



ANNUAL REPORT 2022



www.nbb.com.vn

TABLE OF CONTENTS

GENERAL INFORMATION



04

OPERATIONS IN THE YEAR



12

REPORTS AND ASSESSMENTS OF THE BOARD OF GENERAL DIRECTORS



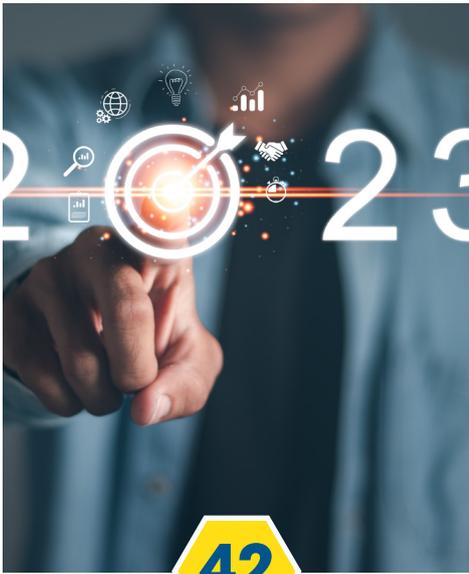
37

| | |
|---|----|
| General information | 04 |
| Trading and business areas | 05 |
| Information about governance model and management structure | 08 |
| Development orientations - Sustainable development | 10 |
| Risks | 10 |

| | |
|---|----|
| Business performance situation | 12 |
| Organization and Human resource | 14 |
| Implementation of the company's real estate projects | 16 |
| Financial situation | 24 |
| Shareholders structure, change in the owner's equity | 26 |
| Environment-Social-Governance (ESG) Report of the Company | 28 |

| | |
|---------------------------------|----|
| Assessment of operating results | 37 |
| Financial Situation | 40 |
| Development plans in 2023 | 41 |

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES



42

| | |
|--|----|
| Assessments of the Board of Directors on all aspects of the Company's activities | 42 |
| Assessment of Board of Directors performance | 43 |
| Plans and orientations of BOD | 43 |

CORPORATE GOVERNANCE



45

| | |
|--|----|
| Board of Directors | 45 |
| Board of Supervisors | 49 |
| Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors | 51 |

FINANCIAL STATEMENTS



54

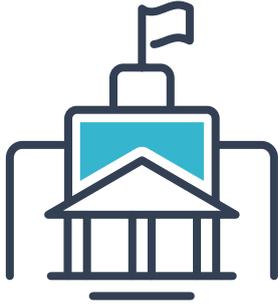
| | |
|------------------------------|----|
| Auditor's opinions | 54 |
| Audited financial statements | 54 |

I.

GENERAL INFORMATION

01

GENERAL INFORMATION



TRADING NAME

577 INVESTMENT CORPORATION

BUSINESS REGISTRATION CERTIFICATE NO.
0303885305



CHARTER CAPITAL

VND 1.004.756.560.000

OWNER'S CAPITAL

VND 1.819.808.830.211

SECURITIES CODE: NBB



CONTACT INFORMATION

Address Carina Plaza Building,
1648 Vo Van Kiet, Ward 16,
District 8, HCMC.

Telephone 028. 62577577

Fax 028. 62577755

Email nbb@nbb.com.vn

Website www.nbb.com.vn

**THE FUTURE
BEGINS TODAY**





**Sow today
Harvest tomorrow**

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 18 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.



TRADING AND BUSINESS AREAS

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

After 18 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. 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 (CIJ)... 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 - Quang Ninh Project
- 2. Son Tinh - Quang Ngai Residential Area Project
- 3. De Lagi - Binh Thuan Luxury resort complex Residential Area Project
- 4. Residential Area Project in Ward 2, Bac Lieu City

REAL ESTATE PROJECTS IN HCMC



NBB II Condominium



NBB Garden III Condominium

DEVELOPMENT MILESTONES

PAST

2005

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

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.

2009

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

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

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, NBB II and NBB Garden III.

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.

FUTURE

2010

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.

2011

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

2013

NBB increased its charter capital from VND 180 billion to VND 358,6 billion through private issuance to existing shareholders.

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

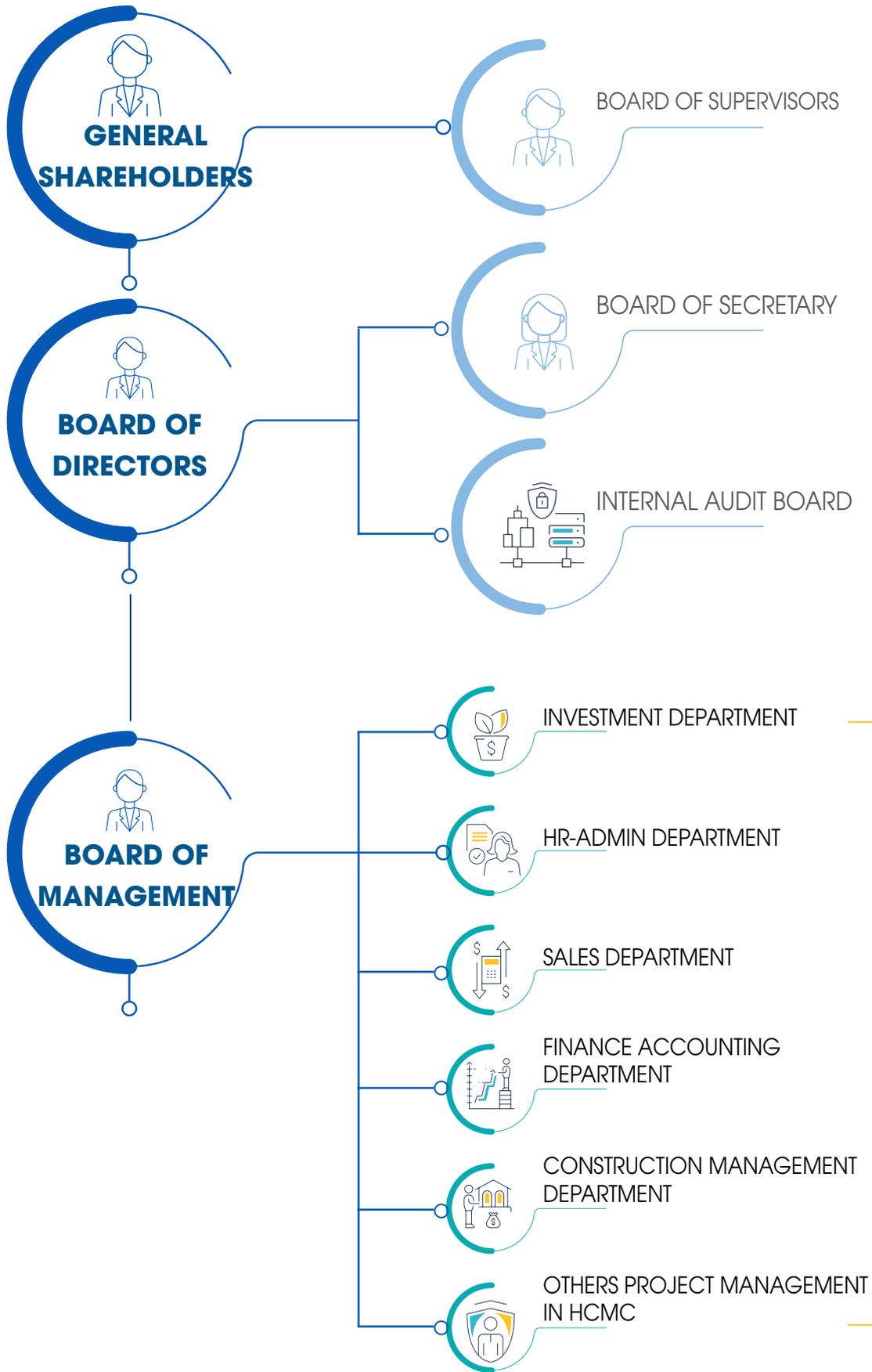
The Company increased its charter capital from VND 959,1 billion to VND 975,7 billion by converting bonds into shares of investors.

2019

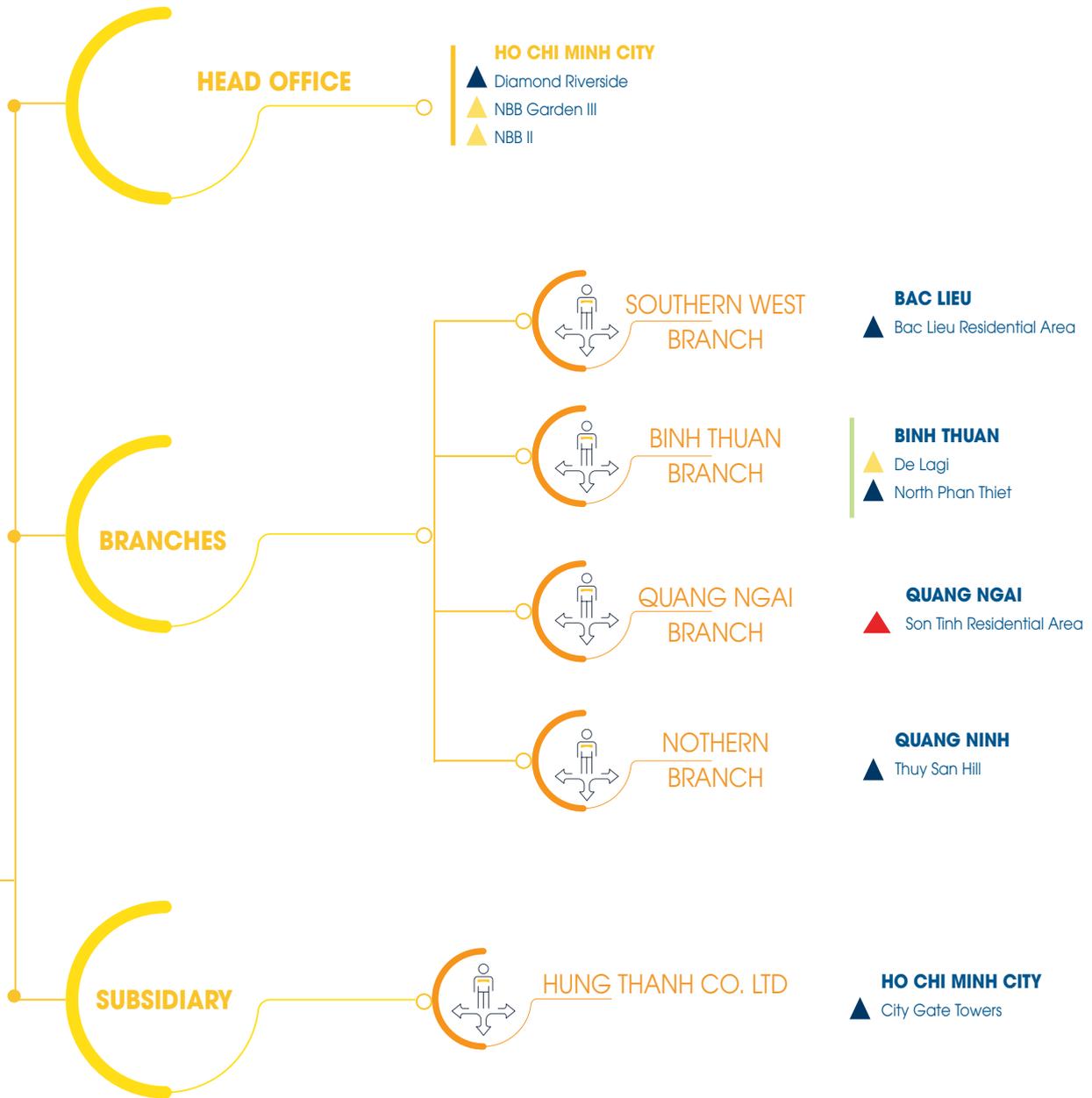
The Company increased its charter capital from VND 975,7 billion to VND 1.004,7 billion by converting bonds into shares of investors.

03 INFORMATION ABOUT GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

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



- ▲ Complete project
- ▲ Complete investment, ongoing trading
- ▲ Ongoing investment, forthcoming trading



04 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 value to the community, "Prosperity, Success" to NBB's shareholders and staff.

05 RISKS

5.1 SOCIO-ECONOMIC RISKS

- By 2022, when many countries had strongly developed strategies to vaccinate against COVID-19, the number of infections and deaths had been rapidly reduced. This has helped the economy recover. According to data from the General Statistics Office, Vietnam's GDP in 2022 grew by 8,02% over the previous year, which is also the highest level in the 2011-2022 period. According to the Center for Economics and Business Research in the UK (CEBR), Vietnam's economy is forecasted to grow by an average of 7% in the period 2021-2025 and will rise to the 19th position in the world by 2035.
- In general, the GDP growth rate shows that Vietnam's economy is gradually recovering with the improvement in purchasing power and the positive changes in production and business activities in most fields. GDP growth is maintained at a high and stable level, helping to increase per capita income and improve consumer sentiment. This is a factor that drives real housing demand, as well as investment in the real estate market, and has a positive impact on the Company's business.
- The company always conducts research and closely follows reliable sources of economic growth forecasts to come up with business strategies for each year or specific period, in line with demand and consumption in the real estate market. Thereby, the Company manages risks to limit the introduction of inappropriate strategies and policies and minimize losses, if any.

- Credit capital from commercial banks plays an important role in an industry that is affected by the macroeconomy due to the company's large capital needs for business activities. The Company is exposed to major interest rate risk arising from interest-bearing loans. In addition, due to the specificity of the real estate business, which involves buying and selling properties of great value, the solvency of customers depends greatly on credit policy as well as the general interest rate. When interest rates increase, the demand for credit will decrease, affecting the solvency of the company and the purchasing power of investors for its real estate products. This greatly affects the profitability of the business as well as the solvency of the Company.

5.2 LAW RISKS

- Legal risk is the risk arising from the failure to timely and inappropriately apply legal documents during the implementation of the Company's business activities. As a joint stock company, the Company's business activities are governed by legal documents prescribed by the State, of which the main ones are the Enterprise Law, the Securities Law, the Tax Administration Law, and the Commercial Law, as well as other legal documents related to the Company's business lines. In addition, the Company's main activities are in the real estate industry, so it is also bound by the Law on Construction, the Law on Investment, the Law on Land, the Law on Housing, and the Law on Real Estate Business.
- In order to reduce risks associated with legal factors during operation, the company constantly monitors, studies, and updates legal documents related to production and business activities, consults, and hires consultants for necessary legal issues.

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 2023 - 2026 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, pandemic, 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.



II. OPERATIONS IN THE YEAR

01 BUSINESS PERFORMANCE SITUATION

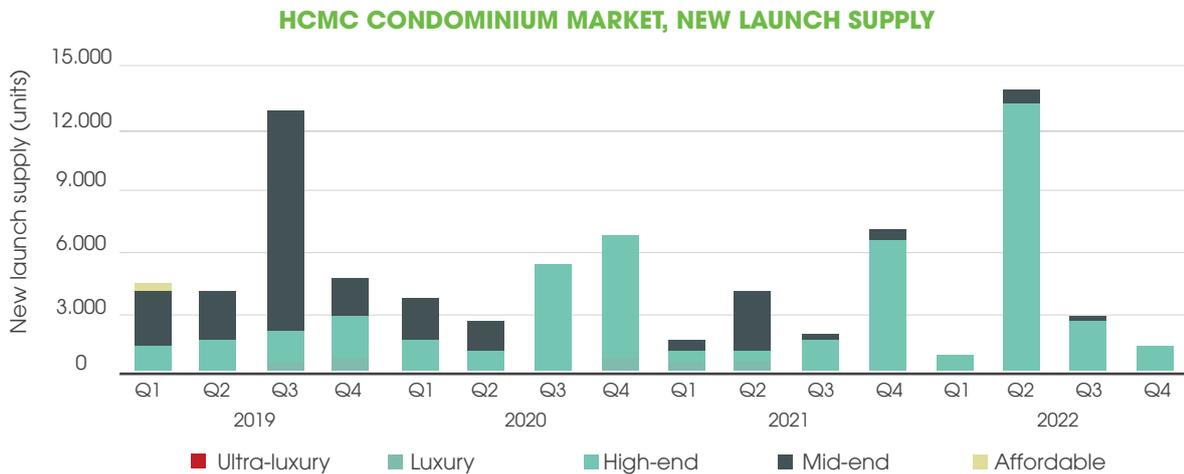
1.1 OVERVIEW OF THE APARTMENT MARKET IN HCMC

In the first half of 2022, the housing market has had a significant recovery after the pandemic and is expected to continue this trend. However, the fluctuations in the market in the last months of 2022 have greatly affected the recovery momentum and the overall sentiment of the entire market. Accordingly, the total number of apartments offered for sale in 2022 reached 18,440 units, equivalent to 2020, but only 70% of the number offered before the epidemic in 2019. The high-end segment continues to be the segment that has the most abundant supply, accounting for nearly 90% of the total new supply, concentrated mainly in the eastern region.

Some notable key points about the performance of the entire market during the year and expected in 2023 are as follows:

Supply of new apartments decreased and continued to focus on the high-end segment

In recent years, it has been hard to get licenses for new projects, so many investors have put off their sales plans out of fear that the unstable macroeconomic situation will hurt market demand. In the fourth quarter of 2022, only 1,312 new apartments were offered for sale in the Ho Chi Minh market. This is also the lowest number of new apartments for sale quarterly in the past 10 years (excluding the two years affected by the COVID pandemic).



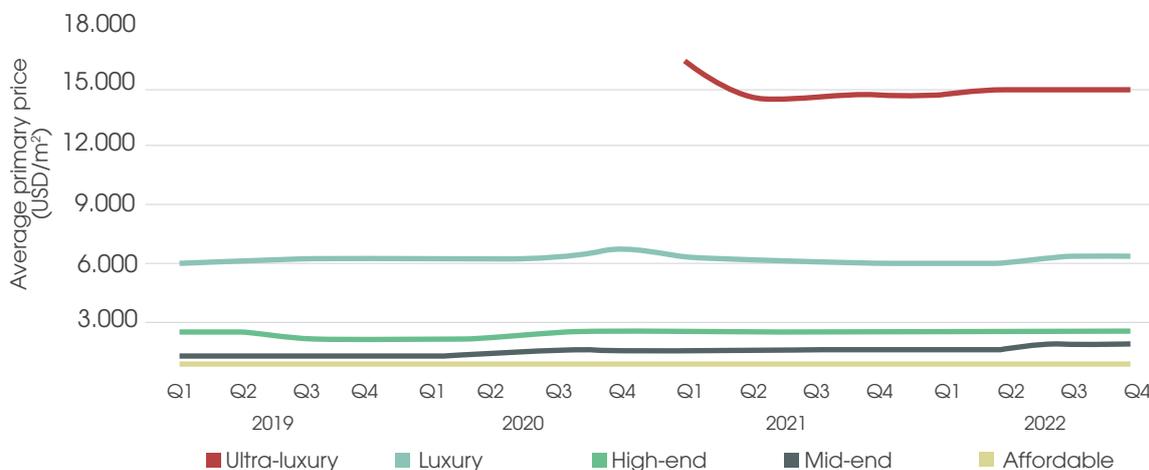
Source: CBRE Vietnam Research, Q4/2022

The high-end segment continues to have the most abundant supply, accounting for nearly 90% of the total number of apartments offered for sale in the year. Notably, 93% of the supply of 2022 was offered for sale in the first 3 quarters and 60% of the supply of apartments came from the subdivisions of Vinhomes urban area in District 9. The common point is that the majority of new projects for sale in 2022 have been developed by big-name investors in the market using land funds that were formed in previous stages.

Prices have not changed much and have only slightly increased in the luxury segment

The average selling price of apartments in the fourth quarter of 2022 did not change much compared to the previous quarter. The luxury segment was the only one with an average price increase of 1,4% compared to the third quarter, and 7,8% compared to the same period last year. In the meantime, the remaining segments had almost no change in price compared to the previous quarter.

HCMC CONDOMINIUM MARKET, AVERAGE PRIMARY PRICE



The average selling price on the primary market (USD/m²) excluding VAT and calculated on the navigable area, represents the selling price of all primary projects being sold on the market during the survey quarter.
Source: CBRE Vietnam Research, Q4/2022.

Secondary prices recorded a decrease in the last quarter of the year, mainly in projects with a large number of products and high speculative factors with discounts of up to 20%. According to CBRE's assessment, this price reduction represents an adjustment to the expected profit of homebuyers, not a local "stop loss" phenomenon in the whole market. Investors who do not use financial leverage or do not face much pressure on cash flow are still waiting for better opportunities for liquidity.

Expected fluctuations of the apartment market in Ho Chi Minh City in 2023

+ Supply: It is expected that HCMC will only have about 9,000 new apartments for sale from 20 projects, where the high-end segment continues to be the focus with 75% of the total supply. The luxury and mid-range segments together account for about 12%. The majority of these supplies have come from the subsequent phases of the sale of previous projects, and only six of the 20 architectural projects offered for sale were new for the first time, concentrated mainly in the east and west of the city (more than 48%).

+ Regarding demand and selling price, CBRE predicts that demand will be limited in 2023, and the liquidity of the Ho Chi Minh City apartment market will be low due to the difficulty of homebuyers obtaining bank loans. Therefore, house prices will therefore not be much volatile in 2023-2024.

The timing of the market's recovery will depend largely on the adjustment of macroeconomic policies, including credit policy, the revised Land Law, as well as solutions to resolve legal issues to stimulate the supply of new products to the market.

1.2 OPERATIONS IN THE YEAR

The real estate market in 2022 experienced many fluctuations, soaring at the beginning of the year but then falling and remaining stagnant towards the middle and end of the year. According to the Ho Chi Minh City Real Estate Association (HoREA), legal obstacles are the biggest hurdle, accounting for 70% of the difficulties faced by real estate projects. Complicated administrative procedures and lack of coordination have prolonged the time required for investment procedures (taking about 3-5 years). In addition, credit tightening policies and strict control over the issuance of corporate bonds have made it difficult for investors to access new sources of capital, leading to increased borrowing costs and pressure on product prices, while decreas-



ing purchasing power due to individual investors having difficulty accessing cash flow. Therefore, despite the efforts of the company's leadership and all employees to complete the plan, the revenue and after-tax profits in 2022 were still lower than in 2021, reaching only 77% and 6% of the set targets, respectively.

- **About revenue:** In 2022, the total revenue was VND 620 billion, mainly came from the business of land plots for Son Tinh Residential Project, reaching 77% of the set plan. Realized revenue in 2022 decreased by 39% compared to the total revenue of the same period in 2021 (VND 1.020 billion). The reason for this decline was mainly due to the fact that revenue and profit in the real estate sector are recognized only when the project is completed, handed over, and transferred most of the risk to the customers.

- **Profit:** The profit after tax recorded in 2022 was VND 6 billion, reaching 6% of the plan and down by more than 98% compared to the same period in 2021 (VND 314 billion).

In 2022, the Company continued to complete the legal framework to prepare to invest in key projects such as NBB Garden III, NBB II and De Lagi Projects. It is expected that from 2022 onwards, the Company focuses on and promotes construction, sales and revenue recognition of ongoing projects.



ORGANIZATION AND HUMAN RESOURCE

List of the Board of Management

| NO. | FULL NAME | POSITION | Starting/ending date of Board of Management | |
|-----|--------------------------|---|---|----------------|
| | | | Appointment date | Dismissal date |
| 1 | Mr. Nguyen Ba Lan | BOD'S Member and General Director | 27/09/2021 | |
| 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 | 30/06/2022 |
| 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 2022:

- Dismissing the position of Vice General Director for Mr. Truong Hai Dang Khoa from Jun 30, 2022.

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 31/12/2022 is 137 persons.

Company personnel structure in 2020, 2021 and 2022 as follows:

| | YEAR 2020 | | YEAR 2021 | | YEAR 2022 | |
|---------------------------------------|------------|-------------|------------|-------------|------------|-------------|
| | Quantity | % | Quantity | % | Quantity | % |
| Personnel by gender | | | | | | |
| Male | 88 | 68,22% | 96 | 68,57% | 90 | 65,69% |
| Female | 41 | 31,78% | 44 | 31,43% | 47 | 34,31% |
| Total | 129 | 100% | 140 | 100% | 137 | 100% |
| Personnel by educational level | | | | | | |
| Postgraduate | 1 | 0,78% | 4 | 2,86% | 4 | 2,92% |
| Bachelor | 102 | 79,07% | 107 | 76,42% | 100 | 72,99% |
| College, Intermediate | 5 | 3,87% | 7 | 5,00% | 9 | 6,57% |
| Technical workers | 9 | 6,98% | 9 | 6,43% | 10 | 7,30% |
| Unskilled labours | 12 | 9,30% | 13 | 9,29% | 14 | 10,22% |
| Total | 129 | 100% | 140 | 100% | 137 | 100% |

Average income: VND 20,05 million / 1 person/1 month

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.



IMPLEMENTATION OF THE COMPANY'S REAL ESTATE PROJECTS

| NO. | Project | Location | Site Area (ha) | Investment capital (VNDb) excl VAT | Current status | Project Progress |
|------------------------------|--------------------------|------------|----------------|------------------------------------|--|------------------|
| Projects in HCM City | | | | | | |
| 1 | Diamond Riverside | HCMC | 4,15 | 2.388 | Completed construction and hand over | 2017-2020 |
| 2 | NBB II | HCMC | 8,34 | 2.433 | In progress to complete investment procedures | 2017-2025 |
| 3 | NBB Garden III | HCMC | 7,75 | 2.706 | In progress to complete investment procedures | 2017-2025 |
| Projects in provinces | | | | | | |
| 4 | De Lagi | Binh Thuan | 124,53 | 2.726 | Under compensation and infrastructure construction | 2017-2024 |
| 5 | Son Tinh | Quang Ngai | 102,70 | 1.752 | Under construction and selling | 2013-2023 |
| 6 | Doi Thuy San | Quang Ninh | 32,18 | 469 | Hand over 100% selling area | 2017-2020 |



2.388
VND BILLION
TOTAL
INVESTMENT

DIAMOND RIVERSIDE CONDOMINIUM

Project information

Location: 1646A Vo Van Kiet Street, Ward 16, District 8, HCM City.

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



2.433
VND BILLION

TOTAL
INVESTMENT

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 investment: VND 2.433 billion

Total planning area: 8,34 ha

Total gross floor area (apartments, shophouses): 149.760,33 sqm

- Apartments, shophouses: 1.529 units (1.445 apartments and 84 shophouses)
- Other facilities: Kindergarten, high school, etc

Investment progress

Completed compensation and expect to complete investment procedures by the end of 2023.





2.706
VND BILLION
TOTAL
INVESTMENT

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 investment: VND 2.706 billion

Total planning area: 7,75 ha

Total gross floor area (apartments, shophouses): 212.117,55 sqm

Total gross floor area (linked houses): 44.117,09 sqm

- Apartments (2.244 units): Apartment area of 52,13 - 77,44 - 103,88 sqm per unit
- Shopping center: 5.486,45 m2 and community area: 1.258,12 sqm
- Other facilities: Kindergarten, elementary school, clinics,...

Apartment quantity: 2.244 units (3 Block A, B, C, height of 36 storeys) and 102 adjacent units.



Investment progress

Completed compensation and expect to complete investment procedures by the end of 2023.



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

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.



469
VND BILLION
TOTAL
INVESTMENT

QUANG NINH - THUY SAN HILL VILLA AREA

Project information

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

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

Tổng số lô kinh doanh: 344 plots (343 villas and 1 service)

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

Investment 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

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.



1.752
VND BILLION

TOTAL
INVESTMENT

QUANG NGAI - SON TINH RESIDENTIAL AREA

Project information

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

Total investment: VND 1.752 billion

Total planning area: 102,70 ha

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

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.



2.726
VND BILLION
TOTAL INVESTMENT

BINH THUAN - DE LAGI LUXURY RESORT COMPLEX RESIDENTIAL AREA

Project information

Location: At Lagi Town, Binh Thuan Province

Total investment: VND 2.726 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 67,4 ha. And in progress of infrastructure construction in the land area which handed over by the State.

Business progress

Expected to launch in 2024.

SOUTHERN WEST BRANCH

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

Telephone: (84-291) 3956775 | Fax: (84-291) 3956776

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.



368
VND BILLION

TOTAL
INVESTMENT

RESIDENTIAL AREA PROJECT IN WARD 2, BAC LIEU CITY

Project information

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

Total investment: VND 368 billion

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 - MANU-FACTURING 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

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.

04 FINANCIAL SITUATION

4.1 FINANCIAL SITUATION

ĐVT: tỷ đồng

| Indicators | Year 2021 | Year 2022 | % change |
|---------------------------------|-----------|-----------|----------|
| Total asset | 4.374 | 6.387 | 46,0% |
| Net revenue | 565 | 466 | -17,5% |
| Profit from business activities | 455 | 73 | 84,0% |
| Other profits | -34 | -46 | -35,9% |
| Profit before tax | 421 | 35 | -91,6% |
| Profit after tax | 314 | 6 | -98,1% |
| Payout ratio | 16% | 0% | -16,0% |

The real estate market in 2022 experienced many ups and downs. In 2022, the net revenue of the company reached 466 billion VND, a decrease of nearly 18% compared to the same period in 2021. The main source of revenue came from the business of the Son Tinh Residential Area project.

During the year, the company strengthened its cooperation with partners to maximize the advantages of each party in implementing investment and business activities of projects, while also diversifying capital mobilization channels, contributing to increasing the efficiency of business activities and increasing the scale of the company's total assets. Specifically, as of December 31, 2022, the company's total assets increased by 46,0% compared to December 31, 2021, reaching 6.387 billion VND.



4.2 MAJOR FINANCIAL INDICATORS

| Indicators | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------------|--------------|--------------|--------------|-----------|
| 1. Solvency ratio | | | | | |
| + Current ratio | 1,93 | 1,62 | 1,01 | 0,81 | 1,49 |
| Short term Asset/Short term debt | | | | | |
| + Quick ratio | 0,64 | 0,37 | 0,57 | 0,39 | 0,77 |
| (Short term Asset - Inventories)/Short term Debt | | | | | |
| 2. Capital structure Ratio | | | | | |
| + Debt/Total assets ratio | 0,05 | 0,05 | 0,13 | 0,27 | 0,49 |
| + Debt/ Owner's equity ratio | 0,13 | 0,13 | 0,29 | 0,65 | 1,72 |
| 3. Operation capability Ratio | | | | | |
| + Inventory turnover | | | | | |
| Cost of goods sold/Average inventory | 0,27 | 0,07 | 1,09 | 0,33 | 0,21 |
| + Total asset turnover | | | | | |
| Net revenue/ Average Total Assets | 0,23 | 0,06 | 0,72 | 0,13 | 0,09 |
| 4. Profitability | | | | | |
| + Profit after tax/ Total revenue Ratio | 13,3% | 41,5% | 9,2% | 30,8% | 1,0% |
| + Profit after tax/ Owner's contributed capital ratio | 15,8% | 30,6% | 32,6% | 31,3% | 0,6% |
| + Profit after tax/ Total assets Ratio | 3,1% | 5,6% | 6,7% | 7,4% | 0,1% |
| + Profit from business activities/ Total revenue Ratio | 14,8% | 22,9% | 12,2% | 44,6% | 11,8% |
| 5. EPS | 1.491 | 2.945 | 2.905 | 2.978 | 57 |

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

| Indicators | Year 2021 | Year 2022 |
|---|-------------|-------------|
| Total issued shares | 100.475.656 | 100.475.656 |
| Ordinary shares | 100.475.656 | 100.475.656 |
| Others | - | - |
| Number of existing shares | 100.159.795 | 100.159.795 |
| Ordinary shares | 100.159.795 | 100.159.795 |
| Others | - | - |
| Number of Treasury shares | 315.861 | 315.861 |
| Number of freely transferred shares | 100.475.656 | 100.475.656 |
| Number of restricted transferred shares | - | - |

5.2 SHAREHOLDING PROPORTION

| NO. | Subject | Number of shares | Proportional ownership (%) | Number of shareholders |
|----------|---|--------------------|----------------------------|------------------------|
| 1 | Shareholders owning more than 5% | 50.009.732 | 49,77 | 3 |
| | Domestic shareholders | 50.009.732 | 49,77 | 3 |
| | - Institution | 50.009.732 | 49,77 | 3 |
| | - Individual | - | - | - |
| | Foreign shareholders | - | - | - |
| | - Institution | - | - | - |
| | - Individual | - | - | - |
| 2 | Shareholders owning less than 5% | 50.150.063 | 49,91 | 8.470 |
| | Domestic shareholders | 48.771.989 | 48,54 | 8.422 |
| | - Institution | 5.851.186 | 5,82 | 30 |
| | - Individual | 42.920.803 | 42,72 | 8.392 |
| | Foreign shareholders | 1.378.074 | 1,37 | 48 |
| | - Institution | 253.458 | 0,25 | 10 |
| | - Individual | 1.124.616 | 1,12 | 38 |
| 3 | Treasury shares | 315.861 | 0,31 | - |
| | Total | 100.475.656 | 100,00 | 8.473 |

Note: According to the shareholders list as of 30 December 2022 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 09/12/2017, 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

In 2022, 577 Joint Stock Company did not have any transactions with fund shares.

As of December 30, 2022, the number of outstanding voting shares of the Company is 100.159.795 shares, the number of treasury shares of the Company is 315.861 shares.

5.5 OTHER SECURITIES

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



06

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: $Q = 1.035,29$ (m³ / day and night) (Source: Project Description, 2016).
 - Average amount of water used in the whole area per day: $Q = 43,14$ (m³ / 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 14:2008/ 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 31/12/2022 is 137 people.
 - Average income: VND 20,05 million/person/month.
- 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 2022, 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 2022, the Company organized and allowed employees to participate in 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, BOS
AND CORPORATE GOVERNANCE**

INTRODUCTION ABOUT THE BOD



MR. LUU HAI CA

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 from Sep 27, 2021.

Expertise: Bachelor of Economics

Holding positions in other organizations:

1. BOD's Chairman of CII Infrastructure Construction Joint Stock Company (CEE)
2. BOD's Member of HCMC Infrastructure Investment Joint Stock Company (CII).

NBB shares's ownership percentage: 64.000 shares, accounting for 0,06%



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

Holding 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 Bridges and Roads Investment Joint Stock Company
3. BOD's Chairman of Khu Bac Thu Thiem Company Limited
4. BOD's Chairman of Lu Gia Real Estate Trading Investment Company Limited

Percentage of shares ownership of NBB: None

INTRODUCTION ABOUT THE BOD AND THE BOM



MR. **NGUYEN BA LAN**

**BOD'S Member and
General Director**

Appointment time: Elected BOD's Member of NBB Corporation at the Extraordinary General Meeting of Shareholders held on Dec 14, 2021.

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

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

Current positions in other organizations: None

NBB shares's ownership percentage: None



MS. **NGUYEN QUYNH HUONG**

**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: Master of Finance

Current positions in other organizations: Vice General Director of HCMC Infrastructure Investment Joint Stock Company (CI)

Percentage of shares ownership in NBB: 19.200 shares, accounting for 0,02%

INTRODUCTION ABOUT THE BOD



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

Holding positions in other organizations:

1. BOD's Member cum General Director of CII Bridge and Road Investment Joint Stock Company
2. BOS's Member of CII Infrastructure Construction Joint Stock Company (CEE)
3. BOD's Member of Hien An Binh Bridge and Road Joint Stock Company
4. BOS's Member of Saigon Water Infrastructure Joint Stock Company
5. BOD's Chairman of Co Chien Investment Company Limited
6. BOD's Chairman of Ninh Thuan Construction Development and Investment Joint Stock Company

Percentage of shares ownership in NBB: None



MR. PHAM THANH VU

BOD's independent member

Appointment time: Elected BOD's Member of NBB Corporation at the Extraordinary General Meeting of Shareholders held on Dec 14, 2021.

Expertise: Master of Business Administration

Holding positions in other organizations:

1. Director of Brokerage branch 02 Viet Capital Securities Joint Stock Company.
2. BOD's Independent member of Binh Duong Water - Environment Joint Stock Company

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



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



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:

1. Deputy Director of Capital Management Department of HCMC Infrastructure Investment Joint Stock Company (CIJ)
2. BOD's Member of Mekong - My Tho Tourism Joint Stock Company

Percentage of shares ownership in NBB: None



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: Director of Capital Management Department of HCMC Infrastructure Investment Joint Stock Company (CIJ)

Percentage of shares ownership in NBB: None



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



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:** completed the organization of the resident conference and recognized the results of the election for the management board of Diamond Riverside apartment building by the District 8 People's Committee; continue to calculate the land use fee.
- **NBB II Project:** continued to work with management agencies to complete investment legal procedures, project construction permits.

- **NBB Garden III Project:** continued to work with management agencies to complete investment legal procedures, project construction permits.
- **De Lagi Project:** completed the fourth adjustment of the investment policy for the project.
- **Son Tinh Project:** cooperating with local authorities to promote compensation and site clearance; investment in completing infrastructure and business.

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

- **Diamond Riverside Project:** carried out the warranty work for the handed-over items.
- **De Lagi Project:** implementation of leveling, construction of infrastructure on the compensated area.
- **Son Tinh Project:** implementing technical infrastructure construction on the area where site clearance has been completed.
- **Thuy San Hill Project:** performed the repair work for the landslide incident.

Regarding business and sales:

- **Son Tinh Project:** continue business operations, record revenue and handing over land use right certificates to the customer.

Regarding financial activities: In 2022, The Company fulfilled due financial obligations for banks; simultaneously, diversifying capital mobilization channels to serve production and business activities as well as investment cooperation with partners to maximize profits from business activities during the year. As of December 31, 2022, the Company's interest-bearing loan balance was VND 3.130 billion, accounting for 49,0% of total assets (VND 6.387 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.
- The personnel structure of both the Administrative Council and the Board of General Directors has been changed to increase creativity and flexibility for the Company. The Company's management apparatus has also continued to be consolidated and improved its management capacity, contributing to improving the efficiency in corporate governance, especially risk management.

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.

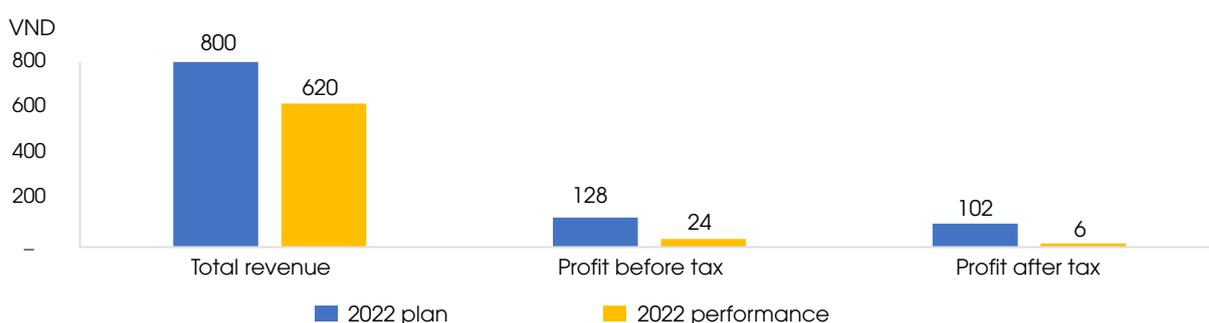
In general, in 2022, all the Board of General Directors and employees tried their best to complete the set objectives. However, due to the difficulty of licensing new projects in recent years, the legal progress in real estate projects in general has not been finalized in 2022.

THE COMPANY'S ACHIEVEMENTS:

In 2022, the real estate market experienced many fluctuations, with ups and downs. In the beginning of the year, the market was booming, but it slowed down in the middle and end of the year, affecting the business activities of the company. As a result, revenue and after-tax profit only reached 77% and 6%, respectively, compared to the set plan.

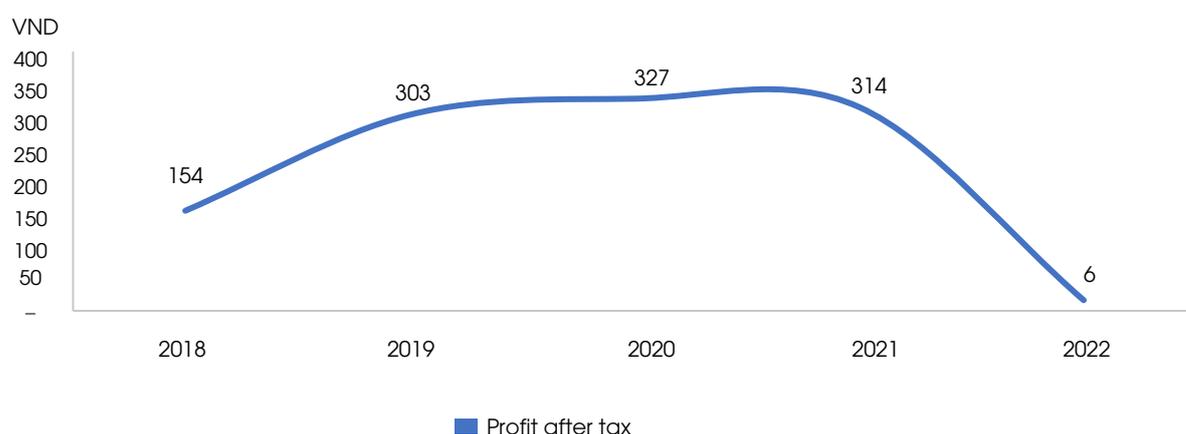
| CRITERIA | 2022 Plan (VND billion) | 2022 Performance (VND billion) | Achievement ratio |
|-------------------|-------------------------|--------------------------------|-------------------|
| Total revenue | 800 | 620 | 77% |
| Profit before tax | 128 | 24 | 18% |
| Profit after tax | 102 | 6 | 6% |

2022 PERFORMANCE



In 2022, total revenue reached VND 620 billion, in which revenue from real estate business was VND 466 billion, equivalent to 75,2% of recorded total revenue, mainly coming from the land plot business of Son Tinh residential area project. In addition, financial revenue also contributed significantly to the achievement with a recorded value of VND 151 billion (accounting for 24,4% of total revenue) from investment cooperation.

PROFIT CHART BY YEAR



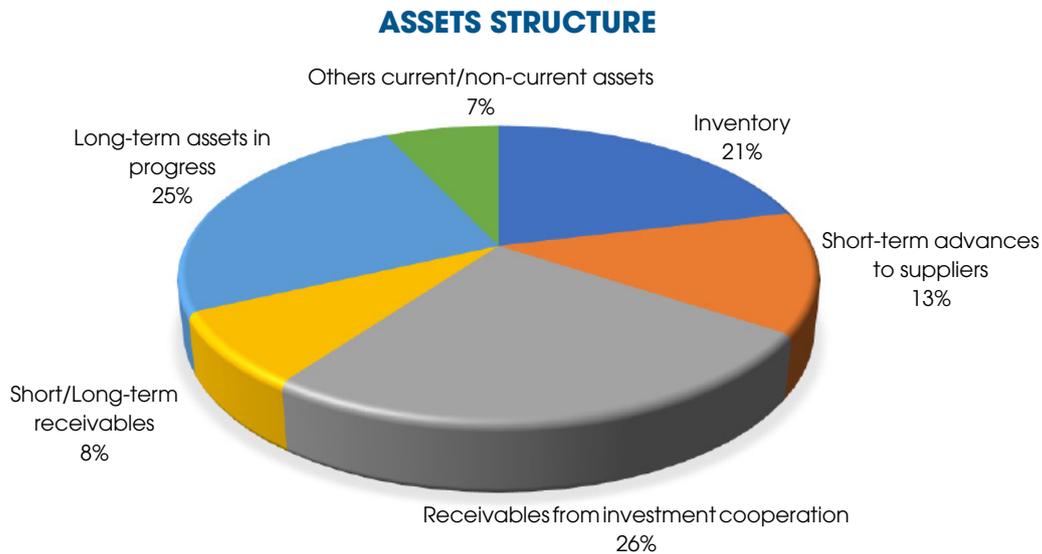
The after-tax profit for 2022 only reached 6% compared to the set plan, with a recorded figure of 6 billion VND, the lowest level in nearly 5 years after the negative impact of the Covid-19 pandemic and a series of difficult factors affecting the real estate market. Among them, legal obstacles were evaluated as the biggest hindrance, prolonging the time to complete the project's legal procedures (taking about 3-5 years). In addition, real estate credit and corporate bond issuance activities are tightly controlled, making it difficult for investors to access new capital sources, increasing borrowing costs, and putting pressure on prices while demand decreases as individual investors find it hard to access cash flow. Interest rates continue to be adjusted upwards, making it difficult for real estate companies and home buyers to access credit.

02 FINANCIAL SITUATION

In 2022, the company’s financial situation continued to change towards diversifying capital mobilization channels to serve business activities, while strengthening investment cooperation with partners to maximize the company’s advantages.

2.1 ASSETS STRUCTURE

Total assets as of 31 December 2022 is VND 6.387 billion, an increase 46% compared to 31 December 2021 with a structure of short-term assets/long-term assets of 44%/56%. Accounting for the largest proportion is long-term unfinished assets (25%), inventories (21%) and short-term prepayments to sellers (13%). Long-term unfinished assets, inventories and short-term prepayments to sellers reached VND 3.809 billion, including in-progress production and business expenses related to land fund formation (compensation and site clearance costs), investment work, construction and business of NBB Garden III, NBB II, Son Tinh, De Lagi projects.



The amount receivable from investment cooperation also accounted for a relatively high proportion of the total assets at 26%, with a total amount of 1.637 trillion VND from business cooperation contracts with partners.

Short-term receivables and long-term receivables accounted for 7% of total assets, including short-term receivables from customers, short-term prepayments to sellers, short-term/long-term loan receivables and other short-term/long-term receivables.

In general, the Company’s asset structure is typical of the real estate industry with the high proportion of long-term unfinished assets, inventories and short-term prepayments to sellers, averaging over 59% of total assets.

2.2 DEBT PAYABLE, CAPITAL STRUCTURE

As of December 31, 2022, the proportion of equity and liabilities of the company was 29% and 71%, respectively (of which financial loans accounted for 49% and other loans accounted for 22%).

The company's capital structure is following the strategic direction of the fourth term Board of Directors (2020-2025). In 2022, the company continued to seek new sources of capital with low-interest rates to finance existing projects and strengthen investment cooperation with partners to maximize profits from business operations.

In addition, the company is also actively mobilizing capital from customers in parallel with the project implementation process to increase investment efficiency and bring maximum benefits to the company. The company has no outstanding debts, receivables or bad assets affecting business operations results.

Overall, the company is maintaining a stable capital structure, with no overdue debts at credit institutions. In 2022, the company continued to pay off obligations due to banks and other credit institutions. The total outstanding loan balance with interest at December 31, 2022, was 3.130 trillion VND, accounting for 49,0% of total assets.

03 DEVELOPMENT PLANS IN 2023

In 2023, 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 implementation of existing projects, perfecting the legal framework 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.
- **For NBB II Projects:** Complete legal procedures for approval of investment policies, project construction permits,....
- **For NBB Garden III Project:** Complete legal procedures for approval of investment policies, project construction permits,...
- **For De Lagi - Binh Thuan Project:** Construction of leveling and technical infrastructure on the area allocated by the State; complete inventory, project compensation on the remaining unallocated land area.
- **For Son Tinh - Quang Ngai Project:** Completing the compensation progress, construction of infrastructure and business.
- **For Thuy San Hill - Quang Ninh Project:** Complete handover of electricity supply and wastewater treatment to the city.
- **For other projects:** The company actively seeks, expands market exploration and other potential clean land funds to expand service and development for future projects.
- 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 2023 with the following basic targets:

| CRITERIA | 2023 PLAN (VND BILLION) |
|------------------------|-------------------------|
| Expected total revenue | 800 |
| Profit before tax | 33 |
| Profit after tax | 20,5 |

2023

IV.

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES

01

ASSESSMENTS OF THE BOARD OF DIRECTORS ON ALL ASPECTS OF THE COMPANY'S ACTIVITIES

The year 2022 marked a year of great efforts for NBB Corporation to handle difficulties to complete the plan approved by the Annual General Meeting of Shareholders in fiscal year 2021.

Following the impact of all aspects of social life due to the impact of the Covid-19 pandemic was the real estate market crisis across the country in 2022. This seriously affected all production and business activities. NBB's business in 2022, especially 2023, 2024 will surely be more difficult. In addition, from September 2022 up to now, banks had also tightened lending credit, limited room and increased lending interest rates, so it was very difficult for NBB to access to mobilize and arrange finance for implementation business activities.

Despite facing many difficulties and obstacles, NBB Corporation has strived to maintain stability and fulfilled the duties of the Board of Directors set out in the field of business activities as well as environmental and social responsibility, specifically:

- 2022 Performance:

| CRITERIA | 2022 Plan (VND billion) | 2022 Performance (VND billion) | Achievement ratio |
|-------------------|-------------------------|--------------------------------|-------------------|
| Total revenue | 800 | 620 | 77% |
| Profit before tax | 128 | 24 | 18% |
| Profit after tax | 102 | 6 | 6% |

- 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 92% of the compensation work for the Son Tinh project; obtained 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 strict control and balance of revenues and expenditures. At the end of 2022, the ratio of financial debt / total assets was low (49%).

- Stabilizing the personnel apparatus and ensuring jobs and income for employees.

- Keep 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 innovative, environmentally friendly products for construction, 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.
- Carrying out good movement building, social charity work.

02 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 2022 to complete the plan approved by the Annual General Meeting of Shareholders for fiscal year 2021, specifically:

- The Board of General Directors closely monitored and grasped the implementation of key projects such as Son Tinh, De Lagi 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 2023.
- 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.

03 PLANS AND ORIENTATIONS OF BOD

The Board of Directors assessed that the real estate market in 2022 will be difficult to recover in the short term. Therefore, in 2023, NBB Company needs to implement the following business and production goals:

Regarding to finance:

- Develop medium and long term financial plans. Prepare many contingency financial plans to suit each market situation.



- 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 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.



V.

CORPORATE GOVERNANCE

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.

01

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 | Luu Hai Ca | 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 | Nguyen Ba Lan | BOD's member and General Director | 14/12/2021 | |
| 4 | Nguyen Quynh Huong | BOD's non - executive member | 12/05/2020 | |
| 5 | Doan Tuong Trieu | BOD's non - executive member | 12/05/2020 | 26/04/2022 |
| 6 | Nguyen Van Chinh | BOD's independent member | 12/05/2020 | |
| 7 | Pham Thanh Vu | BOD's independent member | 14/12/2021 | |

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:*

In 2022, The Board of Directors convened and organized the 2021 Annual General Meeting of Shareholders on April 26, 2022 and the 2022 Extraordinary General Meeting of Shareholders on Nov 02, 2022, the General Meeting of Shareholders approved the Resolutions with the following contents;

| NO. | RESOLUTION / DECISION NO. | DATE | CONTENT |
|-----|---------------------------|------------|--|
| 01 | 31/NQ-DHDCD | 26/04/2022 | <ol style="list-style-type: none"> 1. Approved BOD's report on 2021 production and business activities, plan of 2022 production and business activities. 2. Approved Board of Supervisors' report on the Company's 2021 activities. 3. Approving the report on corporate governance in 2021. 4. Approving audited financial statements and distribute after-tax profits in 2021 according to audit results. 5. Approving the report on the Board of Directors' and Supervisory Board's total pay, bonuses, and other benefits for 2021. 6. Approving the business plan targets for 2022 using profits and remuneration of the Board of Directors and Supervisory Board in 2022. 7. Select International Audit Company Limited (ICPA) as the unit to perform the audit for fiscal year 2022. 8. Approving the plan for handling odd shares (98 shares) from treasury shares to be given to existing shareholders and the policy of selling treasury shares. |

| NO. | RESOLUTION/ DECISION NO. | DATE | CONTENT |
|-----|--------------------------|------------|---|
| 01 | 31/NQ-DHDCD | 26/04/2022 | 9. Approving the resignation of Mr. Doan Tuong Trieu as a member of the Board of Directors of 577 Investment Corporation, Term IV (2020-2025) according to personal wishes. |
| 02 | 98/NQ-DHDCD | 02/11/2022 | Approving the contents of the detailed plan of offering the right to buy shares to existing shareholders. |
| 03 | 99/NQ-DHDCD | 02/11/2022 | Approving for CII Engineering Joint Stock Company (CEE) and CEE's related people to buy shares of 577 Investment Corporation up to 80% of total voting shares of 577 Investment Corporation according to regulations provisions of the law. |
| 04 | 100/NQ-DH-DCD | 02/11/2022 | Approving the policy of canceling the payment of the remaining 9% dividend in 2020 and 15% dividend in 2021. |
| 05 | 101/NQ-DH-DCD | 02/11/2022 | Approving the policy of adjusting business lines and amending the Charter. |

*** 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 2022, the Board of Directors of the Company focused on solving and approving the following contents:

| NO. | RESOLUTION/ DECISION NO. | DATE | CONTENT |
|-----|--------------------------|------------|--|
| 1 | 03/NQ-HDQT | 05/01/2022 | Resolution authorizing investment cooperation and the development of investment projects to construct office buildings at 152 Dien Bien Phu, Ward 26, Binh Thanh District, Ho Chi Minh City. |
| 2 | 04/NQ-HDQT | 05/01/2022 | Resolution on approving the loan at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Nam Binh Duong Branch. |
| 3 | 12/NQ-HDQT | 17/02/2022 | Resolution on approving the signing of capital support contract with (Ha Noi Highway Construction And Investment Joint Stock Company. |
| 4 | 13/NQ-HDQT | 17/02/2022 | Resolution on approving the signing of capital support contract with CII Engineering Joint Stock Company. |
| 5 | 14/NQ-HDQT | 17/02/2022 | Resolution on approving the signing of capital support contract with Lu Gia Real Estate Trading Investment Company Limited. |
| 6 | 16/NQ-HDQT | 04/03/2022 | Resolution on approving the plan to sell treasury shares and the dossier of selling treasury shares submitted to the State Securities Commission. |
| 7 | 19/NQ-HDQT | 08/03/2022 | Resolution on approving the convening of the Annual General Meeting of Shareholders for the fiscal year 2021. |
| 8 | 22/QD-HDQT | 21/03/2022 | Decision to dismiss Mr. Luu Hai Ca from the position of Director of 577 Investment Corporation in Binh Thuan. |
| 9 | 23/QD-HDQT | 21/03/2022 | Decision to appoint Mr. Nguyen Ba Lan as the Director of 577 Investment Corporation in Binh Thuan. |
| 10 | 26/NQ-HDQT | 01/04/2022 | Resolution on approving the contents to be submitted to the Annual General Meeting of Shareholders for the fiscal year 2021. |
| 11 | 29/NQ-HDQT | 07/04/2022 | Resolution on approving capital mobilization at Khu Bac Thu Thiem Company Limited. |
| 12 | 34/QD-HDQT | 17/05/2022 | Decision to dismiss Ms. Tran Le Hoang Diem from the position of Company Secretary cum internal administrator of 577 Investment Corporation. |
| 13 | 35/QD-HDQT | 17/05/2022 | Decision to appoint the position of Company Secretary cum internal administrator of 577 Investment Corporation for Ms. Truong Thuy Hong Thao. |



| NO. | RESOLUTION / DECISION NO. | DATE | CONTENT |
|-----|------------------------------|------------|--|
| 14 | 36/NQ-HDQT | 17/05/2022 | Resolution on approving the dismissal and appointment of the position of Company Secretary cum Person in charge of corporate governance of 577 Investment Corporation. |
| 15 | 37/NQ-HDQT | 17/05/2022 | Resolution on approving the policy of restructuring project management boards, functional departments of branches, and Hung Thanh Company. |
| 16 | 38/NQ-HDQT | 17/05/2022 | Resolution on approving the policy of appointing the Company's representative to the Building Management Board at the projects invested by 577 Investment Corporation. |
| 17 | 39/NQ-HDQT | 17/05/2022 | Resolution on approving the establishment of the Internal Audit Committee, assigning the person in charge and promulgating the Internal Audit Regulations. |
| 18 | 40/NQ-HDQT | 17/05/2022 | Resolution on approving the policy of approaching customers to evaluate the demand for buying commercial and service apartments at the NBB II project. |
| 19 | 41/NQ-HDQT | 17/05/2022 | Resolution on approving the adjustment of the project planning of Son Tinh residential area - Quang Ngai. |
| 20 | 42/NQ-HDQT | 17/05/2022 | Resolution on approving the plan to move the office of NBB Company. |
| 21 | 43/NQ-HDQT | 17/05/2022 | Resolution on the solution to the proposals of NBB3's project customers. |
| 22 | 44/QD-HDQT | 08/06/2022 | Decision to dismiss Ms. Truong Thuy Hong Thao from the position of Company Secretary cum internal administrator of 577 Investment Corporation. |
| 23 | 45/QD-HDQT | 08/06/2022 | Decision to appoint Mr. Pham Phuc Loc to the position of Company Secretary cum internal administrator of 577 Investment Corporation. |
| 24 | 46/QD-HDQT | 08/06/2022 | Decided to establish the Internal Audit Committee under the Board of Directors and issued the Internal Audit Regulations. |
| 25 | 47/QD-HDQT | 08/06/2022 | Decision to appoint the position of Person in charge of internal audit for Mr. Do Xuan Chinh. |
| 26 | 51/QD-HDQT | 30/06/2022 | Decision to dismiss Mr. Truong Hai Dang Khoa from the position of Deputy General Director of 577 Investment Corporation. |
| 27 | 52/QD-HDQT | 13/07/2022 | To decide on the establishment of the Executive Board, to manage the projects in the Central Highlands. |
| 28 | 53/QD-HDQT | 13/07/2022 | Decision on the establishment of Civil Construction Department of the Branch of 577 Investment Corporation in Binh Thuan. |
| 29 | 54/QD-HDQT | 22/07/2022 | Decision on promulgating the Regulation on operating expenses of the Internal Audit Committee. |
| 30 | 59/NQ-HDQT | 18/08/2022 | Resolution on Approval of the plan to sell treasury shares and the dossier of selling treasury shares submitted to the State Securities Commission. |
| 31 | 61/QD-HDQT | 30/08/2022 | Decision on Approval of the policy of dissolution of the Diamond Riverside Project Management Board. |
| 32 | 62/QD-HDQT | 30/08/2022 | Decision on Approval of the policy to dissolve the Diamond Riverside Building Operation Management Board. |
| 33 | 66/NQ-HDQT | 15/09/2022 | Resolution on Approval of the plan to issue/offer shares to existing shareholders. |
| 34 | 67/NQ-HDQT | 15/09/2022 | Resolution on convening the 1st Extraordinary General Meeting of Shareholders in 2022 |
| 35 | 72/QD-HDQT | 27/09/2022 | Decision on appointment of General Director to Mr. Nguyen Ba Lan. |
| 36 | 74/NQ-HDQT | 05/10/2022 | Resolution on approving the content of application for adjustment of the Investment Certificate of the De Lagi Luxury Resort and Residences Project. |
| 37 | 75/NQ-HDQT | 12/10/2022 | Resolution on approving the proposal of Asia Commercial Joint Stock Bank to grant credit to 577 Investment Corporation. |
| 38 | 76/NQ-HDQT | 12/10/2022 | Resolution on approving the contents to be submitted to the 1st Extraordinary General Meeting of Shareholders in 2022. |
| 39 | 77/NQ-HDQT | 17/10/2022 | Resolution on dissolution of the Internal Control Department. |
| 40 | 78/NQ-HDQT | 17/10/2022 | Resolution on dissolution of Southwest Branch. |
| 41 | 80/QD-HDQT | 17/10/2022 | Decision on remuneration for the Board of Directors and Supervisory Board in 2021. |

| NO. | RESOLUTION / DECISION NO. | DATE | CONTENT |
|-----|---------------------------|------------|---|
| 42 | 84/NQ-HDQT | 25/10/2022 | Resolution of the Board of Directors on adding content to the agenda of the 1st Extraordinary General Meeting of Shareholders in 2022 of 577 Investment Corporation: Content on approval for CEE to buy shares of 577 Investment Corporation without doing public tender procedure. |
| 43 | 89/NQ-HDQT | 25/10/2022 | Resolution of the Board of Directors to add to the agenda of 577 Investment Corporation's 1st Extraordinary General Meeting of Shareholders in 2022: content on approving the policy of not paying the remaining 9% dividend for 2020 and the 15% dividend for 2021. |
| 44 | 94/NQ-HDQT | 28/10/2022 | Resolution of the Board of Directors on adding content to the agenda of the 1st Extraordinary General Meeting of Shareholders in 2022 of 577 Investment Corporation: Content on approving the policy of adjusting business lines and amending the Charter. |
| 45 | 96/QĐ-HDQT | 31/10/2022 | Resolution of the Board of Directors on the issuance of detailed regulations on internal audit activities. |
| 46 | 105/NQ-HDQT | 01/11/2022 | Resolution of the Board of Directors approving the policy of working with customers. |
| 47 | 109/NQ-HDQT | 27/12/2022 | Resolution of the Board of Directors approving of the policy of transferring three floors of commerce and services to CII. |
| 48 | 113/NQ-HDQT | 30/12/2022 | Resolution of the Board of Directors approving the policy of negotiating and signing a 3-storey commercial service lease contract. |

1.4 ACTIVITIES OF THE BOARD OF DIRECTORS INDEPENDENT MEMBERS

The number of independent BOD members is 02/06 BOD members, consistent with the provisions of Decree 71/2017/ND-CP dated 06/06/2017 guiding on corporate governance for public companies.

Independent members of the Administration Council carry out their responsibilities, ensuring independence and objectivity when giving votes on the contents under the authority of the Administration Council; participating in criticizing, proposing strategic orientations and business plans; monitoring the activities of the Administration Council, the results of supervision of the Board of 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.

02 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 | Appointment 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 |



2.2 MAIN ACTIVITIES OF THE BOARD OF SUPERVISORS

In 2022, the Board of Supervisors executed its tasks as follows:

- Fully participate in all Board of Directors meetings and contribute opinions on various topics, including but not limited to, personnel structuring policies, capital restructuring plans, operational direction, and business strategies of the company.
- 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 2022 AT THE ANNUAL GENERAL SHAREHOLDERS' MEETING

Dear Shareholders of 577 Investment Corporation,

In 2022, 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 2022 FINANCIAL STATEMENTS:

After revision and appraisal, the Board of Supervisors agreed with the contents of 2022 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 2022.

Regarding business results:

In 2022, the Vietnamese economy experienced many ups and downs. While the first half of the year showed strong recovery after the pandemic, the second half witnessed a sudden depletion of cash flow. Since the end of Q2/2022, when corporate bond issuance activities were tightened with a series of new regulations, interest rates have continuously been pushed up, capital has been limited on all mobilization channels, leading to low liquidity of both the financial market in general and the real estate market in particular.

Despite the government's positive efforts to support and address difficulties in the real estate market, the reality shows that enforcement agencies need more time to implement new regulations. Therefore, the legal status of real estate projects in general has not been completed in 2022.

In this context, 577 Investment Corporation encountered many difficulties in 2022 related to business operations and product delivery. The total revenue in 2022 reached about VND 620 billion, a decrease of about 39% compared to 2021 and 78% against the plan set by the General Meeting of Shareholders in 2022. Therefore, the consolidated after-tax profit of the company's shareholders reached only about VND 6 billion in 2022, equivalent to 5% of the plan set by the General Meeting of Shareholders.

Regarding asset and capital structure:

The company's total assets increased by over 46% compared to the same period in 2021, from about VND 4.374 billion to VND 6.387 billion, mainly due to the company's increased investment value related to i) infrastructure construction of existing projects (Son Tinh, De Lagi) and ii) cooperation investment items in other projects that were approved by the Board of Directors/General Meeting of Shareholders earlier. The current ratio of Owner Equity/Total Debt Payable is about 40%.

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

In 2022, BOS sent its members to fully participate in the meetings of the Board of Directors in compliance with the Charter of NBB. 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.

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.

DUONG QUYNH DIEP

HEAD OF THE BOS



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. 31/NQ-DHDCD passed on 26/04/2022, 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). At the time of reporting, the Company has not yet paid remuneration for the Board of Directors and Supervisory Board in 2022.

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, the Resolution of the Extraordinary General Meeting of Shareholders No. 59/NQ-DHDCD dated July 30, 2020, the Resolution of the General Meeting of Shareholders fiscal year 2020 No. 32/NQ-DHDCD dated April 23, 2021, the Resolution of the Extraordinary General Meeting of Shareholders No. 92/NQ-DHDCD dated December 14, 2021 and the Resolution of the General Meeting of Shareholders fiscal year 2021 No. 31/NQ-DHDCD dated April 26, 2022.

| NO. | Full name | Position |
|------------|------------------|--|
| 1 | Luu Hai Ca | BOD's Chairman - non-executive member |
| 2 | Le Quoc Binh | BOD's Permanent Vice Chairman - non-executive member |
| 3 | Nguyen Ba Lan | BOD's member |



| NO. | Full name | Position |
|-----|--------------------|----------------------------|
| 4 | Nguyen Quynh Huong | BOD's non-executive member |
| 5 | Nguyen Van Chinh | BOD's independent member |
| 6 | Pham Thanh Vu | BOD's independent member |
| 7 | Duong Quynh Diep | Head of BOS |
| 8 | Le Trung Hieu | BOS's member |
| 9 | Le Thi Kieu Diem | BOS's member |
| 10 | Pham Phuc Loc | Secretary |

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 | Nguyen Ba Lan | General Director | 2.139.563.001 |
| 2 | Mai Thanh Truc | Deputy General Director | 1.520.000.000 |
| 3 | Truong Hai Dang Khoa | Former Deputy General Director | 1.382.857.143 |
| 4 | Nguyen Quy Binh | Deputy General Director | 1.596.923.077 |
| 5 | Nguyen Van Minh | Chief Accountant | 1.368.076.923 |

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 | HCMC Infrastructure Investment Joint Stock Company (CII) | Major shareholders (with representatives holding positions in the Board of Directors) | 65.421.332 | 65,11% | 37.581.332 | 37,40% | Sold shares |
| 2 | CII Infrastructure Construction Joint Stock Company (CEE) | Major shareholders (with representatives holding positions in the Board of Directors) | - | - | 6.767.300 | 6,74% | Bought shares |

Number of shares owned by BOD, BOS and BOM on December 30, 2022.

| NO. | Full name | Position | Total stocks | Proportional ownership (%) |
|-----|--------------------|-----------------------------------|--------------|----------------------------|
| 1 | Luu Hai Ca | BOD's Chairman | 64.000 | 0,06% |
| 2 | Le Quoc Binh | BOD's Permanent Vice Chairman | - | - |
| 3 | Nguyen Quynh Huong | BOD's non-executive member | 19.200 | 0,02% |
| 4 | Nguyen Van Chinh | BOD's independent member | - | - |
| 5 | Pham Thanh Vu | BOD's independent member | - | - |
| 6 | Nguyen Ba Lan | BOD's member and General Director | - | - |
| 7 | Duong Quynh Diep | Head of BOS | - | - |

| NO. | Full name | Position | Total stocks | Proportional ownership (%) |
|------------------|------------------|-------------------------|---------------|----------------------------|
| 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 | Nguyen Van Minh | Chief Accountant | - | - |
| TỔNG CỘNG | | | 83.200 | 0,08% |

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, 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) | Business cooperation contract for an office building investment project at 152 Dien Bien Phu, Ward 25, Binh Thanh, HCMC | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum General Director of CII Company |
| 2 | CII Engineering and Construction JSC (CII E&C) (CEE) | Capital support contract | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum BOD's member of CII E&C Company |
| 3 | Khu Bac Thu Thiem Company Limited (KBTT) | Capital support contract | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum BOD's Chairman of KBTT Company |
| 4 | Lu Gia Real Estate Trading Investment Company Limited | Capital support contract | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum BOD's Chairman of LGL Company |
| 5 | HCMC Infrastructure Investment Joint Stock Company (CII) | Contract for transfer of 3 floors of commerce and service | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum General Director of CII Company |
| 6 | HCMC Infrastructure Investment Joint Stock Company (CII) | 3 storey commercial service lease contract | Mr Le Quoc Binh - BOD's Permanent Vice Chairman cum General Director of CII Company |

3.4 ASSESSING THE IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

Compliance with regulations.

VI.

FINANCIAL STATEMENTS



01

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 of 31 December 2022, 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.

02

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 2022.

THE BOARDS OF MANAGEMENT, SUPERVISORY AND GENERAL DIRECTORS

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

BOARD OF MANAGEMENT

| | |
|------------------------|------------------------------------|
| Mr. Luu Hai Ca | Chairman |
| Mr. Le Quoc Binh | Permanent Vice Chairman |
| Ms. Nguyen Quynh Huong | Member |
| Mr. Nguyen Van Chinh | Member |
| Mr. Nguyen Ba Lan | Member |
| Mr. Pham Thanh Vu | Independent member |
| Mr. Doan Tuong Trieu | Member (resigned on 26 April 2022) |

BOARD OF SUPERVISORY

| | |
|----------------------|-------------------|
| Ms. Duong Quynh Diep | Head of the Board |
| Mr. Le Trung Hieu | Member |
| Ms. Le Thi Kieu Diem | Member |

BOARD OF GENERAL DIRECTORS

| | |
|--------------------------|--|
| Mr. Nguyen Ba Lan | General Director |
| Mr. Mai Thanh Truc | Deputy General Director |
| Mr. Nguyen Quy Binh | Deputy General Director |
| Mr. Truong Hai Dang Khoa | Deputy General Director (resigned on 30 June 2022) |

LEGAL REPRESENTATIVE

The legal representative of the Company for the year and to the date of this report is Mr. Nguyen Ba Lan - The General Director.

THE AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2022 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 of 31 December 2022, and 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. 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
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements 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,



NGUYEN BA LAN

General Director

Ho Chi Minh City, 27 March 2023



INDEPENDENT AUDITORS' REPORT

Số: 1633/2023/BCKT-ICPA.SG

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

We have audited the accompanying consolidated financial statements of 577 Investment Corporation (“the Company”), prepared on 27 March 2023, as set out from page 59 to page 99, which comprise the consolidated balance sheet as of 31 December 2022, the consolidated statements of income and consolidated cash flows for the year then ended, and notes to the consolidated financial statements.

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 statements 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 of 31 December 2022, 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.

Luong Xuan Truong
Branch Director
Audit Practising Registration Certificate
No. 1741-2023-072-1

Tran Thi Xuan Tuoc
Auditor
Audit Practising Registration Certificate
No. N4184-2022-072-1

Ho Chi Minh City, 27 March 2023



CONSOLIDATED BALANCE SHEET

As at 31 December 2022

Form B01 - DN/HN
VND

| | ASSETS | Codes | Notes | 31/12/2022 | 01/01/2022 |
|-------------|---|------------|-------------|--------------------------|--------------------------|
| A. | CURRENT ASSETS | 100 | | 2.806.084.422.141 | 1.773.894.194.316 |
| I. | Cash and cash equivalents | 110 | | 12.148.248.353 | 30.190.337.086 |
| 1. | Cash | 111 | V.1 | 12.148.248.353 | 30.190.337.086 |
| II. | Short-term receivables | 130 | | 1.392.575.890.115 | 780.438.620.716 |
| 1. | Short-term trade receivables | 131 | V.2 | 353.430.869.507 | 302.494.036.540 |
| 2. | Short-term advances to suppliers | 132 | V.3 | 846.360.646.932 | 333.692.653.776 |
| 3. | Short-term loan receivables | 135 | V.4 | 2.300.000.000 | 2.300.000.000 |
| 4. | Other short-term receivables | 136 | V.5 | 239.125.256.256 | 177.371.407.620 |
| 5. | Provision for short-term doubtful debts | 137 | V.6 | (48.640.882.580) | (35.419.477.220) |
| III. | Inventories | 140 | V.7 | 1.355.529.998.264 | 931.327.870.572 |
| 1. | Inventories | 141 | | 1.355.529.998.264 | 931.327.870.572 |
| IV. | Other short-term assets | 150 | | 45.830.285.409 | 31.937.365.942 |
| 1. | Short-term prepayments | 151 | V.8 | 29.577.185 | 22.361.483 |
| 2. | Value added tax deductibles | 152 | | 45.800.708.224 | 29.143.492.487 |
| 3. | Taxes and other receivables from the State budget | 153 | V.17 | - | 2.771.511.972 |
| B. | NON-CURRENT ASSETS | 200 | | 3.581.171.900.486 | 2.599.759.787.000 |
| I. | Long-term receivables | 210 | | 1.587.155.078.800 | 605.251.112.951 |
| 1. | Long-term loan receivables | 215 | V.4 | - | 562.911.347.948 |
| 2. | Other long-term receivables | 216 | V.5 | 1.587.155.078.800 | 42.339.765.003 |
| II. | Fixed assets | 220 | | 246.126.127.391 | 221.363.570.050 |
| 1. | Tangible fixed assets | 221 | V.9 | 213.300.923.933 | 189.875.063.839 |
| | - Cost | 222 | | 253.504.678.990 | 222.725.972.979 |
| | - Accumulated depreciation | 223 | | (40.203.755.057) | (32.850.909.140) |
| 2. | Intangible fixed assets | 227 | V.10 | 32.825.203.458 | 31.488.506.211 |
| | - Cost | 228 | | 33.132.758.452 | 31.646.927.986 |
| | - Accumulated amortisation | 229 | | (307.554.994) | (158.421.775) |
| III. | Investment properties | 230 | V.11 | 10.144.146.110 | 55.766.254.435 |
| | - Cost | 231 | | 14.719.606.029 | 71.176.150.497 |
| | - Accumulated depreciation | 232 | | (4.575.459.919) | (15.409.896.062) |
| IV. | Long-term assets in progress | 240 | | 1.606.617.757.413 | 1.595.707.989.463 |
| 1. | Long-term construction in progress | 242 | V.12 | 1.606.617.757.413 | 1.595.707.989.463 |
| V. | Long-term financial investments | 250 | V.13 | 16.150.000.000 | 16.150.000.000 |
| 1. | Equity investments in other entities | 253 | V.13 | 18.150.000.000 | 18.150.000.000 |
| 2. | Provision for impairment of long-term financial investments | 254 | V.13 | (2.000.000.000) | (2.000.000.000) |
| VI. | Other long-term assets | 260 | | 114.978.790.772 | 105.520.860.101 |
| 1. | Long-term prepayments | 261 | V.8 | 109.622.704.352 | 101.207.075.475 |
| 2. | Deferred tax assets | 262 | V.14 | 5.356.086.420 | 4.313.784.626 |
| | TOTAL ASSETS (270 = 100 + 200) | 270 | | 6.387.256.322.627 | 4.373.653.981.316 |

**CONSOLIDATED BALANCE SHEET**

VND

| | RESOURCES | Codes | Notes | 31/12/2022 | 01/01/2022 |
|------------|---|------------|-------------|--------------------------|--------------------------|
| C. | LIABILITIES | 300 | | 4.567.447.492.416 | 2.543.451.546.798 |
| I. | Current liabilities | 310 | | 1.884.476.593.967 | 2.181.867.086.547 |
| 1. | Short-term trade payables | 311 | V.15 | 92.397.109.825 | 85.351.910.000 |
| 2. | Short-term advances from customers | 312 | V.16 | 27.796.563.364 | 34.066.767.633 |
| 3. | Taxes and amounts payable to the State budget | 313 | V.17 | 131.865.793.625 | 220.126.571.985 |
| 4. | Payables to employees | 314 | | 3.002.161.649 | 1.127.035.257 |
| 5. | Short-term accrued expenses | 315 | V.18 | 31.417.883.292 | 342.093.825.863 |
| 6. | Other current payables | 319 | V.19 | 297.279.337.773 | 641.273.008.823 |
| 7. | Short-term loans and obligations under finance leases | 320 | V.20 | 971.948.604.185 | 837.132.014.400 |
| 8. | Short-term provisions | 321 | V.21 | 321.000.000.000 | 7.272.727.273 |
| 9. | Bonus and welfare funds | 322 | V.22 | 7.769.140.254 | 13.423.225.313 |
| II. | Long-term liabilities | 330 | | 2.682.970.898.449 | 361.584.460.251 |
| 1. | Other long-term payables | 337 | V.19 | 520.642.428.537 | 7.045.116.036 |
| 2. | Long-term loans and obligations under finance leases | 338 | V.20 | 2.158.200.685.697 | 350.000.000.000 |
| 3. | Deferred tax liabilities | 341 | V.14 | 786.852.028 | 786.852.028 |
| 4. | Long-term provisions | 342 | V.21 | 3.340.932.187 | 3.752.492.187 |
| D. | EQUITY | 400 | | 1.819.808.830.211 | 1.830.202.434.518 |
| I. | Owner's equity | 410 | V.23 | 1.819.808.830.211 | 1.830.202.434.518 |
| 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 | | 207.059.165.444 | 207.059.165.444 |
| 3. | Treasury shares | 415 | | (7.087.077.763) | (7.087.077.763) |
| 4. | Retained earnings | 421 | | 608.545.980.580 | 618.642.613.957 |
| | - Retained earnings accumulated to the prior year end | 421a | | 602.542.462.968 | 304.230.949.178 |
| | - Retained earnings of current year | 421b | | 6.003.517.612 | 314.411.664.779 |
| 5. | Non-controlling interests | 429 | | 6.534.201.950 | 6.831.172.880 |
| | TOTAL RESOURCES (440 = 300 + 400) | 440 | | 6.387.256.322.627 | 4.373.653.981.316 |

NGUYEN TRAN PHUONG UYEN
Preparer

Ho Chi Minh City, 27 March 2023

NGUYEN VAN MINH
Chief Accountant**NGUYEN BA LAN**
General Director



CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2022

Form B02 - DN/HN
VND

| Items | Codes | Notes | 2022 | 2021 |
|---|-----------|--------------|-------------------------|-------------------------|
| 1. Gross revenue from goods sold and services rendered | 01 | VI.1 | 466.361.957.012 | 565.231.601.936 |
| 2. Deductions | 02 | | - | - |
| 3. Net revenue from goods sold and services rendered (10 = 01 - 02) | 10 | | 466.361.957.012 | 565.231.601.936 |
| 4. Cost of sales | 11 | VI.2 | 239.614.773.428 | 310.033.364.483 |
| 5. Gross profit from goods sold and services rendered (20 = 10 - 11) | 20 | | 226.747.183.584 | 255.198.237.453 |
| 6. Financial income | 21 | VI.3 | 151.411.222.870 | 434.722.605.516 |
| 7. Financial expenses | 22 | VI.4 | 259.786.006.383 | 165.859.558.529 |
| - In which: Interest expense | 23 | | 170.490.729.603 | 99.297.320.355 |
| 8. Selling expenses | 25 | VI.5 | 2.922.155.477 | 3.081.056.166 |
| 9. General and administration expenses | 26 | VI.6 | 42.550.206.674 | 66.459.390.277 |
| 10. Operating profit (30 = 20 + (21 - 22) + 24 - (25 + 26)) | 30 | | 72.900.037.920 | 454.520.837.997 |
| 11. Other income | 31 | VI.7 | 2.110.549.456 | 20.033.705.435 |
| 12. Other expenses | 32 | VI.8 | 51.360.379.930 | 53.679.618.679 |
| 13. Loss from other activities (40 = 31 - 32) | 40 | | (49.249.830.474) | (33.645.913.244) |
| 14. Accounting profit before tax (50 = 30 + 40) | 50 | | 23.650.207.446 | 420.874.924.753 |
| 15. Current corporate income tax expense | 51 | VI.9 | 17.515.985.308 | 110.799.867.482 |
| 16. Deferred corporate tax income | 52 | VI.14 | (1.042.301.794) | (3.017.559.598) |
| 17. Net profit after corporate income tax (60 = 50 - 51 - 52) | 60 | | 7.176.523.932 | 313.092.616.869 |
| 18. Net profit attributable to owners of the parent | 61 | | 6.003.517.612 | 314.411.664.779 |
| 19. Net profit/(loss) attributable to non-controlling interest | 62 | | 1.173.006.320 | (1.319.047.910) |
| 20. Basic earnings per share | 70 | VI.10 | 57 | 2.978 |

NGUYEN TRAN PHUONG UYEN
Preparer

NGUYEN VAN MINH
Chief Accountant



NGUYEN BA LAN
General Director

Ho Chi Minh City, 27 March 2023

**CONSOLIDATED CASH FLOW STATEMENT***(Indirect method)*

For the year ended 31 December 2022

FORM B03-DN/HN

VND

| ITEMS | | Codes | 2022 | 2021 |
|-------------|---|-----------|----------------------------|--------------------------|
| I. | CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. | Accounting profit before tax | 01 | 23.650.207.446 | 420.874.924.753 |
| 2. | Adjustments for | | | |
| | Depreciation of fixed assets, investment properties and amortization of goodwill | 02 | 10.110.019.098 | 8.872.297.235 |
| | Provisions | 03 | 13.221.405.360 | 33.405.564.434 |
| | Gain from investing activities | 05 | (185.092.271.512) | (61.099.596.370) |
| | Interest expense | 06 | 170.490.729.603 | 99.297.320.355 |
| 3. | Operating profit before movements in working capital | 08 | 32.380.089.995 | 501.350.510.407 |
| | (Increase)/Decrease in receivables | 09 | (576.611.234.343) | 179.901.557.410 |
| | Increase in inventories | 10 | (357.400.816.301) | (45.974.752.558) |
| | Decrease in payables (excluding accrued loan interest and corporate income tax payable) | 11 | (681.697.086) | (460.303.270.869) |
| | Increase in prepaid expenses | 12 | (8.422.844.579) | (41.806.277.928) |
| | Interest paid | 14 | (124.377.685.966) | (102.197.708.501) |
| | Corporate income tax paid | 15 | (87.116.768.664) | (100.800.826.053) |
| | Other cash outflows | 17 | (21.903.446.263) | (33.344.488.293) |
| | Net cash generated from operating activities | 20 | (1.144.134.403.207) | (103.175.256.385) |
| II. | CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 1. | Acquisition and construction of fixed assets and other long-term assets | 21 | (3.864.603.378) | (9.870.930.019) |
| 2. | Proceeds from sales of fixed assets and other long-term assets disposal | 22 | 82.523.050.257 | 5.204.090.909 |
| 3. | Cash outflow for lending and buying debt instruments of other companies | 23 | (1.150.800.000.000) | (617.300.000.000) |
| 4. | Cash recovered from lending and selling debt instruments of other entities | 24 | 147.648.247.018 | 61.588.652.052 |
| 5. | Cash recovered from investments in other entities | 26 | 6.105.500.000 | 38.188.351.642 |
| 6. | Interest, dividends and profits received | 27 | 101.462.845.095 | 44.806.135.808 |
| | Net cash used in investing activities | 30 | (816.924.961.008) | (477.383.699.608) |
| III. | CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. | Proceeds from borrowings | 33 | 2.145.474.989.702 | 1.071.163.288.496 |
| 2. | Repayment of borrowings | 34 | (202.457.714.220) | (402.715.794.210) |
| 3. | Dividends and profits paid | 36 | - | (125.199.105.600) |
| | Net cash generated from financing activities | 40 | 1.943.017.275.482 | 543.248.388.686 |
| | Net decrease in cash and cash equivalents (50 = 20 + 30 + 40) | 50 | (18.042.088.733) | (37.310.567.307) |
| | Cash and cash equivalents at the beginning of the year | 60 | 30.190.337.086 | 67.500.904.393 |
| | Cash and cash equivalents at the end of the year (70 = 50 + 60) | 70 | 12.148.248.353 | 30.190.337.086 |

Signed**NGUYEN TRAN PHUONG UYEN****Preparer**

Ho Chi Minh City, 27 March 2023

Signed**NGUYEN VAN MINH****Chief Accountant****Signed****NGUYEN BA LAN****General Director**



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

I. GENERAL INFORMATION

Structure of ownership

577 Investment Corporation (hereinafter referred to as “the Company”) was incorporated under the Enterprise Registration Certificate No. 4103003556 issued by the Department of Planning and Investment of Ho Chi Minh City dated 4 July 2005 and the 16th amendment dated 16 September 2022 about the change of personal information of the General Director - the legal representative of the Company.

The charter capital of the Company is VND 1.004.756.560.000, divided equally to 100.475.656 shares, par value is VND 10.000.

On 8 March 2022, Ho Chi Minh City Infrastructure Investment Joint Stock Company (hereinafter referred to as “CII Company”) divested a part of its investments and reduced the proportion of ownership interest in the Company below 51%. The Company has become an associate of CII Company since the date.

The English name of the Company: 577 Investment Corporation.

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

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

The number of employees of Company and its subsidiaries as of 31 December 2022 were 137 (as of 31 December 2021: 140).

Business sectors

The Company operates in the real estate business sector.

Operating industry

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

Principal activities

The principal activities of the Company during the year comprise of developing and trading real estate properties.

Normal production and business cycle

The average production and business cycle of the Company’s real estate sector starts from the time of applying for the investment license, carrying out site clearance and construction until completion. Therefore, the business cycle of the real estate sector is estimated for the period from 24 months to 60 months.

The production and business cycle of other activities of the Company is normally carried out in a period not exceeding 12 months.

The Company’s structure

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 |
|--|---------------------------------------|----------------------------------|---------------------------------------|---|
| | | (%) | (%) | |
| Subsidiaries | | | | |
| 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% | Managing, operating and trading Tra Bong mineral water mine |
| 3. Quang Ngai Mineral Investment Joint Stock Company | Quang Ngai Province | 90,00% | 90,00% | Exploitation of stone, sand, gravel and clay |
| Associate | | | | |
| 1. Tam Phu Investment & Construction Company Limited | Quang Nam Province | 49,00% | 49,00% | Real estate business |

The Company's dependent accounting branches include:

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

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.

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 Board of General Directors ensures to comply with requirements of Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under Circular No. 200/2014/TT-BTC ("Circular 200") dated 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises, and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular No. 200/2014/TT-BTC, and Circular No. 202/2014/TT-BTC ("Circular 202") dated 22 December 2014 guiding the preparing and presenting of the consolidated financial statements, as well as circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of 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 incorporated the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) which were prepared for the year ended 31 December 2022. 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.

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 presented separately from the equity of the owners of the parent in the consolidated balance sheet. Non-controlling interests consist of those at the date of initial business combination and the portion of non-controlling interests in changes of total equity since the date of business combination. Losses incurred in a subsidiary must be allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

Disposal of subsidiary

When the Company loses control over a subsidiary, it shall derecognize assets, liabilities, and non-controlling interests in the former subsidiary, including other equity components at the date of loss control. Gain or loss resulting from the disposal is immediately recognized in the consolidated income statement for the year in which the disposal is taken place.

After partial disposal of a subsidiary, any interest retained in the former subsidiary shall be stated at carrying amount of the retained investment in the separate financial statements and adjusted thereafter for post-acquisition changes in the Company's share of the investee's equity if the former subsidiary is now an associate or shall be stated at cost if the former subsidiary is now an equity investment in another entity.

If the Company had disposed a part of the interest in a subsidiary and directly recognized in retained earnings of the consolidated balance sheet the effects of the transactions and now disposes of further interest in that subsidiary which results in a loss of control, the gain or loss previously recognized retained earnings would be transferred to the consolidated income statement when control is lost.



When the proportion of equity held by the Company in a subsidiary changes without loss of control, the transactions shall be accounted for as equity transactions. The effects of these transactions shall be recognised directly in retained earnings of the consolidated balance sheet, not being recorded in the consolidated income statement for the year in which the transaction occurred.

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 consolidated financial statements by using 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.

When the Company divests or disposes a part of its stake interest in an associate, profit gain or loss from the transaction on the disposal is recognized in the consolidated income statement.

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.

The financial statements of associates are prepared for the same period as the Company's consolidated financial statements and apply accounting policies consistent with that of the Company. Appropriate consolidation adjustments have been made to ensure the accounting policies are applied consistently with the Company.

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 periodically 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.

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 fol-

lowing 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.

An increase or decrease in provision for doubtful debts at the closing date is recognized in general and administration expenses in the year.

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 based on expected losses that may arise.

Inventories

Properties held for sale

Properties held for sale include properties acquired or 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 inventory property to their present location and condition.

Net realisable value is the 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

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, 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 realisable 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.

An increase or decrease in provision for devaluation of inventories at the closing date is recognized in the cost of sales in the year.

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.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The sale and leaseback are made when the fixed asset is sold and leased back to the seller. The difference in the selling price is less than the fair value of the fixed asset in the case of an operating lease, but the rental price is lower than the market rent, which is amortized to consolidated income statement with the lease payment during the lease period.

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 indefinite term and the computer software.

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 fitness room for rent at Diamond Riverside project and and utilities, swimming pool, tennis court in Carina Apartment held by the Company to earn rentals. 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 follow:

| | Years |
|---|---------|
| Fitness room at Diamond Riverside | 20 |
| Utilities, swimming pool, tennis cour in Carina Apartment | 10 - 30 |

According to current regulations, no depreciation is recorded for investment properties held for capital appreciation and indefinite-term land use right. Where there is evidence that investment property held for appreciation has declined in value and the impairment can be measured reliably, the impairment loss of the property shall be recognized in cost of sales for the year.

A transfer of property to, or from investment property should only be made when there is a change in the intended use, evidenced by: end of owner-occupation and inception of an operating lease to another party for a transfer from owner-occupied property to investment property; commencement of owner-occupation for a transfer from investment property to owner-occupied property; commencement of development with a view to sale for a transfer from investment property to inventories; commencement of an operating lease to another party for a transfer from inventories to investment property.

Completion of construction and being available for investment for a transfer from self-constructed property to investment property.

The transfer between investment property, owner-occupied property and inventories do not change carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Revenue from the sale of the investment property should be recognized at fair value of the proceeds received or to be received. Cost to sell and net book value of the investment property are recognized as cost of the sale of the investment property in consolidated income statement.

Construction in progress

Properties during 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.

Equity investments in other entities

Investments in other entities represent the Company's investments in equity of the entities over which the Company has no control, joint control, or significant influence.

Investments in other entities are initially recognized at cost, including the purchase price, capital contribution and any directly attributable transaction costs. Pre-acquisition dividends and profits of the investment are recorded as a reduction in the value of the investment. Post-acquisition dividends and profits are recognized as revenue. When the investors receive stock dividends, they only record the number of additional shares, not recording an increase in the value of investments and income from stock dividends.

Provisions for impairment of equity investment are made as follows:

- For investments in listed companies or equity investments for which the fair value can be reliably measured, the allowance shall be made according to the fair value of the shares;
- For investments whose fair value is not identifiable at the reporting date, the allowance shall be made according to the investee's loss with an amount equal to the difference between the actually contributed capital and the owner's equity multiplied by the portion of ownership interest.

An increase or decrease in allowance for diminution in value of investments in other entities at the closing date is recognized as financial expenses in the year.

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 commissions; tools and supplies issued for consumption.

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



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

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 entrustees (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 period 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.

Business cooperation contract

Business cooperation contract ("BCC") is an agreement between the Company and its contractual partners to carry out economic activities jointly but does not form an independent legal entity. This activity is controlled by one of the parties. BCC stipulates that the parties to BCC are entitled to share profits if BCC's operating results are profitable or guaranteed at least according to the terms of the contract.

Loans and obligations under finance leases

Including loans and finance lease liabilities of the Company. Loans under the forms of issuance of bonds or preference shares with provisions requiring the issuer to repurchase at a certain time in the future shall not be recorded in this account. The Company accounts for in details each object of the loans and finance lease liabilities and classifies short-term and long-term debt by payable term of loans, finance lease liabilities.

Expenses directly attributable to the loan are recognized as finance expenses, except for costs incurred on a particular loan for investment, construction, or production of an asset in progress, which are capitalized under the accounting standard "Borrowing costs".

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.

Bonds

Bonds are issued as long-term borrowings.

Carrying value of straight bond is recorded on net basis, equal to bonds' nominal amount less (-) Bond discount plus (+) Bond premium.

The Company accounts for the issued bonds' discount and premium individually and recognizes their amortization for the purpose of determining borrowing costs which are recorded as expenses or capitalized during each period, as follows:

- Bond discount is amortized gradually during bonds' life, accounted for as borrowing costs;
- Bond premium is amortized gradually during bonds' life, reducing borrowing costs.

Discount or premium is amortized by using straight-line method during bond term.

Costs directly attributable to the issuance of straight bond are initially recorded as a deduction from the principal of the straight bond. Periodically, such costs are allocated under the straight-line method over the term of the bond by increasing the principal and corresponding borrowing cost.

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 issuance or re-issuance of treasury shares. Costs directly attributable to issuance of additional shares and re-issuance of treasury shares are recorded as a reduction in share premium.

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 is recognized by operating results less (-) current corporate income tax expense and adjustments due to the retrospective application of changes in accounting policies and the retrospective adjustments for material misstatements of prior years.

Net profit after tax is available for distribution to the shareholders and being paid in the following year 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 the sale of real estate

Revenue from the sale of real estate which the Company is the investor 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 services rendered

Revenue of a transaction involving the rendering of services is recognized 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 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. Where the contract stipulates that the buyer is entitled to return the supplied services under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to return the services;
- (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 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.

Income from transferring the right to participate in project

Income from transferring the right to participate in project is defined as the amount received from the transfer contract and is recognized in consolidated income statement when the contract is operative. The economic benefits associated with the transaction flowed or will flow to the Company without any obligation to repay under any circumstances.

Cost of sales recognition**Cost of real estate properties sold**

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 capitalized 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 year 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 capitalized even when the construction period is under 12 months.

Cost of project investment cooperation

Regarding the investment cooperation contracts of real estate projects where the Company is the controlling party of activities and assets, the annually settled profits distributed to the partners shall be recognized in the consolidated income statement as the cost of project investment cooperation.

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 utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset realized. 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.

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.

Diluted earnings per share

Diluted earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjustment for dividends of preference shares) by the weighted average number of ordinary shares in circulation during the year and the weighted average number of ordinary shares to be issued in the case that all dilutive potential ordinary shares are converted into ordinary shares.

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.

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

| | 31/12/2022 VND | 01/01/2022 VND |
|----------------------|---------------------------|---------------------------|
| Cash on hand | 504.123.356 | 478.318.123 |
| Bank demand deposits | 11.644.124.997 | 29.712.018.963 |
| Total | 12.148.248.353 | 30.190.337.086 |

**2. SHORT-TERM TRADE RECEIVABLES**

| | 31/12/2022 VND | 01/01/2022 VND |
|--|---------------------------|---------------------------|
| Receivables from transferring real estate properties | 339.360.374.925 | 279.684.632.290 |
| Diamond Riverside High-rise Apartment project | 140.692.590.116 | 140.253.810.312 |
| The City Gate Towers Apartment project | 103.950.610.505 | 106.411.610.505 |
| Son Tinh Residential Area Project - Quang Ngai | 73.525.358.831 | 6.676.390.000 |
| Seafood Hill Villas project - Quang Ninh | 21.191.815.473 | 23.812.975.473 |
| Other projects | - | 2.529.846.000 |
| Receivables from transferring investments in other entities | 5.500.000.000 | 11.605.500.000 |
| Other trade receivables | 8.570.494.582 | 11.203.904.250 |
| TOTAL | 353.430.869.507 | 302.494.036.540 |

3. SHORT-TERM ADVANCES TO SUPPLIERS

| | 31/12/2022 VND | 01/01/2022 VND |
|---|---------------------------|---------------------------|
| Related parties | 559.173.356.280 | 21.893.436.924 |
| CII Engineering and Construction Joint Stock Company <i>(i)</i> | 559.173.356.280 | 20.773.681.440 |
| NBB Quang Ngai One Member Company Limited | - | 1.119.755.484 |
| Other suppliers | 287.187.290.652 | 311.799.216.852 |
| Arch Real Estate Service Joint Stock Company | 192.841.775.900 | 192.841.775.900 |
| E&C Civil Construction Joint Stock Company | 40.447.883.701 | 33.647.883.701 |
| Other suppliers | 53.897.631.051 | 85.309.557.251 |
| TOTAL | 846.360.646.932 | 333.692.653.776 |

(i) The year-end balance presented the advance for construction of De Lagi luxury resort and residential area project located in Binh Thuan province.

4. LOAN RECEIVABLES

| | 31/12/2022 VND | 01/01/2022 VND |
|--|---------------------------|---------------------------|
| a. Short-term loan receivables | | |
| E&C Civil Construction Joint Stock Company | 2.300.000.000 | 2.300.000.000 |
| b. Long-term loan receivables | | |
| Related party | | |
| Khu Bac Thu Thiem Company Limited | - | 562.911.347.948 |
| Total loan receivable | 2.300.000.000 | 565.211.347.948 |

5. OTHERS RECEIVABLES

| | 31/12/2022 VND | 01/01/2022 VND |
|--|--------------------------|------------------------|
| a. Other short-term receivables | | |
| Advances for land compensation | 104.000.309.602 | 54.411.646.574 |
| Interest receivables from support capital and investment cooperation | 70.889.676.250 | 20.941.298.475 |
| Receivables on financial support | 43.639.882.834 | 43.639.882.834 |
| Deposits | 6.965.000.000 | 8.315.000.000 |
| Profit advances under BCC contract | - | 34.841.439.583 |
| Other receivables | 13.630.387.570 | 15.222.140.154 |
| TOTAL | 239.125.256.256 | 177.371.407.620 |
| b. Other long-term receivables | | |
| Investment cooperation capital contributions | 1.566.063.100.930 | - |
| Project performance deposit | 21.054.310.000 | 42.108.620.000 |
| Other receivables | 37.667.870 | 231.145.003 |
| TOTAL | 1.587.155.078.800 | 42.339.765.003 |
| Total other receivables | 1.826.280.335.056 | 219.711.172.623 |
| Of which, receivables from related parties: | | |
| CII Company (i) | 1.167.432.000.000 | - |
| Khu Bac Thu Thiem Company Limited (ii) | 468.617.785.399 | 20.759.556.010 |
| TOTAL | 1.636.049.785.399 | 20.759.556.010 |

(i) The balance represents the Company's contribution and profit sharing from the business cooperation contract with CII Company with the amounts of VND 1,150 billion and VND 17,432 billion respectively, related to the cooperation to develop a real estate investment project owned by CII Company. The cooperation and capital recovery period is 20 years. During the cooperation period, CII Company holds the right to exploit and operate the project. The Company is entitled to share benefits according to the contract.

(ii) The balance reflects the capital contribution and benefits obtained from the investment cooperation contract with Khu Bac Thu Thiem Company Limited. The investment cooperation was approved by the Board of Management of the Company with a maximum capital contribution limit of VND 615 billion and a cooperation period of 36 months commencing on the date of the first capital contribution. The cooperation aims to enable Khu Bac Thu Thiem Company Limited to carry out its business activities regarding the projects in the new urban area of Thu Thiem. The Company is entitled to a minimum profit share of 14% per annum on the actual capital contribution.

**6. BAD DEBTS**

| | 31/12/2022 | | | 01/01/2022 | | |
|----------------------------------|-----------------------|------------------------|-------------------------|-----------------------|------------------------|-------------------------|
| | Cost VND | Recoverable amount VND | Provision VND | Cost VND | Recoverable amount VND | Provision VND |
| Short-term trade receivables | 1.209.811.486 | - | (1.209.811.486) | 709.811.486 | - | (709.811.486) |
| Short-term advances to suppliers | 26.500.314.720 | 12.721.405.360 | (13.778.909.360) | 1.057.504.000 | - | (1.057.504.000) |
| Other short-term receivables | 33.652.161.734 | - | (33.652.161.734) | 33.652.161.734 | - | (33.652.161.734) |
| TOTAL | 61.362.287.940 | 12.721.405.360 | (48.640.882.580) | 35.419.477.220 | - | (35.419.477.220) |

The movements in provision for bad debts during the year are as follows:

| | 2022 VND | 2021 VND |
|------------------------|-----------------------|-----------------------|
| Opening balance | 35.419.477.220 | 2.013.912.786 |
| Additional provision | 13.221.405.360 | 33.405.564.434 |
| Closing balance | 48.640.882.580 | 35.419.477.220 |

7. INVENTORIES

| | 31/12/2022 | | 01/01/2022 | |
|--|--------------------------|---------------|------------------------|---------------|
| | Cost VND | Provision VND | Cost VND | Provision VND |
| Tools and supplies | - | - | 37.790.150 | - |
| Real estate properties in progress (*) | 1.340.146.116.737 | - | 884.921.637.208 | - |
| Finished real estate properties | 15.383.881.527 | - | 26.415.185.899 | - |
| Properties held for sale | - | - | 19.953.257.315 | - |
| TOTAL | 1.355.529.998.264 | - | 931.327.870.572 | - |

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

| | 31/12/2022 | | 01/01/2022 | |
|---|--------------------------|---------------|------------------------|---------------|
| | Cost VND | Provision VND | Cost VND | Provision VND |
| De Lagi luxury resort and residential area project | 713.340.236.730 | - | 325.075.410.626 | - |
| Project of Son Tinh Residential Area - Quang Ngai (i) | 555.819.425.473 | - | 488.859.772.048 | - |
| Other projects | 70.986.454.534 | - | 70.986.454.534 | - |
| TOTAL | 1.340.146.116.737 | - | 884.921.637.208 | - |

(i) The Company has implemented a business cooperation engagement and committed to share profits in Son Tinh Residential Area Project - Quang Ngai with a another partner.

8. PREPAYMENTS

| | 31/12/2022 VND | 01/01/2022 VND |
|---|------------------------|------------------------|
| a. Short-term prepayments | | |
| Tools and supplies issued for consumption | 25.020.647 | 22.361.483 |
| Other prepayments | 4.556.538 | - |
| TOTAL | 29.577.185 | 22.361.483 |
| b. Long-term prepayments | | |
| Real estate brokerage commissions (i) | 103.454.109.092 | 93.326.254.547 |
| Cost of show flat | 4.906.709.573 | 5.623.321.309 |
| Tools and supplies issued for consumption | 866.604.391 | 1.314.985.713 |
| Other prepayments | 395.281.296 | 942.513.906 |
| TOTAL | 109.622.704.352 | 101.207.075.475 |
| TOTAL PREPAYMENTS | 109.647.724.999 | 101.229.436.958 |

(i) The real estate brokerage commissions will be charged to profit and loss when the properties are handed over to the customers.

The movements in long-term prepayments during the year are as follows:

| | Amount VND |
|----------------------------------|------------------------|
| As at 01/01/2021 | 59.173.130.484 |
| Arising in the year | 98.378.381.846 |
| Allocate to expenses in the year | (2.160.238.550) |
| Reclassify | (54.184.198.305) |
| As at 31/12/2021 | 101.207.075.475 |
| As at 01/01/2022 | 101.207.075.475 |
| Increase in the year | 11.299.469.571 |
| Allocate to expenses in the year | (2.417.206.773) |
| Other decrease | (466.633.921) |
| As at 31/12/2022 | 109.622.704.352 |

**9. TANGIBLE FIXED ASSETS**

| | Buildings and structures VND | Machinery and equipment VND | Motor vehicles and transmission VND | Office equipment VND | Total VND |
|--|---------------------------------|--------------------------------|--|-------------------------|------------------------|
| Cost | | | | | |
| As at 01/01/2022 | 205.359.762.505 | 2.711.985.442 | 13.458.678.577 | 1.195.546.455 | 222.725.972.979 |
| New purchases during the year | - | - | 1.580.909.091 | - | 1.580.909.091 |
| Other increase | 2.996.667.613 | - | - | - | 2.996.667.613 |
| Transfer from construction in progress | 7.876.287.363 | - | - | - | 7.876.287.363 |
| Transfer from properties held for sale | 18.467.426.849 | - | - | - | 18.467.426.849 |
| Disposals during the year | (83.903.087) | - | - | - | (83.903.087) |
| Other decrease | - | - | - | (58.681.818) | (58.681.818) |
| As at 31/12/2022 | 234.616.241.243 | 2.711.985.442 | 15.039.587.668 | 1.136.864.637 | 253.504.678.990 |
| Accumulated depreciation | | | | | |
| As at 01/01/2022 | 21.152.722.862 | 1.924.925.609 | 9.135.646.536 | 637.614.133 | 32.850.909.140 |
| Charged for the year | 5.640.483.193 | 205.726.440 | 1.357.633.005 | 194.348.948 | 7.398.191.586 |
| Disposals during the year | (6.284.570) | - | - | - | (6.284.570) |
| Other decrease | - | - | - | (39.061.099) | (39.061.099) |
| As at 31/12/2022 | 26.786.921.485 | 2.130.652.049 | 10.493.279.541 | 792.901.982 | 40.203.755.057 |
| Net book value | | | | | |
| As at 01/01/2022 | 184.207.039.643 | 787.059.833 | 4.323.032.041 | 557.932.322 | 189.875.063.839 |
| As at 31/12/2022 | 207.829.319.758 | 581.333.393 | 4.546.308.127 | 343.962.655 | 213.300.923.933 |

As of 31 December 2022, the cost of the Company's tangible fixed assets included the amount of VND 8,229,885,443 which have been fully depreciated but are still in use (as of 01 January 2022: VND 7,052,886,352).

10. INTANGIBLE FIXED ASSETS

| | Land use right VND | Software program VND | Total VND |
|---------------------------------|-----------------------|-------------------------|-----------------------|
| Cost | | | |
| As at 01/01/2022 | 31.377.827.986 | 269.100.000 | 31.646.927.986 |
| Increase during the year | 1.485.830.466 | - | 1.485.830.466 |
| As at 31/12/2022 | 32.863.658.452 | 269.100.000 | 33.132.758.452 |
| Accumulated amortisation | | | |
| As at 01/01/2022 | - | 158.421.775 | 158.421.775 |
| Charged for the year | 59.433.219 | 89.700.000 | 149.133.219 |
| As at 31/12/2022 | 59.433.219 | 248.121.775 | 307.554.994 |
| Net book value | | | |
| As at 01/01/2022 | 31.377.827.986 | 110.678.225 | 31.488.506.211 |
| As at 31/12/2022 | 32.804.225.233 | 20.978.225 | 32.825.203.458 |

**11. INVESTMENT PROPERTIES**

| Cost | Swimming pool and tennis court VND | Utilities on the 4th floor of the project Carina Plaza VND | 3 Floors of Shopping mall at Carina Plaza (1) VND | Fitness room for rent at Diamond Riverside project VND | Total VND |
|---|------------------------------------|--|---|--|-----------------------|
| As at 01/01/2022 | 1.977.748.637 | 9.356.509.045 | 59.841.892.815 | - | 71.176.150.497 |
| Transfer from finished real estate properties | - | - | - | 3.385.348.347 | 3.385.348.347 |
| Disposals during the year (1) | - | - | (59.841.892.815) | - | (59.841.892.815) |
| As at 31/12/2022 | 1.977.748.637 | 9.356.509.045 | - | 3.385.348.347 | 14.719.606.029 |
| Accumulated depreciation | | | | | |
| As at 01/01/2022 | 1.009.567.802 | 2.884.923.596 | 11.515.404.664 | - | 15.409.896.062 |
| Charged for the year | 70.802.133 | 467.825.448 | 1.881.725.772 | 142.340.940 | 2.562.694.293 |
| Disposals during the year (1) | - | - | (13.397.130.436) | - | (13.397.130.436) |
| As at 31/12/2022 | 1.080.369.935 | 3.352.749.044 | - | 142.340.940 | 4.575.459.919 |
| Net book value | | | | | |
| As at 01/01/2022 | 968.180.835 | 6.471.585.449 | 48.326.488.151 | - | 55.766.254.435 |
| As at 31/12/2022 | 897.378.702 | 6.003.760.001 | - | 3.243.007.407 | 10.144.146.110 |

(1) In the year, the Company has transferred three (03) floors of Carina shopping mall to CII Company. This transfer was approved by the Board of Management under Resolution No. 109/NQ-HĐQT dated 29 December 2022.

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.

Revenues and operating expenses related to investment properties are presented as follows:

| | 2022 VND | 2021 VND |
|--|------------------------|------------------------|
| Investment properties rental income | 2.825.686.738 | 2.223.330.839 |
| Directly operating expenses generating rental income during the year | 4.068.272.526 | 3.854.224.154 |
| Investment properties rental loss | (1.242.585.788) | (1.630.893.315) |

12. LONG-TERM CONSTRUCTION IN PROGRESS

| | 31/12/2022 VND | 01/01/2022 VND |
|---|--------------------------|--------------------------|
| NBB Garden III real estate investment project | 826.159.350.930 | 814.910.144.026 |
| NBB II real estate investment project | 778.819.819.210 | 772.091.636.468 |
| Construction of staff housing project | - | 7.558.121.696 |
| Other projects | 1.638.587.273 | 1.148.087.273 |
| Total | 1.606.617.757.413 | 1.595.707.989.463 |

The movements in construction in progress are as follows:

| | 2022 VND | 2021 VND |
|--|--------------------------|--------------------------|
| Opening balance | 1.595.707.989.463 | 1.543.066.537.426 |
| Investment expenses incurred during the year | 18.786.055.313 | 52.641.452.037 |
| Transfer to fixed assets | (7.876.287.363) | - |
| Closing balance | 1.606.617.757.413 | 1.595.707.989.463 |

13. LONG-TERM FINANCIAL INVESTMENTS

a. Investments in associates

| | 31/12/2022 | | | 01/01/2022 | | |
|---|-----------------|---------------|------------------------------|-----------------|---------------|------------------------------|
| | Voiting right % | Cost VND | Post-acquisition profits VND | Voiting right % | Cost VND | Post-acquisition profits VND |
| Tam Phu Investment & Construction Company Limited | 49,00% | 4.579.636.245 | (4.579.636.245) | 49,00% | 4.579.636.245 | (4.579.636.245) |
| Carrying amount | | | - | | | - |

b. Equity investments in other entities

| | 31/12/2022 | | | 01/01/2022 | | |
|--|-----------------|----------------|------------------------------|-----------------|----------------|------------------------------|
| | Voiting right % | Cost VND | Post-acquisition profits VND | Voiting right % | Cost VND | Post-acquisition profits VND |
| Sai Gon Dan Kia Water Supply Corporation | 9,50% | 16.150.000.000 | - | 9,50% | 16.150.000.000 | - |
| Hifill Holding Company | 5,00% | 2.000.000.000 | (2.000.000.000) | 5,00% | 2.000.000.000 | (2.000.000.000) |
| Carrying amount | | | 16.150.000.000 | | | 16.150.000.000 |

Fair value of these investments has not been determined for disclosure in the consolidated financial statements because there is no quoted market price and no comprehensive guidance of Vietnamese Accounting Standards and accounting regime for enterprises on determination of fair value of these financial investments. The fair value of these investments may differ from the carrying amount.

**14. DEFERRED TAX ASSETS****a. Deferred tax assets**

| | Unrealized profit/(loss) from intra-group transactions eliminated on consolidation VND | Expenses deducted from taxable income in the future VND | Total VND |
|--|--|---|----------------------|
| As at 01/01/2021 | 509.373.000 | - | 1.213.872.000 |
| Charge to consolidated income statement for the year | 165.528.000 | 3.638.883.626 | 3.749.235.626 |
| As at 01/01/2022 | 674.901.000 | 3.638.883.626 | 4.313.784.626 |
| Charge to consolidated income statement for the year | 220.704.000 | 821.597.794 | 1.042.301.794 |
| As at 31/12/2022 | 895.605.000 | 4.460.481.420 | 5.356.086.420 |

b. Deferred tax liabilities

| | Unrealized profit/(loss) from intra-group transactions eliminated on consolidation VND | Provisions for investments in subsidiaries VND | Total VND |
|--|--|--|--------------------|
| As at 01/01/2021 | - | - | - |
| Charge to consolidated income statement for the year | - | (786.852.028) | (786.852.028) |
| As at 01/01/2022 | - | 786.852.028 | 786.852.028 |
| Charge to consolidated income statement for the year | - | - | - |
| As at 31/12/2022 | - | 786.852.028 | 786.852.028 |
| Tax rate used to calculate deferred tax | 20% | | |

15. SHORT-TERM TRADE PAYABLES

| | 31/12/2022 | | 01/01/2022 | |
|--|-----------------------|--------------------------------|-----------------------|--------------------------------|
| | 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 | 48.736.691.002 | 48.736.691.002 | 56.236.691.002 | 56.236.691.002 |
| Other suppliers | 43.660.418.823 | 43.660.418.823 | 29.115.218.998 | 29.115.218.998 |
| TOTAL | 92.397.109.825 | 92.397.109.825 | 85.351.910.000 | 85.351.910.000 |
| Of which, payable to the related parties: | | | | |
| CII Engineering and Construction Joint Stock Company | 6.128.109.903 | 6.128.109.903 | - | - |
| NBB Quang Ngai One Member Company Limited | 4.881.217.832 | 4.881.217.832 | - | - |
| CII Infrastructure Service Company Limited | 13.443.885 | 13.443.885 | 13.443.885 | 13.443.885 |
| TOTAL | 11.022.771.620 | 11.022.771.620 | 13.443.885 | 13.443.885 |

16. SHORT-TERM ADVANCES FROM CUSTOMERS

| | 31/12/2022 VND | 01/01/2022 VND |
|---|-----------------------|-----------------------|
| Advances from customers transferring real estate properties (i) | 27.791.499.364 | 34.060.963.433 |
| Other advances from customers | 5.064.000 | 5.804.200 |
| TOTAL | 27.796.563.364 | 34.066.767.633 |

(i) The balance represented payments in progress from customers transferring real estate properties of the Company which the Company is investing and developing.

17. TAXES AND OTHER RECEIVABLES, PAYABLES TO THE STATE BUDGET

| | 01/01/2022 VND | Payable during the year VND | Payment during the year VND | 31/12/2022 VND |
|-----------------------|------------------------|-----------------------------------|-----------------------------------|------------------------|
| a. Receivables | | | | |
| Value added tax | 2.770.486.112 | 2.770.486.112 | - | - |
| Other taxes | 1.025.860 | 1.025.860 | - | - |
| TOTAL | 2.771.511.972 | 2.771.511.972 | - | - |
| b. Payables | | | | |
| Value added tax | 21.458.603.050 | 23.061.445.915 | 22.088.417.494 | 22.431.631.471 |
| Corporate income tax | 151.131.251.362 | 17.515.985.308 | 87.116.768.664 | 81.530.468.006 |
| Personal income tax | 5.351.783.419 | 6.986.123.119 | 7.739.819.864 | 4.598.086.674 |
| Other taxes | 42.184.934.154 | 11.113.577.681 | 29.992.904.361 | 23.305.607.474 |
| TOTAL | 220.126.571.985 | 58.677.132.023 | 146.937.910.383 | 131.865.793.625 |

18. SHORT-TERM ACCRUED EXPENSES

| | 31/12/2022 VND | 01/01/2022 VND |
|---|-----------------------|------------------------|
| Interest expense | 24.432.412.948 | 12.723.024.376 |
| Construction costs | 4.806.087.886 | 7.079.788.497 |
| Land use levies of real estate projects | - | 321.000.000.000 |
| Other accrued expenses | 2.179.382.458 | 1.291.012.990 |
| TOTAL | 31.417.883.292 | 342.093.825.863 |

**19. OTHER PAYABLES**

| | 31/12/2022 VND | 01/01/2022 VND |
|--|---------------------------|---------------------------|
| a. Other current payables | | |
| Deposits received from customers | 207.000.880.850 | 463.322.913.500 |
| Maintenance fund of apartments | 44.889.547.736 | 45.437.479.557 |
| Profit payable to BCC contract (i) | 37.253.837.197 | - |
| Investment cooperation capital contribution payables | - | 112.913.213.000 |
| Profit payables on capital support and investment cooperation | - | 13.281.782.213 |
| Other payables | 8.135.071.990 | 6.317.620.553 |
| TOTAL | 297.279.337.773 | 641.273.008.823 |
| b. Other long-term payables | | |
| Investment cooperation capital contribution payables | 357.304.068.524 | - |
| Profit payables on capital support and investment cooperation | 156.293.243.977 | - |
| Deposits received | 6.098.031.000 | 6.098.031.000 |
| Maintenance fund of apartments | 947.085.036 | 947.085.036 |
| TOTAL | 520.642.428.537 | 7.045.116.036 |
| TOTAL OTHER PAYABLES | 817.921.766.310 | 648.318.124.859 |
| Of which, payables to the related parties: | | |
| CII Company | 425.906.874.142 | 126.194.995.213 |
| <i>Investment cooperation capital contribution payables (ii)</i> | <i>357.304.068.524</i> | <i>112.913.213.000</i> |
| <i>Profit payables on investment cooperation</i> | <i>47.122.096.026</i> | <i>5.551.072.622</i> |
| <i>Cost of capital support payables</i> | <i>21.480.709.592</i> | <i>7.730.709.591</i> |
| Lu Gia Real Estate Trading Investment Company Limited | 29.186.438.357 | - |
| Ha Noi Highway Construction and Investment Joint Stock Company | 29.156.164.384 | - |
| CII Engineering and Construction Joint Stock Company | 25.430.136.987 | - |
| Khu Bac Thu Thiem Company Limited | 3.917.698.631 | - |
| TOTAL | 513.597.312.501 | 126.194.995.213 |

(i) This is profit payables sharing to the partner on investment cooperation of Son Tinh Residential Area project. (see more at Note V.7)

(ii) The balance presents the capital contribution to Son Tinh - Quang Ngai residential project, with a cooperation period until December 31, 2025. CII Company is allocated a lump sum profit according to the investment cooperation contract.

20. LOAN AND OBLIGATIONS UNDER FINANCE LEASES

| | 31/12/2022 | | Arising during the year | | 01/01/2022 | |
|---|--------------------------|-----------------------------------|--------------------------|------------------------|--------------------------|-----------------------------------|
| | Carrying amount VND | Principal able to be paid off VND | Increase VND | Decrease VND | Carrying amount VND | Principal able to be paid off VND |
| a. Short-term loans | | | | | | |
| Loans from individuals | 911.948.604.185 | 911.948.604.185 | 302.274.304.005 | 60.457.714.220 | 670.132.014.400 | 670.132.014.400 |
| <i>Current portion of long-term loans (See note b)</i> | 60.000.000.000 | 60.000.000.000 | - | - | 167.000.000.000 | 167.000.000.000 |
| TOTAL | 971.948.604.185 | 971.948.604.185 | 302.274.304.005 | 60.457.714.220 | 837.132.014.400 | 837.132.014.400 |
| b. Long-term loans | | | | | | |
| Loans | 1.868.200.685.697 | 1.868.200.685.697 | 1.843.200.685.697 | 82.000.000.000 | - | - |
| Related parties (*) | 1.361.000.000.000 | 1.361.000.000.000 | 1.236.000.000.000 | - | 125.000.000.000 | 125.000.000.000 |
| Joint Stock Commercial Bank for Foreign Trade of Viet Nam - South Binh Duong Branch | 567.200.685.697 | 567.200.685.697 | 607.200.685.697 | 40.000.000.000 | - | - |
| Asia Commercial Joint Stock Bank | - | - | - | 42.000.000.000 | 42.000.000.000 | 42.000.000.000 |
| Less: Amount due for settlement within 12 months | (60.000.000.000) | (60.000.000.000) | - | - | (167.000.000.000) | (167.000.000.000) |
| Bond | | | | | | |
| NBBH2124001 bond | 290.000.000.000 | 290.000.000.000 | - | 60.000.000.000 | 350.000.000.000 | 350.000.000.000 |
| TOTAL | 2.158.200.685.697 | 2.158.200.685.697 | 1.843.200.685.697 | 142.000.000.000 | 350.000.000.000 | 350.000.000.000 |
| TOTAL LOANS AND BOND | 3.130.149.289.882 | 3.130.149.289.882 | 2.145.474.989.702 | 202.457.714.220 | 1.187.132.014.400 | 1.187.132.014.400 |
| (*) Details of loan balance of related parties: | | | | | | |
| Lu Gia Real Estate Trading Investment Company Limited | 400.000.000.000 | 400.000.000.000 | 400.000.000.000 | - | - | - |
| Ha Noi Highway Construction and Investment Joint Stock Company | 400.000.000.000 | 400.000.000.000 | 400.000.000.000 | - | - | - |
| CII Engineering and Construction Joint Stock Company | 350.000.000.000 | 350.000.000.000 | 350.000.000.000 | - | - | - |
| CII Company | 125.000.000.000 | 125.000.000.000 | - | - | 125.000.000.000 | 125.000.000.000 |
| Khu Bac Thu Thiem Company Limited | 86.000.000.000 | 86.000.000.000 | 86.000.000.000 | - | - | - |
| TOTAL | 1.361.000.000.000 | 1.361.000.000.000 | 1.236.000.000.000 | - | 125.000.000.000 | 125.000.000.000 |

**20. LOAN AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)**

Additional information for loans

| Creditors | Closing balance | Duration | Interest rate | Loan purposes | Collaterals and other information |
|---|-----------------|--|---------------|--|--|
| a. Short-term loans | | | | | |
| Loans from individuals | 911.948.604.185 | Up to 31/12/2022 or another duration under agreement | 8,00% - 9,00% | Supplement to working capital and finance in operations. | None collateral |
| b. Long-term loans | | | | | |
| Joint Stock Commercial Bank For Foreign Trade Of Viet Nam - South Binh Duong Branch | 567.200.685.697 | 144 months, up to 19/05/2034 | 8,50% | Invest and develop in De Lagj project, Binh Thuan | All rights to exploit, manage and benefit from De Lagj project, Binh Thuan and a real estate project owned by CII Company. Capital contribution in a subsidiary, shares and time deposit agreements of CII company |
| Lu Gia Real Estate Trading Investment Company Limited | 400.000.000.000 | The duration of the contract is 20 years | 8,50% | Develop in business activities | None collateral |
| Ha Noi Highway Construction and Investment Joint Stock Company | 400.000.000.000 | The duration of the contract is 20 years | 8,50% | Develop in business activities | None collateral |
| CII Engineering and Construction Joint Stock Company | 350.000.000.000 | The duration of the contract is 20 years | 8,50% | Develop in business activities | None collateral |
| CII Company | 125.000.000.000 | Upto 01/06/2024 or another duration under agreement | 11,00% | Supplement to working capital and finance in operations. | None collateral |
| Khu Bac Thu Thiem Company Limited | 86.000.000.000 | 5 years | 7,00% | Develop in business activities | None collateral |

20. LOAN AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

Additional information for issued bonds

Bond NBBH2124001 with a maximum par value of VND 500 billion.

Bond NBBH2124001 with a maximum par value of VND 500 billion.

- Par value of bonds: VND 100 million per bond;
- Number of bonds issued: 4,900 bonds;
- Number of bonds redeemed: 2,000 bonds;
- Issuance method: private placement;
- Bondholder: Ho Chi Minh City Development Commercial Joint Stock Bank;
- Type of bond: non-convertible and without a warrant but accompanied by collaterals; bearing coupon with a combination of fixed and floating rates, and not a subordinated debt;
- Issuance date: 11 June 2021;
- Term of bond: 36 months;
- Maturity date: 11 June 2024;
- The coupon rate: the interest rate of 11% per annum applicable for the first two periods. For the following periods, the coupon rate is referred to as the interest rate of twelve-month saving personal deposits announced by HDBank plus (+) 4,5% per annum, but not less than 11% per annum in any cases;
- Payment of coupon: each six months and paid arrears;
- Purpose of issuance: investment cooperation with Khu Bac Thu Thiem Company Limited to carry out business activities in projects in Thu Thiem new urban area and financing the project of Son Tinh Residential Area - Quang Ngai;
- Collaterals: All assets, property rights, existing and future economic benefits derived from Son Tinh Residential Area - Quang Ngai project; shares owned by CII Company; rights derived from the investment cooperation contract with Khu Bac Thu Thiem Company Limited; balances and property rights arising on accounts opened at HDBank specializing in collecting and managing revenue from buyers, contributing capital, and mobilizing other capital at Son Tinh Residential Area - Quang Ngai project.

Long-term loans and bonds are repayable on the following schedule

| | 31/12/2022 VND | 01/01/2022 VND |
|--|--------------------------|------------------------|
| On demand | 60.000.000.000 | 167.000.000.000 |
| In the second year | 495.000.000.000 | - |
| In the third to fifth year inclusive | 345.000.000.000 | 350.000.000.000 |
| After five years | 1.318.200.685.697 | - |
| TOTAL | 2.218.200.685.697 | 517.000.000.000 |
| Less: Amount due for settlement within 12 months | (60.000.000.000) | (167.000.000.000) |
| Amount due for settlement after 12 months | 2.158.200.685.697 | 350.000.000.000 |

**21. PAYABLE PROVISIONS**

| | 31/12/2022 VND | 01/01/2022 VND |
|--|---------------------------|---------------------------|
| a. Short-term provisions | | |
| Land use levies of real estate projects (*) | 321.000.000.000 | - |
| Project costs | - | 7.272.727.273 |
| | 321.000.000.000 | 7.272.727.273 |
| b. Long-term provisions | | |
| Project costs | 3.340.932.187 | 3.752.492.187 |
| TOTAL PAYABLE PROVISIONS | 324.340.932.187 | 11.025.219.460 |
| (*) Details of land use levies of projects: | | |
| Diamond Riverside High-rise Apartment project | 201.000.000.000 | - |
| City Gate Towers Apartment project | 120.000.000.000 | - |
| TOTAL | 321.000.000.000 | - |

The movements in payable provisions during the year are as follows:

| | Project costs VND | Land use levies of real estate projects VND | Total VND |
|---|------------------------------|--|------------------------|
| Opening balance | 11.025.219.460 | - | 11.025.219.460 |
| Reclassify from short-term accrued expenses | - | 321.000.000.000 | 321.000.000.000 |
| Utilisation of provision | (7.684.287.273) | - | (7.684.287.273) |
| Closing balance | 3.340.932.187 | 321.000.000.000 | 324.340.932.187 |

22. BONUS AND WELFARE FUNDS

| | 2022 VND | 2021 VND |
|---------------------------------------|-----------------------|-----------------------|
| Opening balance | 13.423.225.313 | 10.658.409.639 |
| Appropriation of fund during the year | 12.976.011.591 | 33.418.582.316 |
| Utilization of fund during the year | (18.630.096.650) | (30.653.766.642) |
| Closing balance | 7.769.140.254 | 13.423.225.313 |

23. 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 VND | Non-controlling interests VND | Total VND |
|---|---------------------------------|------------------------|--------------------------|-------------------------------------|------------------------|-------------------------------|--------------------------|
| As at 01/01/2021 | 1.004.756.560.000 | 479.559.579.732 | (498.686.282.051) | 103.604.269.349 | 669.234.115.649 | 8.184.694.033 | 1.766.652.936.712 |
| Profit for the year | - | - | - | - | 314.411.664.779 | (1.319.047.910) | 313.092.616.869 |
| Dividends paid | - | - | - | - | (125.199.865.600) | - | (125.199.865.600) |
| Bonus shares rewarded to shareholders | - | (272.500.414.288) | 491.599.204.288 | - | (219.098.790.000) | - | - |
| Appropriation of bonus and welfare funds | - | - | - | - | (33.384.109.073) | (34.473.243) | (33.418.582.316) |
| Remuneration for the Boards of Management and Supervisory | - | - | - | - | (3.000.000.000) | - | (3.000.000.000) |
| Utilization of investment and development fund | - | - | - | (87.924.671.147) | - | - | (87.924.671.147) |
| Other adjustments | - | - | - | (15.679.598.202) | 15.679.598.202 | - | - |
| As at 01/01/2022 | 1.004.756.560.000 | 207.059.165.444 | (7.087.077.763) | - | 618.642.613.957 | 6.831.172.880 | 1.830.202.434.518 |
| Profit for the year | - | - | - | - | 6.003.517.612 | 1.173.006.320 | 7.176.523.932 |
| Dividends paid | - | - | - | - | - | (1.450.000.000) | (1.450.000.000) |
| Appropriation of bonus and welfare funds | - | - | - | - | (12.956.034.341) | (19.977.250) | (12.976.011.591) |
| Remuneration for the Boards of Management and Supervisory | - | - | - | - | (3.144.116.648) | - | (3.144.116.648) |
| As at 31/12/2022 | 1.004.756.560.000 | 207.059.165.444 | (7.087.077.763) | - | 608.545.980.580 | 6.534.201.950 | 1.819.808.830.211 |

**23. OWNER'S EQUITY (CONTINUED)****b. Shares**

| | 31/12/2022 Shares | 01/01/2022 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 |
| <i>+ Ordinary share</i> | <i>100.475.656</i> | <i>100.475.656</i> |
| Number of treasury shares | (315.861) | (315.861) |
| <i>+ Ordinary share</i> | <i>(315.861)</i> | <i>(315.861)</i> |
| Number of outstanding shares in circulation | 100.159.795 | 100.159.795 |
| <i>+ Ordinary share</i> | <i>100.159.795</i> | <i>100.159.795</i> |

Par value is of VND 10.000/share

c. Dividends

According to Resolution No. 100/NQ-DHDCD of the Extraordinary General Meeting of Shareholders dated 2 November 2022, The Company's General Meeting of Shareholders has approved the resolution of canceling the payment of the remaining dividend of 2020 and the dividend for 2021 approved in the previous years.

Dividends for the year 2022 may be paid at the rate of 15%, equivalent to VND 1.500 for each share in circulation. The final payment level and form of dividends will be approved at the next Annual General Meeting of Shareholders.

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT**1. REVENUE**

| | 2022 VND | 2021 VND |
|--|------------------------|------------------------|
| Revenue from sales of real estate properties | 438.406.779.649 | 537.752.096.740 |
| Revenue from services rendered | 27.955.177.363 | 27.479.505.196 |
| TOTAL | 466.361.957.012 | 565.231.601.936 |
| Of which, revenue from transactions with related party: | | |
| Revenue from transferring investment property for CII Company | 80.194.762.379 | - |

2. COST OF SALES

| | 2022 VND | 2021 VND |
|-------------------------------------|------------------------|------------------------|
| Cost of real estate properties sold | 209.508.288.419 | 276.911.501.946 |
| Cost of services rendered | 30.106.485.009 | 33.121.862.537 |
| TOTAL | 239.614.773.428 | 310.033.364.483 |

3. FINANCIAL INCOME

| | 2022 VND | 2021 VND |
|---|------------------------|------------------------|
| Profit arising from investment cooperation, bank and loan interest income | 149.131.222.870 | 45.042.605.516 |
| Dividends | 2.280.000.000 | - |
| Income from transferring the right to participate in the project | - | 370.000.000.000 |
| Other financial income | - | 19.680.000.000 |
| TOTAL | 151.411.222.870 | 434.722.605.516 |
| Of which, financial income from transactions with related parties: | | |
| CII Company (i) | 86.931.000.000 | - |
| Khu Bac Thu Thiem Company Limited | 61.401.675.962 | 63.973.643.684 |
| Saigon Dankia Water Supply Corporation | 2.280.000.000 | - |
| TOTAL | 150.612.675.962 | 63.973.643.684 |

(i) This is the profit that the Company was distributed from the business cooperation contract of development and investment of a real estate projects with CII Company.

4. FINANCIAL EXPENSES

| | 2022 VND | 2021 VND |
|---|------------------------|------------------------|
| Interest expenses | 170.490.729.603 | 99.297.320.355 |
| Project investment cooperation costs (i) | 89.295.276.780 | 66.562.238.174 |
| TOTAL | 259.786.006.383 | 165.859.558.529 |
| Of which, financial expenses from transactions with related parties: | | |
| Lu Gia Real Estate Trading Investment Company Limited | 29.186.438.357 | - |
| Ha Noi Highway Construction and Investment Joint Stock Company | 29.156.164.384 | - |
| CII Engineering and Construction Joint Stock Company | 25.430.136.987 | - |
| CII Company | 13.750.000.001 | 7.730.709.591 |
| Khu Bac Thu Thiem Company Limited | 3.917.698.631 | - |
| TOTAL | 101.440.438.360 | 7.730.709.591 |

(i) This is the profit distribution to a partner related to investment cooperation in Son Tinh - Quang Ngai project.

5. SELLING EXPENSES

| | 2022 VND | 2021 VND |
|-------------------------|----------------------|----------------------|
| Cost of show flat | 716.611.736 | 870.333.784 |
| Other monetary expenses | 2.205.543.741 | 2.210.722.382 |
| TOTAL | 2.922.155.477 | 3.081.056.166 |

**6. GENERAL AND ADMINISTRATION EXPENSES**

| | 2022 VND | 2021 VND |
|------------------------------|-----------------------|-----------------------|
| Management staff costs | 20.593.875.195 | 24.950.197.145 |
| Office stationary expenses | 139.348.869 | 261.375.019 |
| Depreciation of fixed assets | 2.524.640.419 | 1.488.397.050 |
| Tax, duties and fees | 145.760.939 | 246.097.504 |
| Provision for bad debts | 13.221.405.360 | 33.405.564.434 |
| Outsourced services expenses | 570.455.161 | 1.986.282.733 |
| Other monetary expenses | 5.354.720.731 | 4.121.476.392 |
| TOTAL | 42.550.206.674 | 66.459.390.277 |

7. OTHER INCOME

| | 2022 VND | 2021 VND |
|--|----------------------|-----------------------|
| Fines received from breach of contract | 1.237.813.517 | 4.620.985.742 |
| Gain from disposal of fixed assets tools and suppliers | 184.371.044 | 252.257.571 |
| Income of land use levies refunded | - | 13.917.579.620 |
| Other income | 688.364.895 | 1.242.882.502 |
| TOTAL | 2.110.549.456 | 20.033.705.435 |

8. OTHER EXPENSES

| | 2022 VND | 2021 VND |
|---|-----------------------|-----------------------|
| Fine on contractual violation | 35.775.096.055 | 4.589.120.000 |
| Fine on tax violation | 10.989.753.881 | 22.592.591.968 |
| Cost of compensation and remedy for damage caused by fire at Carina Apartment | - | 21.333.079.201 |
| Other expenses | 4.595.529.994 | 5.164.827.510 |
| TOTAL | 51.360.379.930 | 53.679.618.679 |

9. CURRENT CORPORATE INCOME TAX EXPENSE

| | 2022 VND | 2021 VND |
|--|-----------------------|------------------------|
| Accounting profit before tax | 23.650.207.446 | 420.874.924.753 |
| Adjustments | | |
| Non-deductible expenses | 64.430.613.579 | 102.834.224.904 |
| Non-taxable income | (2.280.000.000) | - |
| Reversal of assessable loss offset by consolidation | 7.794.003 | 3.886.195.672 |
| Unrealized profit/(loss) from intra-group transactions eliminated on consolidation | 1.103.520.000 | (3.106.620.139) |
| Other adjustments for taxable income | (1.150.825.145) | 11.696.533.110 |
| Taxable income | 85.761.309.883 | 536.185.258.300 |
| Normal tax rate | 20% | 20% |
| Corporate income tax payable | 17.152.261.977 | 107.237.051.660 |
| Corporate income tax for the previous year | 363.723.331 | 3.562.815.822 |
| Current corporate income tax expense | 17.515.985.308 | 110.799.867.482 |

10. BASIC EARNINGS PER SHARE

| | 2022 VND | 2021 (Trình bày lại) VND |
|--|----------------------|--------------------------------|
| Net profit attributable to the owners of parent Company | 6.003.517.612 | 314.411.664.779 |
| Less: Appropriation of bonus and welfare funds and remuneration for the Boards of Management and Supervisory | (300.175.881) | (16.120.128.239) |
| Net profit attributable to the ordinary shareholders of the parent Company | 5.703.341.731 | 298.291.536.540 |
| Weighted average number of ordinary shares | 100.159.795 | 100.159.795 |
| Basic earnings per share | 57 | 2.978 |

Net profit attributable to the calculation of basic earnings per share for the current year has been adjusted and deducted from the appropriation of bonus and welfare funds, remuneration for the Boards of Management and Supervisory at the rate of 5% from planning net profit after tax for the year 2022 according to the Resolution of Annual General Meeting of Shareholders 2021 dated 26 April 2022.

Basic earnings per share for the year ended 31 December 2021 have been re-adjusted according to the actual appropriation of bonus and welfare funds, and remuneration for the Boards of Management and Supervisory from the profit of 2020 under the Resolution of Annual General Meeting of Shareholders 2021.

**VII. OTHER INFORMATION****1. RELATED PARTIES**

| List of related parties | Relationship |
|---|--|
| CII Company | Shareholder have significant influence |
| Hung Thanh Construction - Trading - Service - Manufacturing Company Limited | |
| Huong Tra Company Limited | Subsidiary |
| Quang Ngai Mineral Investment Joint Stock Company | Subsidiary |
| Tam Phu Investment & Construction Company Limited | Associate |
| Khu Bac Thu Thiem Company Limited | Related party of CII Company |
| NBB Quang Ngai One Member Company Limited | Related party of CII Company |
| CII Engineering and Construction Joint Stock Company | Related party of CII Company |
| CII Infrastructure Service Limited Company | Related party of CII Company |
| Sai Gon Dan Kia Water Supply Corporation | Related party of CII Company |
| Lu Gia Real Estate Trading Investment Company Limited | Related party of CII Company |
| Ha Noi Highway Construction and Investment Joint Stock Company | Related party of CII Company |
| NBB Quang Ngai One Member Company Limited | Related party of CII 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 significant transactions with related parties as follows:

| | 2022 VND | 2021 VND |
|---|---------------------|---------------------|
| CII Company | | |
| Cash outflow for project investment cooperation | 1.150.000.000.000 | - |
| Proceeds from capital contribution for investment cooperation | 371.266.082.192 | 200.513.213.000 |
| Repayment of capital contribution for investment cooperation | 39.000.000.000 | 272.250.000.000 |
| Costs arising from investment cooperation contract | 41.571.023.404 | 14.692.547.966 |
| Proceeds from financial support | - | 130.000.000.000 |
| Repayment of financial support | - | 5.000.000.000 |
| Khu Bac Thu Thiem Company Limited | | |
| Cash outflow for investment cooperation | - | 615.000.000.000 |
| Cash recovered from capital contribution for investment cooperation | 146.848.247.018 | 52.088.652.052 |
| Proceeds from financial support | 86.000.000.000 | - |
| Buy fixed assets | 1.580.909.091 | - |
| NBB Quang Ngai One Member Company Limited | | |
| Cost of purchasing materials and construction of the project | 11.133.832.564 | 14.592.529.286 |
| CII Engineering and Construction Joint Stock Company | | |
| Cash outflow for constructing De Lagi project | 630.032.948.046 | 64.420.793.200 |
| Proceeds from financial support | 350.000.000.000 | - |
| Project construction cost | 102.719.116.737 | 18.252.819.490 |
| CII Infrastructure Service Limited Company | | |
| Project construction cost | - | 244.434.280 |

| | 2022 VND | 2021 VND |
|--|-----------------|-------------|
| Lu Gia Real Estate Trading Investment Company Limited | | |
| Proceeds from financial support | 400.000.000.000 | - |
| Ha Noi Highway Construction and Investment JSC | | |
| Proceeds from financial support | 400.000.000.000 | - |

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

| | 2022 VND | 2021 VND |
|-------------------------------------|---------------|---------------|
| Board of Management | | |
| Mr. Luu Hai Ca | 522.535.157 | 371.134.021 |
| Ms. Nguyen Quynh Huong | 495.436.563 | 823.917.526 |
| Mr. Le Quoc Binh | 457.326.058 | 371.134.021 |
| Mr. Nguyen Van Chinh | 381.105.048 | 309.278.351 |
| Mr. Nguyen Ba Lan | 158.793.770 | 309.278.351 |
| Mr. Doan Tuong Trieu (resigned) | 154.639.175 | - |
| Mr. Pham Thanh Vu | 31.758.754 | - |
| Board of Supervisory | | |
| Ms. Duong Quynh Diep | 381.105.048 | 309.278.351 |
| Mr. Le Trung Hieu | 190.552.524 | 154.639.175 |
| Ms. Le Thi Kieu Diem | 190.552.524 | 154.639.175 |
| Board of General Directors | | |
| Mr. Nguyen Ba Lan | 1.980.769.231 | 764.590.077 |
| Mr. Nguyen Quy Binh | 1.596.923.077 | 1.354.000.000 |
| Mr. Mai Thanh Truc | 1.520.000.000 | 1.449.000.000 |
| Mr. Truong Hai Dang Khoa (resigned) | 1.382.857.143 | 1.889.000.000 |
| Mr. Luu Hai Ca | 522.535.157 | 371.134.021 |
| Chief accountant | | |
| Mr. Nguyen Van Minh | 1.368.076.923 | 1.047.884.615 |

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 reporting results include items directly attributable to a segment and to segments that are divided on a reasonable basis. The items not allocated to segment reporting results include assets, liabilities, financial income, financial expenses, selling expenses, general and administrative expenses, other profit, losses and corporate income tax.

The Company's business divisions include two (02) divisions as follows:

- Real estate sector: Investing, developing and selling apartments, land plots and other infrastructures.
- Other activities: Leasing premises and providing utility services.

The Company prepares segment reports following 2 business units. Business results of each segment are presented in the table below:

**2. SEGMENT REPORT (CONTINUED)**

For the year ended 31 December 2022

| | Real estate sector VND | Other activities VND | Elimination of intra-group transactions VND | Total VND |
|---|---------------------------|-------------------------|--|------------------------|
| External customers | 438.406.779.649 | 27.955.177.363 | - | 466.361.957.012 |
| Inter-segment | - | 3.398.752.506 | (3.398.752.506) | - |
| Net revenue of segment | 438.406.779.649 | 31.353.929.869 | (3.398.752.506) | 466.361.957.012 |
| Cost of sales of segment | 209.508.288.419 | 30.106.485.009 | - | 239.614.773.428 |
| Gross profit / (loss) of segment | 228.898.491.230 | 1.247.444.860 | (3.398.752.506) | 226.747.183.584 |
| Financial income | | | | 151.411.222.870 |
| Financial expenses | | | | 259.786.006.383 |
| Selling expenses | | | | 2.922.155.477 |
| General and administration expenses | | | | 42.550.206.674 |
| Other income | | | | 2.110.549.456 |
| Other expenses | | | | 51.360.379.930 |
| Current corporate income tax expense | | | | 17.515.985.308 |
| Deferred corporate tax expenses | | | | (1.042.301.794) |
| Net profit after tax | | | | 7.176.523.932 |

2. SEGMENT REPORT (CONTINUED)

For the year ended 31 December 2021

| | Real estate sector VND | Other activities VND | Elimination of intra-group transactions VND | Total VND |
|---|---------------------------|-------------------------|--|------------------------|
| External customers | 537.752.096.740 | 27.479.505.196 | - | 565.231.601.936 |
| Inter-segment | - | 2.603.095.745 | (2.603.095.745) | - |
| Net revenue of segment | 537.752.096.740 | 30.082.600.941 | (2.603.095.745) | 565.231.601.936 |
| Cost of sales of segment | 276.911.501.946 | 33.121.862.537 | - | 310.033.364.483 |
| Gross profit / (loss) of segment | 260.840.594.794 | (3.039.261.596) | (2.603.095.745) | 255.198.237.453 |
| Financial income | | | | 434.722.605.516 |
| Financial expenses | | | | 165.859.558.529 |
| Selling expenses | | | | 3.081.056.166 |
| General and administration expenses | | | | 66.459.390.277 |
| Other income | | | | 20.033.705.435 |
| Other expenses | | | | 53.679.618.679 |
| Current corporate income tax expense | | | | 110.799.867.482 |
| Deferred corporate tax expenses | | | | (3.017.559.598) |
| Net profit after tax | | | | 313.092.616.869 |



3. OPERATING LEASE COMMITMENTS

| | 2022 VND | 2021 VND |
|---|-------------|-------------|
| Office rental expenses recognized in the consolidated income statement for the year | - | - |

At balance sheet date, the Company had the outstanding commitment under non-cancellable operating lease, which fall due as follows:

| | 31/12/2022 VND | 01/01/2022 VND |
|--------------------------------------|-----------------------|-------------------|
| Within one year | 13.200.000.000 | - |
| In the second year | 13.200.000.000 | - |
| In the third to fifth year inclusive | 13.200.000.000 | - |
| Total | 39.600.000.000 | - |

Operating lease commitments represent the lease of three (03) floors of Carina Plaza owned by CII Company at 1648 Vo Van Kiet, Ward 16, District 8, Ho Chi Minh City, Vietnam. The lease contract has a term of 3 years - from 2023 to 2025.

4. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

| | 2022 VND | 2021 VND |
|---|--------------------------|--------------------------|
| Proceeds from borrowings during the year | | |
| Proceeds from related parties | 1.236.000.000.000 | 130.000.000.000 |
| Proceeds from borrowing under normal contracts | 909.474.989.702 | 451.163.288.496 |
| Proceeds from issuance of bonds | - | 490.000.000.000 |
| TOTAL | 2.145.474.989.702 | 1.071.163.288.496 |

| | 2022 VND | 2021 VND |
|--|------------------------|------------------------|
| Repayment of borrowings during the year | | |
| Repayment of borrowings to related parties | - | 5.000.000.000 |
| Repayment of borrowings under normal contracts | 142.457.714.220 | 257.715.794.210 |
| Repayment of bond principals | 60.000.000.000 | 140.000.000.000 |
| TOTAL | 202.457.714.220 | 402.715.794.210 |

5. CONTINGENT LIABILITIES

In note V.21, The Company has used available information and assumptions to estimate the reasonable land use levies of the Diamond Riverside project and City Gate Towers Apartment project in the amount of VND 201 billion and VND 120 billion, respectively. As of the date of this report, the Company has not yet finalized the land use levies with the competent authority to accurately determine the amount payable to the State budget. Therefore, the land use levies of the project may differ from the value that the Company has estimated and recognized in the consolidated income statement.

As of 16 February 2022, the investigation agency completed files for the fire incident at Carina Apartment. Consequences caused by the fire have been agreed to compensate by the investor and victims. Some disagreed compensation claims shall be resolved during the trial of the case. However, the Company's Board of Directors considers that these obligations will not have a material impact on the consolidated financial statements of the Company.

6. COMPARATIVE FIGURES

The comparative figures are those of the audited consolidated financial statements for the year ended 31 December 2021.

7. SUBSEQUENT EVENTS

On 15 March 2023, the Boards of Management approved the investment cooperation contract to receive a maximum amount of VND 750 billion from CII Engineering and Construction Joint Stock Company - a related party. The Company is expected to distribute profit with a fixed interest rate of 14% per annum on the contributed capital received.

Other than the event stated above, there have been no significant events occurring after the balance sheet date which would require adjustments or disclosure in the consolidated financial statements.



NGUYEN TRAN PHUONG UYEN
Preparer



NGUYEN VAN MINH
Chief Accountant



NGUYEN BA LAN
General Director

Ho Chi Minh City, 27 March 2023



www.nbb.com.vn