



Diamond Riverside

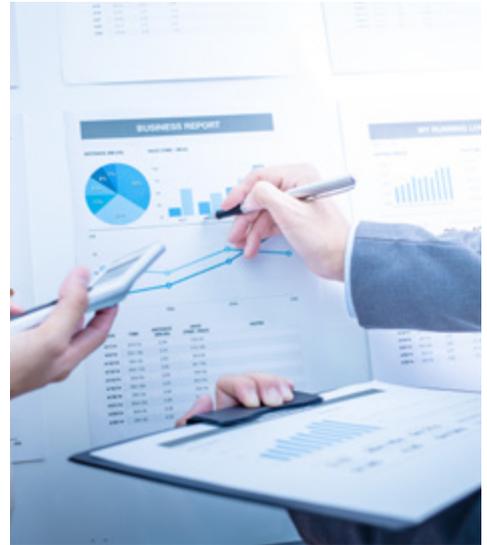


# ANNUAL REPORT 2020



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1.

## GENERAL INFORMATION

**TRADING NAME****577 INVESTMENT CORPORATION****BUSINESS REGISTRATION CERTIFICATE NO.****0303885305****CHARTER CAPITAL****VND 1,004,756,560,000****OWNER'S CAPITAL****VND 1,766,652,936,712****SECURITIES CODE: NBB****COMPANY CONTACT****Address** Carina Plaza Building, 1648 Vo Van Kiet, Ward 16, District 8, HCMC.**Telephone** (84-28) 62 577 577**Fax** (84-28) 62 615 577**Email** [nbb@nbb.com.vn](mailto:nbb@nbb.com.vn)**Website** [nbb.com.vn](http://nbb.com.vn)



## MESSAGE FROM BOARD CHAIRMAN

### Dear Shareholders!

Dear Ladies and Gentlemen!

In 2020, the Covid-19 pandemic caused many dramatic changes to the economy in general and to the real estate market in particular. Specifically, the real estate business activities were strongly affected by the decreasing demand when the economy grew slowly, affecting the income of employees and customers who have consumed the company's products. Meanwhile, construction investment activities, construction works and legal implementation of the Company also slowed down, changed from the original plan due to compliance with the social gap instructions for a long time.

Despite facing such difficulties and challenges, NBB Corporate has strived to maintain stability and successfully completed the plan for the fiscal year 2020, specifically:

- Accomplished the revenue and profit plan approved by the Annual General Meeting of Shareholders for year 2020. Compared to the same period in 2019, the total net revenue from sales and service provision increased by more than 10 times, and the after-tax profit of corporate income for the parent company's shareholders increased by about 8%.
- Accelerated legal progress, compensation, construction, sales and concentrated all resources for the construction of key projects: Typically, completed to handover of Diamond Riverside Apartments to buyers home; completed more than 90% of compensation work for Son Tinh Project; obtained a construction permit for the De Lagi Project.
- Paid dividends for 2019 in cash at the rate of 25% based on the resolution No.21/NQ-DHDCD dated May 12, 2020 of the Annual General Meeting of Shareholders in 2019.
- Stabilized cash flow of the Company; thereby, strongly improved the financial ratios; especially the ratio of financial debt to total assets was kept at a relatively low level (about 12.7%).
- Actively took care of the employees' lives, stabilized the personnel apparatus, and ensured employment and income for employees. Although it was a difficult year for the whole economy, 2020 was recognized as the efforts to improve the average total income of NBB

employees, an increase of about 23% compared to 2019.

By 2021, the real estate market is forecasted to develop stably in the context of the pandemic being gradually controlled and the macroeconomic being recovered its momentum. Taking advantage of this opportunity, NBB Corporate will continue to promote the achieved accomplishment and develop based on the following orientations:

- Ensure construction progress for key projects; at the same time, accelerate the compensation progress and complete legal procedures for existing projects to deploy investment or seek investment cooperation partners when necessary.
- Continuously look for a clean land fund for project development.
- Consolidate human resources and internal management system to create a solid foundation for the current and future development of the Company.

On the road ahead, NBB Corporate will still face many difficulties and challenges, but with the support of our shareholders, partners, customers as well as the efforts and solidarity of employees, sense of responsibility, flexibility, innovative in governance of the Board of Directors, we believe that NBB will have strong development steps in the new phase, contributing to increase long-term benefits for shareholders, partners and customers.

On behalf of The Board of Directors, I would like to sincerely thank the authorities, shareholders, partners, customers and all employees of the Company for their supports, cooperation and companionship with NBB the whole time.

Wishing you health, happiness and success!

**CHAIRMAN OF THE BOARD**



**NGUYEN QUYNH HUONG**

## DEVELOPMENT MILESTONES SINCE THE ESTABLISHMENT UNTIL NOW

577 Investment Corporation was officially established under Business Registration License No. 4103003556 issued by the Department of Planning and Investment of Hochiminh City.

**2005**

**2014**

The Company increased its charter capital twice. The first time is on 25/08/2014, charter capital increased from VND 358.6 billion to VND 537.2 billion by issuing for existing shareholders; The second time is on 04/12/2014 from VND 537.2 billion to VND 583.2 billion by a private placement for strategic partner Creed Investments VN-1 LTD.

According to the Certificate No. of 173/UBCK-GCN issued by the State Securities Commission, NBB published 11.9 million shares to increase its charter capital from VND 35 billion to VND 154 billion.

**2007**

**2015**

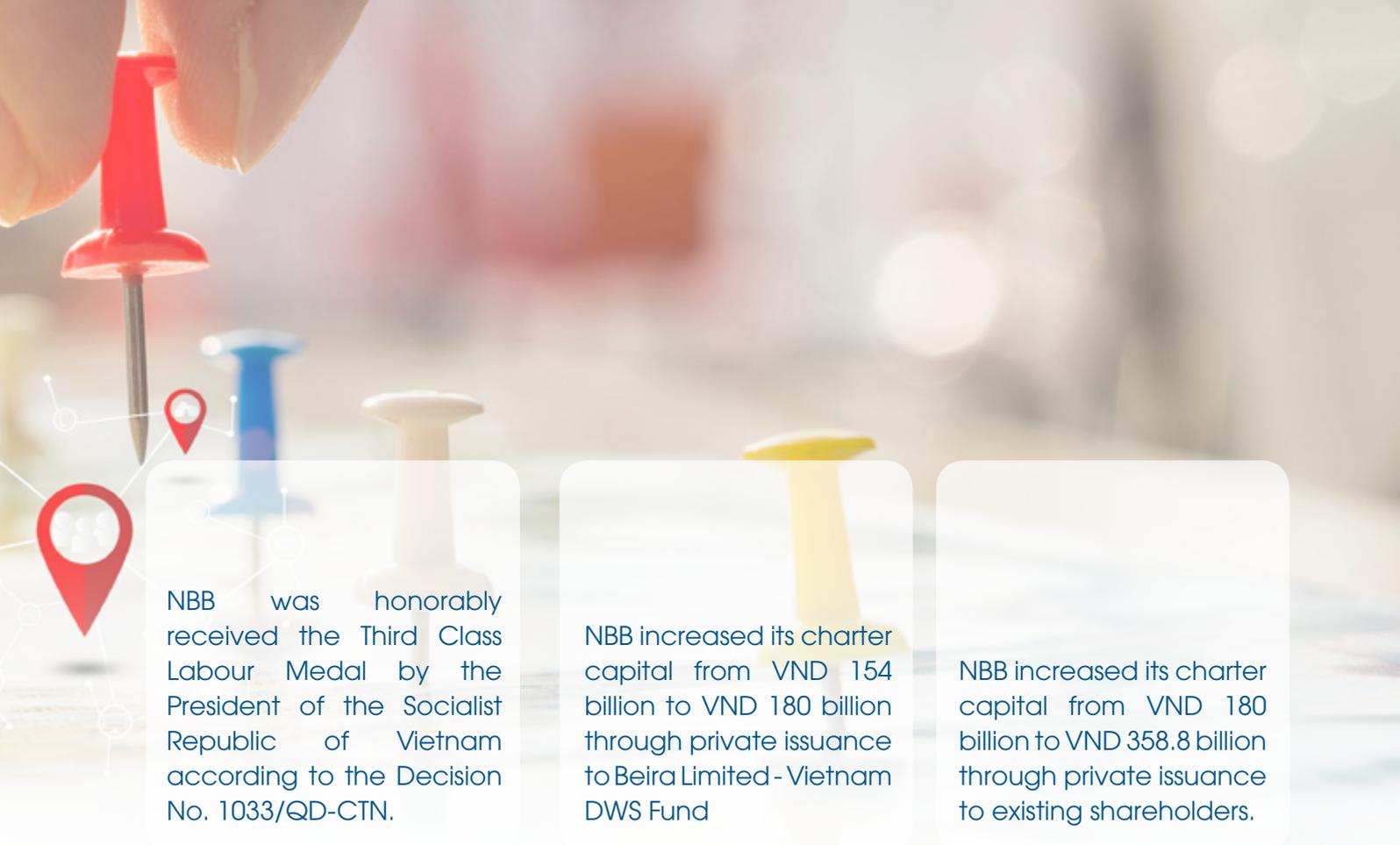
The Company relocated its Head Office to No. 1648 Vo Van Kiet, Ward 16, District 8, HCMC, marking a new development period of 577 Corp to facilitate the implementation of high-rise apartments projects of the Company in this region including: City Gate Towers, Diamond Riverside and NBB Garden III.

The State Securities Commission approved NBB listing request. This is a remarkable point that NBB officially became a typical public company.

**2009**

**2016**

The President of Vietnam awarded the second-class Labor Order to 577 Corp for outstanding achievements in its works and contribution to the career of building socialism and protecting the nation.



NBB was honorably received the Third Class Labour Medal by the President of the Socialist Republic of Vietnam according to the Decision No. 1033/QĐ-CTN.

**2010**

NBB increased its charter capital from VND 154 billion to VND 180 billion through private issuance to Beira Limited - Vietnam DWS Fund

**2011**

NBB increased its charter capital from VND 180 billion to VND 358.8 billion through private issuance to existing shareholders.

**2013**

**2017**

The Company increased its charter capital twice: The first time was on 20/04/2017 from VND 583.2 billion to VND 639.9 billion by converting bonds into shares of investors (Dragon Capital and another strategic shareholder); The second time was on 08/12/2017 VND 639.9 billion to VND 959.1 billion by issuing shares for existing shareholders.

**2018**

The Company increased its charter capital from VND 959.1 billion to VND 975.7 billion by converting bonds into shares of investors.

**2019**

The Company increased its charter capital from VND 975.7 billion to VND 1,004.7 billion by converting bonds into shares of investors.

**04/ 07/2005**

*Established 577 Investment Corporation with the initial charter capital of VND 10 billion and up to VND 1,004.7 billion now.*

*After 16 years of establishment, besides the headquarters in Ho Chi Minh City, the company has expanded its scale into many places such as Bac Lieu, Binh Thuan, Quang Ngai, Quang Ninh ... through the operation of 4 branches and 1 member company.*

*At present, mainly business activities of the company include investment and trading real estate.*

*Sow today*

**Harvest tomorrow**

## 2.

## TRADING AND BUSINESS AREAS

### **Investment in real estate is the main business of the company since its establishment.**

After 16 years of operation, from the successful start of the commercial center residential project in the North of Phan Thiet - Binh Thuan, the Company has expanded its investment in many cities and provinces throughout the country, including Ho Chi Minh City, Bac Lieu, Binh Thuan, Quang Ngai and Quang Ninh. In which, some typical projects such as: Diamond Riverside Condominium; NBB Garden III Condominium; Residential Area Project in Ward 2, Bac Lieu City; De Lagi - Binh Thuan Complex Residential Area & Condominium; Son Tinh - Quang Ngai Residential Area; Thuy San Hill - Ha Long Project...

Since 2014, the company has expanded the joint ventures with major partners within and outside the country such as Creed Corporation, Japan, HCMC Infrastructure Investment Joint Stock Company (CI)... The cooperation is to develop a variety of projects best fit for each project status.

### **REAL ESTATE PROJECTS IN HCMC**

1. City Gate Towers Condominium
2. Diamond Riverside Condominium
3. NBB II Condominium
4. NBB Garden III Condominium

### **REAL ESTATE PROJECTS IN OTHER PROVINCES**

1. Thuy San Hill - Ha Long Project
2. Son Tinh - Quang Ngai Residential Area
3. De Lagi - Binh Thuan Complex Residential Area & Condominium
4. Residential Area Project in Ward 2, Bac Lieu City

### **REAL ESTATE PROJECTS IN HCMC**



*DIAMOND RIVERSIDE Condominium*

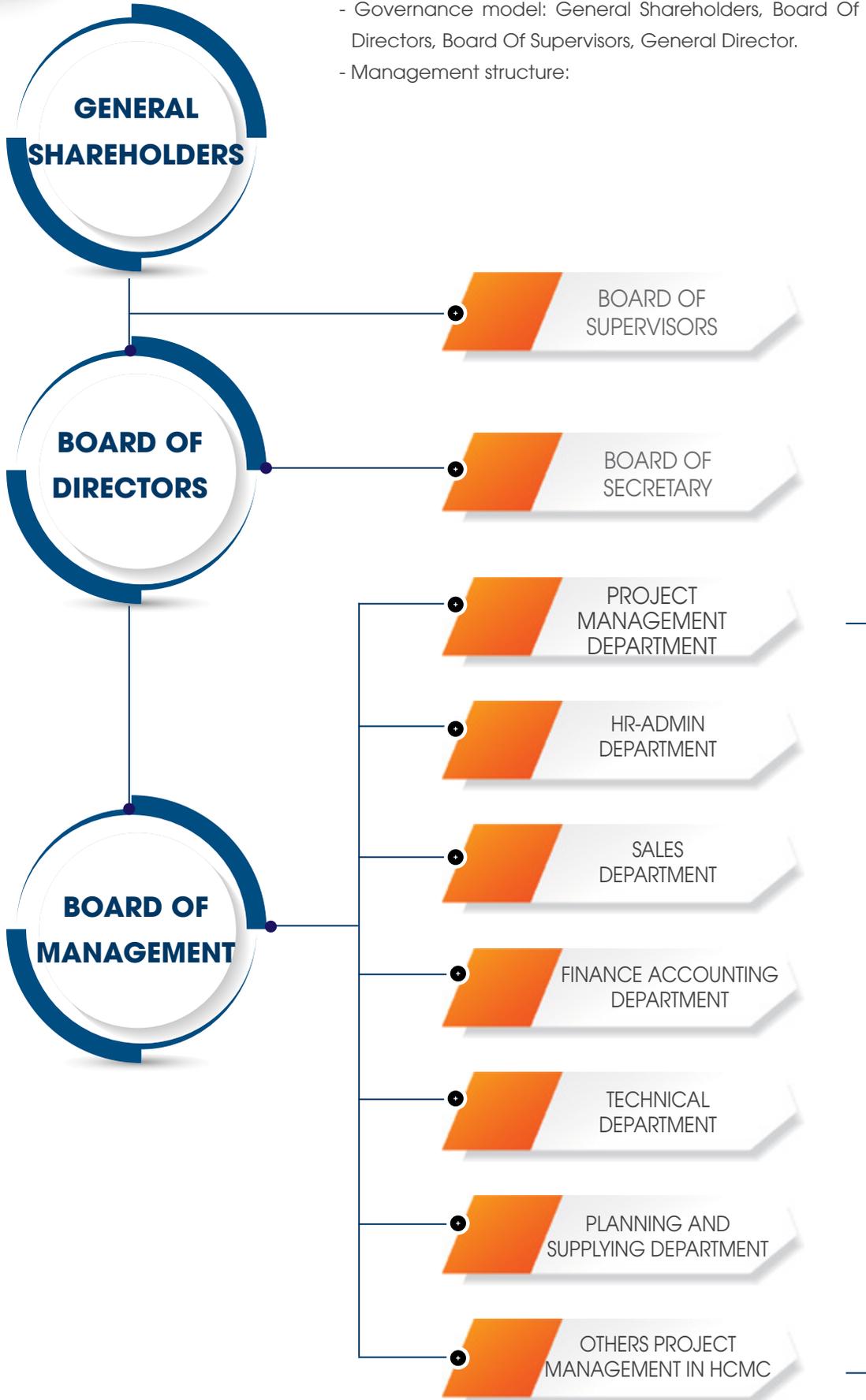


*NBB GARDEN III Condominium*

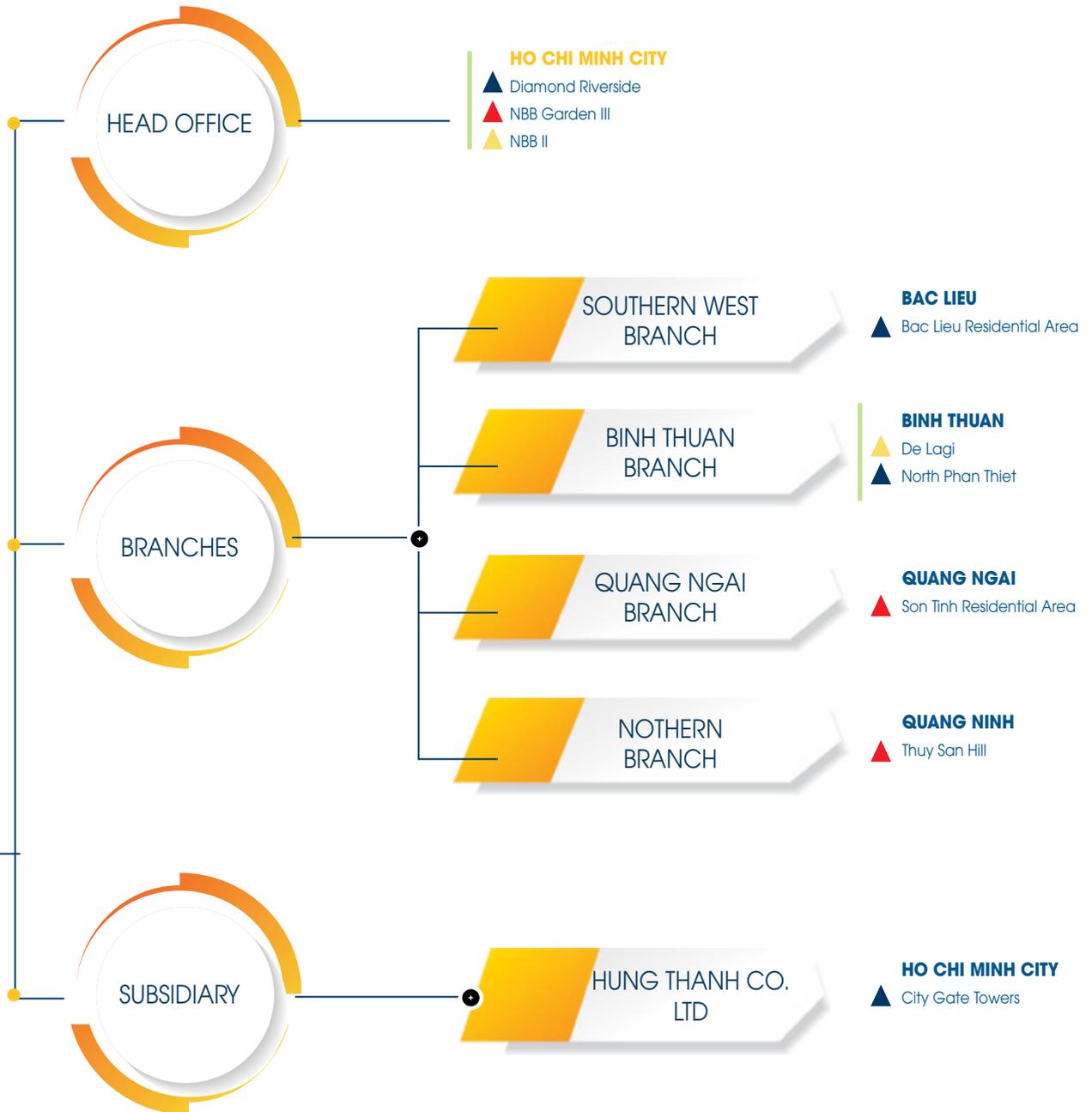
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### INFORMATION ABOUT GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

- Governance model: General Shareholders, Board Of Directors, Board Of Supervisors, General Director.
- Management structure:



▲ complete project      ▲ ongoing investment, forthcoming trading  
▲ complete investment, ongoing trading



4.

### DEVELOPMENT ORIENTATIONS - SUSTAINABLE DEVELOPMENT

- One of the top Vietnamese enterprises in investment and real estate industry by building a transparent and logical management system as well as sustainable development.
- Bringing the highest surplus value, "Prosperity, Success" to NBB's shareholders and staff.

5.

### RISKS

#### 5.1 ECONOMIC RISKS

- The year 2020 is considered a turbulent year with complicated developments of the Covid-19 pandemic; however, the real estate market was generally still stable thanks to the increasing real housing demand of the citizen. The year 2020 still kept the pace compared to the previous year when the absorption rate of the market was still quite positive with 75% of new products sold, focusing mainly on the high-end and mid-end segments in the East and suburb areas of HCM City.
- However; in 2021, the market will face many risks and challenges, affecting the continuously scarce supply due to the prolonged licensing process, risks of pandemic outbreaks and the complicated situations. House prices tend to increase due to scarcity, causing instability for the market. The company's projects targeting the mid-end segment need to meet the actual customers' demand and time the market appropriately in order not to suffer from negative impacts when the market goes down.
- As a specific industry affected by the macro economy, changes in interest rates as well as changes in major economies in the region and in the world will have a significant impact on the investment situation and transactions of the real estate market domestically. In addition, fluctuations in exchange



rates will also affect the input costs of some imported raw materials.

#### 5.2 LAW RISKS

- Regulations on the licensing process and legal procedures of the real estate projects are always changing and still in the stage of completion, causing many obstacles for businesses for handling.
- To limit the negative effects from the adjustment of policies and laws, the Company needs to comply with and update the changes in accordance with State regulations on the licensing process and legal procedures of Real Estate Projects.

#### 5.3 ENVIRONMENTAL RISKS

The company's real estate value is also affected by environmental risks surrounding the projects. Hazardous substances to human health caused by the project implementation process and the costs associated with solving potential environmental problems could increase the investment costs. At the same time, natural disasters such as earthquakes, storms, floods ... and changes in natural conditions also affect the investment process of construction projects.

#### 5.4 TYPICAL RISKS



- Typical risks of real estate business and construction are risks related to the implementation progress of the project (time for searching projects, clearance compensation activities, and project construction process), especially the prolong of premises clearance stage would lead to the increasing of financial costs and project investment expenses.
- Real estate investment and construction sectors have their own characteristics, the need to use a large capital in the medium and long term. Meanwhile, prices of inputs are highly volatile; especially the tendency of raising the labor costs creates significant pressure on capital. This requires that the enterprise must always have careful cost calculation and contingency plans.
- NBB's real estate investment projects for the period 2021 - 2025 include land property project in the central region (Quang Ngai, Binh Thuan) and high-rise apartment buildings projects in Ho Chi Minh City. Therefore, NBB must plan an overall strategy, ensure construction progress for each specific project to meet customer needs and have a reasonable business drop point to ensure the absorption of the market because capital mobilization of customers according to progress plays a crucial role for the success of the project.
- The commercial housing project which have output

products belong to the small flat segments with moderate price or social housings of many large enterprises which have also been implemented in District 8, Binh Tan, Binh Chanh will negatively affect to the potential sales of NBB unless it has effective marketing plans as well as determines the suitable time for project development and sales.

## **5.5 RISKS DUE TO OTHER FORCE MAJEURE EVENTS**

- Force majeure events are unforeseen events that cannot be anticipated and cannot be completely overcome despite the implementation of all necessary measures and abilities. Such force majeure events as war, fire, explosion, embargo, rebellion, sabotage or accident cannot be avoided ... Force majeure events affect the construction process and increase the cost of the projects.
- Therefore, it is necessary to strengthen inspection, management, supervision, strict compliance with the provisions of law, ensuring the quality of works to reduce losses if incidents occur.

## 1.

## BUSINESS PERFORMANCE SITUATION

## 1.1 OVERVIEW OF THE APARTMENT MARKET IN HCMC

In 2020, the apartment market generally remained stable before the complicated developments of the Covid-19 pandemic with increasing real housing demand. In particular, the absorption rate of the market was still quite positive with 75% of new products sold, focusing mainly on the high-end and mid-end segments in the East and the outskirts of the city.

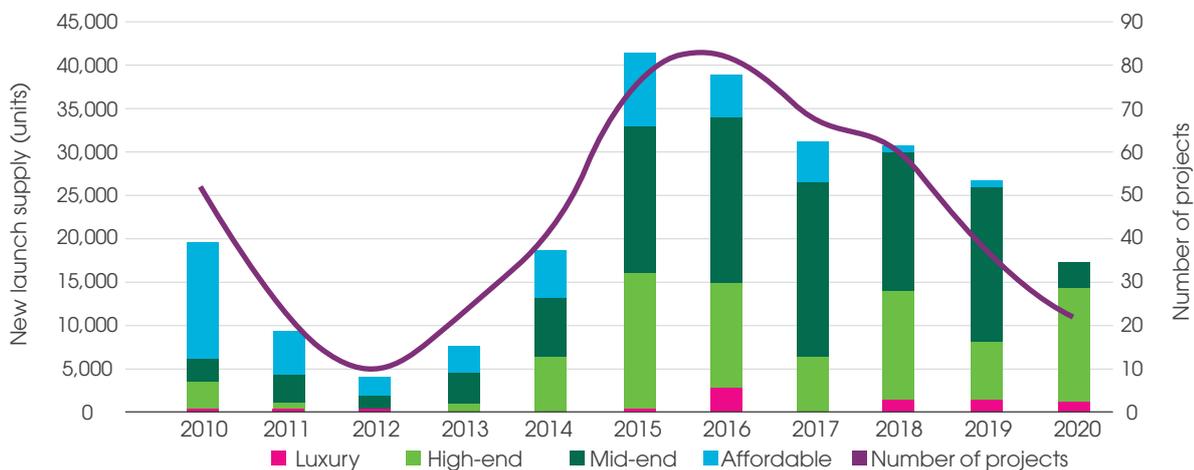
Some notable points about the movement of the entire market in the past year are as follows:

#### The supply of new apartments declined and focused on the high-end segment

Supply for sale in 2020 reached 17,272 units, a decrease of 35% compared to 2019. This is the lowest level in the past six years and the fifth consecutive year that the market has recorded a decline in supply.

The decline in supply is due to two main reasons. First, due to the scarcity of land and the continuing long process of licensing and revising projects, leading to slow project implementation. Second, in order to curb the spread of the Covid-19 epidemic, social disruption has disrupted the product launch events planned since 2019.

#### HCMC CONDOMINIUM MARKET, NEW LAUNCH SUPPLY BY UNITS AND BY PROJECTS



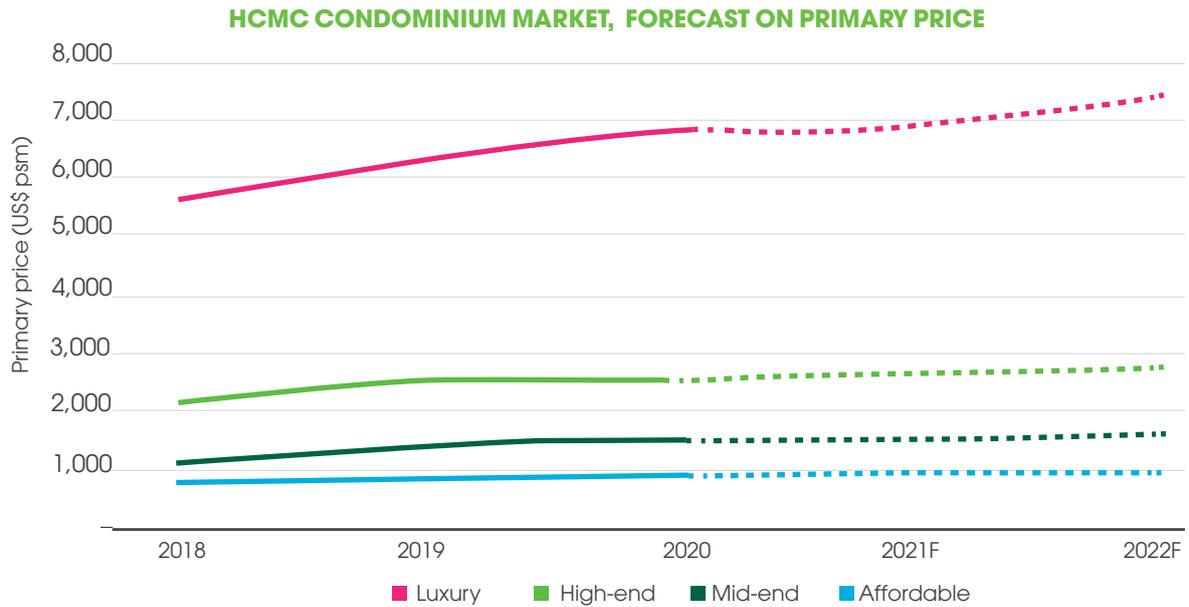
Source: CBRE Vietnam Research, Q4 2020

In terms of segments, the market did not have any low-end products offered for sale. Meanwhile, the high-end segment accounted for the highest proportion for the first time with 76% of the total supply for sale. The mid-end segment only accounts for 17% and the luxury segment accounts for 7% with the main supply coming from two projects in Thu Thiem, The River and The Metropole.

#### Price tends to increase in all segments

Due to the shortage of supply, selling prices have been pushed up in the city, and especially in the suburbs. The average selling price on the primary market reached USD 2,150/m<sup>2</sup>, an increase of 9% q-o-q

and 13% y-o-y. At the same time, newly opened projects in peri-urban districts have the asking price of 20% -30% higher than the general price of the area.

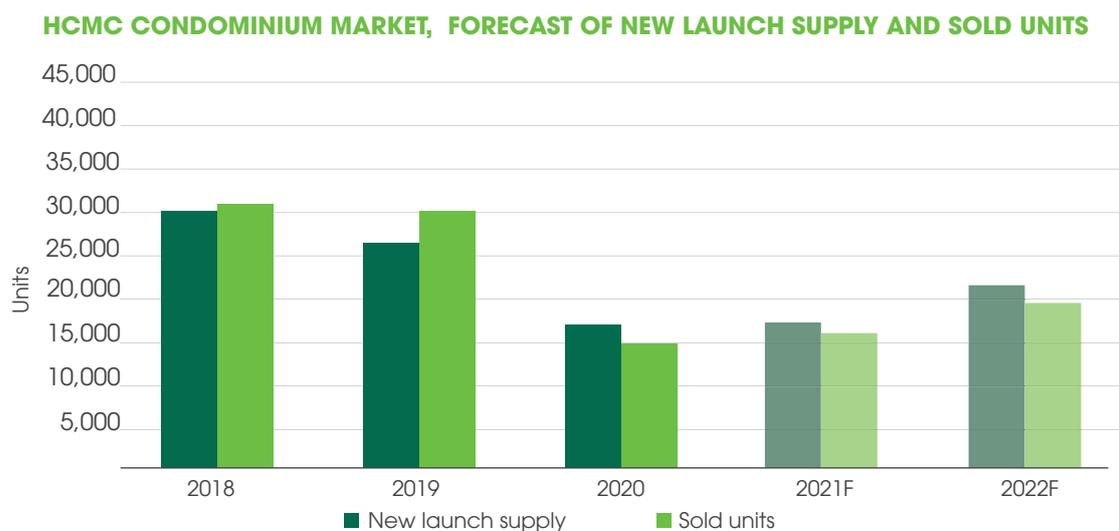


Selling Price is quoted on NSA, exclusive of VAT  
 Source: CBRE Vietnam, Q4 2020

Average prices increased sharply due to products offered mainly in the luxury segment, documented the highest growth rate of 9% y-o-y. The mid-end and low-end segments recorded price increases of 5% and 4% respectively over the same period last year.

#### The market's absorption is still quite positive

In 2020, with high prices and the impact of the Covid-19 outbreak, the consumption of new products reached around 75%, suggesting that market absorption is still quite positive amid a pandemic recurrence at the end of July 2020. In Q4/2020, 5,007 units were sold. The total consumption for the whole year 2020 reached 15,086 units, a decrease of 49% compared to the previous year.



Source: CBRE Vietnam Research, Q4 2020

By 2021, the apartment market is expected to have no major changes but will improve compared to 2020. Regarding supply, the market is expected to have about 17,500 more apartments with new projects in peri-urban districts of the city. Primary prices are expected to continue to increase with asking prices in segments where price increases will be between 1% and 4% compared to 2020. And forecast absorption rates for the market in 2021 will remain at a high level thanks to the increasing housing demand of the citizen.

However, the year 2021 is expected to continue to be a challenging year due to the increasingly scarce land availability, the slow licensing problem continues and the complicated developments of the Covid-19 epidemic. Therefore, investors who have a license to sell and products that meet the market demand will have more opportunities to achieve high profits.

## 1.2 OPERATIONS IN THE YEAR

The year 2020 is considered a fairly successful year for the Company in the face of the complicated developments of the Covid-19 pandemic and the general difficulties of the apartment market. Specifically, the company had stable operation and constituted achievements in terms of revenue, impressive profitability and achieving the given plan.

- **Revenue:** The company achieved a increase in revenue with the recorded value of VND 3,550 billion, 5 times higher than 2019 (VND 729 billion) and 110 % the given plan. This is the result of many years of efforts to complete the construction, handover and record the revenue of Diamond Riverside Condominium Project. In addition, the revenue from the projects of Thuy San Hill, Son Tinh Residential Area Project also significantly contributed to the achievement.

- **Profit:** Profit after tax recorded in the year was VND 327 billion, reaching 99% of the plan. Compared to 2019, although revenue in 2020 had skyrocketed, 5 times higher, profit after tax was recorded only slightly increase at 7.9 % over the same last year's period. The reason is that in 2020, revenue will be recorded mainly from real estate projects (accounting for 99% of revenue). And with real estate business characteristics, even though revenue was recorded as high, the cost was also large (compensation costs, land use fees costs, construction costs, consulting costs, management costs, interest expenses, and other expenses). Therefore, profit in the year was only recorded at an increase of 7.9 % compared to the same period of last year.

## 2.

## ORGANIZATION AND HUMAN RESOURCE

### List of the Board of Management

STT	Full name	Position	Appointment time
1	Mr. Luu Hai Ca	BOD'S Vice Chairman and General Director	30/05/2019
2	Mr. Nguyen Quy Binh	Vice General Director in charge of Human Resources	06/01/2020
3	Mr. Truong Hai Dang Khoa	Vice General Director in charge of Finance - Accounting	12/05/2020
4	Mr. Mai Thanh Truc	Vice General Director in charge of Sales	30/05/2019
5	Mr. Nguyen Van Minh	Chief Accountant	12/05/2020

### Changes in the Board of Management:

Changing the personnel of the Company's Board of Directors and Chief Accountant in 2020:

- Appointing the position of Deputy General Director for Mr. Nguyen Quy Binh from Jan 06, 2020.
- Dismissing the position of Chief Accountant and appointing the position of Vice General Director for Mr. Truong Hai Dang Khoa from May 12, 2020.
- Appointing the position of Chief Accountant for Mr. Nguyen Van Minh from May 12, 2020.

### Number of staffs:

The employees of NBB are mostly in the young age and have good qualifications and dedication to the profession and the development of the company. Youth, dynamism, creativity and enthusiasm of employee generations contribute significantly to the rapid growth and sustainability of NBB.

The total number of employees of the company as of 31/12/2020 is 129 persons.

Company personnel structure in 2018, 2019 and 2020 as follows:

	YEAR 2018		YEAR 2019		YEAR 2020	
	Quantity	%	Quantity	%	Quantity	%
<b>Personnel by gender</b>						
Male	63	58.88%	82	65.08%	88	68.22%
Female	44	41.12%	44	34.92%	41	31.78%
<b>Total</b>	<b>107</b>	<b>100%</b>	<b>126</b>	<b>100%</b>	<b>129</b>	<b>100%</b>
<b>Personnel by educational level</b>						
Postgraduate	1	0.93%	2	1.59%	1	0.78%
Bachelor	79	73.83%	96	76.19%	102	79.07%
College, Intermediate	2	1.87%	6	4.76%	5	3.88%
Technical workers	6	5.61%	8	6.35%	9	6.98%
Unskilled labours	19	17.76%	14	11.11%	12	9.30%
<b>Total</b>	<b>107</b>	<b>100%</b>	<b>126</b>	<b>100%</b>	<b>129</b>	<b>100%</b>

**Average income: VND 20.050 million / 1 person**

### Employee Policy:

#### Salary, bonus and benefits

With the desire to build an effective working environment for employees to stay long, co-develop and share the achieved value, NBB always establishes the salary policies based on the basis of qualifications, capability and actual working efficiency.

Regarding incentives, in addition to annual bonuses such as personal significance, team significance, business plan achievement, the company also rewards individuals and groups for project completion. Besides, the BOM also monitors and promptly compliments individuals and groups who had remarkable achievements through the orientation program of creative thinking stimulation.

In addition to the salary policy, rewards for job performance, the company also implements the welfare schemes such as regular health checks, sightseeing, recreation, cultural, arts and sports activities on the major annual festivals, meeting a part of the spiritual demands of employees, improving life and health quality and creating coherence, consensus on the cordial spirits.

Due to the broad operation areas in many provinces and cities nationwide, employees who receive the command to work in the provinces are entitled to other benefits such as increasing sabbatical, supporting travel expenses when on family visits, shortening time for wage increasing, being applied promotion policies, and being facilitated career development.

### Management policies and human resource development

Develop human resources and build the successors are always the prime target of NBB. Over the years, the company has been implementing policies to build and develop human resources as follows:

- Regularly evaluate the effectiveness of employee's working performance to have the transfer or appointment to suitable positions in line with the individual capability.
- Proactively approach, associate with the University of Economics, Polytechnic University ... to recruit graduate students with good academic performance to build the young and dynamic successors who have solid professional foundation.

### Training policy

The company encourages and creates favorable environment for employees to develop comprehensive competencies in both profession and soft skills through job training and self-training. When participating in the training, the employees have the company support 100% tuition fee.

## 3.

### IMPLEMENTATION OF THE COMPANY'S REAL ESTATE PROJECTS

STT	Project	Location	Site Area (ha)	Investment capital (VNDb) excl VAT	Current status	Project Progress
<b>Projects in HCM City</b>						
1	<b>Diamond Riverside</b>	TP.HCM	4.15	2,388	Completed construction and hand over	2017 - 2020
2	<b>NBB II</b>	TP.HCM	8.34	2,433	In progress to complete investment procedures	2017-2023
3	<b>NBB Garden III</b>	TP.HCM	7.75	2,706	In progress to complete investment procedures	2017 - 2022
<b>Projects in provinces</b>						
4	<b>De Lagi</b>	Binh Thuan	124.53	2,344	Under compensation	2017 - 2023
5	<b>Son Tinh</b>	Quang Ngai	102.70	1,196	Under construction and selling	2013 - 2022
6	<b>Doi Thuy San</b>	Quang Ninh	32.18	469	Hand over 100% selling area	2017 - 2020



**2,622**  
VND BILLION  
TOTAL REVENUE

## DIAMOND RIVERSIDE CONDOMINIUM

### Project information

**Location** The front of Vo Van Kiet Street, Ward 16, District 8, HCM City.

**Total revenue** VND 2,622 billion

**Total investment** VND 2,388 billion

**Total planning area** 4.15 ha

**Total gross floor area** 169,565.4 sqm

- Apartments: Apartment area of 67-70 sqm per unit
- Shopping center and shop houses: 12,395.12 sqm
- Other facilities: Kindergarten, elementary school, tennis courts, gym etc

**Apartment, shophouse quantity:** 1,652 units (4 blocks, height of 29 storeys) and 17 villas.



### Investment progress

Completed construction and hand over to customers.

### Business progress

Completed hand over, recorded revenue in 2020



## HEAD OFFICE



**3,649**  
VND BILLION

TOTAL EXPECTED  
REVENUE

### NBB II CONDOMINIUM

#### Project information

**Location** Tan Kien Commune, Binh Chanh District, Ho Chi Minh City, adjacent to the extended Vo Van Kiet street.

**Total expected revenue** VND 3,649 billion

**Total investment** VND 2,433 billion

**Total planning area** 8.34 ha

**Total gross floor area (apartments, shophouses):** 148,045.69 sqm

- Apartments, shophouses: 1,816 units (1,717 apartments and 99 shophouses)
- Other facilities: Kindergarten, high school, etc

#### Investment progress

Completed compensation and expect to complete investment procedures by the end of 2021.





**4,181**  
VND BILLION  
TOTAL EXPECTED  
REVENUE

**NBB GARDEN III CONDOMINIUM**

**Project information**

**Location** The intersection of An Duong Vuong and Truong Dinh Hoi Street, Ward 16, District 8, HCM City.

**Total expected revenue** VND 4,181 billion

**Total investment** VND 2,706 billion

**Total planning area** 7.75 ha

**Total gross floor area (apartments, shophouses):** 209,433 sqm

**Total gross floor area (linked houses):** 40,164 sqm

- Apartments (2,188 units): Apartment area of 52.1-80.3 sqm per unit
- Shop houses (34 units): Area of 165 - 214 sqm per unit
- Shopping center and community area: 1,929 sqm
- Other facilities: Kindergarten, elementary school, tennis courts, gym etc

**Apartment quantity:** 2,222 units (03 Block A, B, C, height of 33 storeys) and 133 adjacent units.



**Investment progress**

Completed compensation and expect to complete investment procedures by the end of 2021.

## BRANCHES - THE NORTHERN BRANCH

**Address** Floor 2 - Villa A29, Lot BT-A3, Thuy San Hill, Area 9B, Bai Chay Ward, Ha Long City, tỉnh Quang Ninh Province.

**Telephone** (84-203) 3511577 | Fax: (84-203) 3515577

**Branch Director** PHAM MINH DAN

**Tasks and functions** On behalf of the Company, involving in marketing and seeking investment opportunities; managing the construction and sales process of the projects in Ha Long City, Quang Ninh Province and the Northern areas



**532**

VND BILLION

TOTAL REVENUE

### THUY SAN HILL - HA LONG PROJECT

#### Project information

**Location** At Bai Chay Ward, Ha Long City, Quang Ninh Province.

**Total revenue** VND 532 billion

**Total investment** VND 469 billion

**Total planning area** 32.18 ha (Belonging to the tourism complex of the Ha Long Bay).

- Residential area: 107,156 sqm
- Service and public work area: 2,636 sqm
- Traffic and infrastructure area: 86,563 sqm
- Tree area: 105,445 sqm

**Total selling area** 98,505 sqm

**Total selling plots:** 344 plots (343 villas and 1 service)

The project includes luxury villas combined with the hotel complex, condominiums and commercial services.

#### Investment and business progress

Completed to record revenue in 2020

## QUANG NGAI BRANCH

**Address** 364 Vo Nguyen Giap, Truong Quang Trong Ward, Quang Ngai Province

**Telephone** (84-255) 3677577 | **Fax:** (84-255) 3678577

**Branch Director** TRAN CONG HIEN

**Tasks and functions** On behalf of the Company, involving in managing the construction processes and executive phases as well as land bank sales of the projects Son Tinh Residential Area - Quang Ngai. Marketing, seeking investment opportunities; managing and trading the construction and sales process of the projects in Quang Ngai.



**2,469**  
VND BILLION

TOTAL EXPECTED  
REVENUE

### SON TINH - QUANG NGAI RESIDENTIAL AREA

#### Project information

**Location** At Truong Quang Trong Ward, Quang Ngai City, Quang Ngai Province.

**Total expected revenue** VND 2,469 billion

**Total investment** VND 1,196 billion

**Total planning area** 102.70 ha

**Total selling plots** 2,397 plots

#### Investment progress

Continuing to implement clearance compensation and infrastructure construction for the remaining area.

#### Business progress

Doing business with the area in which infrastructure was completed.

## BINH THUAN BRANCH

**Address** Group 2, Phuoc Hai Hamlet, Tan Phuoc Commune, La Gi Town, Binh Thuan Province

**Telephone** (84-252) 3833189 | Fax: (84-252) 3833230

**Branch Director** LUU HAI CA

### Tasks and functions

On behalf of the Company, involving in marketing and seeking investment opportunities; managing the construction processes and executive phases as well as land bank sales of the projects in Binh Thuan.



**3,369**  
VND BILLION

TOTAL EXPECTED  
REVENUE

## DE LAGI - BINH THUAN COMPLEX RESIDENTIAL AREA & CONDOMINIUM

### Project information

**Location** At Lagi Town, Binh Thuan Province

**Total expected revenue** VND 3,369 billion

**Total investment** VND 2,344 billion

**Total planning area** 124.53 ha

- Residential area: 84.59 ha
- Resort area: 39.94 ha
- Facilities: Resort, amusement park, 5-star resorts, luxury villas etc

### Investment progress

Continuing to implement compensation for site clearance. The State has handed over total land area of 64.4 ha. And in progress of infrastructure construction in the land area which handed over by the State.

### Business progress

Expected to launch in Q3/2021.

## SOUTHERN WEST BRANCH

**Address** 444 Ninh Binh Street, Residential area, Ward 2, Bac Lieu City, Bac Lieu Province.

**Telephone** (84-781) 3956775 | Fax: (84-781) 3956776

**Branch Director** NGUYEN VAN NHAM

### Tasks and functions

On behalf of the Company, managing the construction processes and execution phases as well as land bank sales of Residential Area of Ward 2, Bac Lieu City, Bac Lieu Province.



**380**  
VND BILLION

TOTAL REVENUE

## RESIDENTIAL AREA PROJECT IN WARD 2, BAC LIEU CITY

### Project information

**Location** At Ward 2, Bac Lieu City, Bac Lieu Province.

**Total revenue** VND 380 billion

**Total investment** VND 368 billion (NBB invested 100%)

**Total planning area** 50.2 ha

- Commercial area: 201,624.66 sqm
- Shopping center and services area: 70,320 sqm

**Total plots** 2,007 plots.

### Investment progress

Completed infrastructure construction and handed over to the local.

### Business progress

Completed entire sales of commercial land area.

## SUBSIDIARY

## HUNG THANH CONSTRUCTION - COMMERCIAL - SERVICE - MANUFACTURING COMPANY, LTD

**Address** Floor 3, Block B, 1648 Vo Van Kiet, Ward 16, District 8, HCMC

**Telephone** (84-28) 62 915 577 | Fax: (84-28) 62 977 555

**Director** TRAN QUANG HAI

**Charter Capital** VND 41.2 billion ( 95% stake owned by NBB)

**Tasks and functions** Currently managing and trading City Gate Towers project, completed construction and handed over apartments to the customers, at Ward 16, District 8, Hochiminh City.

4.

FINANCIAL SITUATION



4.1 FINANCIAL SITUATION

VND billion

Indicators	Year 2019	Year 2020	% change
Total asset	5,670	4,091	-27.9%
Net revenue	331	3,501	958.9%
Profit from business activities	167	435	160.7%
Other profits	222	23	-89.6%
Profit before tax	388	458	17.8%
Profit after tax	303	327	8.2%
Payout ratio	-	25%	

In 2020, net revenue increased 9.6 times compared to 2019, coming from the completion of construction, handover and recognition of revenue from Diamond Riverside Condominium, bringing in more than VND 2,600 billion in revenue. In addition, revenue from land plot projects such as Thuy San Hill and Son Tinh Residential Area also contributed to nearly VND 900 billion revenue in 2020.

## 4.2 MAJOR FINANCIAL INDICATORS

Indicators	2016	2017	2018	2019	2020
<b>1. Solvency ratio</b>					
+ Current ratio	1.84	1.95	1.93	1.62	1.75
Short term Asset/Short term debt					
+ Quick ratio	0.49	0.54	0.64	0.37	0.57
(Short term Asset - Inventories)/Short term Debt					
<b>2. Capital structure Ratio</b>					
+ Debt/Total assets ratio	0.16	0.09	0.05	0.05	0.13
+ Debt/Owner's contributed capital ratio	1.36	0.46	0.27	0.28	0.52
<b>3. Operation capability Ratio</b>					
+ Inventory turnover	0.01	0.28	0.27	0.07	0.84
Cost of goods sold/Average inventory					
+ Total asset turnover					
Net revenue/ Average Total Assets	0.01	0.21	0.23	0.06	0.72
<b>4. Profitability</b>					
+ Profit after tax/ Total revenue Ratio	27.5%	6.6%	13.3%	41.5%	9.2%
+ Profit after tax/ Owner's contributed capital ratio	7.7%	9.4%	15.8%	30.6%	32.6%
+ Profit after tax/ Total assets Ratio	1.0%	1.5%	3.1%	5.6%	6.7%
Profit from business activities/ Total revenue Ratio	31.3%	6.3%	14.8%	22.9%	12.2%
<b>5. EPS</b>	<b>703</b>	<b>995</b>	<b>1,491</b>	<b>2,945</b>	<b>3,196</b>

### PROFITABILITY, EPS CHART OVER YEARS



**5.**
**SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY**
**5.1 SHAREHOLDERS STRUCTURE**

Indicators	2019	2020
Total issued shares	100,475,656	100,475,656
Ordinary shares	100,475,656	100,475,656
Others	-	-
Number of existing shares	93,321,256	78,249,916
Ordinary shares	93,321,256	78,249,916
Others	-	-
Number of Treasury shares	7,154,400	22,225,740
Number of freely transferred shares	100,475,656	100,475,656
Number of restricted transferred shares	-	-

**5.2 SHAREHOLDING PROPORTION**

STT	Subject	Number of shares	Proportional ownership (%)	Number of shareholders
<b>1</b>	<b>Shareholders owning more than 5%</b>			
	Domestic shareholders	73,316,667	72.97	1
	- Institution	73,316,667	72.97	1
	- Individual	-	-	-
	Foreign shareholders	-	-	-
	- Institution	-	-	-
	- Individual	-	-	-
<b>2</b>	<b>Shareholders owning less than 5%</b>			
	Domestic shareholders	3,873,649	3.86	342
	- Institution	2,575,877	2.56	24
	- Individual	1,297,772	1.29	318
	Foreign shareholders	1,059,600	1.05	27
	- Institution	58,655	0.06	7
	- Individual	1,000,945	1.00	20
<b>3</b>	<b>Treasury shares</b>	<b>22,225,740</b>	<b>22.12</b>	<b>1</b>
	<b>Total</b>	<b>100,475,656</b>	<b>100.00</b>	<b>371</b>

Note: According to the shareholders list as of 31 December 2020 by Vietnam Securities Depository.

## 5.3 CHANGE IN THE OWNER'S EQUITY

Specify equity increases since established:

07/2005	On 04/07/2005, 577 Investment Corporation was officially established under Business Registration License No. 4103003556 issued by the Department of Planning and Investment of Hochiminh City with charter capital of VND 10 billion.
03/2007	In 03/2007, existing shareholders increased owner's equity from VND 10 billion to VND 35 billion.
09/2007	On 17/09/2007, according to the Certificate No. of 173/ UBCK-GCN issued by the State Securities Commission, NBB published 11.9 million shares to increase its charter capital from VND 35 billion to VND 154 billion.
01/2011	On 26/01/2011, NBB increased its charter capital from VND 154 billion to VND 180 billion through private issuance to Beira Limited - Vietnam DWS Fund.
09/2013	On 03/09/2013, NBB increased its charter capital from VND 180 billion to VND 358.6 billion through private issuance to existing shareholders.
08/2014	On 25/08/2014, from VND 358.6 billion to VND 537.2 billion by issuing for existing shareholders.
12/2014	On 04/12/2014, charter capital increased from VND 537.2 billion to VND 583.2 billion by a private placement for strategic partner Creed Investments VN-1 LTD.
04/2017	On 20/04/2017, charter capital increased from VND 583.2 billion to VND 639.9 billion by converting bonds into shares of investors (Dragon Capital and another strategic shareholder).
09/2017	On 08/12/2017, charter capital increased from VND 639.9 billion to VND 959.1 billion by issuing shares for existing shareholders.
01/2018	On 29/01/2018, NBB increased its charter capital from VND 959.1 billion to VND 975.7 billion by converting bonds into shares of investors.
05/2019	On 06/05/2019, NBB increased its charter capital from VND 975.7 billion to VND 1,004.7 billion by converting bonds into shares of investors.

## 5.4 TRANSACTION OF TREASURY STOCKS

From October 16, 2020 to November 13, 2020, the Company purchased 15,071,340 shares to be treasury shares with the average transaction price of VND 23,817/share by the order matching method.

As of December 31, 2020, the number of treasury shares of the Company was 22,225,740 shares.

## 5.5 OTHER SECURITIES

During the year, the Company did not issue any other securities.

6.

## ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY

“THE CORPORATION HAS GIVEN SERIOUS CONSIDERATION IN ENVIRONMENTAL IMPACT ASSESSMENT SINCE THE FORMING STAGE TO THE OPERATION STAGE OF PROJECTS, THE CORPORATION CONSIDERS NATURAL ENVIRONMENT PROTECTION A MUST TO PREVENT AND MINIMIZE POLLUTION RISKS.”



### 6.1 ENVIRONMENT IMPACT

- Total direct and indirect greenhouse gas (GHG) emissions:
  - Emissions from vehicles.
  - Gas emissions from backup generators.
  - Bad odors from the drainage system and garbage collection points.
- Initiatives and measures to reduce greenhouse gas emissions:
  - Reduce traffic circuit.
  - Switch operating modes from high emission to low emission.
  - Using alternative energy in addition to gasoline and oil sources which emit major greenhouse gas such as using solar energy, battery energy, fuel cells, and so on.

### 6.2 MANAGEMENT OF RAW MATERIALS

- The total amount of raw materials used in the production and packaging of the organization’s main products and services in year:

- Total volume of building materials including bricks, cement, sand, stone, iron, steel, welding rods, paint and other materials: 105,670 tons.

- Report the percentage of recycled materials used in the production of the organization's main products and services: None.

### 6.3 ENERGY CONSUMPTION

- Energy consumed directly and indirectly:

- Direct energy consumption: air conditioners, fans, lighting systems, domestic electrical equipment, motors,...
- Indirect energy consumption: Construction materials, domestic water,...

- Energy saved through energy efficiency initiatives: None.

- Energy-saving initiative reports (providing energy saving or using renewable energy products and services); reporting on results of these initiatives: None.

### 6.4 WATER CONSUMPTION (WATER CONSUMPTION BY BUSINESSES IN YEAR)

- Water supply and water use:

- Water supply for construction and business of the project is taken from tap water.
- The amount of water used in the whole area in a day and night:  $Q = 1,035.29$  (m<sup>3</sup> / day and night) (Source: Project Description, 2016).
- Average amount of water used in the whole area per day:  $Q = 43.14$  (m<sup>3</sup> / day and night) according to Vietnamese Standard TCVN 4513-88.

- Percentage and total volume of recycled and reused water: Not available.

### 6.5 COMPLIANCE WITH LAWS ON ENVIRONMENTAL PROTECTION

- In real estate investment and business activities, the Company complied with the following environmental regulations:

- The concentration of pollutants in the exhaust gas must meet the Vietnamese standards QCVN 19:2009/BTNMT, QCVN 20:2009/BTNMT, the air pollutants discharged into the environment must meet Vietnamese standards QCVN 05:2013/BTNMT.
- Building rain water and wastewater drainage systems separately. Domestic wastewater is collected and treated according to QCVN 14:20078/BTNMT before being discharged into the receiving environment.
- Regarding solid matter management, it is required to comply with Decree No.59/2007/ND-CP and Circular No.12/2011/TT-BTNMT. Classify, store and contract with functional units to collect, transport and treat domestic solid waste and hazardous waste in accordance with regulations.
- All NBB projects are subject to approval of environmental impact assessments by competent authorities; at the same time, reporting is done regularly and periodically to State agencies.
- The company always focuses on handling safety solutions and ensures compliance with environmental protection standards during construction and operation of the project as well as actively handling complaints if any of people. In the project area.

- Number of times fined for not complying with laws and regulations on the environment: None.

- Total amount fined for non-compliance with environmental laws and regulations: None.

## 6.6 EMPLOYEE RELATED POLICIES

- Number of employees, average salary for employees:
  - The total number of employees of the company as of 31/12/2020 is 129 people.
  - Average income: VND 20.050 million/person.
- Labor policy to ensure the health, safety and welfare of employees:
  - Buy health insurance for all employees of the Company (including insurance packages for accident, maternity ...) with the rate of VND 5,600,000/person/year.
  - Organize periodic health checks for employees once a year.
  - Fully equipped with protective equipment, ensuring occupational safety for employees working at the site.
  - Organize dining hall to ensure food safety and hygiene.
  - In 2020, the Company took actions to prevent Covid 19 epidemics for specific employees: Masks, hand sanitizer, alcohol ...; establish epidemic prevention working groups to promptly implement epidemic prevention plans according to regulations and guidance of the Government, the Ministry of Health and Localities; allow employees to work remotely at home in intervals.
- Labor training activities:
  - In 2020, the Company organized and allowed employees to participate in training courses over 2,000 hours.
  - Training courses include: Occupational safety and health, fire protection, management training and professional training.
  - In addition, the Company also facilitated, funded and encouraged employees to attend Master's, Second Bachelor's Degree, to support employees to ensure employment and development career.

## 6.7 REPORTING RELATED TO ACCOUNTABILITY TO LOCAL COMMUNITY

- NBB is always well-performed social work, gratitude work in localities where the project is located, contributing with the localities to share and encourage policy families and to reduce poverty.
- With the spirit of solidarity, in the past year, NBB continued to sponsor many programs such as "Fund for the poor", "Fund for people with meritorious service to the Revolution"; support people who suffer damage from storms and floods in the Central Region; regularly organize visits and give gifts to disadvantaged people in remote areas, poor households, orphanages of orphans and disabled children and many other community activities.

## 6.8 REPORTS RELATED TO GREEN CAPITAL MARKET ACTIVITIES UNDER THE GUIDANCE OF THE STATE SECURITIES COMMISSION OF VIETNAM

Not available.



# REPORT OF THE BOM, BOD AND BOS AND CORPORATE GOVERNANCE



## INTRODUCTION ABOUT THE BOD AND THE BOM



### MS. NGUYEN QUYNH HUONG

#### Chairman of the BOD

Appointment time: Elected BOD's member of NBB Corporation at the Annual General Meeting of Shareholders held on May 12, 2020 and elected to hold the position of BOD's Chairman at the BOD's meeting on the same day.

**Expertise:** Master of Finance.

**Current positions in other organizations:** Capital Management Director of HCMC Infrastructure Investment Joint Stock Company (CII)

**Percentage of shares ownership in NBB:** 15,000 shares, accounting for 0.01%



### MR. LE QUOC BINH

#### BOD's Permanent Vice Chairman

Appointment time: Elected BOD's member of NBB Corporation at the Extraordinary General Meeting of Shareholders held on July 30, 2020 and elected to hold the position of BOD's Permanent Vice Chairman from September 28, 2020.

**Expertise:** Master of Business Administration

#### Current positions in other organizations:

1. BOD's Member cum General Director of HCMC Infrastructure Investment Joint Stock Company (CII)
2. BOD's Member of CII Engineering and Construction JSC (CII E&C) (CEE)
3. BOD's Member of Vinaphil Technical Infrastructure Investment Joint Stock Company
4. BOD's Member of CII Bridges and Roads Investment Joint Stock Company
5. BOD's Chairman of Khu Bac Thu Thiem Company Limited
6. BOD's Member of Saigon Water Infrastructure Joint Stock Company
7. BOD's Chairman of Lu Gia Real Estate Trading Investment Company Limited
8. BOD's Chairman of Le Thanh Cuong Company Limited

**Percentage of shares ownership of NBB:** None



**MR. LUU HAI CA**

**BOD'S Vice Chairman and General Director**

Appointment time: Appointed as General Director since May 30, 2019. Elected BOD's Member of NBB Corporation at the Annual General Meeting of Shareholders held on May 12, 2020 and elected to hold the position of BOD's Vice Chairman at the BOD's meeting on the same day.

**Expertise:** Bachelor of Economics

**Areas in charge:** Responsible for overall management of all activities of the Company.

**Holding positions in other organizations:** Head of Supervisory Board of CII Infrastructure Construction Joint Stock Company (CEE)

**NBB shares's ownership percentage:** 50,000 shares, accounting for 0.05%

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**MR. DOAN TUONG TRIEU**

**BOD's non-executive member**

Appointment time: Elected BOD's Member of NBB Corporation at the Annual General Meeting of Shareholders held on May 12, 2020.

**Expertise:** Bachelor of Economics

**Current positions in other organizations:** None

**Percentage of shares ownership in NBB:** 50,000 shares, accounting for 0.05%

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**MR. NGUYEN VAN CHINH**

**BOD's independent member**

Appointment time: Elected BOD's member of NBB Corporation at the Annual General Meeting of Shareholders held on May 12, 2020.

**Expertise:** Bachelor of Economics

**Current positions in other organizations:** General Director of CII Bridges and Roads Investment Joint Stock Company.

**Percentage of shares ownership in NBB:** None

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**MR. NGUYEN BA LAN**

**BOD's independent member**

Appointment time: Elected BOD's Member of NBB Corporation at the Annual General Meeting of Shareholders held on May 12, 2020.

**Expertise:** Master and Bachelor of Construction Engineer, majoring in Bridge and Road

**Current positions in other organizations:** None

**NBB shares's ownership percentage:** None

## INTRODUCTION ABOUT THE BOM



### MR. NGUYEN QUY BINH

#### Deputy General Director in charge of Human Resources

Appointment time: January 06, 2020

**Expertise:** Law

**Areas in charge:** Directly responsible for managing all activities of the HR Department; Managing and operating HR at the company members.

**Holding positions in other organizations:** None

**NBB shares's ownership percentage:** None

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### MR. TRUONG HAI DANG KHOA

#### Vice General Director in charge of Finance - Accounting

Appointment time: 12/05/2020

**Expertise:** Finance - Accounting

**Areas in charge:** Directly responsible for managing all activities of the Finance Accounting Department; Supports General Director in relation to investors, institutions, foreign investment funds...

**Holding positions in other organizations:** None

**NBB shares's ownership percentage:** None

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### MR. MAI THANH TRUC

#### Vice General Director in charge of Sales

Appointment time: 30/05/2019

**Expertise:** Bachelor of Economics

**Areas in charge:** Directly responsible for managing all activities of the Sales Department.

**Holding positions in other organizations:** None

**NBB shares's ownership percentage:** None

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### MR. NGUYEN VAN MINH

#### Chief Accountant

Appointment time: 12/05/2020

**Expertise:** Bachelor of Economics

**Holding positions in other organizations:** None

**NBB shares's ownership percentage:** None

## INTRODUCTION ABOUT THE BOS



### MS. DUONG QUYNH DIEP

#### Head of The Supervisory Board

Appointment time: Elected BOS's member of NBB Corporation at the Annual General Meeting of Shareholders held on 12/05/2020 and elected to hold the position of Head of Supervisory Board at the BOS's meeting on the same day.

**Specialization:** Master of Finance and CPA Australia certificate.

**Current positions in other organizations:** None

**Percentage of shares ownership in NBB:** None

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### MR. LE TRUNG HIEU

#### Member of The Supervisory Board

Appointment time: Elected BOS's member of NBB Corporation at the Annual General Meeting of Shareholders held on 12/05/2020.

**Specialization:** Master of Business Administration.

**Current positions at other organizations:** CFO of CII Bridges and Roads Joint Stock Company

**Percentage of shares ownership in NBB:** None

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### MS. LE THI KIEU DIEM

#### Member of Supervisory Board

Appointment time: Elected BOS's member of NBB Corporation at the Annual General Meeting of Shareholders held on 12/05/2020.

**Specialty:** Bachelor of Accounting - Auditing.

**Current positions in other organizations:** None

**Percentage of shares ownership in NBB:** None

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## REPORTS AND ASSESSMENTS OF THE BOARD OF GENERAL DIRECTORS



### 1.

## ASSESSMENT OF OPERATING RESULTS

**Regarding legal work and project compensation:** In the past year, although the legal approval of real estate investment in the whole country slowed down compared to previous years; however, legal work and compensation project basically completed the work as follows:

- **Diamond Riverside Project:** Accepted by the State Authority For Construction Quality Inspection of the completion of construction work to be handed over and put into use;
- **NBB II Project:** working with a consultant agency to develop a design plan and implement procedures to apply for investment policy at the Department of Planning and Investment; at the same time, collecting feedbacks from departments and agencies.

- **NBB Garden III Project:** continue to work with the Department of Planning and Investment to complete the application for investment policy approval;
- **De Lagi Project:** continuing to accelerate the progress of compensation, site clearance, land allocation, completion of basic design documents and construction engineering design and licensed by the Department of Construction;
- **Son Tinh Project:** cooperating with local authorities to promote compensation and site clearance; completed the 3rd and 4th installment;
- **Thuy San Hill Project:** Complete one remaining Land Use Rights Certificate and settle clearance work.

**Regarding construction work:** Ensuring the construction progress of projects that are under construction:

- **Diamond Riverside Project:** completing the construction of the apartment and the raw construction of the villa;
- **NBB Garden III Project:** complete construction of pile test;
- **De Lagi Project:** implementation of leveling on the compensated area;
- **Son Tinh Project:** implementing technical infrastructure construction on the area where site clearance has been completed;
- **Thuy San Hill Project:** completion of construction, settlement payment records, and payments to contractors.

**Regarding business and sales:**

- **Diamond Riverside Project:** accumulate 95% of the contract value and hand over the apartment to customers;
- **Son Tinh Project:** continue handing over land use right certificates to the customer;
- **Thuy San Hill Project:** complete handover and record revenue in 2020.

**Regarding financial activities:** The Company fulfilled due financial obligations for banks, keep maintaining a safe balance of interest-bearing loans with the balance of VND 519 billion at 31/12/2020, accounting for 12.7 % of total assets (VND 4,091 billion).

**Regarding to business administration and HR system:**

- The Company adjusted remuneration scheme, internal management system, improve transparency in operating in order to create legal and administrative corridors for the company's activities, to control risks and improve competitiveness in the Company's internal system.
- Continued to train, build a team of highly qualified, dedicated and enthusiastic employees in work to create a solid basis for the current and future development of the Company

**Social and environmental responsibilities:**

- The Company strictly complied with the regulations on environmental protection, environmental monitoring was carried out regularly and periodically, regularly reporting to the relevant departments.
- The company implemented social charity programs for individuals and families with unfortunate and difficult circumstances by diseases, natural disasters, storms and floods every year.

In general, in 2020, all the Board of General Directors and employees tried their best to complete the set objectives, creating a solid basis for projects to accelerate the implementation progress, creating stable revenues for the Company in the following year.

## THE COMPANY'S ACHIEVEMENTS:

In 2020, before the complicated situation of the economy due to the impact of the Covid-19 epidemic,

the business situation of the Company was generally still stable and achieved the initial targets. Specifically, revenue and profit after tax were at high levels compared to the annual plan with the recorded numbers of VND 3,550 billion and VND 327 billion respectively, and reached 110% and 99% of the annual plan. Revenue in 2020 was recognized from the handover of the apartment Diamond Riverside Project, the handover land use right of Son Tinh Project and Thuy San Hill Project. This is the result obtained from the efforts of the Board of Directors as well as all employees of the Company in the past year.

CRITERIA	2020 Plan (VND billion)	2020 Performance (VND billion)	Achievement ratio
Total revenue	3,200	3,550	110%
Profit before tax	460	458	99%
Profit after tax	330	327	99%



In 2020, revenue increased to VND 3,550 billion, 5 times higher than 2019, coming from efforts to complete and hand over the Diamond Riverside Condominium Project to customers, recording revenue of more than VND 2,600 billion. In addition, revenue from business from land sales of Son Tinh Residential Project and Thuy San Hill Project also contributed about VND 900 billion in 2020.



Along with revenue growth, profit in 2020 was continually high compared to 2019 with the recorded figure of VND 327 billion. This is the result of many years of efforts of the entire Board of Directors and employees of the Company, contributing to the expansion of the scale, creating a foundation for the Company to continue investing and developing projects in the coming period.

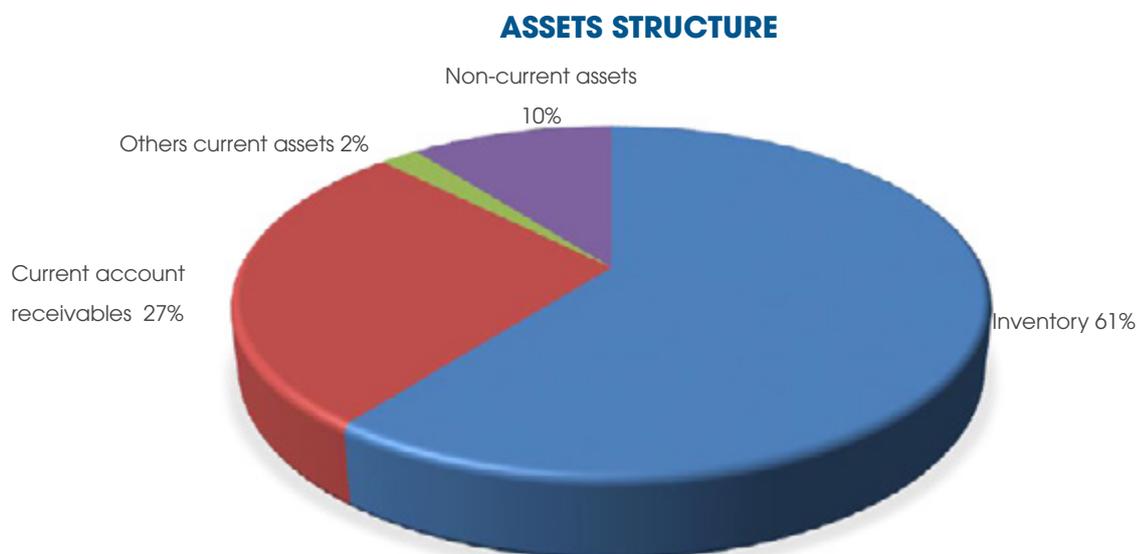
## 2.

## FINANCIAL SITUATION

In 2020, the financial performance of the Company continually had many changes towards building a safe and effective financial structure.

### 2.1 ASSETS STRUCTURE

Total assets at 31/12/2020 are VND 4,091 billion; in which, inventory accounts for the largest proportion (61%). Inventory reached VND 2,474 billion, recording unfinished production and business costs related to land fund formation (compensation costs, site clearance), investment and construction of NBB Garden III, NBB II, Son Tinh, De Lagi Projects. Compared to the end of 2020, the inventory balance decreased due to the recognition of revenue and cost at the end of the year from the Diamond Riverside Condominium Project. In general, with the characteristics of the real estate business, the unfinished production costs from the investment projects account for the largest proportion, averaging over 61% of total assets over the years.



Short-term receivables accounted for 27% of total assets, including short-term trade receivables, short-term prepayments to sellers, short-term loan receivables and other short-term receivables.

In general, the assets structure of the Company is typical of the real estate business with a high proportion of short-term assets, averaging over 90% of total assets.

### 2.2 DEBT PAYABLE, CAPITAL STRUCTURE

In recent years, the Company has been focusing on the goal of building a healthy capital structure, reducing debt at credit institutions. In 2020, the Company continued to pay due obligations to banks as well as other credit institutions. Total outstanding loans bear interest at 31/12/2019 was VND 519 billion, accounting for 12.7% total assets.

Capital structure of the Company continues to be maintained at a safe level according to the strategic direction for the period 2020-2025, set by the Board of Directors term IV (2020-2025). Accordingly, in 2020, the Company continued to stabilize the financial structure in the direction of ensuring a safe rate of interest-bearing debt in order to increase opportunities to seek new sources of credit with low interest

rates for future growth. Specifically, with interest-bearing debt to total assets (D/A ratio) at a healthy low level (about 0.13), the Company can easily access preferential credit packages of banks. Therefore, the Company can use financial leverage whenever needed to borrow capital to amplify the achieved benefits, bringing surplus value to shareholders, thanks to the tax shield from interest expenses.

In general, the current capital structure of the Company is considered to be quite safe when maintaining interest-bearing loan to total assets (D/A ratio) at a low level (0.13), reducing the burden on financial heavyweight from loan interest payments. Along with that, the Company is also promoting capital mobilization from customers in parallel with the project implementation process to increase investment efficiency, bringing maximum benefits to the Company. The Company has no liabilities, receivables or bad assets affecting its business results.

3.

**DEVELOPMENT PLANS IN 2021**

In 2021, the Board of Directors will continue to implement the business and production plans according to the strategic direction of the Board of Directors approved in term IV from 2020 to 2025, focusing on the development of existing projects and continue to search for clean land funds to continue future projects of the Company as follows:

- **For Diamond Riverside Project:** Complete calculate the land use fee on the basis of implementation under a new decree effective from 2021; organize the resident conference, establish the Board of Building Management to hand over the documents and projects to the Board of Operation Management;
- **For NBB II Projects:** work with state agencies to supplement documents, complete investment legal, project construction permits;
- **For NBB Garden III Project:** work with State agencies to supplement documents, complete investment legal, project construction permit;
- **For De Lagi - Binh Thuan Project:** Construction of leveling and technical infrastructure on the area allocated by the State; complete inventory, project compensation;
- **For Son Tinh - Quang Ngai Project:** Continue to accelerate the compensation progress, manage to have Land Right Certificate phase 5 and phase 6, execute the building works and trade projects;
- **For Thuy San Hill - Quang Ninh Project:** Continue to work with relevant departments to settle land use fees, taxes for 20% area of the development of social housing land fund recovered by the State;
- Ensuring a safe financial structure, creating stable sources of revenue and profit to serve the Company’s development towards long-term sustainability;

The Board of General Directors develops the Business Plan 2021 with the following basic targets:

CRITERIA	2020 PLAN (VND BILLION)
Expected total revenue	1,400
Profit before tax	562
Profit after tax	450

IV.

## ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION



1.

## ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

The year 2020 marked a year of great efforts for NBB Corporation to cope with difficulties and challenges to complete the plan approved by the Annual General Meeting of Shareholders in fiscal year 2019.

In the past year, the Covid epidemic caused many big changes to the Vietnamese economy in general and NBB Corporation in particular. During the peak of the epidemic, the Company strictly abided by the social separation instructions to ensure the safety of all employees as well as partners and customers. However, this led to the slowdown of construction, business and legal implementation activities, making it difficult to follow the original plan. Not to mention the influence of Covid on the labor market (being reduced in salary, resignation ...), it also affected the customers who consumed the Company's products, posing challenges for the Company in selling new as well as completing additional collection from old customers.

Besides, the year 2020 also recorded strong changes in the reform of legal regulations related to real estate investment, construction and trading. Thereby, the real estate market is expected to have many 'bright spots' thanks to the Government's promulgation of many policies to support the business community, typically Decree 148/2020/ND-CP amending and supplementing a number of detailed regulations on the implementation of the Land Law, in which additional regulations on handling mechanism for the state-managed land plots are alternating among the projects. The new regulations are expected to remove bottlenecks in the legal framework as well as "blow a new wind" into the real estate market. However, in the real implementation, enforcement agencies needed time to improve their processes and personnel apparatus to conform to the new regulations; and therefore, this also led to legal procedures for a series of real estate projects stalled over the past year in Ho Chi Minh City, and NBB's projects were no exception.

Despite facing many difficulties and obstacles, NBB Corporation has endeavored to maintain the stability and successfully fulfilled the tasks of the BOD in the field of business activities as well as social and environmental responsibilities. Specifically:

- Accelerating legal progress, compensation, construction, sales and concentrating all resources for the construction of key projects: Typically completing the handover of Diamond Riverside Apartments to home purchasers; completing about 91% of the compensation work for the Son Tinh project; obtaining a construction permit for the De Lagi project. This is the basis for creating confidence for customers, investors and partners to continue to trust and develop projects with the Company in the future, while maintaining the quality of the brand NBB as the familiar and reputation real estate investment brand to customers.
- Stabilizing the Company's cash flow through (i) Strict control and balance of revenues and expenditures, (ii) Complete capital recovery from projects approved by the BOD such as NBB4 and (iii) Boost the capital mobilization impact; thereby, strongly improving the financial ratios, especially the interest-bearing debt ratio to be kept at a relatively low level. At the end of 2020, the ratio of financial debt / total assets was only about 12.7%.
- Actively taking care of the lives of employees, stabilizing the personnel apparatus and ensuring jobs and income for employees. Although it was a difficult year for the whole economy, 2020 recorded the efforts to improve the average total income of NBB employees, an increase of about 23% compared to 2019.
- Constantly improving the professional qualifications of the human resources. The governance system has been gradually built in a scientific and transparent way to meet requirements in the new development phase.
- Focusing on using a number of materials that save energy and environmentally friendly, applying advanced

construction methods and investing in drainage and waste treatment systems so the projects are always in compliance with the environmental impact assessment report.

- Conducting charity and social activities with the locality to visit and encourage individuals and families with unfortunate and difficult circumstances.

2.

## ASSESSMENT OF BOARD OF DIRECTORS ON BOARD OF GENERAL DIRECTORS PERFORMANCE

The Board of Directors highly appreciated and commended the efforts of the Board of General Directors and all employees in solving difficulties and problems arising in business operations in 2020 to complete the plan approved by the General Meeting of Shareholders in fiscal year 2019, specifically:

- The Board of General Directors closely monitored and grasped the implementation of key projects such as Son Tinh, Diamond Riverside projects to make proper decisions on handling arising problems in a timely manner in order to complete the plan on time, making an important contribution to complete the business plan set by the General Meeting of Shareholders.
- The Board of General Directors made great, proactive and drastic efforts in accelerating the legal progress at De Lagi, NBB II and NBB Garden III projects, creating a solid premise for the implementation of these projects in 2021. At the same time, they successfully completed the capital recovery from the NBB4 project according to the orientation and direction of the Board of Directors.
- The Board of General Directors also seriously implemented other functions and assigned duties according to the resolutions of the Board of Directors. The accountability regime was also fully implemented and ensured timely information provision in order to advise the Administrative Council to make important decisions and contribute to more effective supervision of the Board of Directors.
- Organized the Annual General Meeting of Shareholders, the Extraordinary General Meeting of Shareholders as well as ensured that the information disclosure regime was implemented transparently in accordance with the law and regulations of the Stock Exchange.
- The corporate governance regulations were fully implemented. For important issues, the Board of General Directors promptly consulted the Board of Directors for guidance. Members of the Board of General Directors showed the activeness and initiatives in their assigned tasks.

3.

## PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has assessed that the real estate market in 2021 will develop stably in the context that the epidemic is gradually being controlled and the macro economy is on the way to recover. In addition to promoting the achieved results, the Board of Directors orientates the implementation process of production and business objectives as follows:

### Regarding to finance

- Must build a short, medium and long-term financial vision. Develop and point out many contingent financial plans in case the market changes in different manners: well - normal - bad, aiming at financial autonomy, minimizing business risks, building development sustainable development plans for the company.
- Formulate many plans to mobilize capital from a variety of resources to ensure sufficient and timely response to investment and development activities of real estate projects.

- Continue to carry out financial restructuring in the direction of gradually reducing the proportion of loans to ensure financial security while looking for new sources of credit with low interest rates to use them more effectively.

### **Regarding to project, product development:**

- Ensure construction progress for key projects such as Son Tinh Residential Project in accordance with commitments with customers. At the same time, invest in the construction of new projects such as NBB II, NBB Garden III and the high-end resort combining De Lagi residential area in order to create new products and a stable source of income for the coming years.
- Accelerate the compensation progress and complete legal procedures for existing projects to deploy investment or seek investment cooperation partners when necessary.
- Additional development of the service industry, including the chain of serviced apartments in Ho Chi Minh City and resort tourism in the central coastal provinces to diversify income for the company's activities.

### **Regarding to business administration and HR system:**

- Continuing to improve remuneration scheme, internal management system, improve transparency in operating in order to create legal and administrative corridors for the company's activities, to control risks effectively and improve competitiveness in the company's internal system.
- Research to build a market research and development department to search for potential projects and expand the Company's portfolio.
- Continue to actively care and improve the lives of employees, build and consolidate the staff with high professional qualifications, dedication and enthusiasm in work to create a solid foundation for the current and future development of the Company.

### **Regarding to investor relations:**

- Continuing to strengthen investor relations activities, provide the most complete and accurate information to shareholders, investors, financial institutions to keep existing shareholders, attract more potential investors, contributing to improve the brand and image of the Company in the new period.

### **Regarding environmental and social responsibilities:**

- Continuing to implement measures to reduce and treat pollution, to ensure standards and regulations on environmental protection from the formation to the operation of projects.
- Continuing to participate in social and charitable activities in localities, sponsoring programs such as "Fund for the Poor", "Fund for People with Revolutionary", organizing visits and giving gifts to individuals, households in difficult circumstances ... and many other social activities.



The Board of Directors with a 5-year term operates based on the principle of collective leadership and decision-making on matters related to the purposes and interests of the Company, except for matters falling under the authority of the General Meeting of Shareholders. Rights and obligations of the Board of Directors are stipulated by the Law on Enterprises, the Charter and the internal regulations of the Company.

## 1.

**BOARD OF DIRECTORS**

The Board of Directors of NBB Corporation Term IV (2020-2025) includes 06 members, who are qualified and have experience in real estate, construction, transport infrastructure, and financial investment,...

## 1.1 MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

NO.	FULL NAME	POSITION	Starting/ending date of BOD's members	
			Appointment date	Dismissal date
1	Nguyen Quynh Huong	BOD's Chairman - non -executive member	12/05/2020	
2	Le Quoc Binh	BOD's Permanent Vice Chairman	28/09/2020	
		BOD's non-executive member	30/07/2020	
3	Luu Hai Ca	BOD's Vice Chairman and General Director	12/05/2020	
4	Doan Tuong Trieu	BOD's non - executive member	12/05/2020	
5	Nguyen Van Chinh	BOD's independent member	12/05/2020	
6	Nguyen Ba Lan	BOD's independent member	12/05/2020	
7	Nguyen Phi Thuong	BOD's independent member	24/04/2015	12/05/2020
8	Hoang Thanh Tung	BOD's independent member	24/04/2015	12/05/2020

## 1.2 THE COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors operates on the collective principle and decides on matters under its authority according to the provisions of the Law on Enterprises and the Charter of the Company, and does not establish subcommittees to handle separate works.

## 1.3 ACTIVITIES OF THE BOARD OF DIRECTORS

### \* *Activities of General Meeting of Shareholders:*

The Board of Directors convened and organized the 2019 Annual General Meeting of Shareholders on May 05, 2020 and the 2020 Extraordinary General Meeting of Shareholders on July 30, 2020, the General Meeting of Shareholders approved the Resolutions with the following contents:

NO.	RESOLUTION / DECISION NO.	DATE	CONTENT
01	21/NQ-DHDCD	12/05/2020	<ol style="list-style-type: none"> <li>1. Approved BOD's report on 2019 production and business activities, plan of 2020 production and business activities.</li> <li>2. Approved Board of Supervisors' report on the Company's 2019 activities.</li> <li>3. Approved 2019 audited financial statement and distribution of profit after tax according to audited results.</li> <li>4. Criteria of 2020 production and business plan, use of 2019 profit and remuneration of BOD, BOS.</li> <li>5. Approved the selection of the Audit firm to implement the auditing for the fiscal year 2020.</li> <li>6. Election of Members of the Board of Directors, Supervisory Board of 577 Investment Corporation Term IV (2020-2025).</li> <li>7. Approve the authorization for the Board of Directors to adjust and issue the Internal Management Regulations in accordance with the Company Charter, the Law on Enterprises 2014 and other relevant regulations.</li> </ol>

NO.	RESOLUTION / DECISION NO.	DATE	CONTENT
01	21/NQ-DHDCD	12/05/2020	8. Approve the authorization for the Board of General Directors to use the investment and development fund to pay for financial losses due to legal risks and incidents in the operations of the Company. 9. Approve the adjustment of the treasury stock repurchase plan approved by the Annual General Meeting of Shareholders in the Resolution of the General Meeting of Shareholders No.22/NQ-DHDCD dated April 24, 2019. Approve the change of business lines of the Company
02	59/NQ- DHDCD	30/07/2020	1. Adopt the mechanism to strengthen and expand cooperation between HCMC Infrastructure Investment Joint Stock Company (CII) and 577 Investment Corporation (NBB) to maximize the advantages of each Company in speeding up project investment. 2. Approve the election of 01 additional member to the Board of Directors of 577 Investment Corporation term IV (2020 - 2025).

**\* Activities of the Board of Directors:**

The Board of Directors organized regular meetings every month as well as issued opinion cards to deploy the implementation of the tasks approved by the General Meeting of Shareholders and the guidelines under its authority. Meetings of the Board of Directors were organized and conducted accordance with Company's Charter and stored in accordance with regulations.

In 2020, the Board of Directors of the Company focused on solving and approving the following contents:

NO.	RESOLUTION / DECISION NO.	DATE	CONTENT	VOTING RATE
1	02/QD-HDQT	6/1/2020	Decision on appointing to receive and appointing the position of Deputy General Director for Mr. Nguyen Quy Binh	5/5
2	04/NQ- HDQT	14/1/2020	Resolution on a loan from VPBank	5/5
3	05/NQ- HDQT	16/1/2020	Resolution on payment of remuneration for the Board of Directors, Supervisory Board in 2019	5/5
4	08/NQ- HDQT	20/1/2020	Resolution on convening the Annual General Meeting of Shareholders for the fiscal year 2019	5/5
5	14/NQ- HDQT	10/04/2020	Resolution on approving the policy of extending the time to hold the General Meeting of Shareholders	5/5
6	15/NQ- HDQT	10/04/2020	Resolution on approving the contents submitted to the Annual General Meeting of Shareholders 2019	5/5
7	19/NQ- HDQT	08/05/2020	Resolution on approving the list of candidates for the Board of Directors, Supervisory Board Term IV (2020-2025)	5/5
8	21/NQ-DHDCD	12/05/2020	Resolution of the Annual General Meeting of Shareholders in the fiscal year 2019 held on 12/05/2020	5/5
9	24/NQ-HDQT	12/05/2020	Resolution on the election of the Chairman of the Board of Directors Term IV	5/5
10	25/NQ-HDQT	12/05/2020	Resolution on the change of personnel structure of the Board of General Directors of the Company	5/5
11	26/NQ-HDQT	12/05/2020	Resolutions approving the contents of the Company personnel	5/5
12	27/ QD-HDQT	12/05/2020	Decision on dismissing Mr. Truong Hai Dang Khoa from the position of Chief Accountant	5/5
13	28/QD-HDQT	12/05/2020	Decision on appointing of the position of Deputy General Director to Mr. Truong Hai Dang Khoa	5/5

NO.	RESOLUTION/ DECISION NO.	DATE	CONTENT	VOTING RATE
14	29/QD-HDQT	12/05/2020	Decision on appointing of Chief Accountant for Mr. Nguyen Van Minh	5/5
15	31/NQ-HDQT	13/05/2020	Resolution on approving the investment capital contribution cooperation in Son Tinh Residential Area Project - Quang Ngai	4/5
16	39/NQ-HDQT	15/06/2020	Resolution on approving the implementation of working with transferee partners of NBB4 project land and related parties	4/5
17	40/NQ-HDQT	15/06/2020	Resolution on approving the transfer of contract conversion plan for customers at NBB3 project	4/5
18	43/NQ-HDQT	19/06/2020	Resolution on convening the Extraordinary General Meeting of Shareholders 2020	4/5
19	47/NQ-HDQT	06/07/2020	Resolution on approving the contents to be submitted to the Extraordinary General Meeting of Shareholders in 2020	4/5
20	49/NQ-HDQT	06/07/2020	Resolution on approving the implementation of the content of Resolution No. 40/NQ-HDQT dated June 15, 2020	4/5
21	50/NQ-HDQT	06/07/2020	Resolution on approving the contents of the plan to transfer the projected land or invest in the NBB2 project	4/5
22	51/NQ-HDQT	06/07/2020	Resolution on approving the content of investment plan in the De Lagi project	4/5
23	52/NQ-HDQT	06/07/2020	Resolution on approving the implementation of the content of Resolution No.39/NQ-HDQT dated June 15, 2020	4/5
24	55/QD-HDQT	22/07/2020	Decision on dismissing Mr. Le Tam Phuc from the position of Director of Northern Branch	4/5
25	56/QD-HDQT	22/07/2020	Decision on the appointment of the Director of Northern Branch to Mr. Pham Minh Dan	4/5
26	62/NQ-HDQT	05/08/2020	Resolution on approving customer approach to market survey at NBB2 project	5/6
27	66/NQ-HDQT	14/08/2020	Resolution on approving the policy of raising capital for production and business activities of the Company	5/6
28	67/NQ-HDQT	14/08/2020	Resolution on approving the adjustment of some contents in Resolution No.62/NQ-HDQT dated August 5th, 2020	5/6
29	72/NQ-HDQT	03/09/2020	Resolution on the implementation of NQ No.49/NQ-HDQT dated July 6th, 2020	5/6
30	73/NQ-HDQT	03/09/2020	Resolution on approving the loan plan at Tien Phong Bank	5/6
31	76/NQ-HDQT	28/09/2020	Resolution on approving the total investment of Son Tinh Project	5/6
32	77/NQ-HDQT	28/09/2020	Resolution on approving investment policy of NBB2 Project	5/6
33	78/NQ-HDQT	28/09/2020	Resolution on the election of Mr. Le Quoc Binh as BOD's Permanent Vice Chairman Term IV (2020-2025)	5/6
34	83/NQ-HDQT	15/10/2020	Resolution on approving the implementation of market research, product introduction and sales strategy plan for the NBB2 Project	4/6
35	84/NQ-HDQT	15/10/2020	Resolution on approving the implementation of the content of Resolution No.72/NQ-HDQT dated September 3, 2020	4/6

NO.	RESOLUTION / DECISION NO.	DATE	CONTENT	VOTING RATE
36	85/NQ-HDQT	15/10/2020	Resolution approving the cooperation to receive capital contribution for investment in Son Tinh Residential Area - Quang Ngai project	4/6
37	88/NQ-HDQT	02/11/2020	Resolution on approving the plan to transfer land for NBB4 project	5/6
38	91/NQ-HDQT	29/12/2020	Resolution on approving for NBB Corporation to buy shares of Saigon Dan Kia Water Supply Joint Stock Company	5/6
39	92/QD-HDQT	29/12/2020	Decision on appointing a representative for capital share of Saigon Dan Kia Water Supply Joint Stock Company	5/6

## 1.4 ACTIVITIES OF THE BOARD OF DIRECTORS INDEPENDENT MEMBERS

Independent members of the Board of Directors are assigned to perform tasks related to the Company's projects. In addition, the BOD's members also participate in the BOD's meetings to review the proposals of strategic directions, business plans; monitoring the activities of the Board of Directors, the results of supervision of the Board of General Directors according to regulations.

## 1.5 THE LIST OF MEMBERS OF THE BOARD OF DIRECTORS POSSESSING CERTIFICATES ON CORPORATE GOVERNANCE AND PARTICIPATING IN CORPORATE GOVERNANCE TRAINING PROGRAMS IN THE YEAR

Not available.

## 2. BOARD OF SUPERVISORS

The Supervisory Board operates independently and has the inspection and supervision role to ensure that the management and administration of the Board of Directors and the Board of General Directors are reasonable, transparent in accordance with the law, in accordance with the Resolutions of the General Meeting of Shareholders for the benefit of the shareholders of the Company.

### 2.1 MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS

Members of Supervisory Board of NBB Company Term IV (2020-2025) consist of 03 members, selected as qualified, capable and experienced members in the fields of finance, accounting and auditing to perform the assigned tasks, including:

NO.	FULL NAME	POSITION	Starting/ending date of BOS's members	
			Appointment date	Dismissal date
1	Duong Quynh Diep	Head of the BOS	12/05/2020	
2	Le Trung Hieu	Member of the BOS	12/05/2020	
3	Le Thi Kieu Diem	Member of the BOS	12/05/2020	
4	Nguyen Quynh Huong	Original Head of the BOS	24/04/2015	12/05/2020
5	Vo Hoang Chuong	Original Member of the BOS	24/04/2015	12/05/2020
6	Nguyen Van Tung	Original Member of the BOS	24/04/2015	12/05/2020

## 2.2 ACTIVITIES OF THE BOARD OF SUPERVISORS

In 2020, the Board of Supervisors executed its duties as follows:

- Representatives of the Board of Supervisors participated in all meetings of the Board of Directors to comment on strategic direction and business strategies of the Corporation.
- Considering the transparency of information disclosure process to ensure the interests of investors; simultaneously suggesting and giving opinions to the Board of Directors and Board of Executives to ensure the sustainable development of the Corporation as well as to protect shareholders' rights and interests.

## 2.3 REPORT BY THE BOARD OF SUPERVISORS FOR THE FISCAL YEAR 2020 AT THE ANNUAL GENERAL SHAREHOLDERS' MEETING

### NBB Corporation's performance in fiscal year 2020

*Dear Shareholders of 577 Investment Corporation,*

In 2020, on behalf of the Shareholders, the Board of Supervisors (BOS) performed its monitoring responsibility to the management and administration of the Company's business activities based on the functions and rights stipulated in the Company's Charter, the provisions of Law on Enterprises and operation regulations of listed companies.

On behalf of the Board of Supervisors, we would like to report to the General Meeting of Shareholders the following contents:

#### A. THE APPRAISAL AND EVALUATION RESULTS OF THE BOARD OF SUPERVISORS ON THE 2020 FINANCIAL STATEMENTS:

After revision and appraisal, the Board of Supervisors agreed with the contents of 2020 consolidated financial statements audited by International Auditing Co. Ltd - A member of AGN International. The financial statements reflected truthfully and accurately on the significant aspects on financial situation and business activities of 577 Investment Corporation for the year as of 31st December 2020.

At the end of the fiscal year 2020, the operating performance of NBB were as follows:

#### Regarding to the business performance:

Total net revenue from sales and services reached VND 3,500.7 billion, an increase of about 10.6 times compared to 2019 and reached 109% of the plan set by the General Meeting of Shareholders. This impressive growth was mainly due to i) the company handed over and recognized revenue from Diamond Riverside Project (about VND 2,602.6 billion), and ii) recognized a part of revenue from the real estate Son Tinh Project (about VND 568.1 billion).

Along with the revenue growth, NBB also recorded cost of goods sold and the corresponding expenses, specifically:

- Selling expenses, which increased sharply from VND 3.5 billion to VND 126.9 billion, mainly related to the business of the Diamond Riverside Project, and
- Financial expenses also increased sharply from 81.2 million VND to 198.4 billion VND, mostly arising from the distribution of profits from investment cooperation (i) Son Tinh Project under Contract 02/2019/HD-PC signed 28/06/2019 with Pearl City Joint Stock Company and (ii) Diamond Riverside Project under Investment Cooperation Contract No.01/HD signed on 29/10/2015 with Mr. Le Van Hoa.

Accordingly, at the end of 2020, profit after corporate income tax for parent company's shareholders reached VND 327.3 billion, an increase of about 8% compared to 2019 and nearly 100% of the plan set by the General Meeting of Shareholders.

#### Regarding to the financial situation:

At the end of fiscal year 2020, the company's total assets decreased by VND 1,579.5 billion to VND 4,090.7 billion, mainly due to the decrease in short-term assets.

- Short-term assets of the company at 31/12/2020 decreased 30% to VND 3,665.1 billion, in which inventories decreased 39% (to about VND 2,473.5 billion) due to the handover of NBB in 2020 and recognition of

revenue from Diamond Riverside Project; However, inventories were still the key item accounting for 67.5% of the company's total short-term assets. Most inventories at the end of 2020 came from investment and development costs of the following key projects: Son Tinh Residential Project (VND 535.7 billion), NBB Garden II (VND 733.9 billion) and NBB Garden III (VND 809.2 billion).

- Meanwhile, long-term assets did not change much, only decreasing by 0.2% compared to the end of 2019, reaching about 425.6 billion VND. In terms of long-term asset structure, there were some notable movements arising from handover to customers of Diamond Riverside Project: (i) fixed assets increased by VND 52.8 billion mainly due to the basement of the Diamond Riverside Project; and (ii) long-term prepayment decreased by 44.9% mainly due to the conversion of real estate brokerage expenses related to Diamond Riverside Project (about VND 102.9 billion) to selling expenses on the income statement.

Corresponding to the change of total assets in 2020, the counterbalance capital on the other side of the balance sheet also had noticeable changes.

The company's total debt decreased by VND 1,264.9 billion (corresponding to a 35% decrease) to only VND 2,324.1 billion. Accordingly, the D/E ratio decreased from 1.72 to 1.32 at 31/12/2020.

- Total short-term debt decreased by 35.3% (about VND 1,142.1 billion) to VND 2,093.7 billion in 2020. Most of this decline came from the decrease in prepayment of buyers in Diamond Riverside Project (about VND 1,324.2 billion) because the project was handed over to customers and revenue was recognized.
- Total long-term liabilities decreased 34.8% to 230.4 billion VND, mainly due to the capital contribution from CII Company, about 184.7 billion VND, following the Contract No. 37/2020 signed on 16/10/2020 for investment cooperation in construction of Son Tinh project to be transferred from other long-term payables to other short-term payables.

Total equity decreased by 15.1% to VND 1,766.7 billion up to 31/12/2020, mainly because NBB bought back 15,071,340 treasury shares with the total share value of about VND 359.5 billion.

With the results achieved during the year, basic earnings per share improved compared to 2019, reaching VND 3,196/share, equivalent to an increase of 8.5%.

## **B. THE IMPLEMENTATION OF THE STATE LAW AND IMPLEMENTATION OF THE COMPANY'S REGULATIONS AND GENERAL SHAREHOLDERS' RESOLUTIONS:**

In 2020, BOS sent its members to fully participate in the meetings of the Board of Directors and at the same time check the reasonableness and legality in managing and operating business activities. BOS acknowledged the responsibility and transparency of the Board of Directors and the Board of Management of NBB in accordance with the law, the Company's Charter, as well as the Resolutions and Decisions of the AGM.

In addition, the Company also paid 2019 cash dividends at the rate of 25%, equivalent to an amount of VND 233.3 billion according to the Resolution No.21/NQ-DHĐCĐ dated 12/5/2020 in annual meeting of General Meeting of Shareholders in 2019.

## **C. RECOMMENDATIONS OF BOS ON THE COMPANY'S OPERATION:**

Based on the achievements as well as the problems in the company's operations, BOS has the following recommendations:

1. Strengthen monitoring and inspection of member companies and partners as well as projects that NBB has invested to limit possible accidents and if in case of accidents it must be handled quickly and promptly to limit damage.
2. The Board of Management should pay more attention to IR work to promptly inform the shareholders and investors the latest news about the company's operations, helping investors have a comprehensive and profound look about the company from which to make the right investment decisions as well as avoid losses for shareholders due to lack of timely grasp of information.

On behalf of the BOS, we wish NBB Corporation more successes, bringing more benefits to shareholders who have trusted and invested into the company during the past years.

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**DUONG QUYNH DIEP**  
HEAD OF THE BOS

## 3.

## TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISORS

### 3.1 SALARY, REWARDS, REMUNERATION AND BENEFITS

Pursuant to the Resolution of the General Meeting of Shareholders No. 21/NQ-DHDCD passed on 12/05/2020, the remuneration of the BOD and BOS are paid the equivalent of 1% of the profit after tax of the Company, (the Board of Directors and the Board of Supervisors did not receive any other benefits other than the remuneration), details are as follows:

NO.	Full name	Position	Remuneration during the year (VND)
1	Nguyen Quynh Huong	BOD's Chairman	463,917,526
2	Le Quoc Binh	BOD's Permanent Vice Chairman	371,134,021
3	Luu Hai Ca	BOD's Vice Chairman	371,134,021
4	Nguyen Van Chinh	BOD's independent member	309,278,351
5	Nguyen Ba Lan	BOD's independent member	309,278,351
6	Doan Tuong Trieu	BOD's non-executive member	154,639,175
7	Duong Quynh Diep	Head of BOS	309,278,351
8	Le Trung Hieu	BOS's member	154,639,175
9	Le Thi Kieu Diem	BOS's member	154,639,175
10	Tran Le Hoang Diem	Secretary	247,422,680

List members of the BOD and BOS in term IV (2020-2025) was approved pursuant to the Resolution of the General Meeting of Shareholders fiscal year 2019 No. 22/NQ-DHDCD dated May 12, 2020 and the Resolution of the Extraordinary General Meeting of Shareholders No. 59/NQ-DHDCD dated July 30, 2020.

BOM and Chief Accountant had the same benefits as other employees: rewarded once every 12 months, rewarded for having recognized initiatives that bring practical benefits to the Company. The Board of General Directors and the Chief Accountant did not receive any other benefits other than the salaries and bonuses.

NO.	Full name	Position	Remuneration during the year (VND)
1	Luu Hai Ca	General Director	2,104,054,285
2	Mai Thanh Truc	Deputy General Director	1,962,415,954
3	Truong Hai Dang Khoa	Deputy General Director	2,006,653,845
4	Nguyen Quy Binh	Deputy General Director	871,503,966
5	Nguyen Van Minh	Chief Accountant	901,339,914

### 3.2 SHARE TRANSACTIONS BY INTERNAL SHAREHOLDERS

NO.	Transactors	Relationship with insiders/major shareholders	Ownership at the beginning		Ownership at the ending		Reasons of increase/decrease (buy, sell, transfer, reward etc.)
			No. of shares	%	No. of shares	%	
1	Doan Tuong Trieu	BOD's non-executive member	500,000	0.5%	50,000	0.05%	Sold shares
2	Mai Thanh Truc	Deputy General Director	112,500	0.12%	-	-	Sold shares

Number of shares owned by BOD, BOS and BOM on December 31, 2020.

NO.	Full name	Position	Total stocks	Proportional ownership (%)
1	Nguyen Quynh Huong	BOD's Chairman	15,000	0.01%
2	Luu Hai Ca	BOD's Vice Chairman and General Director	50,000	0.05%
3	Le Quoc Binh	BOD's Permanent Vice Chairman	-	-
4	Nguyen Van Chinh	BOD's independent member	-	-
5	Doan Tuong Trieu	BOD's non-executive member	50,000	0.05%
6	Nguyen Ba Lan	BOD's independent member	-	-
7	Duong Quynh Diep	Head of BOS	-	-
8	Le Thi Kieu Diem	BOS's member	-	-
9	Le Trung Hieu	BOS's member	-	-
10	Mai Thanh Truc	Deputy General Director	-	-
11	Nguyen Quy Binh	Deputy General Director	-	-
12	Truong Hai Dang Khoa	Deputy General Director	-	-
13	Nguyen Van Minh	Chief Accountant	-	-
<b>TOTAL</b>			<b>115,000</b>	<b>0.11%</b>

### 3.3 CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS AND OTHER RELATED PARTIES

Information about the contracts, or transactions signed or executed in the year by the members of the Board of Directors, Board of Supervisors/ Audit Committee, General Director, managers and affiliated persons with the Company, subsidiaries, and other companies in which the Company holds the control right:

NO.	Related party	Transaction information	Relationship
1	HCMC Infrastructure Investment Joint Stock Company (CII)	Investment cooperation contract in Son Tinh project	Parent company and Mr Le Quoc Binh - BOD's Vice Chairman cum General Director of CII Company

### 3.4 ASSESSING THE IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

Compliance with the regulations.

VI.

# FINANCIAL STATEMENTS



# 1.

## AUDITOR'S OPINIONS

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

# 2.

## AUDITED FINANCIAL STATEMENTS

### STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of 577 Investment Corporation ("the Company") presents this report together with consolidated financial statements of the Company for the year ended 31 December 2020.

#### THE BOARDS OF MANAGEMENT, SUPERVISORY AND GENERAL DIRECTORS

The members of the Boards of Management, Supervisory and General Directors of the Company who held office during the year and to the date of this report are as follows:

#### BOARD OF MANAGEMENT

Ms. Nguyen Quynh Huong	Chairwoman (appointed on 12 May 2020)
Mr. Doan Tuong Trieu	Chairman (resigned the Chairman and become a Member on 12 May 2020)
Mr. Luu Hai Ca	Vice Chairman (appointed as Vice Chairman and resigned Member position on 12 May 2020)
Mr. Le Quoc Binh	Permanent Vice Chairman (appointed on 28 September 2020)
Mr. Nguyen Van Chinh	Member (appointed on 12 May 2020)
Mr. Nguyen Ba Lan	Member (appointed on 12 May 2020)
Mr. Mai Thanh Truc	Member (resigned on 12 May 2020)
Mr. Nguyen Phi Thuong	Member (resigned on 12 May 2020)
Mr. Hoang Thanh Tung	Member (resigned on 12 May 2020)

### BOARD OF SUPERVISORY

Ms. Duong Quynh Diep	Head of the Board (appointed on 12 May 2020)
Ms. Nguyen Quynh Huong	Head of the Board (resigned on 12 May 2020)
Mr. Le Trung Hieu	Member (appointed on 12 May 2020)
Ms. Le Thi Kieu Diem	Member (appointed on 12 May 2020)
Mr. Vo Hoang Chuong	Member (resigned on 12 May 2020)
Mr. Nguyen Van Tung	Member (resigned on 12 May 2020)

### BOARD OF GENERAL DIRECTORS

Mr. Luu Hai Ca	General Director
Mr. Mai Thanh Truc	Deputy General Director
Mr. Nguyen Quy Binh	Deputy General Director (appointed on 6 January 2020)
Mr. Truong Hai Dang Khoa	Deputy General Director (appointed on 12 May 2020)

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and to the date of this report is Mr. Luu Hai Ca - General Director.

### THE AUDITORS

The consolidated financial statements for the year ended 31 December 2020 have been audited by International Auditing Company Limited - An independent member firm of AGN International.

### BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of General Directors is required to:

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

## STATEMENT OF THE BOARD OF GENERAL DIRECTORS (cont)

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

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

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

For and on behalf of the Board of General Directors,



**LUU HAI CA**  
**General Director**

Ho Chi Minh City, 15 March 2021

## INDEPENDENT AUDITORS' REPORT

**To:                   The shareholders  
                          The Boards of Management, Supervisory and General Directors  
                          577 Investment Corporation**

We have audited the accompanying consolidated financial statements of 577 Investment Corporation ("the Company"), prepared on 15 March 2021, as set out from page 5 to page 48, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statements of income and consolidated cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Board of General Directors' Responsibility**

The Board of General Directors is responsible for the preparation and presentation of these consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting Regime for enterprise and prevailing relevant regulations in the consolidated financial statement preparation and disclosure and for such internal control as the Board of General Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

### **Opinion**

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the consolidated financial position of the Company as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

### **Emphasis of Matter**

We would like to draw attention to the Note VIII.3 in the Notes to the consolidated financial statements

which indicates that from 2018 to 2020, 577 Investment Corporation supported to resolve a fire broke out at the Carina Plaza apartment building owned by Hung Thanh Construction - Trading - Service - Manufacturing Company Limited (“Hung Thanh Company”) - a subsidiary of the Company with holding proportion of 95% of charter capital - and is managed and operated by a third party. The fire was objectively caused by electric problem of motorbike as the inspection conclusion Notice No. 1732/TB-PC44-D3 dated 9 July 2018 issued by the Police Investigation Agency of Ho Chi Minh City Police Department. The legal obligations and compensation for damages related to the incident have been investigated and clarified by the competent authorities. As at 31 December 2020, Hung Thanh Company, with a financial support from the Company, made advance payments for compensation and remedies for the incident with a total amount of VND 104,438,750,348 (see Note V.5a). As at the date of the consolidated financial statements, the Company has not yet recorded any expenses and provisions related to this incident as the ultimate outcome has not yet presently been determined awaiting for the official conclusions from the authorized investigative agencies.

Our opinion is not modified in respect of this matter.

### Other Matter

The consolidated financial statements for the year ended 31 December 2019 were respectively audited the other auditors and other auditing firm. Those auditors expressed an unqualified audit opinion on 12 March 2020, they also drew attention to fire broke out at the Carina Plaza apartment building as mentioned in the above emphasis paragraph.



Luong Giang Thach  
Deputy Branch Director  
Audit Practising Registration Certificate  
No. 2178-2018-072-1

For and on behalf of  
International Auditing Company Limited  
Saigon Branch

Ho Chi Minh City, 15 March 2021

A blue signature of the auditor, Pham Thi Toan.

Pham Thi Toan  
Auditor  
Audit Practising Registration Certificate  
No. 2767-2019-072-1

## CONSOLIDATED BALANCE SHEET

As at 31 December 2020

FORM B01-DN/HH

Unit: VND

	ASSETS	Codes	Notes	31/12/2020	01/01/2020 (Restated)
<b>A.</b>	<b>CURRENT ASSETS</b>	<b>100</b>		<b>3,665,093,698,093</b>	<b>5,243,791,044,716</b>
<b>I.</b>	<b>Cash and cash equivalents</b>	<b>110</b>	V.1	<b>67,500,904,393</b>	<b>139,476,989,035</b>
1.	Cash	111		67,500,904,393	109,926,696,808
2.	Cash equivalents	112		-	29,550,292,227
<b>II.</b>	<b>Short-term receivables</b>	<b>130</b>		<b>1,109,974,440,551</b>	<b>1,021,331,093,938</b>
1.	Short-term trade receivables	131	V.2	531,484,663,142	394,019,341,775
2.	Short-term advances to suppliers	132	V.3	326,332,085,830	402,055,985,182
3.	Short-term loan receivables	135	V.4	9,500,000,000	9,500,000,000
4.	Other short-term receivables	136	V.5A	244,671,604,365	216,465,578,467
5.	Provision for short-term doubtful debts	137	V.6	(2,013,912,786)	(709,811,486)
<b>III.</b>	<b>Inventories</b>	<b>140</b>		<b>2,473,502,985,781</b>	<b>4,038,053,904,763</b>
1.	Inventories	141	V.7	2,473,502,985,781	4,038,053,904,763
<b>IV.</b>	<b>Other short-term assets</b>	<b>150</b>		<b>14,115,367,368</b>	<b>44,929,056,980</b>
1.	Short-term prepayments	151	V.8a	250,028,546	651,476,488
2.	Value added tax deductibles	152		13,742,019,922	43,765,249,894
3.	Taxes and other receivables from the State budget	153	V.17a	123,318,900	512,330,598
<b>B.</b>	<b>NON-CURRENT ASSETS</b>	<b>200</b>		<b>425,618,741,807</b>	<b>426,385,659,666</b>
<b>I.</b>	<b>Long-term receivables</b>	<b>210</b>		<b>57,399,765,003</b>	<b>63,860,744,954</b>
1.	Other long-term receivables	216	V.5b	57,399,765,003	63,860,744,954
<b>II.</b>	<b>Fixed assets</b>	<b>220</b>		<b>233,680,578,068</b>	<b>180,892,534,729</b>
1.	Tangible fixed assets	221	V.9	198,712,252,361	176,876,429,983
	- Cost	222		226,193,349,524	205,494,987,356
	- Accumulated depreciation	223		(27,481,097,163)	(28,618,557,373)
2.	Intangible fixed assets	227	V.10	34,968,325,707	4,016,104,746
	- Cost	228		35,037,047,482	4,016,104,746
	- Accumulated amortisation	229		(68,721,775)	-
<b>III.</b>	<b>Investment properties</b>	<b>230</b>	<b>V.11</b>	<b>54,830,628,535</b>	<b>57,285,122,131</b>
	- Cost	231		67,786,031,001	67,786,031,001
	- Accumulated depreciation	232		(12,955,402,466)	(10,500,908,870)
<b>IV.</b>	<b>Long-term assets in progress</b>	<b>240</b>		<b>3,875,266,717</b>	<b>3,875,266,717</b>
1.	Long-term construction in progress	242	V.12	3,875,266,717	3,875,266,717
<b>V.</b>	<b>Long-term financial investments</b>	<b>250</b>	<b>V.13</b>	<b>16,150,000,000</b>	<b>11,939,135,190</b>
1.	Investments in joint-ventures, associates	252	V.13a	-	11,939,135,190
2.	Equity investments in other entities	253	V.13b	18,150,000,000	2,000,000,000
3.	Provision for impairment of long-term financial investments	254	V.13b	(2,000,000,000)	(2,000,000,000)
<b>VI.</b>	<b>Other long-term assets</b>	<b>260</b>		<b>59,682,503,484</b>	<b>108,532,855,945</b>
1.	Long-term prepayments	261	V.8b	59,173,130,484	107,429,335,945
2.	Deferred tax assets	262	V.14	509,373,000	1,103,520,000
	<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>4,090,712,439,900</b>	<b>5,670,176,704,382</b>

## CONSOLIDATED BALANCE SHEET (continued)

	RESOURCES	Codes	Notes	31/12/2020	01/01/2020 (Restated)
<b>C.</b>	<b>LIABILITIES</b>	<b>300</b>		<b>2,324,059,503,188</b>	<b>3,588,989,851,653</b>
<b>I.</b>	<b>Current liabilities</b>	<b>310</b>		<b>2,093,652,132,089</b>	<b>3,235,707,433,991</b>
1.	Short-term trade payables	311	V.15	122,447,310,596	177,528,569,012
2.	Short-term advances from customers	312	V.16	28,355,829,700	1,360,800,528,643
3.	Taxes and amounts payable to the State budget	313	V.17b	254,447,788,078	135,560,610,994
4.	Payables to employees	314		2,397,766,044	3,081,620,550
5.	Short-term accrued expenses	315	V.18	424,771,231,972	125,110,420,886
6.	Other current payables	319	V.19a	948,728,967,676	1,303,667,611,402
7.	Short-term loans and obligations under finance leases	320	V.20a	301,844,828,384	114,943,911,978
8.	Bonus and welfare funds	322	V.21	10,658,409,639	15,014,160,526
<b>II.</b>	<b>Long-term liabilities</b>	<b>330</b>		<b>230,407,371,099</b>	<b>353,282,417,662</b>
1.	Other long-term payables	337	V.19b	8,568,645,142	181,450,681,729
2.	Long-term loans and obligations under finance leases <sup>a</sup>	338	V.20b	216,839,691,730	161,831,735,933
3.	Long-term provisions	342		4,999,034,227	10,000,000,000
<b>D.</b>	<b>EQUITY</b>	<b>400</b>		<b>1,766,652,936,712</b>	<b>2,081,186,852,729</b>
<b>I.</b>	<b>Owner's equity</b>	<b>410</b>	<b>V.22</b>	<b>1,766,652,936,712</b>	<b>2,081,186,852,729</b>
1.	Owner's contributed capital	411		1,004,756,560,000	1,004,756,560,000
	- Ordinary shares carrying voting rights	411a		1,004,756,560,000	1,004,756,560,000
2.	Share premium	412		479,559,579,732	479,559,579,732
3.	Treasury shares	415		(498,686,282,051)	(139,163,566,214)
4.	Investment and development fund	418		103,604,269,349	131,477,728,497
5.	Retained earnings	421		669,234,115,649	596,541,179,174
	- Retained earnings accumulated to the prior year end	421a		341,892,716,169	293,663,091,974
	- Retained earnings of current year	421b		327,341,399,480	302,878,087,200
6.	Non-controlling interests	429		8,184,694,033	8,015,371,540
	<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>4,090,712,439,900</b>	<b>5,670,176,704,382</b>

**NGUYEN TRAN PHUONG UYEN**  
Preparer

**NGUYEN VAN MINH**  
Chief Accountant



**LUU HAI CA**  
General Director

Ho Chi Minh City, 15 March 2021

## CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2020

FORM B02-DN/HN  
Unit: VND

ITEMS	Codes	Notes	2020	2019 (Restated)
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>VI.1</b>	<b>3,500,669,919,571</b>	<b>330,584,936,687</b>
2. Deductions	02		-	-
<b>3. Net revenue from goods sold and services rendered (10 = 01 - 02)</b>	<b>10</b>		<b>3,500,669,919,571</b>	<b>330,584,936,687</b>
4. Cost of sales	11	VI.2	2,719,710,463,940	250,971,214,676
<b>5. Gross profit from goods sold and services rendered (20 = 10 - 11)</b>	<b>20</b>		<b>780,959,455,631</b>	<b>79,613,722,011</b>
6. Financial income	21	VI.3	20,265,600,796	123,295,126,586
7. Financial expenses	22	VI.4	198,418,616,255	81,155,694
- In which: Interest expense	23		3,650,533,698	81,155,694
8. Selling expenses	25	VI.5	126,913,421,129	3,536,124,415
9. General and administration expenses	26	VI.6	41,387,173,846	32,637,861,620
<b>10. Operating profit (30 = 20 + (21 - 22) + 24 - (25 + 26))</b>	<b>30</b>		<b>434,505,845,197</b>	<b>166,653,706,868</b>
11. Other income	31	VI.7	29,412,960,202	274,870,528,245
12. Other expenses	32	VI.8	6,312,403,073	53,210,135,865
<b>13. Profit from other activities (40 = 31 - 32)</b>	<b>40</b>		<b>23,100,557,129</b>	<b>221,660,392,380</b>
<b>14. Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>457,606,402,326</b>	<b>388,314,099,248</b>
15. Current corporate income tax expense	51	VI.9	129,721,080,763	86,038,637,269
<b>16. Deferred corporate tax expense/ (income)</b>	<b>52</b>	<b>V.14</b>	<b>594,147,000</b>	<b>(300,960,000)</b>
<b>17. Net profit after corporate income tax (60 = 50 - 51 - 52)</b>	<b>60</b>		<b>327,291,174,563</b>	<b>302,576,421,979</b>
18. Net profit attributable to owners of the parent	61		327,341,399,480	302,878,087,200
19. Net profit attributable to non-controlling interest	62		(50,224,917)	(301,665,221)
<b>20. Basic earnings per share</b>	<b>70</b>	<b>VI.10</b>	<b>3,196</b>	<b>2,945</b>

**NGUYEN TRAN PHUONG UYEN**  
Preparer

**NGUYEN VAN MINH**  
Chief Accountant

**LUU HAI CA**  
General Director

Ho Chi Minh City, 15 March 2021

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

FORM B03-DN/HN

Unit: VND

ITEMS		Codes	2020	2019 (Restated)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1.</b>	<b>Accounting profit before tax</b>	<b>01</b>	<b>457,606,402,326</b>	<b>388,314,099,248</b>
<b>2.</b>	<b>Adjustments for</b>			
	Depreciation of fixed assets, investment properties and amortization of goodwill	02	8,636,986,169	7,298,862,150
	Provisions	03	1,300,000,000	-
	Gain from investing activities	05	(17,762,107,320)	(123,567,853,858)
	Interest expense	06	3,650,533,698	81,155,694
<b>3.</b>	<b>Operating profit before movements in working capital</b>	<b>08</b>	<b>453,431,814,873</b>	<b>272,126,263,234</b>
	(Increase)/Decrease in receivables	09	(54,415,632,602)	94,851,354,748
	Decrease/(Increase) in inventories	10	1,526,218,208,058	(904,643,729,444)
	(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(1,524,163,271,892)	888,280,138,884
	Derease/(Increase) in prepaid expenses	12	48,695,233,407	(1,316,781,860)
	Interest paid	14	(41,289,628,473)	(59,653,962,738)
	Corporate income tax paid	15	(66,984,709,538)	(41,159,778,339)
	Other cash outflows	17	(34,999,606,649)	(11,296,254,251)
	<b>Net cash generated from operating activities</b>	<b>20</b>	<b>306,492,407,184</b>	<b>237,187,250,234</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1.	Acquisition and construction of fixed assets and other long-term assets	21	(7,519,432,275)	(106,464,217,459)
2.	Proceeds from sales of fixed assets and other long-term assets disposal	22	1,545,454,545	300,000,000
3.	Cash outflow for lending and buying debt instruments of other companies	23	-	(19,000,000,000)
4.	Cash recovered from lending and selling debt instruments of other entities	24	-	9,500,000,000
5.	Investments in other entities	25	(21,042,448,895)	(430,000,000,000)
6.	Cash recovered from investments in other entities	26	-	500,294,500,000
7.	Interest, dividends and profits received	27	2,363,730,933	417,056,586
	<b>Net cash used in investing activities</b>	<b>30</b>	<b>(24,652,695,692)</b>	<b>(44,952,660,873)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1.	Capital withdrawals, buy-back issued shares	32	(359,522,715,837)	(132,217,546,777)
2.	Proceeds from borrowings	33	623,100,529,646	242,515,031,231
3.	Repayment of borrowings	34	(381,191,657,443)	(293,654,065,016)
4.	Dividends and profits paid	36	(236,201,952,500)	-
	<b>Net cash used in financing activities</b>	<b>40</b>	<b>(353,815,796,134)</b>	<b>(183,356,580,562)</b>
	<b>Net (decrease)/increase in cash (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(71,976,084,642)</b>	<b>8,878,008,799</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>139,476,989,035</b>	<b>130,598,980,236</b>
	<b>Cash and cash equivalents at the end of the year (70 = 50 + 60)</b>	<b>70</b>	<b>67,500,904,393</b>	<b>139,476,989,035</b>

Signed

**NGUYEN TRAN PHUONG UYEN**  
Preparer

Signed

**NGUYEN VAN MINH**  
Chief Accountant

Signed

**LUU HAI CA**  
General Director

Ho Chi Minh City, 15 March 2021

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

### I. GENERAL INFORMATION

#### Structure of ownership

577 Investment Corporation (“the Company”) is incorporated under Enterprise Registration Certificate No. 4103003556 issued by the Department of Planning and Investment of Ho Chi Minh City dated 4 July 2005, and as amended.

The charter capital of the Company is of VND 1,004,756,560,000, divided equally to 100,475,656 shares, par value is of VND 10,000.

The parent Company of the Company is Ho Chi Minh City Infrastructure Investment Joint Stock Company (“CI”).

Head office of the Company is located at 1648 Vo Van Kiet, Ward 16, District 8, Ho Chi Minh City, Vietnam.

The Company has four (04) dependent accounting branches as below:

1. Binh Thuan Branch, registered at Group 2, Phuoc Hai Hamlet, Tan Phuoc Commune, Lagi Town, Binh Thuan Province.
2. Tay Nam Branch, registered at 444 Ninh Binh Street, Ward 2 Residential Area, Bac Lieu City, Bac Lieu Province.
3. Mien Bac Branch, registered at 2nd Floor, Villa A29, Lot BT-A3, Villa area Doi Thuy San, Area 9B, Bai Chay Ward, Ha Long City, Quang Ninh Province.
4. Quang Ngai Branch, registered at 364 Vo Nguyen Giap Street, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai Province, Vietnam.

The Company’s shares were officially listed on the Ho Chi Minh City Stock Exchange on 20 November 2008 with the stock code as NBB.

The number of employees in Company and subsidiaries as at 31 December 2020 was 134 (31 December 2019: 126).

#### Operating industry and principal activities

The operating industry and principal activities of the Company during the year comprise of developing and trading real estate properties; executing transportation and civil construction, investing in urban infrastructure; exploiting and processing minerals.

#### Disclosure of information comparability in the consolidated financial statements

The Company has applied consistently Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC guiding the accounting regime for enterprises dated 22 December 2014 issued by the Ministry of Finance. So that, the information and accounting data presented on the consolidated financial statements are comparable.

#### The Company’s structure

As at 31 December 2020, the Company has invested directly in three (03) subsidiaries and one (01) associate. Details of these investees are as follows:

Names of Companies	Places of incorporation and operation	Proportion of ownership interest	Proportion of voting right power held	Principal activity
		(%)	(%)	
<i>Subsidiaries</i>				
1. Hung Thanh Construction - Trading - Service - Manufacturing Company Limited	Ho Chi Minh City	95.00%	95.00%	Investing, managing and trading real estate projects
2. Huong Tra Company Limited	Quang Ngai Province	99.00%	99.00%	Wholesaling of materials and other equipment in construction, wholesaling petroleum and related products, exploiting stone, sand, gravel, clay, exploiting kaolin soil
3. Quang Ngai Mineral Investment Joint Stock Company	Quang Ngai Province	90.00%	90.00%	Wholesaling of materials and other equipment in construction, wholesaling petroleum and related products, exploiting stone, sand, gravel, clay, exploiting kaolin soil
<i>Joint-ventures, associates</i>				
1. Tam Phu Investment & Construction Company Limited	Quang Nam Province	49.00%	49.00%	Trading real estate, management consulting activities, architectural activities and related technical consultancy

## II. ACCOUNTING CONVENTION AND FINANCIAL YEAR

### Accounting convention

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

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

### Financial year

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

## III. ACCOUNTING STANDARDS AND REGIME APPLIED

The Company applies Vietnamese Accounting Standards, the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the accounting regime for enterprises; Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC; Circular No.202/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding on preparation and presentation of consolidated financial statements.

The Company has fully complied with the requirements of Vietnamese Accounting Standards in preparation and presentation of these consolidated financial statements.

## IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### **Estimates**

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

### **Basis of consolidation**

The consolidated financial statements incorporate the separate financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the year ended 31 December 2020. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified consolidated from the parent's ownership interests in them and presented as an item of the owner's equity in consolidated balance sheet. Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the non-controlling interests have a bidding obligation and are able to make an additional investment to cover the losses.

### **Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the financial year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

The effect of transactions resulting in changes in the Group's ownership interest in the subsidiaries without loss of control is recorded directly in the retained earnings in the consolidated balance sheet.

### **Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity

method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized.

Where a group entity transacts with an associate of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

### **Investments in equity of other entities**

Investments in equity of other entities represent equity but not control or joint control, or significant influence on the investee.

The Company record investments in equity of another entities at original prices. The Company records the income in the consolidated statement of income divided from the investee's accumulated net profit that incurred after the investment date. Other amounts received by the Company in addition to distributed profits are considered as recovery of investment and recorded as a deduction in the cost of the investment.

Investments in equity of another entities are presented in the consolidated balance sheet as cost less provisions for devaluation (if any). Provisions for devaluation of investments are made when there is strong evidence that there has been a decrease in the value of these investments at the end of the year.

### **Goodwill**

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill arising on the acquisition of a subsidiary is recognized as a non-current asset in the consolidated balance sheet and is amortized on the straight-line basis over its estimated period of benefit which the maximum estimated period should not exceed 10 years.

On disposal of a subsidiary, the attributable amount of unamortized goodwill included in the determination of the profit or loss on disposal. The Company conducts the periodical review for impairment of goodwill of investments in subsidiaries. If there are indicators that the impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recognized in the consolidated income statement.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. The Company does not amortize this goodwill.

### **Cash and cash equivalents**

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

### **Loan receivables**

Loan receivables present the loans under agreements which are not traded on the market as securities.

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

### **Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book

value less provision for doubtful debts.

Provision for doubtful debts is made for: overdue receivables stated in economic contract, loan agreements, contractual commitments or debt commitments, and outstanding receivables which are doubtful of being recovered. Provision for overdue receivables is made based on overdue days in payment of principals following the initial economic contract, exclusive of the debts rescheduling between contracting parties, provision for outstanding receivables is made when the debtor is in bankruptcy, or is doing procedures to dissolve, missing, escaped.

## Inventories

### *Properties held for sale*

Properties held for sale include properties acquired or being constructed for sale in the ordinary course of business and shall be measured at the lower of cost and net realisable value. Cost of Properties held for sale include freehold and leasehold rights for land, costs of site preparation; construction and borrowing costs, planning and design costs, construction management cost and other related costs (if any) that have been incurred in bringing the properties held for sale to their present location and condition.

Net realisable value is estimated selling price in the ordinary course of business, based on market price prevailing at reporting date less costs to completion and estimated costs of sale.

### *Other inventories*

Other inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provision for devaluation of inventories is made in accordance with prevailing accounting regulations which allow provision to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at reporting date. The provision for devaluation of obsolete, damaged, or sub-standard inventories is not included in deductible expenses for calculation of corporate income tax until such inventories are disposed.

## Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods and are expected to provide future economic benefits to the Company. Prepayments comprise cost of show flat and real estate brokerage commission; tools and supplies issued for consumption.

Cost of show flat and real estate brokerage commission are recognized as long-term prepayments and amortised to the income statement as a proportion of revenue of projects when the Company hands over properties to customers.

Tools and supplies issued for consumption are capitalised as prepayments, and are allocated to operating cost using the straight-line method within 3 years in accordance with the current prevailing accounting regulations.

## Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

	Years
Building and structure	50
Machinery and equipment	4 - 10
Motor vehicle and transmission	6 - 8
Office equipment	3

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

**Intangible fixed assets and amortisation**

Intangible fixed asset is presented at cost less accumulated amortization. Intangible fixed assets of the Company consist of land use rights with definite term and the computer software.

Land use rights are recorded as intangible fixed assets when the Group has the indefinite land use right certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use. Land use rights with indefinite term are not amortized.

The costs of computer software comprise their directly attributable costs of bringing the assets to their working condition for their intended use. Computer software is amortized using the straight-line method within 3 years.

**Investment properties**

Investment properties are composed of Shopping mall, swimming pool and tennis court held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives, as follows:

	Years
Shopping mall	30
Swimming pool and tennis court	10 - 30

The transfer from owner-occupied property to investment property or from investment property to owner-occupied property or inventory shall be made only if there are any changes in using purposes.

Owner-occupied property shall be converted into investment property when the owner finishes using that property and leasing it to other party for operation. Investment property shall be converted into owner-occupied property when the owner begins to use this property. Investment property shall be converted into inventory when the owner begins to sell it. Inventory shall be converted into investment property when the

owner begins to lease it to other party for operation. Construction property shall be converted into investment property at the end of the construction period and put into investment period.

The transfer of using purposes between investment property and owner-occupied property or inventory does not change the book value of the transferred asset and the cost of the property for their evaluation or for preparation of consolidated financial statements.

### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### **Trade and other payables**

Accounts payable are monitored in detail by payable terms, debtors, original currency and other factors depending on the Company's managerial requirements. Accounts payable to suppliers include trade payables arising from buying-selling transactions and payables for import through trustees (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the consolidated statement of financial position based on the remaining year of these payables at the reporting date.

### **Accrued expenses**

Accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company or lack of accounting document, which are recorded to operating expenses of the reporting year.

### **Payable provisions**

Payable provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

### **Owner's equity recognition**

Owner's equity is recognized by actual capital contributions from shareholders.

Share premium is recognized at the larger or smaller difference between issuing price and par value of shares upon the initial public offering, additional issue or re-issue of treasury shares.

Treasury shares are shares issued by the Company and then acquired. Treasury shares are recorded at the actual value and presented on the consolidated balance sheet as a deduction from equity. No gain or loss is recognized upon purchase, sale, issue or cancellation of the Company's own equity instruments.

Retained earnings are recognized by net profit after corporate income tax during the year and are adjusted due to retroactive application of accounting policy changes also material errors of the previous years.

Net profit after tax is available for distribution to the shareholders and being paid in the following period under approval in the Annual General Meeting of the Company.

Appropriation of reserves and funds from profit after tax is based on the Company's ordinance and approval in the Annual General Meeting.

### **Revenue recognition**

### **Revenue from real estate**

Revenue from sales of town house and apartment is recognized when all five (5) following conditions are satisfied:

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

For subdivided land plot for sale, if it is transferred to the customer (regardless legal procedures for land use right certificate done or not) and contract is irrevocable, revenue is recognized when satisfying the following conditions:

- (a) Risks and rewards associated with land plot are transferred to the buyer;
- (b) The amount of revenue can be measured reliably;
- (c) Costs related to sale of plots may be determined; and;
- (d) The Company has received or will receive economic benefits from sales of the plots.

### **Revenue from sales of goods**

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

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

### **Revenue from services rendered**

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

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

### **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Gains on financial investments are recognized when the Company's right to receive payment has been established.

## Cost of sales recognition

### **Cost of real estate**

The cost of real estate sold is determined and recognized in profit or loss by reference to directly attributable cost and an allocation of overhead costs to corresponding size of the properties sold.

### **Goods and other services**

Cost of goods sold and services rendered are recorded at actually incurred amount and aggregated by value and quantity of finished goods, merchandise and materials sold and services rendered to customers, conforming to the matching principle and the precautionary principle. The costs exceeded normal levels of inventory and services are recognized immediately in operating results in the year.

### **Borrowing costs**

Borrowing costs are recognized in the consolidated income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

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

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

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

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

## Related parties

The enterprises, associates and individuals are considered to be related to the Company if one party has ability, directly or indirectly through one or more intermediaries, to control over the other party or is under the control of the Company, or joint control with the Company; the associates and individuals directly or indirectly holding the voting power over the Company that exercise significant influence over the Company. Related parties may be the key management personnel, General director and officers of the Company. Close family members of any individuals or associates herein or associates of these individuals are also considered as related parties.

In considering the relationship of each related party, the substance of the relationship is noted over the legal form.

## Earnings per share

Basic earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjusting for appropriation for bonus and welfare funds) by weighted average number of ordinary shares in circulation during the year.

## Segment report

A segment is a distinguishable part of the Company involved in the provision of related products or services (by business segment), or in the provision of products or services within the scope a particular economic environment (geographical area) that has a risk and economic benefit different from the other business units. The Board of General Directors is of the view that the Company operates in its business segments of trading real estate properties, other activities and operates in a single geographic area of Vietnam. Therefore, segment report is prepared in term of business sector and segment report by geographical area will not be presented.

## V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

### 1. CASH AND CASH EQUIVALENTS

	31/12/2020 VND	01/01/2020 VND
Cash on hand	1,056,527,489	2,218,308,654
Bank demand deposits	66,444,376,904	107,708,388,154
Cash equivalents	-	29,550,292,227
<b>TOTAL</b>	<b>67,500,904,393</b>	<b>139,476,989,035</b>

## 2. SHORT-TERM TRADE RECEIVABLES

	31/12/2020 VND	01/01/2020 (Restated) VND
<b>Receivables from transferring real estate</b>	<b>471,920,412,265</b>	<b>338,055,422,915</b>
Diamond Riverside Apartment project	272,156,004,577	-
The City Gate Towers Apartment project	90,980,567,064	98,354,789,544
Seafood Hill Villas project - Quang Ninh Province	76,539,589,474	10,482,906,371
Son Tinh Residential Area Project - Quang Ngai	29,714,405,150	7,600,000,000
Tan Kien Complex Area Project - Binh Chanh	2,529,846,000	221,617,727,000
<b>Receivables from transferring investments in other entities</b>	<b>49,793,851,642</b>	<b>49,793,851,642</b>
Arch Real Estate Service Joint Stock Company	38,188,351,642	38,188,351,642
Other companies	11,605,500,000	11,605,500,000
<b>Other trade receivables</b>	<b>9,770,399,235</b>	<b>6,170,067,218</b>
<b>TOTAL</b>	<b>531,484,663,142</b>	<b>394,019,341,775</b>

## 3. SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2020 VND	01/01/2020 VND
Arch Real Estate Service Joint Stock Company	192,841,775,900	196,497,045,050
E&C Civil Construction Joint Stock Company	31,134,864,794	73,495,636,815
Other suppliers	102,355,445,136	132,063,303,317
<b>TOTAL</b>	<b>326,332,085,830</b>	<b>402,055,985,182</b>
<b>Of which, advances to related parties:</b>		
CII Engineering and Construction Joint Stock Company	19,775,961,199	4,600,588,025
NBB Quang Ngai Limited Liability Company	2,123,290,904	655,668,131
CII Infrastructure Service Limited Company	129,271,906	-
<b>TOTAL</b>	<b>22,028,524,009</b>	<b>5,256,256,156</b>

## 4. SHORT-TERM LOAN RECEIVABLES

	31/12/2020 VND	01/01/2020 VND
592 Investment Construction and Trading Joint Stock Company	9,500,000,000	9,500,000,000

This is fiducial loan with an interest rate of 10.5% per annum. The loan principal and interest will be repaid with maturity on 20 December 2021.

## 5. OTHER RECEIVABLES

	31/12/2020 VND	01/01/2020 (Restated) VND
<b>a. Other short-term receivables</b>		
Advance receivables for fire damages in Carina Apartment (see Note VIII.3)	104,438,750,348	103,933,950,348
Advances for compensation	70,527,033,677	49,165,230,692
Land use levies overpaid	20,547,700,682	-
Hifill Holding Company	15,648,060,434	15,648,060,434
Sai Gon Riverfront Limited Liability Company	12,991,822,400	12,991,822,400
Other receivables	20,518,236,824	34,726,514,593
<b>TOTAL</b>	<b>244,671,604,365</b>	<b>216,465,578,467</b>
<b>b. Other long-term receivables</b>		
Project performance deposit	42,108,620,000	48,557,620,000
Hifill Holding Company	15,000,000,000	15,000,000,000
Other deposits and receivables	291,145,003	303,124,954
<b>TOTAL</b>	<b>57,399,765,003</b>	<b>63,860,744,954</b>

## 6. BAD DEBT

	31/12/2020			01/01/2020		
	Cost VND	Recover- able amount VND	Provision VND	Cost VND	Recover- able amount VND	Provision VND
Short-term trade receivables	709,811,486	-	(709,811,486)	709,811,486	-	(709,811,486)
Other short-term receivables	1,304,101,300	-	(1,304,101,300)	-	-	-
<b>TOTAL</b>	<b>2,013,912,786</b>	<b>-</b>	<b>(2,013,912,786)</b>	<b>709,811,486</b>	<b>-</b>	<b>(709,811,486)</b>

## 7. INVENTORIES

	31/12/2020		01/01/2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate in progress (*)	2,416,099,820,831	-	4,038,053,904,763	-
Real estate finished goods	37,449,907,635	-	-	-
Properties held for sale	19,953,257,315	-	-	-
<b>TOTAL</b>	<b>2,473,502,985,781</b>	<b>-</b>	<b>4,038,053,904,763</b>	<b>-</b>

(\*) Real estate in progress presents the investment and development costs of the following projects:

	31/12/2020		01/01/2020	
	Cost VND	Provision VND	Cost VND	Provision VND
NBB Garden III Apartment project	809,180,484,515	-	702,047,363,267	-
NBB Garden II Apartment project	733,886,052,911	-	710,634,295,947	-
Son Tinh Residential Area Project - Quang Ngai (i)	535,721,144,515	-	581,370,213,723	-
De - Lagi Resort project	181,710,251,529	-	161,472,278,641	-
City Gate Towers project	98,499,905,088	-	51,094,617,148	-
Ha Long Ecological Urban Area project	27,996,328,839	-	27,996,328,839	-
Diamond Riverside Apartment project	22,817,075,551	-	1,506,317,201,563	-
Residential area project at Ward 2, Bac Lieu City	6,288,577,883	-	5,142,984,159	-
Seafood Hill Villas project - Quang Ninh	-	-	290,774,076,020	-
Ruby Island project - Quang Ngai	-	-	1,204,545,456	-
<b>TOTAL</b>	<b>2,416,099,820,831</b>	<b>-</b>	<b>4,038,053,904,763</b>	<b>-</b>

*Additional information for inventories*

(i) Regarding to this project, the Company engages into the investment cooperation with Ho Chi Minh City Infrastructure Investment Joint Stock Company (as noted further at Note V.19) and Pearl City Investment Joint Stock Company. In which, Pearl City Investment Joint Stock Company is entitled to 30% pre-tax profit from the project as its contribution and development pursuant to the contract No. 02/2019/HD-PC signed 28 June 2019 and the attached appendices.

## 8. PREPAYMENTS

	31/12/2020 VND	01/01/2020 VND
<b>a. Short-term prepayments</b>		
Tools and supplies issued for consumption	85,757,465	651,476,488
Other prepaid expenses	164,271,081	-
<b>TOTAL</b>	<b>250,028,546</b>	<b>651,476,488</b>
<b>b. Long-term prepayments</b>		
Investment cooperation cost of Son Tinh project (i)	54,184,198,305	-
Cost of show flat	3,415,258,900	3,423,540,627
Tools and supplies issued for consumption	1,540,588,333	260,842,111
Real estate brokerage commission (ii)	-	102,906,953,207
Other prepaid expenses	33,084,946	838,000,000
<b>TOTAL</b>	<b>59,173,130,484</b>	<b>107,429,335,945</b>
<b>TOTAL OF PREPAYMENTS</b>	<b>59,423,159,030</b>	<b>108,080,812,433</b>

(i) This is prepayment to Pearl City Investment Joint Stock Company for the investment cooperation in Son Tinh project as presented in the Note V.7.

(ii) This is the real estate brokerage commission fee related to the Diamond Riverside Apartment Project. After properties is handed over to the client, all brokerage costs have amortised to operating expenses for the year in accordance with the Company's accounting policies (see at Note VI.5).

## 9. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles and transmission VND	Office equipment VND	Other assets VND	Total VND
<b>Cost</b>						
<b>As at 01/01/2020</b>	<b>174,959,227,215</b>	<b>7,088,923,234</b>	<b>18,991,622,618</b>	<b>1,983,661,728</b>	<b>2,471,552,561</b>	<b>205,494,987,356</b>
New purchases	-	127,272,727	1,443,271,270	188,000,818	-	1,758,544,815
Transfer from construction in progress	43,545,556,189	-	-	-	-	43,545,556,189
Disposals	-	(5,877,072,519)	(3,055,722,857)	-	(2,471,552,561)	(11,404,347,937)
Other decrease	(13,145,020,899)	(56,370,000)	-	-	-	(13,201,390,899)
<b>As at 31/12/2020</b>	<b>205,359,762,505</b>	<b>1,339,123,442</b>	<b>17,379,171,031</b>	<b>2,171,662,546</b>	<b>-</b>	<b>226,193,349,524</b>
<b>Accumulated depreciation</b>						
<b>As at 01/01/2020</b>	<b>13,409,689,634</b>	<b>3,640,027,653</b>	<b>9,327,325,856</b>	<b>874,901,029</b>	<b>1,366,613,201</b>	<b>28,618,557,373</b>
Charged for the year	3,321,849,336	338,889,230	2,270,253,016	134,611,471	48,167,745	6,113,770,798
Disposals	-	(2,761,937,209)	(3,055,722,857)	-	(1,414,780,946)	(7,232,441,012)
Other decrease	-	(18,789,996)	-	-	-	(18,789,996)
<b>As at 31/12/2020</b>	<b>16,731,538,970</b>	<b>1,198,189,678</b>	<b>8,541,856,015</b>	<b>1,009,512,500</b>	<b>-</b>	<b>27,481,097,163</b>
<b>Net book value</b>						
<b>As at 01/01/2020</b>	<b>161,549,537,581</b>	<b>3,448,895,581</b>	<b>9,664,296,762</b>	<b>1,108,760,699</b>	<b>1,104,939,360</b>	<b>176,876,429,983</b>
<b>As at 31/12/2020</b>	<b>188,628,223,535</b>	<b>140,933,764</b>	<b>8,837,315,016</b>	<b>1,162,150,046</b>	<b>-</b>	<b>198,712,252,361</b>

The cost of the Company's tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2020 is of VND 1,323,694,676 (as at 31 December 2019: VND 4,559,869,452)

## 10. INTANGIBLE FIXED ASSETS

	Land use right VND	Software program VND	Total VND
<b>Cost</b>			
<b>As at 01/01/2020</b>	<b>4,016,104,746</b>	<b>-</b>	<b>4,016,104,746</b>
Transfer from construction in progress	17,606,821,837	-	17,606,821,837
Reclassified	13,145,020,899	-	13,145,020,899
New purchases	-	269,100,000	269,100,000
<b>As at 31/12/2020</b>	<b>34,767,947,482</b>	<b>269,100,000</b>	<b>35,037,047,482</b>
<b>Accumulated amortisation</b>			
<b>As at 01/01/2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charged for the year	-	68,721,775	68,721,775
<b>As at 31/12/2020</b>	<b>-</b>	<b>68,721,775</b>	<b>68,721,775</b>
<b>Net book value:</b>			
<b>As at 01/01/2020</b>	<b>4,016,104,746</b>	<b>-</b>	<b>4,016,104,746</b>
<b>As at 31/12/2020</b>	<b>34,767,947,482</b>	<b>200,378,225</b>	<b>34,968,325,707</b>

## 11. INVESTMENT PROPERTIES

	Swimming pool and tennis court VND	Shopping mall of Carina Apartment VND	Total VND
<b>Cost</b>			
As at 01/01/2020	11,334,257,682	56,451,773,319	67,786,031,001
As at 31/12/2020	11,334,257,682	56,451,773,319	67,786,031,001
<b>Accumulated Depreciation</b>			
As at 01/01/2020	2,858,035,584	7,642,873,286	10,500,908,870
Charged for the year	104,942,376	2,349,551,220	2,454,493,596
As at 31/12/2020	2,962,977,960	9,992,424,506	12,955,402,466
<b>Net book value:</b>			
<b>As at 01/01/2020</b>	<b>8,476,222,098</b>	<b>48,808,900,033</b>	<b>57,285,122,131</b>
<b>As at 31/12/2020</b>	<b>8,371,279,722</b>	<b>46,459,348,813</b>	<b>54,830,628,535</b>

The shopping mall of Carina Apartment was pledged for the loan at Asia Commercial Joint Stock Bank (see Note V.20)

The fair value of the investment properties has not been measured and presented in the notes to the consolidated financial statements. However, on the basis of market value of similar assets and occupancy rates, the Company's Board of General Directors believes that the fair value of these properties exceeds its carrying amount on the balance sheet date.

## 12. CONSTRUCTION IN PROGRESS

	31/12/2020 VND	01/01/2020 VND
Project of Tra Bong mineral water mine, Quang Ngai province	3,875,266,717	3,875,266,717

### 13. LONG-TERM FINANCIAL INVESTMENTS

#### a. Investments in associates

	31/12/2020				01/01/2020			
	Voting rights %	Cost VND	Post-acquisition profits VND	Fair value VND	Voting rights %	Cost VND	Post-acquisition profits VND	Fair value VND
Tam Phu Investment & Construction Company Limited	49.00%	4,579,636,245	(4,579,636,245)	(1)	49.00%	4,579,636,245	(4,657,937)	(1)
Quang Ngai Mineral Investment Joint Stock Company	-	-	-	-	49.00%	26,027,166,667	(18,663,009,785)	(1)
<b>Total</b>		<b>4,579,636,245</b>	<b>(4,579,636,245)</b>	<b>(1)</b>		<b>30,606,802,912</b>	<b>(18,667,667,722)</b>	<b>(1)</b>
<b>Net value of investments in associates</b>		<b>-</b>					<b>11,939,135,190</b>	

The impairment from investments in associates was compensated by the investment and development fund (See Note V.22)

#### b. Investment in other entities

	31/12/2020				01/01/2020			
	Voting rights %	Cost VND	Provision VND	Fair value VND	Voting rights %	Cost VND	Provision VND	Fair value VND
Sai Gon Dan Kia Water Supply Corporation	9.50%	16,150,000,000	-	(1)	-	-	-	-
Hifill Holding Company	5.00%	2,000,000,000	(2,000,000,000)	(1)	5.00%	2,000,000,000	(2,000,000,000)	(1)
<b>Net value of investments in other entities</b>		<b>16,150,000,000</b>					<b>-</b>	

(1) Fair value of investments was not determined since currently there have been no specific and unified guidelines on the method of determining fair value of these investments.

#### 14. DEFERRED TAX ASSETS

	Unrealized profit/ (loss) from intra-group transactions eliminated on consolidation VND
<b>As at 01/01/2019</b>	<b>802,560,000</b>
Charge to consolidated income statement for the year	300,960,000
<b>As at 01/01/2020</b>	<b>1,103,520,000</b>
Charge to consolidated income statement for the year	(594,147,000)
<b>As at 31/12/2020</b>	<b>509,373,000</b>
Tax rate applied for calculation of deferred tax	20%

#### 15. SHORT-TERM TRADE PAYABLES

	31/12/2020		01/01/2020	
	Carrying amount VND	Amount able to be paid off VND	Carrying amount VND	Amount able to be paid off VND
Sai Gon Construction Joint Stock Company	46,262,765,576	46,262,765,576	80,011,767,766	80,011,767,766
Tan Hung Thinh Company Limited	8,895,644,166	8,895,644,166	19,126,793,915	19,126,793,915
Kone Vietnam Limited Liability Company	5,011,829,025	5,011,829,025	19,820,583,900	19,820,583,900
Other companies	62,277,071,829	62,277,071,829	58,569,423,431	58,569,423,431
<b>TOTAL</b>	<b>122,447,310,596</b>	<b>122,447,310,596</b>	<b>177,528,569,012</b>	<b>177,528,569,012</b>
<b>In which, payable to related party</b>				
CII Engineering and Construction Joint Stock Company	66,354,960	66,354,960	-	-

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

	31/12/2020 VND	01/01/2020 VND
Advances from customers buying apartments and land plots (*)	28,292,155,700	1,360,800,528,643
Other advances from customers	63,674,000	-
<b>TOTAL</b>	<b>28,355,829,700</b>	<b>1,360,800,528,643</b>
<b>(*) Detail of advances from customers to purchase apartments and land lots</b>		
Son Tinh Residential Area Project - Quang Ngai	24,669,524,469	33,018,929,168
Residential area project at Ward 2, Bac Lieu City	3,022,631,231	3,022,631,231
The City Gate Towers Apartment project	600,000,000	600,000,000
Diamond Riverside Apartment project	-	1,324,158,968,244
<b>TOTAL</b>	<b>28,292,155,700</b>	<b>1,360,800,528,643</b>

## 17. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	01/01/2020 (Restated) VND	Payable during the year VND	Payable during the year VND	31/12/2020 VND
<b>a. Receivables</b>				
Personal income tax	-	-	10,688,200	10,688,200
Other taxes	512,330,598	400,314,339	614,441	112,630,700
<b>TOTAL</b>	<b>512,330,598</b>	<b>400,314,339</b>	<b>11,302,641</b>	<b>123,318,900</b>
<b>b. Payables</b>				
Value added tax	19,397,995,837	89,393,709,848	41,287,938,151	67,503,767,534
Corporate income tax	78,395,838,708	129,721,080,763	66,984,709,538	141,132,209,933
Personal income tax	783,057,800	7,502,878,535	4,339,901,277	3,946,035,058
Other taxes	36,983,718,649	6,329,104,530	1,447,047,626	41,865,775,553
<b>TOTAL</b>	<b>135,560,610,994</b>	<b>232,946,773,676</b>	<b>114,059,596,592</b>	<b>254,447,788,078</b>

## 18. SHORT-TERM ACCRUED EXPENSES

	31/12/2020 VND	01/01/2020 VND
Land use fees (*)	321,000,000,000	120,000,000,000
Construction costs	97,529,968,735	3,593,389,211
Interest expense	5,188,013,914	1,517,031,675
Other accrued expenses	1,053,249,323	-
<b>TOTAL</b>	<b>424,771,231,972</b>	<b>125,110,420,886</b>
<b>(*) Details of land use levies payable for projects:</b>		
<i>Diamond Riverside Condominium Project</i>	201,000,000,000	-
<i>City Gate Towers Condominium Project</i>	120,000,000,000	120,000,000,000
<b>TOTAL</b>	<b>321,000,000,000</b>	<b>120,000,000,000</b>

## 19. OTHER PAYABLES

	31/12/2020 VND	01/01/2020 (Restated) VND
<b>a. Other current payables</b>		
Deposits from customers	690,145,015,860	1,192,559,485,029
Investment cooperation capital contribution payables (*)	184,650,000,000	-
Payable of maintenance fund	42,670,405,681	-
Profit payable on investment cooperation	23,717,180,821	
Investment cooperation payables	-	45,169,016,641
Payable of liquidation contract	-	40,000,000,000
Other payables	7,546,365,314	25,939,109,732
<b>TOTAL</b>	<b>948,728,967,676</b>	<b>1,303,667,611,402</b>
<b>b. Other long-term payables</b>		
Deposits	7,078,031,000	7,638,931,000
Payable of maintenance fund	947,085,036	30,853,673,341
Investment cooperation capital contribution payables (*)	-	70,967,260,000
Profit payable on investment cooperation	-	41,310,077,014
Deposits from customers	-	30,234,917,935
Other payables	543,529,106	445,822,439
<b>TOTAL</b>	<b>8,568,645,142</b>	<b>181,450,681,729</b>
<b>Of which, payables to related parties:</b>		
Financial supports from Quang Ngai Mineral Investment Joint Stock Company	-	3,110,405,635
Payables to CII including:		
<i>Investment cooperation capital contribution (i)</i>	184,650,000,000	36,000,000,000
<i>Profit payable on investment cooperation</i>	-	41,310,077,014
<b>TOTAL</b>	<b>184,650,000,000</b>	<b>80,420,482,649</b>

(\*) Details of capital contribution for investment cooperation are as follows:

	31/12/2020 VND	01/01/2020 VND
Cooperation with CII in Son Tinh Residential Area project, Quang Ngai Province (i)	184,650,000,000	36,000,000,000
Cooperation with Pearl City in Son Tinh Residential Area project, Quang Ngai Province	-	26,500,000,000
Cooperation with Mr. Le Van Hoa in Diamond Riverside Apartment project	-	8,467,260,000
<b>TOTAL</b>	<b>184,650,000,000</b>	<b>70,967,260,000</b>

(i) This amount presented the capital contribution from Ho Chi Minh City Infrastructure Investment Joint Stock Company pursuant to the investment cooperation contract No. 37/2020 dated 16 October 2020 for cooperation in Son Tinh Residential Area Project - Quang Ngai Province. Accordingly, CII is entitled to a fixed interest rate of 13% per annum on the actual amount contributed to the project.

## 20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	31/12/2020		Arising during the year		01/01/2020	
	Carrying amount VND	Principal able to be paid off VND	Increase VND	Decrease VND	Carrying amount VND	Principal able to be paid off VND
<b>a. Short-term loans</b>						
Personal loans	277,973,075,000	277,973,075,000	282,123,075,000	4,150,000,000	-	-
Tien Phong Commercial Joint Stock Bank	-	-	-	75,000,000,000	75,000,000,000	75,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	-	-	160,000,000,000	160,000,000,000	-	-
Add: Current portion of long-term loans	23,871,753,384	23,871,753,384			39,943,911,978	39,943,911,978
<b>TOTAL</b>	<b>301,844,828,384</b>	<b>301,844,828,384</b>			<b>114,943,911,978</b>	<b>114,943,911,978</b>
<b>b. Long-term loans</b>						
Tien Phong Commercial Joint Stock Bank	198,711,445,114	198,711,445,114	220,977,454,646	182,041,657,443	159,775,647,911	159,775,647,911
Asia Commercial Joint Stock Bank	42,000,000,000	42,000,000,000	-	-	42,000,000,000	42,000,000,000
Less: Amount due for settlement within 12 months	(23,871,753,384)	(23,871,753,384)			(39,943,911,978)	(39,943,911,978)
<b>TOTAL</b>	<b>216,839,691,730</b>	<b>216,839,691,730</b>			<b>161,831,735,933</b>	<b>161,831,735,933</b>
<b>TOTAL LOANS</b>	<b>518,684,520,114</b>	<b>518,684,520,114</b>	<b>380,977,454,646</b>	<b>417,041,657,443</b>	<b>553,551,295,822</b>	<b>553,551,295,822</b>

## 20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

### Additional information for loans

Creditors	Closing balance	Duration	Interest rate	Loan purposes	Collaterals and other information
<b>Short-term loans</b>					
Personal loans	277,973,075,000	To 31/12/2022 or another duration under argreement	9.00%	Supplement to working capital and serving operations business	None collateral
<b>Long-term loans</b>					
Asia Commercial Joint Stock Bank - Pham Ngoc Thach Branch	42,000,000,000	60 months	10.50%	Deposit for Diamond Riverside project	Three commercial and service floors in Block B of Carina Plaza building owned by Hung Thanh Construction - Trading - Service - Manufacturing Company Limited
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	53,711,445,114	48 months	10.00% - 12.20%	Payment related to the Diamond Riverside project	Property right derived from Diamond Riverside project
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	145,000,000,000	24 months	10.00%	Payback for investment in real estate projects	Land use rights belongs to the project of a high-rise apartment building, commercial services and education in Tan Kien ommune, Binh Chanh district, Ho Chi Minh city

## 20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

Long-term loans are repayable on the following schedule

	31/12/2020 VND	01/01/2020 VND
On demand	23,871,753,384	39,943,911,978
In the second year	210,871,753,384	53,258,549,304
In the third to fifth year inclusive	5,967,938,346	108,573,186,629
	<b>240,711,445,114</b>	<b>201,775,647,911</b>
Less: Amount due for settlement within 12 months	(23,871,753,384)	(39,943,911,978)
<b>Amount due for settlement after 12 months</b>	<b>216,839,691,730</b>	<b>161,831,735,933</b>

## 21. BONUS AND WELFARE FUNDS

	2020 VND	2019 VND
Beginning balance	15,014,160,526	17,779,263,112
Fund appropriation during the year	18,851,903,656	8,531,151,665
Other adjustments during the year	(506,580,651)	-
Utilization of fund during the year	(22,701,073,892)	(11,296,254,251)
<b>Ending balance</b>	<b>10,658,409,639</b>	<b>15,014,160,526</b>

**22. OWNER'S EQUITY****a. Movements of owner's equity**

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings (Restated) VND	Non-controlling interests VND	Total VND
<b>As at 01/01/2019</b>	<b>975,715,740,000</b>	<b>459,600,399,732</b>	<b>(6,891,019,437)</b>	<b>131,477,728,497</b>	<b>318,596,553,292</b>	<b>155,332,146,373</b>	<b>2,033,831,548,457</b>
Increased in capital	29,040,820,000	23,459,180,000	-	-	-	-	52,500,000,000
Repurchased shares	-	-	(132,272,546,777)	-	-	-	(132,272,546,777)
Profit for the year	-	-	-	-	302,878,087,200	(257,372,633)	302,620,714,567
Appropriation of bonus and welfare funds	-	-	-	-	(8,531,151,665)	(44,292,588)	(8,575,444,253)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(1,500,000,000)	-	(1,500,000,000)
Other adjustments	-	(3,500,000,000)	-	-	(14,902,309,653)	-	(18,402,309,653)
Disposal of subsidiary during the year	-	-	-	-	-	(147,015,109,612)	(147,015,109,612)
<b>As at 31/12/2019</b>	<b>1,004,756,560,000</b>	<b>479,559,579,732</b>	<b>(139,163,566,214)</b>	<b>131,477,728,497</b>	<b>596,541,179,174</b>	<b>8,015,371,540</b>	<b>2,081,186,852,729</b>
<b>As at 01/01/2020</b>	<b>1,004,756,560,000</b>	<b>479,559,579,732</b>	<b>(139,163,566,214)</b>	<b>131,477,728,497</b>	<b>596,541,179,174</b>	<b>8,015,371,540</b>	<b>2,081,186,852,729</b>
Repurchased shares	-	-	(359,522,715,837)	-	-	-	(359,522,715,837)
Profit for the year	-	-	-	-	327,341,399,480	(50,224,917)	327,291,174,563
Dividends declared	-	-	-	-	(233,303,140,000)	-	(233,303,140,000)
Appropriation of bonus and welfare funds	-	-	-	-	(18,851,903,656)	(79,282,757)	(18,931,186,413)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(3,000,000,000)	-	(3,000,000,000)
Utilization of investment and development fund (1)	-	-	-	(27,873,459,148)	-	-	(27,873,459,148)
Increase due to consolidation of subsidiary in year	-	-	-	-	-	298,830,167	298,830,167
Other adjustments	-	-	-	-	506,580,651	-	506,580,651
<b>As at 31/12/2020</b>	<b>1,004,756,560,000</b>	<b>479,559,579,732</b>	<b>(498,686,282,051)</b>	<b>103,604,269,349</b>	<b>669,234,115,649</b>	<b>8,184,694,033</b>	<b>1,766,652,936,712</b>

(1) Investment and development fund was used to compensate for financial impairments due to legal risks and incidents of Company's operation according to Resolution No. 21/NQ-DHDCD of the Annual General Meeting of shareholders on 12 May 2020

## 22. OWNER'S EQUITY (CONTINUED)

### b. Shares

	31/12/2020 Shares	01/01/2020 Shares
Number of shares authorized to be issued	100,475,656	100,475,656
Number of shares issued to the public	100,475,656	100,475,656
+ Ordinary share	100,475,656	100,475,656
Number of treasury shares	(22,225,740)	(7,154,400)
+ Ordinary share	(22,225,740)	(7,154,400)
Number of outstanding shares in circulation	78,249,916	93,321,256
+ Ordinary share	78,249,916	93,321,256

Par value is of VND 10,000/share

### c. Dividends

According to the Resolution No. 21/NQ-DHDCD of Annual General Meeting 2019 dated 12 May 2020, dividends for 2019 were approved at the rate of 25%, equivalent to VND 2,500 per share

The dividends for 2020 are planned at a rate of 15%, equivalent to VND 1,500 per share and it will be finalised in the Annual General Meeting next year.

## VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

### 1. REVENUE

	2020 VND	2019 VND
Revenue from sales of real estates	3,482,401,626,524	294,628,322,187
Revenue from goods sold and services rendered	18,268,293,047	35,956,614,500
<b>TOTAL</b>	<b>3,500,669,919,571</b>	<b>330,584,936,687</b>

### 2. COST OF SALES

	2020 VND	2019 VND
Cost of real estates sold	2,695,478,838,302	215,775,502,136
Cost of goods sold and services rendered	24,231,625,638	35,195,712,540
<b>TOTAL</b>	<b>2,719,710,463,940</b>	<b>250,971,214,676</b>

### 3. FINANCIAL INCOME

	2020 VND	2019 VND
Late payment interest	16,877,041,096	-
Bank and loan interest income	3,388,559,700	417,056,586
Gain from disposal of subsidiary	-	122,878,070,000
<b>TOTAL</b>	<b>20,265,600,796</b>	<b>123,295,126,586</b>
<b>Of which, financial income from transactions with related parties:</b>		
CII	4,327,041,096	-
CII Engineering and Construction Joint Stock Company	144,842,466	194,684,932
<b>TOTAL</b>	<b>4,471,883,562</b>	<b>194,684,932</b>

#### 4. FINANCIAL EXPENSES

	2020 VND	2019 VND
Investment cooperation cost (*)	194,012,329,133	-
Interest expenses	3,650,533,698	81,155,694
Other financial expenses	755,753,424	-
<b>TOTAL</b>	<b>198,418,616,255</b>	<b>81,155,694</b>
<b>(*) Details of investment cooperation cost:</b>		
Son Tinh Residential Area project (i)	114,115,801,695	-
Diamond Riverside project (ii)	79,896,527,438	-
<b>TOTAL</b>	<b>194,012,329,133</b>	<b>-</b>

(i) This amount presented the pre-tax profit of Son Tinh Residential Area Project paid to Pearl City Investment Joint Stock Company for investment cooperation in Son Tinh project as described in Note V.7.

(ii) This is the profit that the Company distributed to Mr. Le Van Hoa under the investment cooperation contract of Diamond Riverside project, Ward 16, District 8, Ho Chi Minh City.

#### 5. SELLING EXPENSES

	2020 VND	2019 VND
Real estate brokerage commission	120,222,815,412	3,536,124,415
Cost of show flat	5,383,547,146	-
Outsourced services expenses	16,636,364	-
Other monetary expenses	1,290,422,207	-
<b>TOTAL</b>	<b>126,913,421,129</b>	<b>3,536,124,415</b>
<b>Of which, selling expenses from transactions with related party:</b>		
CII Engineering and Construction Joint Stock Company	169,253,652	-

#### 6. GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Management staff costs	27,443,741,593	18,115,625,236
Office stationary expenses	379,797,231	-
Depreciation of fixed assets	2,349,574,319	3,745,232,911
Provision	1,300,000,000	-
Tax, duties and fees	283,521,928	-
Outsourced services expenses	2,897,572,976	7,649,844,708
Other monetary expenses	6,732,965,799	3,127,158,765
<b>TOTAL</b>	<b>41,387,173,846</b>	<b>32,637,861,620</b>
<b>Of which, general and administration expenses from transactions with related party:</b>		
NBB Quang Ngai One Member Company Limited	18,430,909	-

## 7. OTHER INCOME

	2020 VND	2019 VND
Income from transferring mining right (i)	14,000,000,000	-
Contractual penalties received	12,223,371,415	18,930,584,565
Gain from disposal of fixed assets	373,547,620	272,727,272
Income from the transfer of the right to participate in investment project	-	255,000,000,000
Other income	2,816,041,167	667,216,408
<b>TOTAL</b>	<b>29,412,960,202</b>	<b>274,870,528,245</b>

(i) The income arised from the transfer of mining right of Ta Zon North Mountain Quarry in Binh Thuan Province to Truong Phuc Hai Investment Construction Company Limited.

## 8. OTHER EXPENSES

	2020 VND	2019 Restated VND
Tax fines, late payment	5,299,370,414	11,882,459,162
Penalty	-	40,000,000,000
Other expenses	1,013,032,659	1,327,676,703
<b>TOTAL</b>	<b>6,312,403,073</b>	<b>53,210,135,865</b>

## 9. CURRENT CORPORATE INCOME TAX EXPENSE

	2020 VND	2019 VND
<b>Accounting profit before tax</b>	<b>457,606,402,326</b>	<b>388,314,099,248</b>
<b>Adjustments for taxable income</b>		
Adjust to increase other profits	184,748,988,459	-
Non-deductible expenses	7,989,570,907	52,715,094,486
Offset of assessable loss on consolidation	1,010,278,313	5,429,249,675
Unrealized profit/(loss) from intra-group transactions eliminated on consolidation	(2,973,944,737)	(5,905,286,895)
<b>Taxable income</b>	<b>648,381,295,268</b>	<b>440,553,156,514</b>
Loss carried forward	-	(10,359,970,165)
<b>Assessable income</b>	<b>648,381,295,268</b>	<b>430,193,186,349</b>
Normal tax rate	20%	20%
Corporate income tax payable	129,676,259,054	86,038,637,270
Corporate income tax in the previous year	44,821,709	-
<b>Current corporate income tax expense</b>	<b>129,721,080,763</b>	<b>86,038,637,270</b>

## 10. BASIC EARNINGS PER SHARE

	2020 VND	2019 Restated VND
Net profit attributable to the owners of parent Company	327,341,399,480	302,878,087,200
Less: Appropriation of bonus and welfare funds and remuneration for the Boards of Management, Supervisory	(36,007,553,943)	(21,851,903,656)
<b>Net profit attributable to Shareholders owning ordinary shares adjusted for the effects of dilution</b>	<b>291,333,845,537</b>	<b>281,026,183,544</b>
Weighted average number of ordinary shares for calculation of earnings per share	91,167,913	95,412,517
<b>Basic earnings per share</b>	<b>3,196</b>	<b>2,945</b>

Profit used to compute earnings per share for comparative year was restated to reflect the appropriation of bonus and welfare funds from net profit for 2019 in accordance with the Resolution of Annual General Meeting of Shareholders 2019 dated 12 May 2020.

Profit used to compute earnings per share for current year was also adjusted to reflect the temporary appropriation of bonus, welfare funds and remuneration for the Boards of Management, Supervisory from net profit for 2020 in accordance with the Resolution of Annual General Meeting of Shareholders 2019 dated 12 May 2020.

## VII. ADDITIONAL INFORMATION FOR THE ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

During the year, the Diamond Riverside Apartment Area project was completed and handed over into use. The value of the basement owned by the Company has been transferred from work in progress to intangible fixed assets with the value of VND 54,734,987,305. This transaction was increased Intangible fixed assets and also decreased the Inventories on the consolidated balance sheet without affecting the cash flows on the cash flow statement in the year.

## VIII. OTHER INFORMATION

### 1. LIST OF RELATED PARTIES AND TRASACTIONS

List of related parties	Relationship
Ho Chi Minh City Infrastructure Investment Joint Stock Company	Parent company
Huong Tra Company Limited	Subsidiary
Quang Ngai Mineral Investment Joint Stock Company	Subsidiary
NBB Quang Ngai One Member Company Limited	Inter-group company
CII Engineering and Construction Joint Stock Company	Inter-group company
CII Infrastructure Service Limited Company	Inter-group company
Sai Gon Dan Kia Water Supply Corporation	Inter-group company

In addition to the balances and transactions with related parties which have been presented in other notes of these consolidated financial statements, during the year, the Company entered into other material transactions with related parties as follows:

	2020 VND	2019 VND
<b>Ho Chi Minh City Infrastructure Investment Joint Stock Company</b>		
Proceeds from capital contribution for investment cooperation in Son Tinh project	1,050,150,000,000	86,000,000,000
Repayment of capital contribution for investment cooperation in Son Tinh project	901,500,000,000	50,000,000,000
Costs arising from investment cooperation contract in Son Tinh project	26,400,667,122	-
<b>NBB Quang Ngai One Member Company Limited</b>		
Cost of construction in Son Tinh project	9,310,486,999	10,460,839,251
<b>CII Engineering and Construction Joint Stock Company</b>		
Cash outflow for lending	9,500,000,000	9,500,000,000
Cash recovered from lending	9,500,000,000	9,500,000,000
Cost of construction in Son Tinh project	25,641,532,191	3,365,775,504
Purchasing equipment for show flat	169,253,652	-

Remuneration for the Boards of Management, Supervisory and General Directors during the year:

	2020 VND	2019 VND
Mr. Luu Hai Ca	2,454,054,285	1,496,154,000
Mr. Doan Tuong Trieu	1,095,072,000	1,483,032,148
Mr. Mai Thanh Truc	2,312,415,954	1,495,000,000
Mr. Truong Hai Dang Khoa	2,006,653,846	987,170,632
Mr. Nguyen Quy Binh	871,503,966	-
Ms. Nguyen Quynh Huong	616,153,846	160,000,000
Mr. Hoang Thanh Tung	350,000,000	160,000,000
Mr. Nguyen Phi Thuong	350,000,000	160,000,000
Mr. Hoang Huu Tuong	250,000,000	160,000,000
Mr. Vo Hoang Chuong	250,000,000	120,000,000
Mr. Nguyen Van Tung	200,000,000	60,000,000
<b>TOTAL</b>	<b>8,301,799,612</b>	<b>4,785,202,780</b>

## 2. SEGMENT REPORT

For management purposes, the Company is organized into different business units. Accordingly, the primary segment report is based on type of production and business activities.

Segment results include items that are directly allocated to one segment as well as to more than one segment on a reasonable basis. Items are not included in segment report such as: assets, liabilities, financial income, financial expenses, selling expenses, general and administrative expenses, other profit, losses and corporate income tax.

Business divisions of the Company include two (02) divisions, as follows:

- Trading real estate properties: Sales of apartments, land plots and land with related infrastructures.
- Other activities: Selling mineral stone, leasing premises and providing utility services

The Company prepares segment reports according to 2 these business divisions. The business division information of the Company is presented as below:

**2. SEGMENT REPORT (CONTINUED)**

For the year ended 31 December 2020

	Trading real estate activities VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
Sales to external customers	3,482,401,626,524	18,268,293,047	-	3,500,669,919,571
Sales of intra-segment	-	3,532,832,136	(3,532,832,136)	-
<b>Net revenue of segment</b>	<b>3,482,401,626,524</b>	<b>21,801,125,183</b>	<b>(3,532,832,136)</b>	<b>3,500,669,919,571</b>
<b>Cost of sales of segment</b>	<b>2,695,478,838,302</b>	<b>24,231,625,638</b>	<b>-</b>	<b>2,719,710,463,940</b>
<b>Gross profit of segment</b>	<b>786,922,788,222</b>	<b>(2,430,500,455)</b>	<b>(3,532,832,136)</b>	<b>780,959,455,631</b>
Financial income				20,265,600,796
Financial expenses				198,418,616,255
Selling expenses				126,913,421,129
General and administration expenses				41,387,173,846
Other income				29,412,960,202
Other expenses				6,312,403,073
Current corporate income tax expense				129,721,080,763
Deferred corporate tax expense				594,147,000
<b>Net profit after tax</b>				<b>327,291,174,563</b>

## 2. SEGMENT REPORT (CONTINUED)

For the year ended 31 December 2019 (Restated)

	Trading real estate activities VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
Sales to external customers	294,628,322,187	35,956,614,500	-	330,584,936,687
Sales of intra-segment	-	3,947,420,116	(3,947,420,116)	-
<b>Net revenue of segment</b>	<b>294,628,322,187</b>	<b>39,904,034,616</b>	<b>(3,947,420,116)</b>	<b>330,584,936,687</b>
<b>Cost of sales of segment</b>	<b>215,775,502,136</b>	<b>42,605,799,436</b>	<b>(7,410,086,896)</b>	<b>250,971,214,676</b>
<b>Gross profit of segment</b>	<b>78,852,820,051</b>	<b>(2,701,764,820)</b>	<b>3,462,666,780</b>	<b>79,613,722,011</b>
Financial income				123,295,126,586
Financial expenses				81,155,694
Selling expenses				3,536,124,415
General and administration expenses				32,637,861,620
Other income				274,870,528,245
Other expenses				53,210,135,865
Current corporate income tax expense				86,038,637,269
Deferred corporate tax income				(300,960,000)
<b>Net profit after tax</b>				<b>302,576,421,979</b>

### 3. CONTINGENT LIABILITIES

From 2018 to 2020, 577 Investment Corporation supported to resolve a fire broke out at the Carina Plaza apartment building owned by Hung Thanh Construction - Trading - Service - Manufacturing Company Limited (“Hung Thanh Company”) - a subsidiary of the Company with holding proportion of 95% of charter capital - and is managed and operated by a third party. The fire was objectively caused by electric problem of motorbike as the inspection conclusion Notice No. 1732/TB-PC44-D3 dated 9 July 2018 issued by the Police Investigation Agency of Ho Chi Minh City Police Department. The legal obligations and compensation for damages related to the incident have been investigated and clarified by the competent authorities. As at 31 December 2020, Hung Thanh Company, with a financial support from the Company, made advance payments for compensation and remedies for the incident with a total amount of VND 104,438,750,348 (see Note V.5a). As at the date of the consolidated financial statements, the Company has not yet recorded any expenses and provisions related to this incident as the ultimate outcome has not yet presently been determined awaiting for the official conclusions from the authorized investigative agencies.

As presented in the Note V.18, the Company has reasonably estimated land use fees for the Diamond Riverside Project and the City Gate Towers Apartment Project with the respectively amount of VND 201 billion and VND 120 billion. As of the date of this report, the Company has not yet finalized the land use fees in order to accurately determine the amount payable to the State budget. Therefore, the land use fees of the Project may differ from the accounting estimate upon final decision of the competent authority.

### 4. COMPARATIVE FIGURES

Comparative figures are audited of consolidated financial statements for the year ended 31 December 2019.

Certain reclassifications have been made to the comparative figures to enhance their comparability with the current year’s presentation. Details of reclassified items on the consolidated balance sheet are as follows:

ITEMS	Codes	31/12/2019 As reported VND	Reclassification VND	01/01/2020 Restated VND
Short-term trade receivables	131	344,225,490,133	49,793,851,642	394,019,341,775
Other short-term receivables	136	266,259,430,109	(49,793,851,642)	216,465,578,467

In addition, the Company adjusted due to retroactive of some material errors of the previous years, as follows:

- Adjusted for late tax payment fines incurred before 2015 that have not been recognized in the report with the value of VND 36,813,904,249.
- Adjusted the non-deductible input value added tax amount of the previous period according to the decision of the General Department of Taxation to expenses for the fiscal year 2019 with the value of VND 4,334,203,481.
- Adjusted fines for breach of contract with the value is VND 40,000,000,000 related to the liquidation of the NBB2 project transfer contract in fiscal year 2019.

The effect of these retrospective adjustments on opening balances of consolidated balance sheet is as follows:

ITEMS	Codes	31/12/2019 As reported VND	Adjustment VND	01/01/2020 Restated VND
<b>LIABILITIES</b>	<b>300</b>	<b>3,507,841,743,923</b>	<b>81,148,107,730</b>	<b>3,588,989,851,653</b>
<b>Current liabilities</b>	<b>310</b>	<b>3,154,559,326,261</b>	<b>81,148,107,730</b>	<b>3,235,707,433,991</b>
Taxes and amounts payable to the State budget	313	94,412,503,264	41,148,107,730	135,560,610,994
Other current payables	319	1,263,667,611,402	40,000,000,000	1,303,667,611,402
<b>EQUITY</b>	<b>400</b>	<b>2,162,334,960,459</b>	<b>(81,148,107,730)</b>	<b>2,081,186,852,729</b>
<b>Owner's equity</b>	<b>410</b>	<b>2,162,334,960,459</b>	<b>(81,148,107,730)</b>	<b>2,081,186,852,729</b>
Retained earnings	421	677,689,286,904	(81,148,107,730)	596,541,179,174
-Retained earnings accumulated to the prior year end	421a	330,476,996,223	(36,813,904,249)	293,663,091,974
- Retained earnings of current year	421b	347,212,290,681	(44,334,203,481)	302,878,087,200

The effect of these retrospective adjustments on figures of consolidated income statement for 2019 is as follows:

ITEMS	Codes	2019 As reported VND	Adjustment VND	2019 Restated VND
Other expenses	32	8,875,932,384	44,334,203,481	53,210,135,865
Accounting profit before tax	50	432,648,302,729	(44,334,203,481)	388,314,099,248
Net profit after corporate income tax	60	346,910,625,460	(44,334,203,481)	302,576,421,979
Net profit attributable to owners of the parent	61	347,212,290,681	(44,334,203,481)	302,878,087,200

The effect of these retrospective adjustments on figures of consolidated cash flow statement for 2019 is as follows:

ITEMS	Codes	2019 As reported VND	Adjustment VND	2019 Restated VND
Accounting profit before tax	01	432,648,302,729	(44,334,203,481)	388,314,099,248
Operating profit before movements in working capital	08	316,460,466,715	(44,334,203,481)	272,126,263,234
Increase in payables	11	843,945,935,403	44,334,203,481	888,280,138,884

## 5. SUBSEQUENT EVENTS

There have been no significant events occurring after the balance sheet date which would requires adjustments or discloses in the consolidated financial statements.



**NGUYEN TRAN PHUONG UYEN**  
Preparer

Ho Chi Minh City, 15 March 2021



**NGUYEN VAN MINH**  
Chief Accountant



**LUU HAI CA**  
General Director



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