and impressive masterplan, the project is received lots of attention from both foreign and domestic real estate developers.

#### Paragon Dai Phuoc One-Member LLC

- Charter capital: 1.366.815.400.000 vnd
- Office Address: Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Dai Phuoc Paragon One Member Limited Liability Company was established on 20th November 2018 in order to invest in the Dai Phuoc Paragon Villa project (454.757 square meters) at Area 8, Ong Con island, Dai Phuoc ward, Nhon Trach District, Dong Nai Province.

#### NLG – NNR – HR FUJI JSC

- Charter capital: 1.450.000.000.000 vnd
- Office Address: Floor 5B, Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

NLG-NNR-HR Fuji Investment Corporation ("Fuji") is another Joint Venture between Nam Long and two Japanese partners (Hankyu Hanshin Properties Co., Ltd and Nishi-Nippon Railroad Co., Ltd).

The company has successfully invested and developed quality apartment project – Flora Fuji and a high-end villa project – Valora Fuji in Phuoc Long B Ward, District 9, HCMC. By the end of 2018, all 789 SPAs for the apartments were signed and handed over in Flora Fuji Project, 84 villas were sold and delivered to customer in Valora Fuji Project.

In addition, in 2018, Fuji continues to receive a project transfer (85,374 square meter) located in An Lac Ward, Binh Tan District, Ho Chi Minh City to develop 4,617 apartments condo.

#### Dong Nai Waterfront City Co. Ltd

- Charter capital: 1.200.000.000.000 vnd
- Office Address: Donacoop Building, Phuoc Hai, Long Thanh Ward, Long Thanh District, Dong Nai Province, Vietnam.

Dong Nai Waterfront City LLC, previously owned by Portsville – a subsidiaries of Keppel Land Vietnam. On 25th January, 2019, Nam Long signed an agreement to transfer 70% of Portsville share in this project to expand the company's land bank.

Dong Nai Waterfront Project is planned to development in 2020.

#### NNH Mizuki JSC

- Charter capital: 1.500.000.000 vnd
- Office Address: Floor 5B, Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Mizuki Limited Company is established to continue the collaboration with two Japanese Partners (Hankyu Realty Co., LTD and Nishi Nippon Railroad Co., LTD) in developing project located in Binh Hung Ward, Binh Chanh District HCMC. The Mizuki Park township is 26.2 hectares, with 3 key product lines: apartments, townhouses/ shophouses and villas, launched 4,023 apartments, 57 townhouses/ shophouses and 39 villas in Phase 1 into the market. By the end of 2019, the project has achieved its sales target for Phase 1, including 1,419 / 1,437 Flora units and all 33 / 33 Valora villas were deposited, among which 1,068 Flora units and 25 shop-houses have been handed over.

#### NNH Kikyo Valora Co. Ltd

- Charter capital: 20.000.000.000 vnd
- Office Address: Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Kikyo Valora Limited Company is established to continue the collaboration with Japanese Partners (Nishi-Nippon Railroad Co., LTD) in developing a project located in Phu Huu Ward, District 9, HCMC – Valora Kikyo Project 47,790 sqm. In 2017, 109 villas were signed SPA in a total of 110/110 sold villas. In 2018, 107/110 villas were handed over to the customers.

#### Southgate JSC

- Charter capital: 1.833.000.000.000 vnd
- Address: 21-23 Road no.3, Nam Long Residence, An Thanh Ward, Ben Luc District, Long An Province, Vietnam.

Southgate Limited Company is established on 9th July 2018, a collaboration between Nam Long Investment Corporation with Thai Binh Group, Tan Hiep Investment Corporation, and Japanese Partner (Southgate Urban Development Co., Ltd.), from transferring 164,9 hectares of Waterpoint project (359 hectares) to develop villas, shophouses/townhouses, complex functional, commercial properties, etc.

#### Nam Long – Hong Phat JSC

- Charter capital: 60.000.000.000 vnd
- Office Address: A201 (3rd floor), Road no.10, Nam Long Residence, Hung Thanh Ward, Cai Rang District, Can Tho City.

Nam Long – Hong Phat was established in 2007 with the aim to expand landbanks in The Mekong Delta region. At present, the company is developing a residential project called Dalia Garden, 15.9 hectares, located in Cai Rang District, Can Tho City.

Through its strategic location, remarkable masterplan, and systematic investment, Dalia Garden Projects attracted special attention from clients and investors.

#### NNH Kikyo Flora Co. Ltd

- Charter capital: 583.000.000.000 vnd
- Office Address: Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Kikyo Valora Limited Company is established to continue the collaboration with two Japanese Partners (Hankyu Realty Co., LTD và Nishi-Nippon Railroad Co., LTD) in developing project located in Phu Huu Ward, District 9, HCMC – Flora Kikyo Project (5.339 square meter). In 2017, all 234 sold apartments were signed SPA. In 2018, 228/234 apartments were handed over to the customers.

In 2020, NNH Kikyo Valora shall continue to develop VSIP Hai Phong a 21.4 hectare project in Vietnam-Singapore Industrial Park, Thuy Nguyen, Hai Phong.

## INTRODUCTION OF SUBSIDIARIES (CONTINUED)

### CONSTRUCTION & SERVICES

#### Nam Long Real Estate Transaction Floor One-Member LLC

- Charter capital: 6.000.000.000 vnd
- Office Address: 73-75 Tran Trong Cung Str., Tan Thuan Dong Ward, District 7, HCMC.

Nam Long Real Estate Transaction Floor Company was established to distribute Nam Long's product into the market publicly and transparently.

Recently, Nam Long Real Estate Transaction Floor was honoured with the award of best Real estate Transaction Floor in Asia-Pacific at IPAX London 2019 (International Property Awards is the most prestigious awards reserved for the best business in the Real Estate industry worldwide) on 2nd March, 2019.

#### Nam Long Service One-Member LLC

- Charter capital: 5.334.000.000 vnd
- Office Address: 73-75 Tran Trong Cung Str., Tan Thuan Dong Ward, District 7, HCMC.

Nam Long Service Company was established in 2005 to specialise in after-sale operation and provide urban services, closing the real estate development cycle as well as increasing Nam Long Group's value.

In the upcoming time, Nam Long Service Company shall improve, and complete the service quality in order to bring the most satisfaction to the clients who live in Nam Long community.

#### Nam Khang Construction Investment Development One-Member LLC

- Charter capital: 116.000.000.000 vnd
- Office Address: 147 – 149 Tran Trong Cung, Tan Thuan Dong Ward, District 7, HCMC.

Originally Nam Khang Investment Corporation (est. 2004), and transitioned to Nam Khang Construction Investment Development Single-member Limited Liability Company on 22nd July 2015.

In the upcoming time, Nam Khang strives to become a thousand-billion VND company, and continue to be an important part within the real estate chain of Nam Long Group.

#### Nam Long Transportation Service One-Member LLC

- Charter capital: 20.000.000.000 vnd
- Office Address: Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Nam Long Transportation Service company was established in 2019 in order to organize a professional bus operation system to serve Nam Long's projects.

This bus stations shall aid to attract client to move to Nam Long's projects, creating citizen communities in townships; and concurrently, complete the image of Nam Long Group in the Real estate development value chain.



### OFFICE & COMERCIAL PROPERTY DEVELOPEMENT

#### Nam Long Property Management & Development One-Member LLC (Nam Long PMD)

- Charter capital: 251.455.102.000 vnd
- Office Address: Capital Tower – 06 Nguyen Khac Vien Str., Tan Phu Ward, District 7, HCMC.

Nam Long PMD was established in 2007 with the aim to develop, manage and operate the commercial properties of Nam Long Group. In 2020, Nam Long PMD shall strive towards the goal of becoming a thousand-billion VND company through centralization, manage, and operate the Group's commercial properties.

# 06. APPENDIX 2

Nam Long Hai Phong - Township - 21 ha



## GENERAL INFORMATION

### THE COMPANY

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC"). No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the 21st amended BRC dated 23 October 2019.

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

As at 31 December 2019, the Company has fourteen direct subsidiaries, four indirect subsidiaries, one associate and two jointly-controlled entities with details as follows:

COMPANIES	LOCATIONS	BUSINESSES	OWNERSHIP AND VOTING RIGHTS %
<b>SUBSIDIARIES</b>			
Nam Long VCD Corporation	Long An Province	Construction and real estate	99,91
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	Ho Chi Minh City	Real estate	87.33
Nam Phan Investment Corporation	Ho Chi Minh City	Construction and real estate	100
NNH Paragon Dai Phuoc	Ho Chi Minh City	Real estate	100
Nam Long Apartment Development Corporation	Ho Chi Minh City	Construction and real estate	99.87
Nam Long - Hong Phat Joint Stock Company	Can Tho City	Construction and real estate	99.98
NLG – NNR – HR Fuji Limited Liability Company (*)	Ho Chi Minh City	Construction and real estate	50.00
NNH Kikyo Flora Company Limited (*)	Ho Chi Minh City	Real estate	50.00
NNH Kikyo Valora Company Limited (*)	Ho Chi Minh City	Real estate	50.00
Nguyen Phuc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Real estate	100
Nam Khang Construction Investment Development One Member Limited Liability Company	Ho Chi Minh City	Construction and real estate	100
Nam Vien Construction and Design Consulting Joint Stock Company	Ho Chi Minh City	Service	81.25
Nam Khang Construction Materials Trading Company Limited	Ho Chi Minh City	Construction material trading	100
6D Joint Stock Company ("6D")	Ho Chi Minh City	Construction and real estate	76.03
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	Ho Chi Minh City	Real estate trading floor	100
Nam Long Service One Member Liability Company Limited	Ho Chi Minh City	Service and construction	100
Nam Long Transportation Service One Member Limited Company	Ho Chi Minh City	Transportation service	100
Nam Long Property Management and Development One Member Limited Company	Ho Chi Minh City	Construction and real estate	100
<b>JOINTLY-CONTROLLED ENTITIES</b>			
NNH Mizuki Joint Stock Company ("NNH Mizuki")	Ho Chi Minh City	Real estate	50.00
Southgate Joint Stock Company ("Southgate")	Ho Chi Minh City	Real estate	50.00
<b>ASSOCIATE</b>			
Anabuki NL Housing Service Vietnam Company Limited	Ho Chi Minh City	Real estate	30.59

Note:

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

### THE COMPANY (CONTINUED)

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

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

MEMBERS	DIRECTORS
<b>BOARD OF DIRECTORS</b>	
Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Vice chairman
Mr Lai Voon Hon	Member
Mr Bui Duc Khang	Member
Mr Chad Ryan Ovel	Member
Mr Ziang Tony Ngo	Member
Mr Ngian Siew Siong	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member
<b>AUDIT COMMITTEE</b>	
Mr Ziang Tony Ngo	Head
Mr Nguyen Xuan Quang	Member
Mr Tran Thanh Phong	Member
Mr Cao Tan Thach	Member
Mr Bui Duc Khang	Member
Mr Linson Lim Soon Kooi	Member
Ms Nguyen Luu Tuyen	Member
Mr Dang Hong Tan	Member
<b>MANAGEMENT</b>	
Mr Chu Chee Kwang	General Director
Mr Chau Quang Phuc	Chief Financial Officer

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Xuan Quang. Mr Chu Chee Kwang is authorised by Mr Nguyen Xuan Quang to sign the accompanying consolidated financial statements for the year ended 31 December 2019.

### AUDITORS

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

## REPORT OF THE MANAGEMENT

Management of Nam Long Investment Corporation (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2019.

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

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the management:



CHU CHEE KWANG  
General Director  
Ho Chi Minh City, Vietnam  
11 March 2020

## INDEPENDENT AUDITORS’ REPORT

Reference: 60755865/21247068-HN

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

We have audited the accompanying consolidated financial statements of Nam Long Investment Corporation (“the Company”) and its subsidiaries (“the Group”) as prepared on 11 March 2020 and set out on pages 6 to 50, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### MANAGEMENT’S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



ERNEST YOONG CHIN KANG  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2018-004-1  
Ho Chi Minh City, Vietnam  
11 March 2020

### AUDITORS’ RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated 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 Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 to provide a basis for our audit opinion.

THAI TRONG CANG  
Auditor  
Audit Practicing Registration Certificate  
No. 4139-2017-004-1



## CONSOLIDATED BALANCE SHEET

As at 31 December 2019

B01-DN/HN

Unit: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>7.923.235.851.914</b>	<b>7.320.034.818.646</b>
110	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1.900.653.285.537</b>	<b>2.084.176.325.661</b>
111	1. Cash		748.368.802.370	841.915.446.237
112	2. Cash equivalents		1.152.284.483.167	1.242.260.879.424
<b>120</b>	<b>II. Short-term investment</b>	<b>6</b>	<b>66.681.732.259</b>	<b>16.178.807.337</b>
121	1. Held-to-maturity investments		66.681.732.259	16.178.807.337
<b>130</b>	<b>III. Current accounts receivables</b>		<b>1.548.342.609.488</b>	<b>1.832.507.767.959</b>
131	1. Short-term trade receivables	7	456.727.723.004	268.856.020.497
132	2. Short-term advances to suppliers	8	742.712.905.473	307.611.434.177
135	3. Short-term loan receivables	9	-	236.988.551.748
136	4. Other short-term receivables	10	352.339.958.989	1.022.571.125.785
137	5. Provision for doubtful debts		(3.437.977.978)	(3.519.364.248)
<b>140</b>	<b>IV. Inventory</b>		<b>4.298.124.187.459</b>	<b>3.261.228.583.832</b>
141	1. Inventories	11	4.298.124.187.459	3.261.228.583.832
<b>150</b>	<b>V. Other current assets</b>		<b>109.434.037.171</b>	<b>125.943.333.857</b>
151	1. Short-term prepaid expenses	12	2.453.491.665	26.461.807.547
152	2. Value-added tax deductible	21	106.731.537.209	97.550.380.553
153	3. Tax and other receivables from the State	21	249.008.297	1.931.145.757
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>2.981.157.959.467</b>	<b>2.254.364.856.218</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>427.464.424.439</b>	<b>199.045.017.753</b>
215	1. Long-term loan receivables	9	73.789.212.750	39.200.000.000
216	2. Other long-term receivables	10	353.675.211.689	159.845.017.753
<b>220</b>	<b>II. Fixed assets</b>		<b>76.794.007.669</b>	<b>52.491.473.219</b>
221	1. Tangible fixed assets	13	58.065.005.720	39.813.635.254
222	Cost		108.695.776.138	83.429.658.852
223	Accumulated depreciation		(50.630.770.418)	(43.616.023.598)
227	2. Intangible fixed assets	14	18.729.001.949	12.677.837.965
228	Cost		27.888.031.346	19.546.459.659
229	Accumulated amortisation		(9.159.029.397)	(6.868.621.694)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>185.417.247.848</b>	<b>37.683.595.233</b>
231	1. Cost		210.054.788.851	56.880.619.198
232	2. Accumulated depreciation		(24.637.541.003)	(19.197.023.965)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>194.018.233.786</b>	<b>10.187.750.884</b>
242	1. Construction in progress	16	194.018.233.786	10.187.750.884
<b>250</b>	<b>V. Long-term investments</b>	<b>17</b>	<b>1.808.796.822.726</b>	<b>1.684.420.672.741</b>
252	1. Investments in an associate and jointly-controlled entities	17.1	1.806.387.822.726	1.680.011.672.741
253	2. Investment in other entities	17.2	2.409.000.000	4.409.000.000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>288.667.222.999</b>	<b>270.536.346.388</b>
261	1. Long-term prepaid expenses	12	17.271.336.174	11.549.574.972
262	2. Deferred tax assets	34.3	264.554.250.215	255.212.976.986
269	3. Goodwill	18	6.841.636.610	3.773.794.430
<b>270</b>	<b>TOTAL ASSETS</b>		<b>10.904.393.811.381</b>	<b>9.574.399.674.864</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2019

B01-DN/HN

Unit: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>300</b>	<b>C. LIABILITIES</b>		<b>4.704.460.956.362</b>	<b>4.289.895.463.441</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>3.024.335.277.673</b>	<b>2.693.609.144.909</b>
311	1. Short-term trade payables	19	174.705.474.076	269.917.220.581
312	2. Short-term advances from customers	20	1.321.709.245.270	1.080.291.603.266
313	3. Statutory obligations	21	251.691.667.672	184.899.755.044
314	4. Payables to employees		33.343.057.214	32.928.846.314
315	5. Short-term accrued expenses	22	488.054.866.482	505.732.677.153
318	6. Short-term unearned revenues	25	6.667.470.512	-
319	7. Other short-term payables	23	561.488.562.672	311.856.078.410
320	8. Short-term loan	24	63.282.000.000	201.421.232.295
321	9. Short-term provision	26	63.584.149.284	62.570.904.230
322	10. Bonus and welfare fund	27.4	59.808.784.491	43.990.827.616
<b>330</b>	<b>I. Non-current liabilities</b>		<b>1.680.125.678.689</b>	<b>1.596.286.318.532</b>
336	1. Long-term unearned revenues	25	694.788.377.071	718.151.289.307
337	2. Other long-term liabilities	23	104.464.456.895	9.100.824.610
338	3. Long-term loans and debts	24	806.240.486.487	805.983.254.317
341	4. Deferred tax liabilities	34.3	24.134.890.127	12.180.096.634
342	5. Long-term provisions	26	50.497.468.109	50.870.853.664
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>6.199.932.855.019</b>	<b>5.284.504.211.423</b>
<b>410</b>	<b>I. Capital</b>		<b>6.199.932.855.019</b>	<b>5.284.504.211.423</b>
411	1. Share capital	27.1	2.597.025.750.000	2.391.369.180.000
411a	- Shares with voting rights		2.597.025.750.000	2.391.369.180.000
412	2. Share premium	27.1	988.508.364.367	988.508.364.367
415	3. Treasury shares	27.1	(382.934.347.400)	(86.203.408.000)
418	4. Investment and development fund	27.1	10.709.490.423	10.709.490.423
420	5. Other funds belonging to owners' equity	27.1	2.216.611.139	2.216.611.139
421	6. Undistributed earnings	27.1	1.839.301.254.305	1.293.714.724.748
421a	- Undistributed earnings up to the prior year-end		990.053.918.135	575.474.126.064
421b	- Undistributed earnings of current year		849.247.336.170	718.240.598.684
429	7. Non-controlling interests	28	1.145.105.732.185	684.189.248.746
<b>400</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>10.904.393.811.381</b>	<b>9.574.399.674.864</b>



BUI HOANG VU  
Preparer  
11 March 2020



NGUYEN QUANG ĐỨC  
Chief Accountant



CHU CHEE KWANG  
General Director

## CONSOLIDATED INCOME STATEMENT

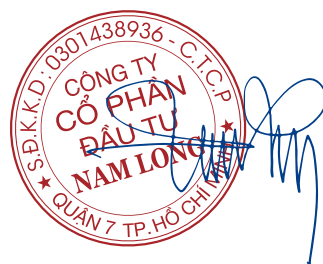
B02-DN/HN

For the year ended 31 December 2019

Unit: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenues from sale of goods and rendering of services	29.1	2.548.661.230.206	3.479.607.604.703
02	2. Deductions	29.1	(2.560.451.561)	-
10	3. Net revenues from sale of goods and rendering of services	29.1	2.546.100.778.645	3.479.607.604.703
11	4. Costs of goods sold and services rendered	30	(1.479.645.666.849)	(1.976.149.458.962)
20	5. Gross profit from sale of goods and rendering of services		1.066.455.111.796	1.503.458.145.741
21	6. Finance income	29.2	96.747.896.996	129.045.327.116
22	7. Finance expenses	32	(21.052.917.497)	(37.014.682.063)
23	- In which: Interest expenses		(19.740.490.753)	(36.407.185.577)
24	8. Shares of profit of associate, joint-controlled entities	17.1	126.376.149.985	13.982.118.647
25	9. Selling expenses	31	(119.286.865.591)	(251.780.398.726)
26	10. General and administration expenses	31	(305.567.667.299)	(238.797.348.671)
30	11. Operating profit		843.671.708.390	1.118.893.162.044
31	12. Other income	33	405.759.339.267	18.875.891.161
32	13. Other expenses	33	(23.154.211.570)	(9.764.277.917)
40	14. Other profit		382.605.127.697	9.111.613.244
50	15. Accounting profit before tax		1.226.276.836.087	1.128.004.775.288
51	16. Current corporate income tax expense	34.1	(216.390.636.733)	(326.015.025.537)
52	17. Deferred tax (expense) income	34.3	(2.613.520.264)	85.202.825.107
60	18. Net profit after tax		1.007.272.679.090	887.192.574.858
61	19. Net profit after tax attributable to shareholders of the parent		960.564.301.342	763.470.215.198
62	20. Net profit after tax attributable to non-controlling interests	28	46.708.377.748	123.722.359.660
70	21. Basic earnings per share	36	4.479	3.462
71	22. Diluted earnings per share	36	4.479	3.462





BUI HOANG VU  
Preparer  
11 March 2020

NGUYEN QUANG ĐỨC  
Chief Accountant

CHU CHEE KWANG  
General Director

## CONSOLIDATED CASH FLOW STATEMENT

B03-DN/HN

For the year ended 31 December 2019

Unit: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>01</b>	<b>Profit before tax</b>		<b>1.226.276.836.087</b>	<b>1.128.004.775.288</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	13, 14, 15, 18	20.702.761.878	13.448.531.597
03	Provision (reversal of provisions)		931.858.784	(1.782.592.423)
05	Profits from investing activities		(611.450.895.542)	(143.027.445.763)
06	Interest expenses	32	19.740.490.753	36.407.185.577
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>656.201.051.960</b>	<b>1.033.050.454.276</b>
09	Increase in receivables		(335.937.349.653)	(382.167.749.558)
10	Decrease in inventories		433.467.961.979	620.738.369.683
11	(Decrease) increase in payables		(169.969.902.696)	78.741.442.291
12	Decrease in prepaid expenses		18.286.554.680	66.249.135.366
14	Interest paid		(18.981.032.798)	(69.651.977.223)
15	Corporate income tax paid	21	(228.027.006.341)	(346.201.254.439)
17	Other cash outflows used in operating activities		(29.760.841.068)	(9.295.074.718)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>325.279.599.699</b>	<b>991.463.345.678</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchases of fixed assets		(63.761.241.523)	(15.346.636.339)
22	Proceeds from disposals of fixed assets		3.331.812.282	-
23	Loans to other entities		(71.502.924.922)	(240.625.303.873)
24	Collections from borrowers		-	44.318.766.037
25	Payments for investments in other entities	4.2, 4.3	(361.597.506.680)	(1.718.722.444.493)
26	Proceeds from sale of investments in other entities		33.460.000.000	1.533.300.000
27	Interest and dividends received		82.641.658.018	99.270.518.743
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(377.428.202.825)</b>	<b>(1.829.571.799.925)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	Issuance of shares		-	540.037.378.000
	Capital contribution from non-controlling interests	28	572.500.000.000	-
	Capital redemption to non-controlling interests	28	(22.072.330.000)	(93.427.250.000)
32	Repurchase of treasury shares	27.1	(296.730.939.400)	-
33	Drawdown of borrowings	24.4	329.075.470.886	1.002.998.294.569
34	Repayment of borrowings	24.4	(470.575.125.115)	(402.732.301.956)
36	Dividends paid to shareholders	27.3, 28	(243.571.513.369)	(206.672.557.744)
<b>40</b>	<b>Net cash flows (used in) from financing activities</b>		<b>(131.374.436.998)</b>	<b>840.203.562.869</b>
<b>50</b>	<b>Net (decrease) increase in cash and cash equivalents for the year</b>		<b>(183.523.040.124)</b>	<b>2.095.108.622</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>2.084.176.325.661</b>	<b>2.082.081.217.039</b>
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>1.900.653.285.537</b>	<b>2.084.176.325.661</b>





BUI HOANG VU  
Preparer  
11 March 2020

NGUYEN QUANG ĐỨC  
Chief Accountant

CHU CHEE KWANG  
General Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

As at 31 December 2019 and for the year then ended

### 1. CORPORATE INFORMATION

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the 21st amended BRC dated 23 October 2019.

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

As at 31 December 2019, the Company has fourteen direct subsidiaries, four indirect subsidiaries, one associate and two jointly-controlled entities with details as follows:

COMPANIES	LOCATIONS	BUSINESSES	OWNERSHIP AND VOTING RIGHTS %
<b>SUBSIDIARIES</b>			
Nam Long VCD Corporation	Long An Province	Construction and real estate	99,91
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	Ho Chi Minh City	Real estate	87.33
Nam Phan Investment Corporation	Ho Chi Minh City	Construction and real estate	100
NNH Paragon Dai Phuoc	Ho Chi Minh City	Real estate	100
Nam Long Apartment Development Corporation	Ho Chi Minh City	Construction and real estate	99.87
Nam Long - Hong Phat Joint Stock Company	Can Tho City	Construction and real estate	99.98
NLG – NNR – HR Fuji Limited Liability Company (*)	Ho Chi Minh City	Construction and real estate	50.00
NNH Kikyo Flora Company Limited (*)	Ho Chi Minh City	Real estate	50.00
NNH Kikyo Valora Company Limited (*)	Ho Chi Minh City	Real estate	50.00
Nguyen Phuc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Real estate	100
Nam Khang Construction Investment Development One Member Limited Liability Company	Ho Chi Minh City	Construction and real estate	100
Nam Vien Construction and Design Consulting Joint Stock Company	Ho Chi Minh City	Service	81.25
Nam Khang Construction Materials Trading Company Limited	Ho Chi Minh City	Construction material trading	100
6D Joint Stock Company ("6D")	Ho Chi Minh City	Construction and real estate	76.03
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	Ho Chi Minh City	Real estate trading floor	100
Nam Long Service One Member Liability Company Limited	Ho Chi Minh City	Service and construction	100
Nam Long Transportation Service One Member Limited Company	Ho Chi Minh City	Transportation service	100
Nam Long Property Management and Development One Member Limited Company	Ho Chi Minh City	Construction and real estate	100
<b>JOINTLY-CONTROLLED ENTITIES</b>			
NNH Mizuki Joint Stock Company ("NNH Mizuki")	Ho Chi Minh City	Real estate	50.00
Southgate Joint Stock Company ("Southgate")	Ho Chi Minh City	Real estate	50.00
<b>ASSOCIATE</b>			
Anabuki NL Housing Service Vietnam Company Limited	Ho Chi Minh City	Real estate	30.59

Note:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

B09-DN/HN

As at 31 December 2019 and for the year then ended

### CORPORATE INFORMATION (CONTINUED)

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

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

The number of the Group's employees as at 31 December 2019 is 625 (31 December 2018: 555 employees).

### 2. BASIS OF PREPARATION

#### 2.1 APPLIED ACCOUNTING STANDARDS AND SYSTEM

The consolidated financial statements of the Group expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

#### 2.2 APPLIED ACCOUNTING DOCUMENTATION SYSTEM

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

#### 2.3 FISCAL YEAR

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

#### 2.4 ACCOUNTING CURRENCY

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

#### 2.5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2019.

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) B09-DN/HN

As at 31 December 2019 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.2 INVENTORIES

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

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

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

#### Provision for obsolete inventories.

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

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

#### 3.3 RECEIVABLES

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

#### 3.4 FIXED ASSETS

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

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

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

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

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

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

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

#### 3.5 LEASED ASSETS

##### Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

##### Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

#### 3.6 DEPRECIATION AND AMORTISATION

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) B09-DN/HN

As at 31 December 2019 and for the year then ended

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

#### 3.7 INVESTMENT PROPERTIES

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

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

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

Buildings and structures	6 - 47 year
Land use rights	47 year

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

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

#### 3.8 BORROWING COSTS

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

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

#### 3.9 PREPAID EXPENSES

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

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

- Tools and consumables with large value issued into construction and can be used for more than one year;
- Show houses; and

- Commission fees.

#### 3.10 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortised over a maximum period of 10 years on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

#### 3.11 INVESTMENTS

##### Investments in associates

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

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

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) B09-DN/HN

As at 31 December 2019 and for the year then ended

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

#### 3.11 INVESTMENTS (CONTINUED)

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

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

The share of profit (loss) of the jointly controlled entities is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entities reduce the carrying amount of the investment.

The financial statements of the jointly controlled entities are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in the line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

#### 3.12 PAYABLE AND ACCRUALS

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

#### 3.13 ACCRUAL FOR SEVERANCE PAY

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

#### 3.14 FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences are taken to the consolidated income statement.

#### 3.15 TREASURY SHARES

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

#### 3.16 APPROPRIATION OF NET PROFIT

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors after approval by appropriate level of authority, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

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

- *Investment and development fund:* This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.
- *Other funds belonging to owners' equity:* Subsidised funds for operating activities, projects include remuneration schedule fund and operating budget fund.
- *Bonus and welfare fund:* This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) B09-DN/HN

As at 31 December 2019 and for the year then ended

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

#### 3.17 EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.18 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

- *Sale of villas, town houses, and apartments:* For villas, town houses and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the villas, town houses, or apartments have passed to the buyers.
- *Sale of residential plots and related infrastructure:* Revenue from the sale of residential plots and related infrastructure are recorded at the total consideration received when residential plots and related infrastructure are transferred to the customers.
- *Rendering of other services:* Revenue is recognised when services have been rendered and completed.
- *Interest:* Interest is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- *Dividends:* Dividend is recognised when the Group's entitlement as an investor to receive the dividend is established.
- *Rental income:* Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease in the consolidation income statements.

#### 3.19 TAXATION

##### *Current income tax*

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

balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.20 RELATED PARTIES**

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

**3.21 SEGMENT INFORMATION**

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

**4. BUSINESS COMBINATION****4.1 DISPOSAL OF THAO NGUYEN REAL ESTATE BUSINESS AND INVESTMENT COMPANY LIMITED ("THAO NGUYEN")**

On 31 March 2019, the Group disposed its entire shares, equivalent to 50% equity interest in Thao Nguyen to Tang Toc Company Limited - a third party, for a consideration of VND 35,400,000,000. Accordingly, the gain resulted from this transaction of VND 6,916,883,500 was recognized as finance income in the Group's consolidated income statement (Note 29.2).

**4.2 ACQUISITION OF VIET THIEN LAM INVESTMENT CORPORATION ("VTL")**

On 31 March 2019, two of the Group's subsidiaries, NNH Paragon Dai Phuoc ("Paragon") and Nam Phan Investment Corporation completely acquired the entire shares, equivalent to 100% equity interest in VTL from its current shareholders, for total consideration of VND 1,149,781,247,549. Accordingly, VTL became the Group's subsidiary as at that date.

VTL is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 3600980677 issued by the Department of Planning and Investment of Dong Nai Province on 27 February 2008, as amended. The registered activities of the Company are to trade real estate, leased or owned land use rights.

The fair value of the identifiable assets and liabilities of VTL as at the date of acquisition were as follows:

Unit: VND

ITEMS	FAIR VALUE RECOGNIZED ON ACQUISITION
<b>ASSETS</b>	<b>1.742.516.075.817</b>
Cash	35.614.798
Short-term other receivables	128.315.342.228
Inventories	1.614.165.118.791
<b>LIABILITIES</b>	<b>211.369.702.499</b>
Short-term trade payables	(683.798.626)
Other payables	(60.600.000)
Short-term loans	(210.625.303.873)
<b>TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE</b>	<b>(1.531.146.373.318)</b>
Non-controlling interest	-
Gain on bargain purchase (Note 33)	381.365.125.769
<b>PURCHASE CONSIDERATION</b>	<b>(1.149.781.247.549)</b>
<i>In which:</i>	
- Cash already advanced in 2018 (Note 10)	(802.222.444.493)
- Cash received from acquisition	35.614.798
- Net cash paid for cash flows	(347.523.188.258)

On 25 April 2019, Paragon acquired additional 2,106,253 new shares by the way of conversion its lending to share capital in VTL, for a consideration of VND 210,625,303,873.

On 19 August 2019, Paragon entered into a merger contract with VTL. According to the merger contract, VTL will be merged with Paragon and all of VTL's assets and liabilities will become part of Paragon's assets and liabilities. The effective date of the merger is 29 August 2019 based on the amended ERC issued by the Department of Planning and Investment of Ho Chi Minh City to Paragon on 29 August 2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

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**4. BUSINESS COMBINATION (CONTINUED)****4.3 ACQUISITION OF 6D JOINT STOCK COMPANY ("6D")**

On 18 July 2019, the Group's subsidiary, Nam Khang Construction Investment Development One Member Limited Liability Company, acquired 1,770,076 shares, equivalent to 76.03% equity interest in 6D from its current shareholders, for total consideration of VND 24,812,431,000. Accordingly, 6D became the Group's subsidiary as at that date.

6D is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0310069957 issued by the Department of Planning and Investment of Ho Chi Minh City on 7 June 2010, as amended. The registered activities of the Company are to construction and real estate.

The provisional fair value of the identifiable assets and liabilities of 6D as at the date of acquisition were as follows:

Unit: VND

ITEMS	PROVISIONAL FAIR VALUE RECOGNIZED ON ACQUISITION
<b>ASSETS</b>	<b>23.512.509.141</b>
Cash	10.738.112.578
Short-term other receivables	2.594.657.169
Inventories	426.663.346
Prepaid expenses	123.145.884
Other long-term asset	9.629.930.164
<b>LIABILITIES</b>	<b>(875.901.828)</b>
Other payables	(839.443.472)
Statutory obligations	(36.458.356)
<b>TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE</b>	<b>22.636.607.313</b>
Non-controlling interest (Note 28)	(5.425.994.773)
Goodwill (Note 18)	7.601.818.460
<b>PURCHASE CONSIDERATION</b>	<b>24.812.431.000</b>
<i>In which:</i>	
- Cash received from acquisition	10.738.112.578
- Net cash paid for cash flows	(14.074.318.422)

**4.4. PARTIAL ACQUISITION OF INTERESTS IN NAM LONG APARTMENT DEVELOPMENT CORPORATION ("NAM LONG ADC")**

On 25 July 2019, the Company acquired additional 817,465 shares, equivalent to 2.73% equity interest in Nam Long ADC from other investors. Accordingly, the Company increased its ownership in Nam Long ADC from 97.14% to 99.87%.

The difference between consideration transferred and the value of net assets acquired in Nam Long ADC as at the transaction date amounting to VND 4,682,552,874 was recorded as an increase in undistributed earnings in the Group's consolidated balance sheet (Note 27.1).

**4.5. PARTIAL ACQUISITION OF INTERESTS IN NGUYEN PHUC REAL ESTATE TRADING AND INVESTMENT COMPANY LIMITED ("NGUYEN PHUC")**

On 14 August 2019, Nam Long Service One Member Liability Company Limited, a subsidiary within the Group, acquired additional 1,000,000 shares or equivalent to 50.00% equity interest in Nguyen Phuc from other investors. Accordingly, the Company increased its ownership in Nam Long ADC from 50.00% to 100%.

The difference between consideration transferred and the value of net assets acquired in Nguyen Phuc as at the transaction date amounting to VND 4,373,477,484 was recorded as an increase in undistributed earnings in the Group's consolidated balance sheet (Note 27.1).

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As at 31 December 2019 and for the year then ended

**5. CASH AND CASH EQUIVALENTS**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Cash on hand	2.342.461.612	9.409.688.849
Cash at banks	746.026.340.758	832.505.757.388
Cash equivalents (*)	1.152.284.483.167	1.242.260.879.424
<b>TOTAL</b>	<b>1.900.653.285.537</b>	<b>2.084.176.325.661</b>

(\*) Cash equivalents comprised bank deposits with original maturities of less than three months and earned interest at the rates ranging from 4.5% to 6.5% per annum.

**6. SHORT-TERM INVESTMENTS**

Held-to-maturity investments represented the term deposits at the commercial banks with the original maturities higher than three months and less than twelve months and earned interests at the rates ranging from 5.5% to 7.6% per annum.

**7. SHORT-TERM TRADE RECEIVABLES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Trade receivables from other customers	321.386.197.498	263.013.848.415
Trade receivables from related parties (Note 35)	135.341.525.506	5.842.172.082
<b>TOTAL</b>	<b>456.727.723.004</b>	<b>268.856.020.497</b>

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

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>ADVANCES FOR PURCHASES OF LAND USE RIGHTS</b>	<b>430.822.523.148</b>	<b>162.309.631.117</b>
VSIP Hai Phong Company Limited	255.447.310.043	111.676.676.364
Can Tho Land Fund Development Center	126.517.440.795	29.103.011.589
Phu Duc Construction Material Manufacturing Company Limited	22.004.463.804	-
Land Clearance and Compensation Board of District 7	19.577.752.319	19.308.017.957
Others	7.275.556.187	2.221.925.207
<b>ADVANCES FOR CONSTRUCTION SERVICES</b>	<b>303.043.562.566</b>	<b>137.806.490.994</b>
Coteccons Construction Joint Stock Company	186.013.813.237	6.149.022.000
Dien Quang Nguyen Construction Joint Stock Company	4.624.440.639	16.371.653.270
Others	112.405.308.690	115.285.815.724
<b>OTHERS</b>	<b>8.846.819.759</b>	<b>7.495.312.066</b>
<b>TOTAL</b>	<b>742.712.905.473</b>	<b>307.611.434.177</b>

**9. LOAN RECEIVABLES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Short-term	-	236.988.551.748
Long-term	73.789.212.750	39.200.000.000
<b>TOTAL</b>	<b>73.789.212.750</b>	<b>276.188.551.748</b>

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**9. LOAN RECEIVABLES (CONTINUED)**

Details of the loan receivables are as follows:

Unit: VND

	ENDING BALANCE (VND)	MATURITY DATE	INTEREST RATE (%/p.a)
<b>MR NGUYEN THANH DONG</b>	<b>24.270.964.170</b>		
Loan 1	16.230.004.170	24/04/2021	6,0
Loan 2	8.040.960.000	24/04/2021	6,0
<b>MS VU BICH LAN</b>	<b>49.518.248.580</b>		
Loan 1	31.318.248.580	24/04/2021	6,0
Loan 2	18.200.000.000	24/04/2021	6,0
<b>TOTAL</b>	<b>73.789.212.750</b>		
<i>In which:</i>			
- Short-term loan receivables	-		
- Long-term loan receivables	73.789.212.750		

**10. OTHER RECEIVABLES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>352.339.958.989</b>	<b>1.022.571.125.785</b>
Deposit	168.264.935.693	-
Staff advances for land compensation purpose	64.027.483.915	124.934.334.187
Prepayment of corporate income tax based on payment progress of customers (i)	36.205.764.503	15.334.876.069
Receivable from investment in Business Cooperation Contracts ("BCC") (ii)	29.716.402.657	27.747.860.897
Staff advances for other business purposes	21.455.744.694	22.577.107.890
Receivables of interest, dividends and shared profits	17.040.638.527	10.091.378.717
Advances for share purchase (iii)	-	802.222.444.493
Others	15.628.989.000	19.663.123.532
<b>LONG-TERM</b>	<b>353.675.211.689</b>	<b>159.845.017.753</b>
Deposit	353.675.211.689	128.241.950.277
Investments in BCC projects (ii)	-	31.603.067.476
<b>TOTAL</b>	<b>706.015.170.678</b>	<b>1.182.416.143.538</b>
<i>In which:</i>		
- Due from other parties	700.923.303.154	1.182.416.143.538
- Due from related parties (Note 35)	5.091.867.524	-

Note:

- (i) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on Corporate Income Tax, the Group is entitled to provisionally pay tax at the rate of 20% on turnover received by cash from its customers less corresponding expenses or at the rate of 1% on cash collections from its customers pending the appropriate recognition of sales and cost of sales from those transactions.
- (ii) This amount mainly represented the BCC with 21 Century Joint Stock Company in 2015 to develop Lot 9B7 Residential Area on an area of 5.9 hectares in South Sai Gon Urban Area. The Company has 60% interest in this BCC. The profit shared from this BCC is based on the fixed rate. As at 31 December 2019, this project was under completion and hand-over stage.
- (iii) This amount represented the advances to shareholders of Viet Thien Lam Investment Corporation to acquire this company, who owns the Paragon Dai Phuoc project on an area of 454,757 m<sup>2</sup> located in Dong Nai Province, Vietnam, in accordance with General Agreements dated 26 October 2018 and the Share Subscription Agreements in 2018.

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**11. INVENTORIES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Inventory properties under development (i)	4.292.967.461.006	3.252.989.532.591
Engineering Procurement Contracts ("EPC") services	3.124.109.702	2.960.800.502
Construction materials	2.032.616.751	5.278.250.739
<b>TOTAL</b>	<b>4.298.124.187.459</b>	<b>3.261.228.583.832</b>
(i) Inventory properties under development:		
Paragon Dai Phuoc	1.701.620.417.887	-
Hoang Nam project (*) (**)	951.810.992.088	832.464.045.050
Vam Co Dong project (*) (**)	864.637.432.683	845.567.716.903
Phu Huu project	189.655.916.049	344.987.198.111
Areco project (*) (**)	156.086.601.205	261.613.512.658
Nguyen Son project		555.929.824.366
Phuoc Long B project – Extension	79.894.074.535	76.737.170.946
Can Tho project	62.928.900.699	40.551.601.822
Tan Thuan Dong project		
VSIP Hai Phong	41.325.850.640	12.484.917.723
Binh Duong project ("Ehome 4 project")	24.155.627.412	21.934.910.691
Long An project (*)	10.352.127.885	39.844.431.615
Phu Duc project	4.892.459.132	-
Phuoc Long B project – Apartment	389.782.187	389.782.187
Casa project	122.146.533	-
Tien Hung project	93.481.665	-
Thao Nguyen project		48.142.041.859
Others	30.846.437.835	45.129.952.266

Note:

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

- LURs in Linh Tay Ward, Thu Duc District, Long An Province; and
- LURs in An Lac Ward, Binh Tan District, Ho Chi Minh City;

(\*\*) During the year, the Group capitalised interest amounting to VND 72,961,567,373 to those inventory properties under development (31 December 2018: VND 55,491,788,360).

**12. PREPAID EXPENSES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>2.453.491.665</b>	<b>26.461.807.547</b>
Tools and supplies	1.184.913.573	11.417.757.397
Operating expenses	680.690.909	4.592.102.003
Commission fees	-	9.910.007.709
Others	587.887.183	541.940.438
<b>LONG-TERM</b>	<b>17.271.336.174</b>	<b>11.549.574.972</b>
Tools and supplies	9.983.099.404	3.447.391.698
Commission fees	1.323.914.770	1.686.882.478
Show-house construction fees	-	6.106.689.470
Others	5.964.322.000	308.611.326
<b>TOTAL</b>	<b>19.724.827.839</b>	<b>38.011.382.519</b>

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**13. TANGIBLE FIXED ASSETS**

Unit: VND

	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT AND FURNITURE	OTHER ASSETS	TOTAL
<b>COST:</b>						
Beginning balance	50.564.213.810	16.186.307.587	8.957.294.366	6.197.309.243	1.524.533.846	83.429.658.852
New purchase	163.266.000	4.882.589.199	11.563.568.771	389.060.000	-	16.998.483.970
Transfer from investment properties	3.757.084.237	-	-	2.395.840.988	66.344.442	6.219.269.667
Transfer from CIP	5.380.175.931	-	-	-	-	5.380.175.931
Disposal	-	-	(3.331.812.282)	-	-	(3.331.812.282)
Ending balance	59.864.739.978	21.068.896.786	17.189.050.855	8.982.210.231	1.590.878.288	108.695.776.138
- In which: Fully depreciated	4.554.146.286	4.306.776.725	4.854.752.106	1.415.534.755	1.292.036.145	16.423.246.017
<b>ACCUMULATED DEPRECIATION:</b>						
Beginning balance	(21.531.632.632)	(8.890.253.959)	(7.913.497.531)	(4.130.291.185)	(1.150.348.291)	(43.616.023.598)
Depreciation for the year	(1.463.103.365)	(1.828.742.201)	(3.286.479.604)	(188.774.111)	-	(6.767.099.281)
Transfer from investment properties	(445.064.660)	-	-	(1.179.524.288)	(46.172.628)	(1.670.761.576)
Disposal	-	-	1.423.114.037	-	-	1.423.114.037
Ending balance	(23.439.800.657)	(10.718.996.160)	(9.776.863.098)	(5.498.589.584)	(1.196.520.919)	(50.630.770.418)
<b>NET CARRYING AMOUNT:</b>						
Beginning balance	29.032.581.178	7.296.053.628	1.043.796.835	2.067.018.058	374.185.555	39.813.635.254
Ending balance	36.424.939.321	10.349.900.626	7.412.187.757	3.483.620.647	394.357.369	58.065.005.720

**14. INTANGIBLE ASSETS**

Unit: VND

	LAND USE RIGHTS	COMPUTERSOFTWARE	TOTAL
<b>COST:</b>			
Beginning balance	12.523.079.504	7.023.380.155	19.546.459.659
New purchase	-	6.879.188.000	6.879.188.000
Transfer from investment properties	1.413.183.687	-	1.413.183.687
Transfer from CIP	-	49.200.000	49.200.000
Ending balance	13.936.263.191	13.951.768.155	27.888.031.346
- In which: Fully amortised	-	4.016.295.973	4.016.295.973
<b>ACCUMULATED AMORTISATION:</b>			
Beginning balance	(1.898.682.065)	(4.969.939.629)	(6.868.621.694)
Amortisation for the year	(5.637.500)	(2.115.725.693)	(2.121.363.193)
Transfer from investment properties	(169.044.510)	-	(169.044.510)
Ending balance	(2.073.364.075)	(7.085.665.322)	(9.159.029.397)
<b>NET CARRYING AMOUNT:</b>			
Beginning balance	10.624.397.439	2.053.440.526	12.677.837.965
Ending balance	11.862.899.116	6.866.102.833	18.729.001.949



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**15. INVESTMENT PROPERTIES**

Unit: VND

	LAND USE RIGHTS	BUILDINGS AND STRUCTURES	TOTAL
<b>COST:</b>			
Beginning balance	9.483.265.826	47.397.353.372	56.880.619.198
Transfer from inventories	-	155.766.977.151	155.766.977.151
New purchase	1.857.600.000	-	1.857.600.000
Transfer to assets	(1.413.183.687)	(3.037.223.811)	(4.450.407.498)
Ending balance	9.927.682.139	200.127.106.712	210.054.788.851
<i>In which:</i>			
- Fully depreciation	702.721.672	816.491.827	1.519.213.499
<b>ACCUMULATED DEPRECIATION AND AMORTISATION:</b>			
Beginning balance	(8.831.657.249)	(10.365.366.716)	(19.197.023.965)
Charge for the year	(26.302.301)	(7.254.020.823)	(7.280.323.124)
Transfer to assets	169.044.510	1.670.761.576	1.839.806.086
Ending balance	(8.688.915.040)	(15.948.625.963)	(24.637.541.003)
<b>NET CARRYING AMOUNT:</b>			
Beginning balance	651.608.577	37.031.986.656	37.683.595.233
Ending balance	1.238.767.099	184.178.480.749	185.417.247.848

Additional disclosures:

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

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Rental income from investment properties	20.204.733.760	21.581.285.073
Direct operating expenses of investment properties that generated rental income during the year	(11.232.479.914)	(12.470.927.889)

The future annual rental receivable under the operating leases is included in Note 37.

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2019. However, given the present occupancy of these properties and the market value of the land, it is management's assessment that these properties' fair values are higher than their carrying values at the balance sheet date.

**16. CONSTRUCTION IN PROGRESS**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Educational project (*)	190.850.089.742	-
Office renovation	3.168.144.044	10.187.750.884
<b>TOTAL</b>	<b>194.018.233.786</b>	<b>10.187.750.884</b>

Note:

(\*) This represented the educational project on an area of 8,844 m2 in Tan Thuan Dong Ward, District 7, Ho Chi Minh City (Note 23). As at 31 December 2019, this project was still under finalized stage.

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**17. LONG-TERM INVESTMENTS**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Investment in an associate and jointly-controlled entities (Note 17.1)	1.806.387.822.726	1.680.011.672.741
Other long-term investments (Note 17.2)	2.409.000.000	4.409.000.000
<b>TOTAL</b>	<b>1.808.796.822.726</b>	<b>1.684.420.672.741</b>

**17.1 INVESTMENT IN AN ASSOCIATE AND JOINTLY-CONTROLLED ENTITIES**

Unit: VND

ENTITIES	BUSINESS	ENDING BALANCE		BEGINNING BALANCE	
		INTEREST (%)	COST OF INVESTMENT (VND)	INTEREST (%)	COST OF INVESTMENT (VND)
Southgate Joint Stock Company (i)	Real Estate	50,00	916.500.000.000	50,00	916.500.000.000
NNH Mizuki Joint Stock Company (ii)	Real Estate	50,00	750.000.000.000	50,00	750.000.000.000
Anabuki NL Housing Service Vietnam Co., Ltd.	Real estate	30,59	834.000.000	30,59	834.000.000
<b>TOTAL</b>			<b>1.667.334.000.000</b>		<b>1.667.334.000.000</b>

Note:

(i) The principal activity of Southgate is to develop Vam Co Dong Residential Area on an area of 165 hectares in An Thanh Ward, Ben Luc District, Long An Province.

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

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

Unit: VND

	ANABUKI NL HOUSING SERVICE VIETNAM CO., LTD.	NNH MIZUKI	SOUTHGATE	TOTAL
<b>COST OF INVESTMENT:</b>				
Beginning balance and ending balance	834.000.000	750.000.000.000	916.500.000.000	1.667.334.000.000
<b>ACCUMULATED SHARE IN POST-ACQUISITION (LOSS) PROFIT:</b>				
Beginning balance	678.086.056	10.725.128.737	1.274.457.948	12.677.672.741
Share in post-acquisition profit (loss) for the year	488.901.123	128.110.129.549	(2.222.880.687)	126.376.149.985
Ending balance	1.166.987.179	138.835.258.286	(948.422.739)	139.053.822.726
<b>NET CARRYING AMOUNT:</b>				
Beginning balance	1.512.086.056	760.725.128.737	917.774.457.948	1.680.011.672.741
Ending balance	2.000.987.179	888.835.258.286	915.551.577.261	1.806.387.822.726

**17.2 OTHER LONG-TERM INVESTMENTS**

Unit: VND

ENTITIES	ENDING BALANCE			BEGINNING BALANCE		
	INTEREST (%)	QUANTITY OF SHARES	COST OF INVESTMENT (VND)	INTEREST (%)	QUANTITY OF SHARES	COST OF INVESTMENT (VND)
Bac Trung Nam Housing Development Joint Stock Company	-	-	-	4,00	200.000	2.000.000.000
Hong Phat Finance Investment Corporation	1,25	150.000	2.409.000.000	1,25	150.000	2.409.000.000
<b>TOTAL</b>			<b>2.409.000.000</b>			<b>4.409.000.000</b>

Note:

(\*) On 28 January 2019, the Group disposed its investment in Bac Trung Nam Housing Development Joint Stock Company to a third party for a total consideration of VND 1,600,000,000 (Note 32).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**18. GOODWILL**

Unit: VND

	GOODWILL ARISING FROM INVESTMENT IN NGUYEN SON	GOODWILL ARISING FROM INVESTMENT IN 6D	TOTAL
<b>COST:</b>			
Beginning balance	32.906.583.473	-	32.906.583.473
Increase in year	-	7.601.818.460	7.601.818.460
Ending balance	32.906.583.473	7.601.818.460	40.508.401.933
<b>ACCUMULATED AMORTISATION:</b>			
Beginning balance	(29.132.789.043)	-	(29.132.789.043)
Amortisation for the year	(3.773.794.430)	(760.181.850)	(4.533.976.280)
Ending balance	(32.906.583.473)	(760.181.850)	(33.666.765.323)
<b>NET CARRYING AMOUNT:</b>			
Beginning balance	3.773.794.430	-	3.773.794.430
Ending balance	-	6.841.636.610	6.841.636.610

**19. SHORT-TERM TRADE PAYABLES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<i>Trade payables to other suppliers:</i>		
- Viet Thanh Joint Stock Company	21.569.392.773	-
- An Duy Trading - Services Company Limited	13.231.663.348	4.013.154.555
- Phan Vu Investment Corporation	11.501.832.822	17.111.417.456
- C.N.D Aluminium Glass Co., Ltd	9.413.282.264	1.037.619.542
- Central Construction Joint Stock Company	8.443.634.571	-
- QH Plus Joint Stock Company	8.112.412.021	12.743.196.496
- Hong Ha Cement Joint Stock Company	6.316.047.502	9.616.845.583
- Hung QuocThinh Services Trading Company Limited	4.120.673.398	16.716.758.252
- 6D Joint Stock Company	-	28.343.887.982
- Payables to other construction contractors	91.996.535.377	180.334.340.715
<b>TOTAL</b>	<b>174.705.474.076</b>	<b>269.917.220.581</b>

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

This amount represented advances from customers for apartments, town houses, villas and land purchases which were not handed-over as at the balance sheet date. Details are as follow:

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Advances from other customers	1.244.504.246.045	1.036.391.527.754
Advances from related parties (Note 35)	77.204.999.225	43.900.075.512
<b>TOTAL</b>	<b>1.321.709.245.270</b>	<b>1.080.291.603.266</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**21. STATUTORY OBLIGATIONS AND RECEIVABLES TAX**

Unit: VND

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
<b>RECEIVABLE</b>				
Corporate income tax ("CIT")	-	145.011.226	-	145.011.226
Value-added tax	97.550.380.553	179.459.599.284	(170.278.442.628)	106.731.537.209
Other taxes	1.931.145.757	103.997.071	(1.931.145.757)	103.997.071
<b>TOTAL</b>	<b>99.481.526.310</b>	<b>179.708.607.581</b>	<b>(172.209.588.385)</b>	<b>106.980.545.506</b>
<b>PAYABLE</b>				
CIT	166.125.758.629	240.805.293.385	(228.027.006.341)	178.904.045.673
<i>In which:</i>				
- CIT	155.761.843.351	216.390.636.733	(226.138.487.691)	146.013.992.393
- Prepayment of CIT based on payment progress of customers	10.363.915.278	24.414.656.652	(1.888.518.650)	32.890.053.280
Personal income tax	8.648.284.687	62.777.203.445	(65.039.273.960)	6.386.214.172
Value-added tax (*)	6.418.065.118	257.581.009.072	(201.490.139.578)	62.508.934.612
Other taxes	3.707.646.610	5.829.138.227	(5.644.311.622)	3.892.473.215
<b>TOTAL</b>	<b>184.899.755.044</b>	<b>566.992.644.129</b>	<b>(500.200.731.501)</b>	<b>251.691.667.672</b>

Note:

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

**22. SHORT-TERM ACCRUED EXPENSES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Cost-to-complete of projects	433.323.401.565	458.622.173.443
Interest expense payables	6.755.140.458	5.995.682.503
Other operating costs	47.976.324.459	41.114.821.207
<b>TOTAL</b>	<b>488.054.866.482</b>	<b>505.732.677.153</b>

**23. OTHER PAYABLES**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>		
Investment contributions received for BCCs (*)	245.498.564.091	144.776.195.356
Maintenance and warranty expenses	125.059.997.676	79.243.562.079
Deposit received for capital transfer (**)	100.000.000.000	-
Dividends payable to non-controlling interests	18.388.330.046	10.250.040.391
Deposits from customers	18.233.954.562	16.280.685.173
Payables for on-going projects	10.170.673.059	15.303.273.059
Deposits received	1.309.634.000	920.385.000
Others	42.827.409.238	45.081.937.352
<b>TOTAL</b>	<b>561.488.562.672</b>	<b>311.856.078.410</b>
<i>In which:</i>		
- Other payables to other parties	561.488.562.672	306.206.078.410
- Other payables to a related party (Note 35)	-	5.650.000.000
<b>LONG-TERM</b>		
Deposit	104.304.911.366	--
Others	159.545.529	9.100.824.610
<b>TOTAL</b>	<b>104.464.456.895</b>	<b>9.100.824.610</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**23. OTHER PAYABLES (CONTINUED)**

Note:

(\*) This amount included the BCC with Khai Sang Corporation amounting to VND 245,498,564,091 (as at 31 December 2018: 144,776,195,356 VND) to develop educational project on an area of 8,844 m<sup>2</sup> in Tan Thuan Dong Ward, District 7, Ho Chi Minh City (Note 16). As at 31 December 2019, this project was still under finalized stage.

(\*\*) On 18 December 2019, the Group signed the Deposit Contract to transfer 15% interest ownership in Paragon to a third party. As at 31 December 2019, deposit received from this company was VND 100,000,000,000.

**24. LOANS**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>63.282.000.000</b>	<b>201.421.232.295</b>
Short-term loan from banks (Note 24.1)	63.282.000.000	146.577.301.995
Current portion of long-term loans (Note 24.2)	-	54.843.930.300
<b>LONG-TERM</b>	<b>806.240.486.487</b>	<b>805.983.254.317</b>
Bonds (Note 24.3)	626.241.274.121	622.623.620.017
Loans from banks (Note 24.2)	179.999.212.366	183.359.634.300
<b>TOTAL</b>	<b>869.522.486.487</b>	<b>1.007.404.486.612</b>

**24.1 SHORT-TERM LOAN FROM A BANK**

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

BANKS	ENDING BALANCE (VND)	MATURITY DATE	PURPOSE	INTEREST RATE (%/p.a)	DESCRIPTION OF COLLATERAL
Standard Chartered Bank (Vietnam) Limited	63.282.000.000	25/09/2020	Support working capital needs	6,5 – 7,5	LUR and associated assets of An Thanh Ward, Ben Luc District, Long An Province (Note 11)

**24.2 LONG-TERM LOANS FROM BANKS**

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

BANK	ENDING BALANCE (VND)	MATURITY DATE	PURPOSE	INTEREST RATE (%/p.a)	DESCRIPTION OF COLLATERAL
HSBC Bank (Vietnam) Ltd	179.999.212.366	13/05/2021	Investment and development of Novia commercial housing project in an area of about 8,179 meters in Linh Tay Ward, Thu Duc District, Ho Chi Minh City	8,0	LUR and associated assets of Novia Project (Note 11)
<i>In which:</i>					
- Current portion	-				
- Long-term	179.999.212.366				

**24.3 BONDS**

On 19 June 2018, Ho Chi Minh Securities Corporation arranged for the Group to issued 120 non-convertible bonds to AIA (Vietnam) Life Insurance Co., Ltd., 30 non-convertible bonds to Generali Vietnam Life Insurance L.L.C and 510 non-convertible bonds to Manulife (Vietnam) Limited at par value of VND 1,000,000,000 per bond and at interest rate of 6.5% per annum. The bonds will expire on 19 June 2025, and are used to implement the Company's investment plans and projects.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**24. LOANS (CONTINUED)****24.4 MOVEMENTS OF LOANS AND BOND DURING THE YEAR**

Unit: VND

	LOANS	BOND	TOTAL
Beginning balance	384.780.866.595	622.623.620.017	1.007.404.486.612
Drawdown from borrowings	329.075.470.886	-	329.075.470.886
Repayment from borrowings	(470.575.125.115)	-	(470.575.125.115)
Cost of issuing bond	-	3.617.654.104	3.617.654.104
<b>ENDING BALANCE</b>	<b>243.281.212.366</b>	<b>626.241.274.121</b>	<b>869.522.486.487</b>

**25. UNEARNED REVENUE**

Unearned revenue included:

- The value of the Group's income received from the transfer part of Mizuki Park Project to NNH Mizuki Joint Stock Company and from the transfer part of Vam Co Dong Residence Project to Southgate deferred as at reporting date, which is proportionate to the ownership of the Group in these joint ventures; and
- The rental fees which was received in advance for the whole rental period.

Details are as follow:

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>6.667.470.512</b>	-
Rental fees received in advance	6.667.470.512	-
<b>LONG-TERM</b>	<b>694.788.377.071</b>	<b>718.151.289.307</b>
Vam Co Dong Residence Project	395.951.385.000	395.951.385.000
Mizuki Park Project	244.941.295.332	322.199.904.307
Rental fees received in advance	53.895.696.739	-
<b>TOTAL</b>	<b>701.455.847.583</b>	<b>718.151.289.307</b>

**26. PROVISIONS**

This balance represents the warranty work provision, work items completed, handed over as at the reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at 31 December 2019 and for the year then ended

B09-DN/HN

### 27. OWNERS' EQUITY

#### 27.1 INCREASES AND DECREASES IN OWNERS' EQUITY

	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARE	INVESTMENT AND DEVELOPMENT FUND	OTHER FUNDS BELONGING TO OWNERS' EQUITY	UNDISTRIBUTED EARNINGS	CONVERTIBLE BOND OPTION	TOTAL
Unit: VND								
<b>PREVIOUS YEAR</b>								
Beginning balance	1.572.264.090.000	492.051.147.061	(60.464.200.000)	10.929.726.999	1.088.759.118	863.748.460.570	40.503.427.830	2.920.121.411.578
Issuance of new shares	331.258.970.000	250.839.856.000	-	-	-	-	-	582.098.826.000
Treasury shares	-	-	(25.739.208.000)	-	-	(212.242.570.000)	-	(25.739.208.000)
Stock dividend	212.242.570.000	-	-	-	-	-	(40.503.427.830)	480.717.483.476
Conversion of convertible bonds	275.603.550.000	245.617.361.306	-	-	-	763.470.215.198	-	763.470.215.198
Net profit after tax	-	-	-	-	-	(79.266.995.820)	-	(79.266.995.820)
Dividends declared	-	-	-	-	-	(32.704.832.609)	-	(32.704.832.609)
Contribution to bonus and welfare funds	-	-	-	-	9.289.552.591	(9.289.552.591)	-	-
Appropriation of net profit	-	-	-	(220.236.576)	(8.161.700.570)	-	-	(8.381.937.146)
Utilisation of funds	-	-	-	-	-	-	-	-
<b>ENDING BALANCE</b>	<b>2.391.369.180.000</b>	<b>988.508.364.367</b>	<b>(86.203.408.000)</b>	<b>10.709.490.423</b>	<b>2.216.611.139</b>	<b>1.293.714.724.748</b>	<b>-</b>	<b>4.600.314.962.677</b>
<b>CURRENT YEAR</b>								
Beginning balance	2.391.369.180.000	988.508.364.367	(86.203.408.000)	10.709.490.423	2.216.611.139	1.293.714.724.748	-	4.600.314.962.677
Stock dividend (i)	188.556.930.000	-	-	-	-	(188.556.930.000)	-	-
Issuance of new shares (i)	17.099.640.000	-	(296.730.939.400)	-	-	-	-	17.099.640.000
Treasury shares (ii)	-	-	-	-	-	960.564.301.342	-	(296.730.939.400)
Net profit after tax	-	-	-	-	-	(181.026.448.724)	-	960.564.301.342
Cash dividends declared (iii)	-	-	-	-	-	(45.578.797.943)	-	(181.026.448.724)
Contribution to bonus and welfare funds (Note 27.4) (iv)	-	-	-	-	-	(7.856.460.796)	-	(45.578.797.943)
Remuneration of the Board of Directors	-	-	-	-	-	9.056.030.358	-	(7.856.460.796)
Equity transactions with non-controlling interests in subsidiaries without changing control (Note 4.4 and 4.5)	-	-	-	-	-	(1.015.164.680)	-	9.056.030.358
Others	-	-	-	-	-	-	-	(1.015.164.680)
<b>ENDING BALANCE</b>	<b>2.597.025.750.000</b>	<b>988.508.364.367</b>	<b>(382.934.347.400)</b>	<b>10.709.490.423</b>	<b>2.216.611.139</b>	<b>1.839.301.254.305</b>	<b>-</b>	<b>5.054.827.122.834</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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As at 31 December 2019 and for the year then ended

### 27. OWNERS' EQUITY (CONTINUED)

#### 27.1 INCREASES AND DECREASES IN OWNERS' EQUITY (CONTINUED)

Note:

(i) On 19 September 2019, the Group issued additional 18,855,693 new shares at par as dividends to existing shareholders at ratio of 8.23%. This issuance was appropriated from undistributed earnings as at 31 December 2018, which was in accordance with the Resolution of Shareholders No. 01/2019/NQ/DHDCD/NLG dated 20 April 2019.

On 24 September 2019, the Group received the Official Letter No. 5856/UBCK-QLCB from the State Securities Commission for approval on issuance new shares to the executives in accordance to the Executive Stock Grant program. Based on the program, the Group will issue additional 1,709,964 ordinary shares at the price of VND 10,000 to its executives in accordance with the approved Resolution of Shareholders No. 01/2019/NQ/DHDCD/NLG dated 20 April 2019 and the Board of Directors' Resolutions No. 12/2019/NQ/DHDCD/NLG dated 23 April 2018. On 23 October 2019, the Group received the 21th amended Business Registration Certificate issued by the Department of Planning and Investment of Ho Chi Minh City, for the approval of such increase in capital.

(ii) On 15 May 2019, the Group received the Official Letter No. 2995/UBCK-QLCB from the State Securities Commission for approval on the repurchase of 10,000,000 treasury shares at the price of VND 29,673/share in accordance with the Resolution of Shareholders No. 12a/2019/NQ/DHDCD/NLG dated 23 April 2019.

(iii) In accordance with the Board of Directors' Resolution No. 18/2019/NQ/HDQT/NLG dated 28 May 2019 and No. 41/2019/NQ/HDQT/NLG dated 28 November 2019, the Group was approved to pay dividends in 2018 by cash at 2.92% and advance dividends in 2019 by cash 4,78% par value; respectively.

(iv) In accordance with the Resolution of Shareholders No. 01/2019/NQ/DHDCD/NLG dated 20 April 2019, the Group's shareholders approved the appropriation of bonus at 4% of the Group's profit after tax and welfare fund of VND 10 billion.

#### 27.2 SHARES

Unit: Number of shares

	AS AT 31 DECEMBER 2019	AS AT 31 DECEMBER 2018
<b>AUTHORISED SHARES</b>	<b>259.702.575</b>	<b>239.136.918</b>
<b>ISSUED SHARES</b>		
<i>Issued and paid-up shares</i>	259.702.575	239.136.918
Ordinary shares	259.702.575	239.136.918
<b>TREASURY SHARES</b>		
<i>Held by parent company</i>	(10.000.000)	-
Ordinary shares	(10.000.000)	-
<i>Held by subsidiaries</i>	(9.544.956)	(9.544.956)
Ordinary shares	(9.544.956)	(9.544.956)
<b>SHARES IN CIRCULATION</b>		
Ordinary shares	240.157.619	229.591.962

Note:

Par value of outstanding share: VND 10,000/share (31 December 2018: VND 10,000/share). The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. Each ordinary share carries one vote per share without restriction.

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**27. OWNERS' EQUITY (CONTINUED)****27.3 INCREASE AND DECREASE IN SHARE CAPITAL**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>SHARE CAPITAL</b>		
Beginning balance	2.391.369.180.000	1.572.264.090.000
Increase	205.656.570.000	819.105.090.000
Ending balance	2.597.025.750.000	2.391.369.180.000
Stock dividends declared	188.556.930.000	212.242.570.000
Cash dividends declared	181.026.448.724	79.266.995.820
Dividends paid in cash	172.888.159.069	70.573.079.560

**27.4 INCREASE AND DECREASE IN BONUS AND WELFARE FUNDS**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	43.990.827.616	28.922.510.372
Increase (Note 27.1)	45.578.797.943	32.704.832.609
Fund usage	(29.760.841.068)	(17.636.515.365)
Ending balance	59.808.784.491	43.990.827.616

**28. NON-CONTROLLING INTERESTS**

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Contributed charter capital	1.028.700.293.970	522.386.883.970
Share premium	26.394.994.873	26.412.286.830
Treasury shares	(656.280.000)	(656.280.000)
Investment and development fund	62.463.835	62.463.835
Other funds belonging to owners' equity	577.917.539	648.746.284
Asset revaluation reserve	63.818.489	63.818.489
Undistributed earnings	89.962.523.479	135.271.329.338
<b>TOTAL</b>	<b>1.145.105.732.185</b>	<b>684.189.248.746</b>

Movements of non-controlling interests are as follows:

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	684.189.248.746	802.626.704.177
Additional capital contribution	572.500.000.000	-
Acquisition of a subsidiary (Note 4.3)	5.425.994.773	-
Net profit for the year	46.708.377.748	123.722.359.660
Treasury shares	-	(82.782.207)
Dividends paid	(78.387.001.800)	(146.268.292.884)
Capital withdrawal by cash	(22.072.330.000)	(93.427.250.000)
Equity transactions with non-controlling interests in subsidiaries without changing control	(31.128.360.358)	-
Disposal of investments in a subsidiary	(27.598.740.606)	-
Capital deduction by offsetting to receivables	(4.531.456.318)	(2.381.490.000)
Ending balance	1.145.105.732.185	684.189.248.746
<i>In which:</i>		
- Dividends paid in cash	70.683.354.300	136.099.478.184

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**29. REVENUES****29.1 REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>GROSS REVENUES</b>	<b>2.548.661.230.206</b>	<b>3.479.607.604.703</b>
Sale of land, apartments, town houses and villas	1.967.576.332.982	2.399.239.768.591
Construction services	428.552.074.889	10.115.342.024
Rendering of services	132.328.088.575	257.171.209.015
Rental income from investment properties	20.204.733.760	21.581.285.073
Sale of project	-	791.500.000.000
<b>LESS SALES DEDUCTION</b>	<b>(2.560.451.561)</b>	<b>-</b>
<b>NET REVENUES</b>	<b>2.546.100.778.645</b>	<b>3.479.607.604.703</b>
Sales to other parties	1.894.173.744.419	2.460.594.659.950
Sales to related parties (Note 35)	651.927.034.226	1.019.012.944.753

**29.2 FINANCE INCOME**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Interest income	67.983.093.544	102.148.994.247
Profit received from BCCs	21.345.474.284	26.518.996.108
Gain from disposal of Thao Nguyen (Note 4.1)	6.916.883.500	-
Dividends income	262.350.000	367.168.794
Late payment interest	240.095.668	10.167.967
<b>TOTAL</b>	<b>96.747.896.996</b>	<b>129.045.327.116</b>

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

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Cost of land, apartments, town houses and villas	1.081.281.967.877	1.443.777.515.737
Cost of construction	313.672.737.320	9.447.609.703
Cost of rendering of services	73.458.481.738	98.330.580.177
Operating costs of investment property	11.232.479.914	12.470.927.889
Cost of sale project	-	412.122.825.456
<b>TOTAL</b>	<b>1.479.645.666.849</b>	<b>1.976.149.458.962</b>

**31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>SELLING EXPENSES</b>	<b>119.286.865.591</b>	<b>251.780.398.726</b>
Marketing fees and show-houses construction cost	63.877.038.710	76.215.429.501
Commission fees	32.439.821.815	117.614.552.117
Salary expenses	15.142.177.961	17.171.782.122
Consultant fees	1.827.936.937	7.652.542.590
Others	5.999.890.168	33.126.092.396
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>305.567.667.299</b>	<b>238.797.348.671</b>
Salary expenses	192.046.577.755	162.196.604.556
External services	38.588.381.255	40.285.405.683
Rental expenses	35.132.809.082	4.354.913.104
Depreciation	4.451.626.009	2.690.868.904
Others	35.348.273.198	29.269.556.424
<b>TOTAL</b>	<b>424.854.532.890</b>	<b>490.577.747.397</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**32. FINANCE EXPENSES**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Interest expenses on bonds issued and bank loans	19.740.490.753	36.407.185.577
Loss on disposal of Bac Trung Nam Housing Development Joint Stock Company (Note 17.2)	400.000.000	-
Other finance expenses	912.426.744	607.496.486
<b>TOTAL</b>	<b>21.052.917.497</b>	<b>37.014.682.063</b>

**33. OTHER INCOME AND EXPENSES**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>OTHER INCOME</b>	<b>405.759.339.267</b>	<b>18.875.891.161</b>
Gain on bargain purchase (Note 4.2)	381.365.125.769	-
Contract penalty	11.490.205.037	5.231.874.505
Profit from disposal of fixed assets	171.606.755	1.991.274.130
Others	12.732.401.706	11.652.742.526
<b>OTHER EXPENSES</b>	<b>23.154.211.570</b>	<b>9.764.277.917</b>
Penalty	10.162.771.477	7.478.915.109
Others	12.991.440.093	2.285.362.808
<b>OTHER PROFIT</b>	<b>382.605.127.697</b>	<b>9.111.613.244</b>

**34. CORPORATE INCOME TAX**

The statutory enterprise income tax ("CIT") rate applicable to the Company is 20% of taxable profits. The CIT rates applicable for the Group's subsidiaries are ranging from 18% to 20% per entity.

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

**34.1 CIT EXPENSE**

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Current tax expense	206.218.688.627	325.218.657.956
Adjustment for under accrual of tax from previous years	10.171.948.106	796.367.581
Current CIT expense	216.390.636.733	326.015.025.537
Deferred tax expense (income) (Note 34.3)	2.613.520.264	(85.202.825.107)
<b>TOTAL</b>	<b>219.004.156.997</b>	<b>240.812.200.430</b>

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

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
<b>ACCOUNTING PROFIT BEFORE TAX</b>	<b>1.226.276.836.087</b>	<b>1.128.004.775.288</b>
At applicable CIT rate of tax 20%	236.398.048.623	218.960.615.961
<i>Adjustments to increase (decrease)</i>		
Adjustment for under accrual of CIT from previous years	10.171.948.106	796.367.581
Amortisation of goodwill in business combination	906.795.256	1.006.345.181
Tax loss carried forward	(616.158.519)	(6.143.487.020)
Income from business activities not subject to CIT	(8.589.578.778)	(5.377.232.980)
Share of profit from associates	(25.275.229.997)	(2.791.166.789)
Difference between actual interest rate and nominal interest rate on convertible bond	-	1.289.239.073
Others	6.008.332.306	33.071.519.423
<b>CIT EXPENSE</b>	<b>219.004.156.997</b>	<b>240.812.200.430</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**34. CORPORATE INCOME TAX (CONTINUED)****34.2 CURRENT TAX**

The current tax payable is based on taxable profit for the year. The taxable profit of the Group for the year differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

**34.3 DEFERRED TAX**

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

Unit: VND

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED INCOME STATEMENT	
	ENDING BALANCE	BEGINNING BALANCE	CURRENT YEAR	PREVIOUS YEAR
<b>DEFERRED TAX ASSETS</b>	<b>264.554.250.215</b>	<b>255.212.976.986</b>		
Intra-group unrealised profits eliminated in consolidation	230.285.696.758	219.793.957.359	10.491.739.399	56.512.258.585
Accrued expenses	31.591.236.238	32.701.605.411	(1.110.369.173)	4.981.422.722
Others	2.677.317.219	2.717.414.216	(40.096.997)	(747.657.632)
<b>DEFERRED TAX LIABILITIES</b>	<b>(24.134.890.127)</b>	<b>(12.180.096.634)</b>		
Deductible interest expenses at entity level but capitalized on the consolidated financial statements	(11.954.793.493)	-	(11.954.793.493)	-
Fair value adjustment on assets acquired in business combination	(12.180.096.634)	(12.180.096.634)	-	24.456.801.432
<b>NET DEFERRED TAX (EXPENSE) INCOME (NOTE 34.1)</b>			<b>(2.613.520.264)</b>	<b>85.202.825.107</b>

**35. TRANSACTIONS WITH RELATED PARTIES**

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

Unit: VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	CURRENT YEAR	PREVIOUS YEAR
Southgate	Jointly-controlled entity	Sale of project (*)	-	791.500.000.000
		EPC services	335.964.913.165	74.359.327.272
		fee (*)	-	916.500.000.000
NNH Mizuki	Jointly-controlled entity	EPC services fee (*)	160.904.361.903	153.086.799.299
		Sale of apartments and town houses (*)	154.939.703.704	-
		Rental income (*)	118.055.454	66.818.182
		Capital contribution	-	5.650.000.000
(*) Sale to related parties (Note 29.1)			651,927,034,226	1,019,012,944,753

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**35. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

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

Unit: VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM TRADE RECEIVABLES (NOTE 7)</b>			<b>135.341.525.506</b>	<b>5.842.172.082</b>
NNH Mizuki	Jointly-controlled entity	EPC services	81.122.382.397	5.681.166.985
Southgate	Jointly-controlled entity	EPC services	54.168.143.109	-
Individuals	Shareholders	Sales of apartments	51.000.000	161.005.097
<b>SHORT-TERM ADVANCE FROM CUSTOMER (NOTE 20)</b>			<b>77.204.999.225</b>	<b>43.900.075.512</b>
Southgate	Jointly-controlled entity	EPC services	56.882.166.972	-
NNH Mizuki	Jointly-controlled entity	EPC services	20.322.832.253	43.900.075.512
<b>OTHER SHORT-TERM RECEIVABLES (NOTE 10)</b>			<b>5.091.867.524</b>	<b>-</b>
Southgate	Jointly-controlled entity	Others	4.727.867.524	-
Individuals	Related party	Others	364.000.000	-
<b>OTHER SHORT-TERM PAYABLE (NOTE 23)</b>			<b>-</b>	<b>5.650.000.000</b>
NNH Mizuki	Jointly-controlled entity	BCC Capital Contribution	-	5.650.000.000

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

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR
Remunerations for members of the BOD	8.833.793.944	9.232.382.800
Remunerations for members of the Management	9.328.950.830	7.827.376.210
<b>TOTAL</b>	<b>18.162.744.774</b>	<b>17.059.759.010</b>

**36. EARNINGS PER SHARE**

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

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

Unit: VND

	CURRENT YEAR	PREVIOUS YEAR (ĐIỀU CHỈNH)
<b>NET PROFIT AFTER TAX (VND)</b>	<b>960.564.301.342</b>	<b>763.470.215.198</b>
Less: Bonus and welfare fund (VND) (i)	(58.028.215.067)	(45.578.797.943)
<b>NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (VND)</b>	<b>902.536.086.275</b>	<b>717.891.417.255</b>
Weighted average number of ordinary shares during the year (shares) (ii)	201.505.291	207.347.548
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ADJUSTED FOR THE EFFECT OF DILUTION</b>	<b>201.505.291</b>	<b>207.347.548</b>
<b>Earnings per share (VND)</b>		
Basic earnings per share	4.479	3.462
Diluted earnings per share	4.479	3.462

Note:

(i) Net profit used to compute earnings per share for the the year ended 31 December 2018 was restated following the actual distribution to Bonus and welfare funds from 2018 undistributed earnings as approved in the Annual General Meeting 2018's Resolution dated 23 April 2019 ("AGM Resolution 2018"). Net profit used to compute earnings per share for the year ended 31 December 2019 is adjusted for distribution to Bonus and welfare funds as approved in accordance with the AGM Resolution 2018.

(ii) The weighted average number of shares in circulation for the year ended 31 December 2019 and 2018 were adjusted to reflect the issuance of stock dividends at the ratio of 8.23% on 19 September 2019.

(iii) There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** B09-DN/HN

As at 31 December 2019 and for the year then ended

**37. COMMITMENTS AND CONTINGENCIES****Operating lease commitments**

The Group leases assets under operating lease arrangements. The future minimum rental payable as at 31 December 2019 under the operating lease agreements are as follows:

Unit: VND

	ENDING BALANCE	BEGINNING BALANCE
Less than one year	14.103.964.643	11.732.276.491
From one to five years	16.875.153.886	27.486.746.979
More than five years	-	3.923.975.000
<b>TOTAL</b>	<b>30.979.118.529</b>	<b>43.142.998.470</b>

The Group leases out assets under operating lease arrangements. The future minimum rental receivable as at 31 December 2019 under the operating lease agreements are as follows:

Đơn vị: VND

	ENDING BALANCE	BEGINNING BALANCE
Less than one year	10.710.686.089	18.950.018.773
From one to five years	24.273.247.270	31.288.805.857
<b>TOTAL</b>	<b>34.983.933.359</b>	<b>50.238.824.630</b>

**Capital commitments**

As at 31 December 2019, the Group has contractual commitments for the construction work for its apartments, villa projects as follows:

Unit: VND

	CONTRACTED AMOUNT	RECOGNIZED AMOUNT	REMAINING COMMITMENT
Hoang Nam project	2.066.794.337.992	(311.190.224.000)	1.755.604.113.992
Nguyen Son project	678.003.747.791	(360.860.865.908)	317.142.881.883
Novia project	311.255.794.316	(240.965.350.685)	70.290.443.631
Phu Huu project	150.677.234.882	(119.101.904.251)	31.575.330.631
Long An project	112.406.491.711	(32.766.740.000)	79.639.751.711
Ehome project	69.676.731.440	(16.559.111.773)	53.117.619.667
Southgate project	64.014.660.000	(18.779.540.000)	45.235.120.000
VSIP Hai Phong project	23.900.510.000	(4.680.220.000)	19.220.290.000
Others	135.556.235.580	(60.946.566.307)	74.609.669.273
<b>TOTAL</b>	<b>3.612.285.743.712</b>	<b>(1.165.850.522.924)</b>	<b>2.446.435.220.788</b>

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

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



BUI HOANG VU  
Preparer  
11 March 2020



NGUYEN QUANG ĐỨC  
Chief Accountant



CHU CHEE KWANG  
General Director

