

BA RIA VUNG TAU HOUSE DEVELOPMENT JOINT STOCK COMPANY
(Established in the Socialist Republic of Vietnam)

REPORT
THE USE OF CAPITAL OBTAINED FROM THE ISSUANCE OF 19.990.244 SHARES TO INCREASE
CHARTER CAPITAL AS OF JULY 15TH, 2024
AUDITED

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THE BOARD OF GENERAL DIRECTORS' REPORT

The Board of General Directors of Ba Ria - Vung Tau House Development Joint Stock Company (hereinafter referred to as "the Company") submits this report together with the Report on the use of capital raised from the issuance of 19.990.244 shares to increase charter capital as of July 15, 2024.

THE BOARD OF DIRECTORS AND THE BOARD OF GENERAL DIRECTORS

The members of the Board of General Directors and the Board of General Directors who have managed the Company during the previous time up to the cut-off date of this report include:

Board of Directors

Mr. Doan Huu Thuan	Chairman
Mr. Le Viet Lien	Member
Mr. Doan Huu Ha Vinh	Member
Mr. Nguyen Tuan Anh	Member
Mr. Le Quoc Trung	Member
Mr. Le Quy Dinh	Member
Mr. Nguyen Dinh Duy	Member

Board of General Directors

Mr. Le Viet Lien	General Director
Mr. Doan Huu Ha Vinh	Vice General Director

Board of Supervisors

Mr. Ho Dien Tieu	Head
Mr. Hoang Chung Kien	Member
Mr. Phan Van Thang	Member

AUDITOR

International Auditing Company Limited (iCPA) audited the report on the use of capital raised from the issuance of 19.990.244 shares to increase the charter capital of Ba Ria - Vung Tau House Development Joint Stock Company as of July 15th, 2024.

RESPONSIBILITIES OF THE BOARD OF GENERAL DIRECTORS

The Company's Board of General Directors is responsible for preparing a report on the situation of using capital obtained from the shares issuance to increase charter capital (report on the use of capital) to honestly and reasonably reflect the company's capital usage. In the process of preparing the Capital Use Report, the Company's Board of General Directors commits to comply with the following requirements:

- Establish and maintain internal controls which have been determined to be necessary by the Board of General Directors to ensure that the preparation and presentation of the Financial Statements are free from material misstatement, whether due to fraud or error;
- The report on capital use is prepared by the Board of General Directors according to accounting basis as described in the Note II of the Capital Use Report Footnotes in order to comply with the information requirements about capital contribution cash flows. The framework for preparing and presenting the Capital Use Report applied is a fair presentation framework designed to satisfy the information needs of shareholders about the capital that the Company received in 2024 and used up to July 15th, 2024.

The Company's Board of General Directors guarantees that the accounting notebooks were kept honestly, reasonably and promptly reflect the company's capital usage situation and ensure that the Capital Use Report complied with current regulations of the government. Meanwhile, the Board of General Directors is responsible for safeguarding the company's assets and for taking appropriate measures to prevent and detect fraud and other irregularities.

REPORT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)

On behalf of the Board of General Directors,

(Signed)

Le Viet Lien
General Director
August 06th, 2024

INDEPENDENT AUDIT REPORT

To: **Shareholders, Board of Directors and Board of General Directors**
Ba Ria - Vung Tau House Development JSC

We have audited the attached Report on the use of capital from the issuance of 19.990.244 shares to increase charter capital on July 15th, 2024 of Ba Ria - Vung Tau House Development Joint Stock Company (referred to as "the Company") prepared on August 6, 2024, from page 5 to page 11, including the Capital Use Report and the Notes to the Capital Use Report.

Board of General Directors' Responsibility

The Company' Board of General Directors is responsible for the preparation and fair presentation of the Company's Capital Use Report in accordance with the basis of preparation of the report as presented in Note II of the Capital Use Report Footnotes and take responsibility to for the internal control (which have been determined to be necessary by the Board of General Directors to ensure that the preparation and presentation of the Financial Statements are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement of Capital Usage based on our audit. We conducted our audit in accordance with Vietnamese Auditing Standards, which require us to comply with standards and regulations on professional ethics, as well as to plan and perform the audit to obtain a reasonable guarantee about whether the Company's Statement of Capital Usage is free from material misstatement.

Auditing work includes performing procedures to collect audit evidence about the figures and disclosures in the Capital Use Report. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In the progress of making those risk assessments, the Auditors consider internal control relevant to the Company's preparation and presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used by the Board of General Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the Capital Use Report has reflected fairly and reasonably in all material respects, the capital use report obtained from the issuance of 19.990.244 shares to increase the Company's charter capital on July 15, 2024, in accordance with the basis for preparing the capital use report stated in Note II of the Capital Use Report and other legal regulations related to the preparation and presentation of the capital use report obtained from the issuance of shares.

INDEPENDENT AUDIT REPORT (CONTINUED)

Other matters

The report on the use of capital raised from the issuance of 19.990.244 shares to increase charter capital as of July 15, 2024, of the Company is used to confirm the use of capital raised from the issuance of shares and to submit to relevant organizations and agencies upon request. Therefore, this report may not be suitable for use for other purposes.

(Signed)

Tran Thien Thanh
Deputy General Director

Certificate of registration to practice
auditing No. 1932-2023-072-1

For and on behalf of

International Auditing Company Limited
Hanoi, August 6, 2024

(Signed)

Dang Thi Phuong Thao
Auditor

Certificate of registration to practice
auditing No. 5169-2020-072-1

**REPORT ON THE USE OF CAPITAL OBTAINED
FROM THE ISSUANCE OF 19,990,244 SHARES TO INCREASE CHARTER CAPITAL
AS OF JULY 15, 2024**

Ba Ria - Vung Tau House Development Joint Stock Company

I. INFORMATION ABOUT THE SHARE ISSUANCE

- | | |
|---|--|
| 1. Name of shares offered for sale: | Ba Ria - Vung Tau House Development Joint Stock Company |
| 2. Stock code: | HDC |
| 3. Type of shares: | Common shares. |
| 4. Par value: | VND 10.000/share |
| 5. Offering price: | VND 15.000/share |
| 6. Total number of shares registered for offering: | 20.000.000 shares |
| 7. Total expected value of shares offered at par value: | VND 200.000.000.000 |
| 8. Subjects of the offering: | All existing shareholders whose names are on the shareholder list on the last registration date to exercise the right to purchase shares offered to existing shareholders, established by the Vietnam Securities Depository and Clearing Corporation. |
| 9. Ratio of rights exercised for existing shareholders: | 1.000 : 148 (shareholders owning 1 share will receive 1 right, for every 1.000 rights, they can buy 148 new shares). |
| 10. Plan for handling unsold shares: | The Board of Directors of the Company will distribute the shares that existing shareholders do not fully purchase to the Company's shareholders or other persons in a reasonable manner with conditions no more favorable than those offered to existing shareholders and these shares will be restricted from transfer within 01 year from the date of completion of the offering. The distribution of unsold shares must comply with the provisions of Article 42 of Decree No. 155/2020/ND-CP dated December 31, 2020, of the Government and Article 195 of the Enterprise Law No. 59/2020/QH14. In addition, the Board of Directors of the Company may also decide to immediately end the issuance and report the issuance results without having to continue distributing the shares that shareholders do not register to fully purchase. |
| 11. Time for registration and payment: | For existing shareholders exercising their rights to purchase shares:
From May 10, 2024, to June 5, 2024;
For investors who purchase shares that are not fully purchased and are redistributed by the Board of Directors: From June 17, 2024, to June 19, 2024. |
| 12. The date for State Securities Commission sending a dispatch accepting the report on the results of the Company's additional share offering: | June 28, 2024. |

Proceeds from the stock issuance

- | | |
|--|---------------------|
| 1. Number of shares issued: | 19.990.244 shares |
| 2. Selling price: | VND 15.000/share |
| 3. Total proceeds from the offering of shares: | VND 299.853.660.000 |
| 4. Total issuance costs: | VND 289.550.000 |

I. INFORMATION ON THE SHARE ISSUANCE (CONTINUED)

In which:

<i>Issuance consultancy fee:</i>	VND 200.000.000
<i>Issuance licensing fee:</i>	VND 35.000.000
<i>Cost of closing the list of shareholders exercising rights:</i>	VND 14.000.000
<i>Capital audit fee:</i>	VND 40.000.000
<i>Transfer fee from the account of Vietnam Securities Depository and Clearing Corporation (VSDC) to the blocked account to receive money to buy shares of the Company:</i>	VND 550.000

5. Total net revenue from the stock offering: VND 299.564.110.000

II. REPORT ON CAPITAL USE ACCORDING TO THE ISSUANCE PLAN

1. Purpose of capital use

a) Legal documents

- Resolution of the 2023 Annual General Meeting of Shareholders No. 23/NQ.ĐHĐCĐ dated April 21, 2023;
- Proposal to approve the plan to issue shares to existing shareholders to increase charter capital on April 21, 2023;
- Resolution No. 42/NQ-HĐQT dated August 4, 2023, of the Company's Board of Directors on approving the detailed implementation of the plan to issue shares to existing shareholders;
- Resolution No. 56/NQ-HĐQT dated October 18, 2023 of the Company's Board of Directors on approving adjustments to a number of contents detailing the plan to issue shares to existing shareholders;
- Resolution No. 05/NQ-HĐQT dated January 29, 2024, of the Company's Board of Directors on approving the adjustment of the detailed capital use plan obtained from the offering to existing shareholders;
- Official dispatch No. 2829/UBCK-QLCB dated May 6, 2024, of the State Securities Commission on correcting information on the blocked account receiving money to buy shares offered to the public by HDC;
- Certificate of registration for public offering of shares No. 30/GCN - UBCK dated April 5, 2024;
- Resolution No. 36/NQ-HĐQT dated June 20, 2024, of the Company's Board of Directors approving the results of the additional share issuance to existing shareholders;
- Report on the results of the Company's public offering No. 282/BC-PTN dated June 25, 2024;
- Official dispatch No. 4059/UBCK-QLCB dated June 28, 2024, of the State Securities Commission on notification of receipt of documents reporting the results of HDC's additional public offering of shares;
- Resolution No. 38/NQ-HĐQT dated July 1, 2024, of the Company's Board of Directors on approving the change in the detailed plan for using capital raised from the offering to existing shareholders in 2024;
- Other related documents.

b) Capital use plan

According to the plan of issuing shares to existing shareholders to increase charter capital approved in the Resolution of the 2023 Annual General Meeting of Shareholders No. 23/NQ.ĐHĐCĐ dated April 21, 2023, the total amount of money raised from the offering is expected to be used for paying the principal and interest of short-term loans, long-term loans, and bonds dues to credit institutions, organizations and other individuals. The General Meeting of Shareholders authorizes the Board of Directors to base on the actual situation of the Company at the time of implementing the issuance plan to make a detailed plan to use the money raised from the offering to ensure it is consistent with the overall development plan of the entire Company.

According to Resolution No. 38/NQ-HĐQT dated July 1, 2024 of the Company's Board of Directors on approving the change in the detailed plan for using capital raised from the offering to existing shareholders in 2024, the capital raised from the issuance of shares to increase charter capital will be expected to be used as follows:

II. REPORT ON CAPITAL USE ACCORDING TO THE ISSUANCE PLAN (CONTINUED)

1. Purpose of capital use (Continued)

b) Capital use plan (Continued)

Unit: VND

No	Capital usage content	Amount of money
I	Payment of principal and interest on certain loans of the company at the following credit institutions:	236.044.110.000
1	- Vietnam Joint Stock Commercial Bank for Investment and Development (Credit limit contract No. 01/2024/600346/HDTD dated February 2, 2024, and Credit contract No. 03/600346/2017/HDTD dated August 31, 2017)	73.700.000.000
2	- Prosperity and Development Joint Stock Commercial Bank (formerly Petrolimex Joint Stock Commercial Bank) (Credit Contract No. 510.100/23/DN dated December 14, 2023 and Credit Contract No. 510.20143/2022/HDTD-DN/PGBank VT dated March 18, 2022)	84.600.000.000
3	- Tien Phong Commercial Joint Stock Bank (Credit Agreement No. 195/2023/HDTD/DSG dated December 15, 2023, and Loan Agreement No. 57/2021/HDTD/TTKD.KDG/02 dated December 9, 2021)	12.300.000.000
4	Joint Stock Commercial Bank for Foreign Trade of Vietnam (Loan Agreement No. 2019/HDC-VCB/TDH dated May 20, 2019, and Loan Agreement No. 2020/HDC-VCB/DAHĐ dated November 9, 2020)	29.000.000.000
5	- Vietnam - Russia Joint Venture Bank (Credit Contract No. 01/2019/HĐTDH.DN dated January 28, 2019, and Credit Contract No. 01/2023/25435/HĐTD dated December 7, 2023)	32.944.110.000
6	- Orient Commercial Joint Stock Bank (Credit Contract No. 0004/2021/HĐTD-OCB- DN dated April 14, 2021)	3.500.000.000
II	Debt payment to individuals under contract	63.520.000.000
1	- Nguyen Thi Phuong Tam (Contract for transferring shares of Y Ngoc Binh Thuan Resort Real Estate Trading and Services Joint Stock Company dated June 5, 2024)	20.000.000.000
2	- Nguyen Thi Phuong Hoa (Loan contract No. 07 dated November 24, 2023; Loan contract No. 08 dated December 15, 2023; Contract 10 dated December 29, 2023; Loan contract No. 09 dated March 22, 2024; Loan contract No. 13 dated April 12, 2024; Loan contract No. 19 dated May 29, 2024)	41.520.000.000
3	- Tran Thi Thanh (Loan contract No. 04/HĐV-PTN dated July 14, 2021)	2.000.000.000
	Total	299.564.110.000

2. Situation of capital use from stock issuance

Up to July 15, 2024, the entire proceeds from the above share issuance to existing shareholders have been used by the Company in detail as follows:

II. REPORT ON CAPITAL USE ACCORDING TO THE ISSUANCE PLAN (CONTINUED)

2. Situation of capital use from stock issuance (Continued)

Unit: VND

No	Beneficiaries	Capital usage content	Amount according to approved plan	Actual amount spent	Disparity
I	Credit institutions	Payment of principal and interest of some of the Company's loans at credit institutions	236.044.110.000	236.044.110.000	-
1	Joint Stock Commercial Bank for Investment and Development of Vietnam	Credit limit contract No. 01/2024/600346/HĐTD dated February 2, 2024, and Credit contract No. 03/600346/2017/HĐTD dated August 31, 2017	73.700.000.000	73.700.000.000	
2	Prosperity and Development Joint Stock Commercial Bank (formerly Petrolimex Joint Stock Commercial Bank)	Credit Contract No. 510.100/23/DN dated December 14, 2023, and Credit Contract No. 510.20143/2022/HĐTD-DN/PGBank VT dated March 18, 2022	84.600.000.000	84.600.000.000	
3	Tien Phong Commercial Joint Stock Bank	Credit Agreement No. 195/2023/HĐTD/DSG dated December 15, 2023, and Loan Agreement No. 57/2021/HĐTD/TTKD.KDG/02 dated December 9, 2021	12.300.000.000	12.300.000.000	
4	Joint Stock Commercial Bank for Foreign Trade of Vietnam	Loan Agreement No. 2019/HDC-VCB/TDH dated May 20, 2019, and Loan Agreement No. 2020/HDC-VCB/DAHĐ dated November 9, 2020	29.000.000.000	29.000.000.000	-
5	Vietnam - Russia Joint Venture Bank	Credit Contract No. 01/2019/HĐTDH.DN dated January 28, 2019, and Credit Contract No. 01/2023/25435/HĐTD dated December 7, 2023	32.944.110.000	32.944.110.000	
6	Orient Commercial Joint Stock Bank	Credit contract No. 0004/2021/HĐTD-OCB-DN dated April 14, 2021	3.500.000.000	3.500.000.000	-
II	Other individuals	Debt payment to individuals under contract	63.520.000.000	63.520.000.000	-
1	Nguyen Thi Phuong Tam	Contract for transfer of shares of Y Ngoc Binh Thuan Resort Real Estate Trading and Services Joint Stock Company dated June 5, 2024	20.000.000.000	20.000.000.000	-
2	Nguyen Thi Phuong Hoa	Loan Contract No. 07 dated November 24, 2023; Loan Contract No. 08 dated December 15, 2023; Contract 10 dated December 29, 2023; Loan Contract No. 09 dated March 22, 2024; Loan Contract No. 13 dated April 12, 2024; Loan Contract No. 19 dated May 29, 2024	41.520.000.000	41.520.000.000	
3	Tran Thi Thanh	Loan contract No. 04/HĐV-PTN dated July 14, 2021	2.000.000.000	2.000.000.000	-
	Total		299.564.110.000	299.564.110.000	

(Signed)

(Signed)

(Signed)

Duong Thi Ngoc
Report maker

Mai Thi Tuyet Lan
Chief Accountant

Le Viet Lien
General Director
August 6, 2024

I. COMPANY INFORMATION

Form of capital ownership

Ba Ria - Vung Tau House Development Joint Stock Company (hereinafter referred to as "the Company") is an enterprise equitized from a State-owned company under Decision No. 1274/QĐ-TTg dated September 26, 2001 of the Prime Minister. The Company operates under the Certificate of Business Registration of a joint stock company No. 3500444601 (old number: 4903000036) first registered on December 28, 2001, registered for the 31st change on July 5, 2024, issued by the Department of Planning and Investment of Ba Ria - Vung Tau province.

The Company's charter capital is 1.550.951.250.000 VND (One thousand five hundred and fifty billion, nine hundred and fifty-one million, two hundred and fifty thousand VND), which is equivalent to 155.095.125 shares, with a par value of 10.000 VND per share.

The company's headquarter is at 3rd Floor - Hodeco Plaza Building, No. 36 Nguyen Thai Hoc, Ward 7, Vung Tau City, Ba Ria - Vung Tau Province.

Main business lines and activities

The Company's main activities during the period were real estate, construction and service trading.

II. BASIS FOR PREPARING THE REPORT ON THE USE OF CAPITAL OBTAINED FROM THE SHARE ISSUANCE

1. Purpose of using report

The capital use report is prepared to reflect the use of capital obtained from the issuance of 19.990.244 shares to existing shareholders as of July 15, 2024.

The report on the use of capital raised from the issuance of shares to existing shareholders shall only be used to report on the use of capital according to the capital use plan approved in Resolution No. 23/NQ-ĐHĐCĐ dated April 21, 2023 of the 2023 Annual General Meeting of Shareholders, Resolution No. 42/NQ-HĐQT dated August 4, 2023, Resolution No. 56/NQ-HĐQT dated October 18, 2023, Resolution No. 05/NQ-HĐQT dated January 29, 2024 and Resolution No. 38/NQ-HĐQT dated July 1, 2024 of the Company's Board of Directors.

The report on capital use is only used for reporting purposes to State management agencies as prescribed in Circular No. 96/2020/TT-BTC dated November 16, 2020, to guide information disclosure on the stock market. Therefore, this report may not be suitable for other purposes.

2. Basis for reporting on capital usage

The report on capital usage is prepared based on legal documents, data on notebooks, financial statements, in compliance with current Law on Corporate accounting of Vietnam, regulations on information disclosure on the stock market as well as relevant legal regulations.

This capital use report is prepared based on the amount of money actually received from the share offering to existing shareholders from May 10, 2024 to June 19, 2024, and the amount the Company paid according to the corresponding items according to the approved capital use plan from the closing date of the offering to July 15, 2024, which is summarized from the accounting notebooks and is a part of the total balance of cash inflows and cash outflows of the Company.

3. Currency used in accounting

The capital use report is prepared in Vietnamese Dong ("VND").

BA RIA VUNG TAU HOUSE DEVELOPMENT JOINT STOCK COMPANY

3rd floor, HODECO Plaza, 36 Nguyen Thai Hoc Street, Ward 7, Vung Tau City

DESCRIPTION OF THE STATE OF USE OF CAPITAL OBTAINED FROM THE SHARE ISSUANCE

These notes are an integral part of and should be read in conjunction with the Capital Use Report.

III. EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF CAPITAL USE

There are no events occurring after the reporting date that require adjustment or disclosure in this financial statement.

(Signed)

Duong Thi Ngoc
Report maker

(Signed)

Mai Thi Tuyet Lan
Chief Accountant

(Signed)

Le Viet Lien
General Director
August 6, 2024