

**AUDITED FINANCIAL STATEMENTS**

*for the fiscal year ended December 31, 2019*

**THANG LOI REAL ESTATE JOINT STOCK COMPANY**

## TABLE OF CONTENTS

	Page
1. REPORT OF THE BOARD OF DIRECTORS	01-02
2. INDEPENDENT AUDITOR'S REPORT	03
3. BALANCE SHEET	04-07
4. INCOME STATEMENT	08
5. STATEMENTS OF CASH FLOWS	09-10
6. NOTES TO FINANCIAL STATEMENT	11-35

# THANG LOI REAL ESTATE JOINT STOCK COMPANY

## REPORT OF THE BOARD OF DIRECTORS

*for the fiscal year ended December 31, 2019*

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*The Board of Directors respectfully submits this report together with the audited financial statements for the year ended December 31, 2019.*

### **1. General information about the Company:**

#### **Establishment:**

Thang Loi Real Estate Joint Stock Company (referred to as "the Company"), formerly known as Nha Viet Dat Viet Real Estate Joint Stock Company, is a joint stock company, operates under the Business Registration Certificate No. 0310151834, registered for the first time on July 14, 2010 issued by the Department of Planning and Investment of Ho Chi Minh City. Certificate of business registration for the 12th change dated December 25, 2019 about the change of the Company's head office address.

**Form of equity ownership** Joint Stock Company

#### **Business activities of the Company:**

- Consultant, broker, real estate auction, the auction of land use rights
- Doing business in real estate, land use rights of the owner, user or lessee;

English name: THANG LOI REAL ESTATE JOINT STOCK COMPANY.

Abbreviation name: THANG LOI REAL ESTATE., JSC.

Trụ sở chính: No. 51 Kinh Duong Vuong, Ward 12, District 6, Ho Chi Minh City, Vietnam.

### **2. Financial situation and operating results:**

The financial position and results of operations of the Company are shown in the attached financial statements.

### **3. Members of the Board of Directors, Board of General Directors and Chief Accountant:**

Members of the Board of Directors, the Board of General Directors and Chief Accountant during the year and up to the date of the financial statements include:

#### **The Board of Directors**

Mr. Duong Long Thanh	Chairman
Mr. Nguyen Thanh Quyen	Member
Mrs. Dao Thi Thao Uyen	Member
Mr. Loan Van Son	Member (Appointed on April 5, 2019 according to Decree No. 04/2019/NQ-ĐHĐCD)

#### **Board of General Directors and Chief Accountant**

Mr. Duong Long Thanh	General Director
Mr. Nguyen Thanh Quyen	Deputy General Director
Mr. Bui Duc Trung	Chief Accountant (Appointed according to Decision No. 02/2019/QĐ-HĐQT dated 15/11/2019)
Mr. Phan Minh Hoang	Chief Accountant (Resigned according to Decision No. 01/2019/QĐ - HĐQT dated 15/11/2019)

**The legal representative of the Company during the year and to the date of the financial statement is as follows:**

Mr. Duong Long Thanh      Chairman of the Board of Directors cum General Director

#### **4. Independent audit**

Auditing and Informatic Services Co., Ltd. (“AISC”) was appointed as an auditor for the fiscal year ended December 31, 2019

#### **5. Commitment of the Board of Directors and the Board of Management**

The Board of Directors and the Board of General Directors is responsible for preparing the financial statements that honestly and reasonably represent the Company's financial position as of December 31, 2019, the results of operations and cash flows for the financial year then ended. During preparing this financial statement, the Board of Directors and the Board of General Directors have considered and complied with the following matters:

- Select appropriate accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors and the Board of General Directors is responsible for ensuring that proper accounting records are kept which are prepared and kept in the Company's financial standing, at all times and on a regular basis for preparation of financial statements in conformity with generally accepted accounting standards is included in the notes to the financial statements. The Board of Directors and 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 fraud and other irregularities.

#### **6. Confirmation**

In the opinion of the Board of Directors, we certify that the financial statements include the balance sheet as of December 31, 2019, the statement of income, the statement of cash flows and the accompanying notes are an expression of a true and fair view of the financial position and results of its operations and cash flows for the year then ended on December 31, 2019.

The financial statements of the Company are prepared in accordance with Vietnamese Accounting Standards and Policies.

*Ho Chi Minh City, April 24, 2020*

**ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed and sealed)

**Duong Long Thanh**

Chairman of the Board



No.: C1118429-R/AISC-DN5

**AUDITING & INFORMATIC SERVICES COMPANY LIMITED**

Auditing And Informatic Services Company Limited

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**INDEPENDENT AUDITOR'S REPORT**

**Dear: THE SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS  
THANG LOI REAL ESTATE JOINT STOCK COMPANY**

We have audited the accompanying financial statements of Thang Loi Real Estate Joint Stock Company (hereinafter referred to as "the Company"), made on April 24, 2020, from page 04 to page 35, including the Balance Sheet as of December 31, 2019, Income Statement, cash flow statement for the fiscal year ended on the same day and Notes to the financial statements.

**Responsibilities of the Board of General Directors**

The Board of Management is responsible for making and presenting honest and reasonableness of the consolidated financial statements of the Company in accordance with accounting standards, Vietnamese accounting policy for enterprises and other legal regulations related to the preparation and presentation of financial reports; is responsible for the internal controls that the Board of Management deems necessary to ensure that the preparation and presentation of the financial statements are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on auditing results. We conducted our audit in accordance with Vietnamese Auditing Standards. These standards require that we must comply with industry standards and regulations, plan and execute the audit to obtain reasonable assurance on whether the Company's Financial statements are free from material misstatement or not.

An audit involves to perform procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selected procedures are based on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements due to fraud or error. When assessing these risks, the auditor considers the Company's internal controls relevant to the preparation and fair presentation of the Financial statements in order to design audit procedures that are appropriate to actual situations, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes assessing the appropriateness of accounting used policies and the reasonableness of estimates made by the Board of General Directors, as well as evaluating the overall presentation of the financial statements.

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

**Auditor's Opinions**

In our opinion, the Separate financial statements give a true and fair view, in all material respects, of the financial position of Thang Loi Real Estate Joint Stock Company at December 31, 2019, as well as the Income statement, Cash flows statement for the fiscal year ended on the same day, in accordance with the accounting standards and regime of Vietnam and the legal provisions relating to the preparation and presentation of financial statements.

*Ho Chi Minh City, April 24, 2020*

**ON BEHALF OF GENERAL DIRECTOR  
DEPUTY GENERAL DIRECTOR**

(Signed and sealed)

**LE HUNG DUNG**

*Audit Practicing Registration Certificate No.: 3174-2020-005-1*

*Issued by Ministry of Finance of Vietnam*

**AUDITORS**

(Signed)

**TRA HAI SON**

*Audit Practicing Registration Certificate No.: 2172-2018-005-1*

*Issued by Ministry of Finance of Vietnam*

Branch in Ha Noi: 6 Floor, 36 Hoa Binh 4 str, Minh Khai Ward, Hai Ba Trung Dist., Ha Noi  
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**BALANCE SHEET**

*As of December 31, 2019*

*Unit: Vietnam dong*

ASSETS	Code	No tes	31/12/2019	01/01/2019
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>672,933,781,585</b>	<b>394,629,136,526</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>v.1</b>	<b>19,774,453,149</b>	<b>53,714,276,427</b>
1. Cash	111		19,774,453,149	16,214,276,427
2. Cash equivalents	112		-	37,500,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		-	-
1. Securities trading	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Investment held to maturity date	123		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>234,702,256,889</b>	<b>262,339,973,281</b>
1. Short-term trade receivables	131	V.3	43,745,445,522	17,058,523,473
2. Short-term advances to suppliers	132	V.4	61,089,755,137	29,380,244,222
3. Short-term intra-company receivables	133		-	-
4. Receivables under schedule of construction contract	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	v.6a	132,244,045,343	217,089,700,143
7. Provision for short-term doubtful receivables	137	v.3,6	(2,376,989,113)	(1,188,494,557)
8. Shortage of assets awaiting resolution	139		-	-
<b>IV. Inventory</b>	<b>140</b>	<b>V.7</b>	<b>406,629,374,489</b>	<b>78,121,992,588</b>
1. Inventory	141		406,629,374,489	78,121,992,588
2. Provision for inventory discount	149		-	-
<b>V. Other short-term assets</b>	<b>150</b>		<b>11,827,697,058</b>	<b>452,894,230</b>
1. Short-term prepaid expenses	151	v.11a	237,601,719	452,894,230
2. Value added tax deducted	152		11,590,095,339	-
3. Taxes and other receivables from State	153		-	-
4. Government bonds purchased for resale	154		-	-
5. Other short-term assets	155		-	-

**BALANCE SHEET**

As of December 31, 2019

Unit: Vietnam dong

ASSETS	Code	Notes	31/12/2019	01/01/2019
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>311,254,373,839</b>	<b>154,935,702,940</b>
<b>I. Non-current receivables</b>	<b>210</b>		<b>61,000,000,000</b>	<b>48,000,000</b>
1. Long-term receivables from customers	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital provided to sub-units	213		-	-
4. Long term internal receivables	214		-	-
5. Long-term loans receivables	215	V.5	61,000,000,000	-
6. Other long-term receivables	216	v.6b	-	48,000,000
7. Provision for long-term bad receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>134,268,785,315</b>	<b>119,256,617,087</b>
1. Tangible fixed assets	221	V.9	23,786,033,027	8,722,864,799
- Cost/ Historical cost	222		30,862,753,862	10,289,509,886
- Accumulated depreciation	223		(7,076,720,835)	(1,566,645,087)
2. Leased fixed assets	224		-	-
- Cost/ Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	110,482,752,288	110,533,752,288
- Cost/ Historical cost	228		110,644,252,288	110,644,252,288
- Accumulated depreciation	229		(161,500,000)	(110,500,000)
<b>III. Investment properties</b>	<b>230</b>			
- Cost/ Historical cost	231		-	-
- Accumulated depreciation	232		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>V.8</b>	<b>207,218,700</b>	<b>14,854,931,614</b>
1. Cost for work in process	241		-	-
2. Construction cost in progress	242		207,218,700	14,854,931,614
<b>V. Long-term financial assets</b>	<b>250</b>	<b>V.2</b>	<b>109,810,725,000</b>	<b>20,005,725,000</b>
1. Investments in subsidiaries	251		89,800,000,000	-
2. Invest in joint ventures, associates	252		20,010,725,000	20,005,725,000
3. Investment in other units	253		-	-
4. Provision for long-term financial investments	254		-	-
5. Investment held to maturity date	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>5,967,644,824</b>	<b>770,429,239</b>
1. Long-term prepaid expenses	261	v.11b	5,967,644,824	770,429,239
2. Deferred income tax assets	262		-	-
3. Long-term equipment and spare parts for replacement	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>984,188,155,424</b>	<b>549,564,839,466</b>

**BALANCE SHEET**

*As of December 31, 2019*

*Unit: Vietnam dong*

<b>CAPITAL</b>	<b>Code</b>	<b>Notes</b>	<b>31/12/2019</b>	<b>01/01/2019</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>716,198,223,020</b>	<b>321,798,282,591</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>701,140,890,748</b>	<b>285,009,481,107</b>
1. Short-term trade payables	311	V. 12	55,748,975,177	30,773,811,297
2. Short-term advances from customers	312	V.13	103,552,869,890	-
3. Taxes and other payables to State budget	313	V.14	10,239,106,395	10,548,289,577
4. Payables to employees	314		3,905,350,420	3,056,853,744
5. Short-term accrued expenses	315	V.15	32,385,458,416	215,235,100
6. Short-term intra-company payables	316		-	-
7. Payables under schedule of construction contract	317		-	-
8. Short-term unrealized revenue	318		1,969,327,820	5,201,388,167
9. Other short-term payables	319	V.16a	441,790,246,254	196,055,973,066
10. Short-term loans and borrowings	320	V.17a,b	51,549,556,376	39,157,930,156
11. Long-term provisions	321		-	-
12. Bonus and welfare fund	322		-	-
13. Price stabilization fund	323		-	-
14. Government bonds purchased for resale	324		-	-
<b>II. Non-current liabilities</b>	<b>330</b>		<b>15,057,332,272</b>	<b>36,788,801,484</b>
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term deferred revenue	332		-	-
3. Long-term accrued expenses	333		-	-
4. Intra-company payables for operating capital received	334		-	-
5. Long-term intercompany payables	335		-	-
6. Long-term unrealized turnover	336		—	-
7. Other long-term payables	337	v.16b	105,000,000	-
8. Long-term borrowings and finance lease liabilities	338	V.17c	14,952,332,272	36,788,801,484
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Payable deferred income tax	341		-	-
12. Long-term provisions	342		-	-
13. Funds for science and technology development	343		-	-



**BALANCE SHEET**

*As of December 31, 2019*

*Unit: Vietnam dong*

<b>CAPITAL</b>	<b>Code</b>	<b>Notes</b>	<b>31/12/2019</b>	<b>01/01/2019</b>
<b>D. OWNER'S EQUITY</b>	<b>400</b>		267,989,932,404	227,766,556,875
<b>I. Owner's equity</b>	<b>410</b>	<b>V.18</b>	<b>267,989,932,404</b>	<b>227,766,556,875</b>
1. Capital contributed by the owner	411		200,000,000,000	200,000,000,000
- Common shares with voting rights	411a		200,000,000,000	200,000,000,000
- Preferred shares	411b		-	-
2. Share premium	412		-	-
3. Conversion options on convertible bonds	413		-	-
4. Other capital of the owner	414		-	-
5. Treasury share	415		-	-
6. Asset revaluation difference	416		-	-
7. Exchange rate differences	417		-	-
8. Development & investment fund	418		-	-
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed earnings	421		67,989,932,404	27,766,556,875
- Undistributed profit after tax brought forward	421a		27,766,556,875	2,147,250,521
- Undistributed profit after tax for the current year	421b		40,223,375,529	25,619,306,354
12. Capital expenditure funds	422		-	-
			-	-
<b>II. Funding sources and other funds</b>	<b>430</b>		-	-
1. Funding	431		-	-
2. Funding has been established	432		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>984,188,155,424</b>	<b>549,564,839,466</b>

*Ho Chi Minh City, April 24, 2020*

**Prepared by**  
(Signed)

**Chief accountant**  
(Signed)

**GENERAL DIRECTOR**  
(Signed and sealed)

Nguyen Thi Thue Huan

Bui Duc Trung

Duong Long Thanh

**INCOME STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

TARGETS	Code	Notes	Year: 2019	Year 2018
1. Revenues from sales and services	01	VI. 1	349,506,169,116	242,284,954,909
2. Revenue deductions	02	VI.2	8,350,898,022	1,246,727,272
3. Net revenues from sale of goods and rendering of services	10	VI.3	341,155,271,094	241,038,227,637
4. Cost of goods	11	VI.4	183,691,154,880	153,532,814,134
<b>5. Gross profit from sale of goods and provision of services (20=10-11)</b>	<b>20</b>		<b>157,464,116,214</b>	<b>87,505,413,503</b>
6. Financial income	21	VI.5	635,361,587	258,835,121
7. Expenses from financial activities	22	VI.6	7,638,574,289	5,297,072,622
<i>In which: Interest expenses</i>	23		7,638,574,289	5,297,072,622
8. Selling expenses	25	VI.7a	57,980,411,723	34,579,265,997
9. General and administration expenses	26	VI.7b	41,679,050,965	18,335,007,568
<b>10. Net profit from operating activities (30 = 20 + (21 - 22) - (25 + 26))</b>	<b>30</b>		<b>50,801,440,824</b>	<b>29,552,902,437</b>
11. Others income	31	VI.8	480,392,062	2,761,267,724
12. Other expenses	32	VI.9	552,156,886	247,842,003
13. Other profit (40 = 31 - 32)	40		(71,764,824)	2,513,425,721
<b>14. Accounting gross profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>50,729,676,000</b>	<b>32,066,328,158</b>
15. Expense from current Corporate income tax	51	VI.11	10,506,300,471	6,447,021,804
16. Deferred corporate income tax expenses	52		-	-
<b>17. Profit after corporate income tax</b>	<b>60</b>		<b>40,223,375,529</b>	<b>25,619,306,354</b>

*Ho Chi Minh City, April 24, 2020*

**Prepared by**  
(Signed)

**Chief accountant**  
(Signed)

**GENERAL DIRECTOR**  
(Signed and sealed)

Nguyen Thi Thue Huan

Bui Duc Trung

Duong Long Thanh

**STATEMENTS OF CASH FLOWS**

(Indirect method)

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

TARGETS	Code	Notes	Year: 2019	Year 2018
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Accounting profit before tax	01		50,729,676,000	32,066,328,158
2. Adjustments of amounts:				
- Depreciation of fixed assets and investment properties	02	v.9,10	5,561,075,748	797,185,153
- Provisions	03	v.3,6	1,188,494,556	1,188,494,557
- Foreign exchange difference gains and losses due to revaluation of monetary items of foreign currencies	04		-	
Profit, loss from investing activities	05		(1,831,449,258)	(3,903,113,204)
- Costs for loan interest	06	V1.6	7,638,574,289	5,297,072,622
- Other adjustment items	07		-	-
<b>3. Profit from operating activities before changing working capital</b>	<b>08</b>		<b>63,286,371,335</b>	<b>35,445,967,286</b>
- Increase (-), decrease (+) in receivables	09		39,076,607,319	(31,674,566,288)
- Increase (-), decrease (+) in inventories	10		(328,507,381,901)	(17,280,658,517)
- Increase (-) or decrease (+) in payables (Excluding interest payable, corporate income tax payable)	11		396,523,429,065	135,550,404,647
- Increase (-) or decrease (+) in prepaid expenses	12		(4,981,923,074)	(871,073,039)
- Increase (-) or decrease (+) in trading securities	13		-	-
- Paid loan interest	14		(7,638,574,289)	(5,297,072,622)
- Paid corporate income tax	15	V.13	(5,426,166,099)	(2,245,683,738)
- Other proceeds from operating activities	16		-	-
- Other payments for operating activities	17		-	-
<b>Net cash flow from operating activities</b>	<b>20</b>		<b>152,332,362,355</b>	<b>113,627,317,729</b>
<b>II. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
1. Expenses for procurement, construction of fixed assets and other long-term assets	21		(3,684,311,078)	(131,810,876,551)
2. Proceeds from liquidation, sale of fixed assets and other long term assets	22		-	-
3. Loans to and payments for purchase of debt instruments of other entities	23		(90,000,000,000)	(61,000,000,000)
4. Collections from borrowers and proceeds from disposal of debt instruments of other entities	24		-	-
5. Expenditures on equity investments in other entities	25		(89,805,000,000)	(20,005,725,000)
6. Recovery of investments in other entities	26		-	-
7. Interest and dividends received	27		6,661,968,437	258,835,121
<b>Net cash flow from investment activities</b>	<b>30</b>		<b>(176,827,342,641)</b>	<b>(212,557,766,430)</b>

**STATEMENTS OF CASH FLOWS**

(Indirect method)

*for the fiscal year ended December 31, 2019**Unit: Vietnam dong*

<b>TARGETS</b>	<b>Code</b>	<b>Notes</b>	<b>Year: 2019</b>	<b>Year 2018</b>
1. Proceeds from share issuance, equity contribution of the owner	31		-	80,000,000,000
2. Payment of capital contributed to owners, repurchase of shares issued by the business	32		-	-
3. Proceeds from borrowing	33	VII.3	56,947,000,000	99,275,000,000
4. Repayment of loan principal	34	VII.4	(66,391,842,992)	(28,328,268,360)
5. Repayment of financial principal	35		-	-
6. Dividends or profits paid to owners	36		-	-
<b>Net cash flow from financing activities</b>	<b>40</b>		<b>(9,444,842,992)</b>	<b>150,946,731,640</b>
<b>Net cash flow in the period (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>(33,939,823,278)</b>	<b>52,016,282,939</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>60</b>		<b>53,714,276,427</b>	<b>1,697,993,488</b>
Effect of exchange rate fluctuations on foreign currency conversion	61		-	-
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>V.1</b>	<b>19,774,453,149</b>	<b>53,714,276,427</b>

*Ho Chi Minh City, April 24, 2020***GENERAL DIRECTOR**

(Signed and sealed)

**Prepared by**

(Signed)

Nguyen Thi Thue Huan

**Chief accountant**

(Signed)

Bui Duc Trung

Duong Long Thanh

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

**I. Operational characteristics of the enterprise**

**1. Establishment:**

Thang Loi Real Estate Joint Stock Company (referred to as "the Company"), formerly known as Nha Viet Dat Viet Real Estate Joint Stock Company, operates under the Business Registration Certificate No. 0310151834, registered for the first time on July 14, 2010 issued by the Department of Planning and Investment of Ho Chi Minh City. Certificate of business registration for the 12th change dated December 25, 2019 about the change of the Company's head office address.

**Form of equity ownership** Joint Stock Company

Headquarters: No. 51 Kinh Duong Vuong, Ward 12, District 6, Ho Chi Minh City, Vietnam.

**2. Business activities:** Real estate investment and business.

**3. Business lines**

- Consultant, broker, real estate auction, the auction of land use rights
- Doing business in real estate, land use rights of the owner, user or lessee;

**4. Normal business and production period:**

The production and business cycle of the Company lasts for 12 months according to the usual financial year from January 1 to December 31.

**5. The Company's operating activities in the financial year affecting the financial statements;**  
None

**6. Total number of employees as of December 31, 2019:** 123 employees. (December 31, 2018: 197 employees)

**7. Corporate structure**

7.1. List of subsidiaries

as of December 31, 2020, the Company has three (01) directly owned subsidiaries as follows:

<i>Company name and address</i>	<i>Main business lines</i>	<i>Capital contribution ratio</i>	<i>Ownership ratio</i>	<i>Ratio of voting rights</i>
Thanh Long Newtown Co., Ltd	Construction of civil engineering works	89.8%	89.8%	89.8%

Address: No. 642, National Highway 1, Ward 4, Tan An City, Long An Province.

7.2 List of affiliated companies

As of December 31, 2019, the Company has five (05) affiliated companies as follows:

<i>Company name and address</i>	<i>Main business lines</i>	<i>Capital contribution ratio</i>	<i>Ownership ratio</i>	<i>Ratio of voting rights</i>
Vinatown Real Estate Investment Joint Stock Company	Agency, brokerage, auction:	40%	40%	40%

Address: F29 Street 11, Central Residential Area, Ben Luc Town, Ben Luc District, Long An Province.

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

**8. Declaration on the comparability of information on the financial statements**

The selection of figures and information that need to be presented in the financial statements is made in accordance with the principle of comparability between the corresponding accounting periods.

**II. ACCOUNTING YEAR, MONEYTARY UNIT USED IN ACCOUNTING**

**1. Accounting period**

The Company's fiscal year starts on January 1 and ends on December 31 every year.

**2. The currency used in accounting**

Vietnamese dong (VND) shall be used as a monetary unit for book-keeping entries.

**II. APPLICABLE ACCOUNTING STANDARDS AND REGIME**

**1. Applied accounting system**

The Company applies the Vietnamese corporate accounting system according to the guidance in Circular No. 200/2014/TT-BTC issued by the Ministry of Finance of Vietnam on December 22, 2014 and the amended and supplemented circulars.

**2. Declaration of compliance with accounting standards and accounting**

We have done the accounting work in preparing and presenting the financial statements in accordance with Vietnamese accounting standards, Vietnamese corporate accounting regime and related legal provisions. Financial statements have been presented honestly and reasonably about the financial status, business results and cash flows of the enterprise.

The selection of data and information that is required to be disclosed in the Notes to the financial statements is conducted in accordance with the primary principles defined in Vietnamese Accounting Standard No. 21 "Presentation of Financial Statements".

**IV. APPLIED ACCOUNTING POLICIES**

**1. Principles for recording cash and cash equivalents**

**Money** includes cash, bank deposits without term.

**Cash equivalents** include term deposits and short-term investments with original terms not exceeding three months from the date of investment, which are highly liquid and easily convertible into amount of money and there is no risk in converting money.

**2. Accounting principles for financial investments**

**Accounting principles for loans**

Loans are loans made by escrow, contract or loan agreement between two parties for the purpose of collecting interest on a periodic basis and are recorded at cost less provisions for doubtful debts. Provisions for bad debts of loans are made based on the estimated amount of losses that are past due, not past due but may not be recovered due to the borrower's inability to pay.

**Accounting principles for investments in subsidiaries and associates**

Investments in subsidiaries are recognized when the Company holds more than 50% of the voting rights and has the power to govern the financial and operating policies so as to obtain benefits from its

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

activities. When the Company no longer holds control over a subsidiary, the investment in the subsidiary is reduced.

Investments in affiliated companies are recognized when the Company holds between 20% and less than 50% of the voting rights of the investees, which enables them to exercise significant influence in financial and operating policy decisions in these companies.

Investments in affiliated companies are initially recognized at cost, and thereafter which are not adjusted for changes in the investors' share of the investee's net assets. The original price includes the purchase price and costs directly related to the investment. In case of investment with non-monetary assets, the cost of the investment is recognized at the fair value of the non-monetary asset at the time of arising.

Provision for investment loss in affiliated companies is made when the enterprise receiving the contributed capital suffers a loss leading to the possibility of loss of capital for the Company or when the value of investments in the associate company degraded in value. The basis for making provision for investment loss is the consolidated financial statement of the investee company (if this company is the parent company), the financial statement of the investee company (if the company is an independent business without subsidiaries).

**3. Principle of recognition of trade receivables and other receivables:**

**Principles for recording receivables:** at historical cost less provision for bad debts.

The classification of receivables as trade and other receivables depending on the nature of the transaction or the relationship between the company and the receivable object.

**Provision for bad receivables** Provisions for bad receivables are estimated for the amount of impairment of receivables and other held-to-maturity investments of a similar nature as bad receivables which are overdue and not yet overdue but may not be recoverable because the debtors are unable to pay due to bankruptcy or doing business dissolution, disappearance, escape...

**4. Principles of recording inventory:**

Real estate acquired or built for the purpose of sale in the normal course of business of the Company, and not for rental or appreciation, is recognized as inventory. Inventories are determined based on the lower of cost and net realizable value. Cost of inventories includes land use and construction costs, direct costs and other related overheads incurred to bring the inventories to their present location and condition. Net realizable value is the estimated selling price of inventories in the ordinary production and business period minus the estimated costs to complete and the estimated costs necessary for sale. When necessary, provisions are made for obsolete, slow-moving, damaged inventories and in cases where cost of inventories is higher than net realizable value.

**5. Principle of recording and depreciation of fixed assets**

**Principle of recognizing tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost is the total cost that an enterprise must have to acquire a fixed asset by the time it is made available as intended. Costs incurred after the initial recognition are recognized only to the extent that it is probable that future economic benefits associated with the use of the asset will substantially increase. Expenses fail to meet the above conditions are recognized as expenses in the period.

## NOTES TO FINANCIAL STATEMENT

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

When fixed assets are sold or disposed, the historical cost and accumulated depreciation are written off, and any gain or loss resulting from the disposal is included in the income or expense in the period.

Determining the cost price in each case:

### *Tangible fixed assets procurement*

The cost of a fixed asset comprises its purchase price (minus (-) trade discounts or discounts), taxes (excluding refundable taxes) and expenses directly related to asset availability, such as installation costs, commissioning, expertise and other directly related costs.

### **5.2 Principle of recognizing intangible fixed assets:**

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of an intangible fixed asset is the total amount of fees that the enterprise must pay to acquire intangible fixed assets by the time it is intended to be put into use.

Determining the cost price in each case:

### *Computer software*

Computer software is all expenses that the Company has spent up to the time of putting the software into use.

### **5.3 Depreciation method of fixed assets**

Fixed assets are depreciated using the straight-line method over the estimated useful lives of the assets. Estimated useful time is the time that assets are promoted for production and business.

*The estimated useful time of fixed assets are as follows:*

<i>Workshops, architectural objects</i>	<i>25 years</i>
<i>Machinery and equipment</i>	<i>3-5 years</i>
<i>Means of transportation,</i>	<i>6 years</i>
<i>transmission</i>	<i>3-5 years</i>
<i>Equipment, management tools</i>	<i>4 years</i>
<i>Computer software</i>	

*Indefinite land use rights are stated at cost and are not amortized.*

## **6. Principles of accounting for business cooperation contracts (BCC)**

The Company recognizes capital contributions to BCC initially at cost and records it as other receivables.

### **6.1 For BCC as a jointly controlled business**

A business cooperation contract in the form of a jointly controlled business is a joint venture without establishing a new business establishment. Joint venture parties have obligations and enjoy benefits as agreed in the contract. The activities of the joint venture contract are carried out by the capital contributors together with other normal business activities of each party.

Capital amounts (cash or non-monetary assets) contributed to BCC are recognized and reflected in the financial statements as assets contributed to joint ventures based on contractual agreements. The difference between the fair value of the property received and the value of the contributed capital (if any) is recorded as other income or other expenses.



## NOTES TO FINANCIAL STATEMENT

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

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For revenue, expenses and products related to the contract, the Company recognizes the revenue divided from the sale of goods or the provision of services, the expenses incurred by the joint venture based on the agreements in the contract. For expenses incurred exclusively for jointly controlled business activities that are incurred by the Company, the Company must recognize the expenses incurred.

For fixed assets, investment real estate, when contributing capital to BCC and not transferring ownership from the capital contributing party to common ownership of the parties, the Company does not record a decrease in assets in the financial statements but only tracks the details of the location, where the property is located.

### **6.2 BCC profit sharing**

If BCC stipulates that other parties participating in BCC are entitled to a fixed profit, the Company recognizes rental income from the division of BCC.

If BCC stipulates that other parties in BCC are only entitled to share profits if BCC's operating results are profitable and at the same time incur losses, the Company will record the revenue and expenses corresponding to its share from BCC.

### **7. Principle of recording the prepaid expenses**

Prepaid expenses at the Company include actual expenses incurred but related to the business results of many accounting periods. Prepaid expenses of the Company include the following expenses: Tools and supplies

Method of distribution of prepaid expenses Calculation and allocation of prepaid expenses to operating expenses each period on a straight-line basis. Based on the nature and extent of each type of expense, the allocation time is as follows: short-term prepaid expenses are allocated within 12 months; long-term prepaid expenses are allocated from 12 months to 36 months.

### **8. Principles of recognizing liabilities**

Liabilities payable are recorded at cost and not lower than the obligation to pay.

The Company classifies liabilities as payables to sellers, internal payable, other payables depending on the nature of the transactions arising or the relationship between the company and payable subject.

The liabilities are monitored in detail by due date, payable subject and other factors according to the Company's management needs.

At the time of preparing the financial statements, the Company immediately recognizes a liability when there is evidence that a loss is likely to occur on a prudent basis.

### **9. Loan recognition principle**

The value of borrowings is recorded as the total amount of loans borrowed from banks, organizations, financial company and other entities (excluding loans in the form of bonds or preferential shares issuance with provisions that require the issuer to repurchase at a certain time in the future).

Loans are monitored in detail by each lender, each loan agreement and each type of liabilities.

### **10. Recognition and capitalization of other loans:**

Principles of borrowing costs recognition: loan interest and other expenses directly related to the borrowings of the enterprise are recorded as expenses of production and business in the period, unless these expenses arise from loans directly related to the investment in construction or production of

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

uncompleted assets shall be included in the value of such assets (capitalized) when it fully meets the conditions prescribed in Accounting Standard No. 16 "Borrowing costs".

**The capitalization rate used to determine capitalized borrowing costs in the period:** In case of arising general loans, including those used for investment in construction or production of an uncompleted asset, the amount of borrowing expenses eligible for capitalization in each accounting period is determined according to the capitalization rate of the weighted average accumulated cost incurred for the investment in construction or production of such assets. The capitalization rate is calculated based on the weighted average interest rate of the outstanding loans in the period of the enterprise. The capitalized borrowing costs in a period cannot exceed the total borrowing costs incurred in that period.

**11. Principle of recognition of expenses:**

Expenses payable include expenses payable for construction costs, fees of external purchases, etc incurred in the reporting period but not yet actually paid. These expenses are recognized based on reasonable estimates of the amount to be paid under specific contracts, agreements,...

**12. Recognition of equity**

**Principle of recognizing equity**

Equity is formed from the amount of initial capital contribution, additional contributions of shareholders, equity is recognized according to the actual capital contributed in cash or in assets calculated at par value of shares issued when newly established, or mobilized more to expand the operation scale of the Company.

**The principle of recognition of undistributed earnings.**

Undistributed earnings it is recognized as profit (or loss) from the business results of the enterprise after deducting (-) the income tax expense of the current period and the adjustments due to the retroactive application accounting policies and retrospectively adjusted key errors of the previous years.

The distribution of profits is based on the Company's charter and approved by the Annual General Meeting of Shareholders.

**13. Principles and methods of recording revenue, other income**

**Principles and methods of recording sales revenue**

Revenue is recognized when meeting the following 5 conditions: 1. The enterprise has transferred the majority of the risks and benefits associated with the ownership of the product, the goods to the buyer; The Company no longer retains management of goods as the owner or control of goods; 3. The revenue can be measured reliably; When a Contract stipulates that a buyer is entitled to return products or goods as purchased under specific conditions, the enterprise can only record the revenue when those specific conditions no longer exist and the buyer cannot return products or goods (except where the customer reserves the right to return goods in exchange for other goods or services); 4. The enterprise has or will gain economic benefits from sales transactions; Identify the costs related to the sale.

**Principles and methods of recording service provision revenue**

Service provision revenue is recorded when the transaction results are determined reliably. Where the service supply is related to several periods, the revenue is recognized in the period in accordance with the result of the work completed on the preparation date of the Balance Sheet of that period. Revenue

## NOTES TO FINANCIAL STATEMENT

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

from service provision is recognized when all four (4) conditions are simultaneously met: 1. The sales can be measured reliably. When the contract specifies that the buyer is entitled to return the purchased service under specific conditions, the revenue is only recognized when that particular condition no longer exists and the buyer is not entitled to return the provided service; 2. The Company has or will receive economic benefits from that transaction. 3. Identification of the work completed at the Balance sheet date; 4. Determine the costs incurred for the transaction and the costs to complete the transaction.

If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recorded expenses.

### **Principles and methods of recognizing sales of real estate**

**For projects, work items in which the Company is the investor:** Revenue from real estate sales is recognized when all five conditions are satisfied: 1. The real estate has been completely completed and handed over to the buyer, the Company has transferred the risks and benefits associated with the ownership of the real estate to the buyer; 2. The company no longer holds the right to manage the real estate as the owner of the floor real estate or control the real estate; 3. The revenue can be measured reliably; 4. The Company has obtained or will receive economic benefits from the sale of real estate; 5. Determine the costs associated with the sale of real estate.

**For sales of real estate subdivision selling ground:** Revenue is recognized when all four conditions are satisfied: 1. The risks and benefits associated with the land use rights have been transferred to the buyer; 2. The revenue can be measured reliably; 3. Determine the costs related to the transaction of selling the land; The enterprise has obtained or is certain to receive economic benefits from the sale of land.

### **Principles and methods of recording income from financial activities**

Financial income reflects income from interest.

Revenue arising from interest is recognized when two conditions are satisfied simultaneously: 1. Be able to benefit from the transaction; 2. The revenue can be measured reliably;

- Interest is recognized on the basis of the real time and interest rates periodically.

When it is impossible to recover an item which was previously recorded in the revenue, the amount likely to be irrecoverable or uncertain must be accounted into expenses incurred in the period and not recorded as revenue reduction.

### **14. Principles and methods of recording cost of goods sold**

Cost of goods sold reflects the cost value of products, goods, services, and investment properties sold during the period; expenses related to business activities. Investment real estate and other expenses are recognized in cost or reduced in cost in the reporting period. Historical costs are recognized at the time of the transaction, or when there is room for doubt in the future regardless of whether the expenses are paid or not. Cost of goods sold and revenue are recognized on a consistent basis. Expenses in excess of normal consumption are recognized immediately in cost according to the prudential principle.

### **15. Principles and methods of revenue cost recognition**

**Financial expenses include:** Borrowing costs

The financial expenses are recorded in detail for each expense item when actually incurred in the period and are reliably determined when there is sufficient evidence of these expenses.

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

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**16. Principles and methods of recording current CIT expenses**

Current corporate income tax expense is the amount of corporate income tax payable on the taxable income during the period and the current corporate income tax rate.

Taxes payable to the state budget will be specifically settled with the tax authorities. The difference between the payable tax amount according to the books and the settlement inspection data will be adjusted when there is an official settlement with the tax agency.

The corporate income tax rate applied at the Company is 20%.

**17. Principle of recognition of earnings per share**

Basic earnings per share is calculated by taking profits or losses distributed to ordinary share holders of the Company after deducting the bonus and welfare fund set aside during the period divided by the weighted number of ordinary shares outstanding for the period.

Diluted earnings per share are calculated by dividing the after-tax profit or loss attributable to the ordinary shareholders of the Company (after making adjustments to the dividends of convertible preferred shares) for the weighted average number of ordinary shares outstanding during the period and the weighted average number of ordinary shares to be issued in the case that all potential ordinary shares with a dilution effect are converted into ordinary shares.

**18. Financial instruments**

**Initial recognition**

**Financial assets**

In accordance with Circular No. 210/2009/TT-BTC of November 6, 2009 ("Circular 210"), financial assets are appropriately classified, for disclosure purposes in the financial statements, into financial assets recognized at fair value through the income statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines and classifies these financial assets at the time of initial recognition.

At initial recognition, financial assets are measured at cost plus directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables.

**Financial liabilities**

Financial liabilities to the extent of Circular 210, for the purposes of disclosure in the financial statements, are appropriately classified into financial liabilities recognized through the income statement, financial liabilities are measured at their amortized value. The Company determines the classification of financial liabilities at the time of initial recognition.

All financial liabilities are initially recognized at cost plus directly related transaction costs.

The Company's financial liabilities include trade payables, other payables, debt and borrowings.

**Value after initial recognition**

There is currently no requirement to revalue financial instruments after initial recognition.

**Clearing financial instruments**

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Financial assets and financial liabilities are offset and the net amount is presented on the financial statement, if and only if, the Company has the legal right to offset any amounts that have already been recognized and intended to offset on a net basis, or acquire assets and settle liabilities at the same time.

**19. Related parties**

Related parties are enterprises, individuals, directly or indirectly through one or more intermediaries, with the control or under control of the Company. Associates, individuals who directly or indirectly hold voting rights and have significant influence over the Company, key management personnel such as the Board of Management, the Board of Directors and the members familiar with the family of individuals or affiliates or affiliated companies is also considered a stakeholder. In considering each of the relationships among stakeholders, the nature of the relationship is noted, not the legal form.

**V. ADDITIONAL INFORMATION FOR ITEMS IN THE BALANCE SHEET**

<b>1. Cash and cash equivalents</b>	<b>31/12/2019</b>	<b>01/01/2019</b>
<b>Cash</b>	<b>19,774,453,149</b>	<b>16,214,276,427</b>
Cash on hand	868,356,653	1,261,006,228
Demand deposits	18,906,096,496	14,953,270,199
<b>Cash equivalents</b>	<b>-</b>	<b>37,500,000,000</b>
Term deposits with a term of 3 months	-	37,500,000,000
<b>Total</b>	<b>19,774,453,149</b>	<b>53,714,276,427</b>

**2. Financial investments**

	<b>31/12/2019</b>		<b>01/01/2019</b>	
	<b>Original cost</b>	<b>Provision</b>	<b>Original cost</b>	<b>Provision</b>
<b>Investments in subsidiaries</b>	<b>89,800,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Thanh Long Newtown Co., Ltd (*)	89,800,000,000	-	-	-
<b>Investment in associated companies</b>	<b>20,010,725,000</b>	<b>-</b>	<b>20,005,725,000</b>	<b>-</b>
Vinatown Real Estate Investment Joint Stock Company (**)	20,010,725,000	-	20,005,725,000	-
<b>Total</b>	<b>109,810,725,000</b>	<b>-</b>	<b>20,005,725,000</b>	<b>-</b>

(\*) Thanh Long Newtown Co., Ltd operates under the Business Registration Certificate No. 1101894757 dated October 18, 2019 issued for the 3rd time by the Department of Planning and Investment of Long An province with a charter capital of 100,000,000,000 VND. As of December 31, 2019, the Company received a transfer from shareholders at the purchase price of 89,800,000,000 VND, taking control and ownership rate of 89.8%.

In 2019, Thanh Long Newtown Co., Ltd. has not come into operation.

(\*\*) Vinatown Real Estate Investment Joint Stock Company (Vinatown) operates under the Business Registration Certificate No. 1101894330 dated September 27, 2018 issued by the Department of Planning and Investment of Long An province. As of December 31, 2019, the Company has made a capital contribution to Vinatown of 20,010,725,000 VND, equivalent to 20.01% of registered charter capital.

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

According to the minutes of the Board of Directors meeting on March 27, 2020, the Company approved the divestment and withdrawal of the entire investment in Vinatown because the Company found that this investment has not yet brought the expected profit according to the first plans.

The fair value as of December 31, 2020 of the investment in unpublicized entities has not yet provided specific and unified guidance on the method of determining fair value in accounting. of these investments. Therefore, the Company does not present the fair value of these investments.

**3. Receivables from customers**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
<b>Short-time</b>	<b>43,745,445,522</b>	<b>(1,050,900,000)</b>	<b>17,058,523,473</b>	<b>(525,450,000)</b>
Nguyen Thi Thu Trang	4,570,800,000	-	-	-
Ly Van Ly	1,300,000,000	-	-	-
Nghiem Thi Hoa	1,348,996,000	-	-	-
Nguyen Thi Thuy Lieu	1,329,190,720	-	-	-
Other customers	35,196,458,802	(1,050,900,000)	17,058,523,473	(525,450,000)
<b>Total</b>	<b>43,745,445,522</b>	<b>(1,050,900,000)</b>	<b>17,058,523,473</b>	<b>(525,450,000)</b>

**4. Prepayments to sellers**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
<b>a. Short-time</b>	<b>61,089,755,137</b>	<b>-</b>	<b>29,380,244,222</b>	<b>-</b>
Thang Loi Land Real Estate Trading and Investment Joint Stock Company (1)	15,847,786,439	-	-	-
Huu Phuc Company Limited (2)	28,000,000,000	-	-	-
Ms. Tran Dang Phuong Linh	-	-	19,622,758,282	-
Other suppliers	17,241,968,698	-	9,757,485,940	-
<b>Total</b>	<b>61,089,755,137</b>	<b>-</b>	<b>29,380,244,222</b>	<b>-</b>

**b. Prepayment to sellers as related parties**

Thang Loi Land Real Estate Trading and Investment Joint Stock Company	15,847,786,439	-	-	-
<b>Total</b>	<b>15,847,786,439</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Advance to Winhouse Real Estate Investment and Trading Joint Stock Company under the brokerage contract No. 09/2019HDMG-TLG-TLL, 10/2019HDMG-TLG-TLL and 15/2019HDMG-TLG-TLL to act as a broker for projects.

(2) Advance according to the deposit contract for land use right transfer No. 14/HDC-2019 dated May 16, 2019 and the annex to the contract of deposit for land use right transfer No. 14/HDC-2019 dated

**NOTES TO FINANCIAL STATEMENT**

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

June 29, 2019. Huu Phuc Company Limited agrees to transfer all 59,000m2 of residential land under the Huu Phuc residential area project at address: Cau Rat hamlet, Tan Phuoc commune, Dong Phu district, Binh Phuoc province.

**5. Receivables from loans**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
<b>a. Long-term</b>	<b>61,000,000,000</b>	-	-	-
Thang Loi Group Investment Joint Stock Company (1)	61,000,000,000	-	-	-
<b>Total</b>	<b>61,000,000,000</b>	-	-	-

**b. Receivables from loans to related parties**

	Value	Provision	Value	Provision
Thang Loi Group Investment Joint Stock Company	61,000,000,000	-	-	-
<b>Total</b>	<b>61,000,000,000</b>	-	-	-

(\*) Loan under contract No. 01/2019/HDTD/TLG dated January 27, 2019 with the lending interest rate calculated by HD bank's short-term loan interest +2% at the time of principal payment and interest. Loan purpose to make land auction payments to Long An Province, with a loan term of 14 months. The form of loan is unsecured.

**6. Other receivables**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
<b>a. Short-time</b>	<b>132,244,045,343</b>	<b>(1,326,089,113)</b>	<b>217,089,700,143</b>	<b>(663,044,557)</b>
Social insurance payments	25,742,320	-	-	-
Advances	25,693,442,815	-	4,818,057,349	-
Collateral, deposits	60,000,000	-	65,000,000	-
Other receivables	16,464,860,208	(1,326,089,113)	78,468,478,410	(663,044,557)
+ Thang Loi Group Investment Joint Stock Company	6,760,344,765	-	6,496,721,657	-
+ Mrs. Dao Thi Thao Uyen	-	-	6,026,606,850	-
+ Mr. Duong Long Thanh	-	-	13,293,669,455	-
+ Mrs. Nguyen Thi Xuan Cuu (1)	-	-	50,000,000,000	-
+ Other receivables	9,704,515,443	(1,326,089,113)	2,651,480,448	(663,044,557)
Receivables from investment cooperation contracts	90,000,000,000	-	133,738,164,384	-
+ Thang Loi Group Investment Joint Stock Company	-	-	61,000,000,000	-

**NOTES TO FINANCIAL STATEMENT**

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

+ Mrs. Dao Thi Thao Uyen	-		72,738,164,384	-
+ Nguyen Anh Minh	90,000,000,000	-	-	-
<b>b. Long-term</b>	-	-	<b>48,000,000</b>	-
Collateral, deposits	-	-	48,000,000	-
<b>Total</b>	<b>132,244,045,343</b>	<b>(1,326,089,113)</b>	<b>217,137,700,143</b>	<b>(663,044,557)</b>

**c. Other receivables from related parties**

+ Thang Loi Group	6,760,344,765	-	67,496,721,657	-
Investment Joint Stock Company				
+ Mrs. Dao Thi Thao Uyen	-	-	78,764,771,234	-
+ Mr. Duong Long Thanh	-	-	13,293,669,455	-
<b>Total</b>	<b>6,760,344,765</b>	<b>-</b>	<b>159,555,162,346</b>	<b>-</b>

(1) This is an investment cooperation contract under contract No. 01/2019/HTĐT I dated March 4, 2019 and Appendix No. 01/2019/HDDT dated December 31, 2019 between Thang Loi Real Estate Joint Stock Company and Mr. Nguyen Anh Minh. However, according to the Resolution of the Board of Directors No. 02/2020/NQ-HĐQT dated March 25, 2020, all rights and obligations of the contract No. 01/2019/HTĐT and Appendix 01/2019/HDDT will be ended; all liabilities will be transferred to the share transfer contract No. 08/2020/HDCN-CTH dated March 25, 2020. Accordingly, the Company will take control of Central Hill Real Estate Joint Stock Company (formerly known as Son Ca Real Estate Joint Stock Company) from the date of completion of the transfer of legal rights and obligations of the contract of shares transfer as mentioned above.

**7. Inventory**

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
Raw materials	14,634,576	-	-	-
Tools and supplies	22,272,727	-	-	-
Unfinished production and business expenses	401,047,925,961	-	72,179,938,261	-
Central Hill project	232,863,375,362	-	72,179,938,261	-
Galaxy Hai Son project	121,836,056,815	-	-	-
Galaxy South Saigon project	340,998,279	-	-	-
Young Town Project	46,007,495,505	-	-	-
Real Estate Goods	5,544,541,225	-	5,942,054,327	-
<b>Total</b>	<b>406,629,374,489</b>	<b>-</b>	<b>78,121,992,588</b>	<b>-</b>

The value of inventory which is stagnant, bad, deteriorating quality can not be sold at the end of the year: None

- The value of inventories used for mortgaging or pledging to ensure the debts payable at the end of the year: None

**8. Long-term assets in progress**

31/12/2019

01/01/2019



**NOTES TO FINANCIAL STATEMENT**

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

	Value	Provision	Value	Provision
- Procurement	207,218,700	-	14,854,931,614	-
- Basic construction	207,218,700	-	10,059,747,712	-
House No. 51 Kinh Duong Vuong	-	-	4,795,183,902	-
	-	-	4,795,183,902	-
<b>Total</b>	<b>207,218,700</b>	<b>-</b>	<b>14,854,931,614</b>	<b>-</b>

**9. Tangible fixed assets see page 34**

**10. Intangible fixed assets**

Items	Land use rights	Software program	Total
<b>Cost/ Historical cost</b>			
Beginning balance	110,440,252,288	204,000,000	110,644,252,288
Ending balance	110,440,252,288	204,000,000	110,644,252,288
<b>Accumulated depreciation</b>			
Beginning balance	-	110,500,000	110,500,000
Depreciation in the year	-	51,000,000	51,000,000
Ending balance	-	161,500,000	161,500,000
<b>Net carrying amount</b>			
Beginning balance	110,440,252,288	93,500,000	110,533,752,288
Ending balance	110,440,252,288	42,500,000	110,482,752,288

\* The residual value of the intangible fixed assets used for mortgage or pledge to secure loans: VND 110,440,252,288.

\* The Original cost of intangible fixed assets at the end of the year is fully depreciated but still in use: None

	31/12/2019	01/01/2019
<b>11. Prepaid expenses</b>		
<b>a. Short-term prepaid expenses</b>	237,601,719	452,894,230
Tools, devices used	237,601,719	452,894,230
<b>b. Long-term prepaid expenses</b>	<b>5,967,644,824</b>	<b>770,429,239</b>
Tools, devices used	2,207,644,824	770,429,239
Cost of providing data information	3,760,000,000	-
<b>Total</b>	<b>6,205,246,543</b>	<b>6,205,246,543</b>

**12. Payables to sellers**

	31/12/2019		01/01/2019	
	Value	Repayable	Original cost	Provision
<b>a. Short-time</b>	<b>55,748,975,177</b>	<b>55,748,975,177</b>	<b>30,773,811,297</b>	<b>30,773,811,297</b>
Thu Duc Housing Development Joint Stock Company (*)	9,289,670,131	9,289,670,131	9,289,670,131	9,289,670,131
Chau Viet Construction And Trading Production Co., Ltd	7,275,952,643	7,275,952,643	-	-
Hai Son Co., Ltd	24,537,921,896	24,537,921,896	-	-
Ngoc Son Construction Co., Ltd	7,339,315,611	7,339,315,611	1136.741.000	1136.741.000
Material Equipment And	12,202,914,158	12,202,914,158	-	-

**NOTES TO FINANCIAL STATEMENT**

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

Civil Engineering Joint Stock  
Company 624

Thuy Phuong Technology

Co., Ltd

7,286,400,000 7,286,400,000

- -

Other suppliers

7,306,114,896 7,306,114,896 1,858,086,008 1,858,086,008

**Total**

**55,748,975,177 55,748,975,177 30,773,811,297 30,773,811,297**

(\*) According to the content of the meeting minutes on December 26, 2019 between the Company and Thu Duc Housing Development Joint Stock Company (TDH) because TDH has not completed the procedure to hand over 28 Land Use Right Certificates to the Company, so this payable has not paid as of 31/12/2019. In case the above-mentioned legal procedures have not been completed by the deadline of June 30, 2020, they will be handled in accordance with the law.

**13. Prepayment from buyers**

**31/12/2019**

**01/01/2019**

**a. Short-time**

103,552,869,890

-

Thanh Long Newtown Co., Ltd (\*)

85,577,816,241

-

Other objects

17,975,053,649

**Total**

**103,552,869,890**

-

**b. Prepaid buyers are related parties**

Thanh Long Newtown Co., Ltd

85,577,816,241

-

**Total**

**85,577,816,241**

-

(1) The Buyer pays in advance according to general sales agent contract No. 02/2019/HDĐDL-YT dated June 20, 2019. Thanh Long Newtown Co., Ltd. approves Thang Loi Real Estate Joint Stock Company to be the general sales agent of Real Estate under Young Town Project in Northwest of Saigon, Duc Lap Commune, Duc Hoa District, Long An Province.

**14. Taxes and other payables to State budget**

	<b>01/01/2019</b>	<b>Payable in the year</b>	<b>Actually paid in the year</b>	<b>31/12/2019</b>
<b>Payables</b>				
Value added tax	5,371,457,193	42,422,662,121	47,794,119,314	-
Corporate income tax.	4,365,373,099	10,506,300,471	5,426,166,099	9,445,507,471
Personal income tax	811,459,285	4,197,901,425	4,215,761,786	793,598,924
Other taxes	-	4,000,000	4,000,000	-
<b>Total</b>	<b>10,548,289,577</b>	<b>57,130,864,017</b>	<b>57,130,864,017</b>	<b>10,239,106,395</b>

**15. Accrued expenses**

**31/12/2019**

**01/01/2019**

**Short-time**

32,385,458,416

215,235,100

Advance deduction for the cost of infrastructure construction of Central Hill project

11,256,844,277

-

Deducting the cost of townhouses in Central Hill project

15,836,674,799

Advance deduction for construction costs of Central Hill landscape construction

3,205,139,145

-

Other deductions

2,086,800,195

215,235,100

**Total**

**32,385,458,416**

**215,235,100**

**NOTES TO FINANCIAL STATEMENT**

for the fiscal year ended December 31, 2019

Unit: Vietnam dong

<b>16. Other payables</b>	<b>31/12/2019</b>	<b>01/01/2019</b>
<b>a. Short-time</b>		
Surplus of assets awaiting resolution	20,010,000	20,010,000
Union funds	101,151,665	82,409,705
Social insurance	9,546,955	5,985,351
Short-term deposit	15,600,000,000	-
Accounts payable for purchase of contributed capital	2,000,000,000	-
Thanh Long Newtown Co., Ltd (*)	39,904,946,265	
Other payables	384,154,591,369	195,947,568,010
- Thanh Long Newtown Co., Ltd	24,295,000,000	-
- Mr. Duong Long Thanh	3,000,000,000	
- Consignment customers	-	46,404,000
- Consignment products	-	24,999,455,269
- Other payables (**)	356,859,591,369	170,901,708,741
<b>Total</b>	<b>441,790,246,254</b>	<b>196,055,973,066</b>
<b>b. Long-term</b>		
Long-term deposits received	105,000,000	-
<b>Total</b>	<b>105,000,000</b>	<b>-</b>
<b>c. Payable to related party</b>		
Thanh Long Newtown Co., Ltd	64,199,946,265	-
<b>Total</b>	<b>64,199,946,265</b>	<b>-</b>

(\*) Other payables under the general sales agency contract No. 02/2019/HDĐDL-YT dated June 20, 2019. Thanh Long Newtown Co., Ltd. approves Thang Loi Real Estate Joint Stock Company to be the general sales agent of Real Estate under Young Town Project in Northwest of Saigon, Duc Lap Commune, Duc Hoa District, Long An Province.

(\*\*) Other payable is the deposit to buy the foundation of the Company's projects.

<b>17. Loans and financial leases</b>	<b>31/12/2019</b>		<b>01/01/2019</b>	
	<b>Value</b>	<b>Repayable</b>	<b>Value</b>	<b>Repayable</b>
<b>a. Short-term borrowing</b>	<b>27,197,000,000</b>	<b>27,197,000,000</b>	<b>15,370,000,000</b>	<b>15,370,000,000</b>
Saigon Thuong Tin Commercial Joint Stock Bank - Tan Binh Branch	-	-	11,900,000,000	11,900,000,000
(2) Saigon Commercial Joint Stock Bank for Industry and Trade - Cho Lon Branch	17,590,000,000	17,590,000,000	3,470,000,000	3,470,000,000
(3) Ho Chi Minh City Development Commercial Joint Stock Bank - Long An Branch	9,607,000,000	9,607,000,000	-	-
<b>b. Due long-term loans</b>	<b>24,352,556,376</b>	<b>24,352,556,376</b>	<b>23,787,930,156</b>	<b>23,787,930,156</b>
(1) Saigon Thuong Tin Commercial Joint Stock Bank - Tan Binh Branch	23,333,340,000	23,333,340,000	23,333,340,000	23,333,340,000
(2) Saigon Commercial Joint Stock Bank for Industry and Trade - Cho	79,200,000	79,200,000	-	-

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Lon Branch

(4) Shinhan Bank Vietnam	940,016,376	940,016,376	454,590,156	454,590,156
<b>c. Long-term borrowings</b>	<b>14,952,332,272</b>	<b>14,952,332,272</b>	<b>36,788,801,484</b>	<b>36,788,801,484</b>
(1) Saigon Thuong Tin Commercial Joint Stock Bank - Tan Binh Branch	11,666,650,000	11,666,650,000	34,999,990,000	34,999,990,000
(2) Saigon Commercial Joint Stock Bank for Industry and Trade - Cho Lon Branch	281,200,000	281,200,000	-	-
(4) Shinhan Bank Vietnam	3,004,482,272	3,004,482,272	1,788,811,484	1,788,811,484
<b>Total</b>	<b>66,501,888,648</b>	<b>66,501,888,648</b>	<b>75,946,731,640</b>	<b>75,946,731,640</b>

**Notes on bank loans**

1. Loans from Saigon Thuong Tin Commercial Joint Stock Bank - Tan Binh Branch includes the following loan contracts:

Credit contract no. LD1817000704 dated June 19, 2018. The total amount is 70,000,000,000 VND. Term of 36 months, interest rate of 10.5%/year, applied for the first 6 months. Loan purpose to receive real estate transfer. The collateral is the land use right and the papers attached to the land at address No. 51 Kinh Duong Vuong, Ward 12, District 6, HCMC. Balance as of 31/12/2019: 34,999,990,000 VND.

2. Loans from Saigon Commercial Joint Stock Bank for Industry and Trade, Cho Lon Branch include the following loan contracts:

Credit Contract No. 38/2019/HDTDTL-PN dated June 05, 2019 with loan of: VND 400,000,000. Loan term: 60 months. Purpose of using the loan to buy a car. Interest rate: 9.5%/year; The collateral is a car according to the sales contract No. 050-1904/PMF-HDMB dated April 24, 2019, balance as of December 31, 2019: VND 360,400,000

Contract of credit line No.: 10/2019/HDDHMDP-PN on 21/03/2019. Loan limit: VND 17,596,000,000. Purpose of loan: Supplement working capital for business activities. Interest rate of 10%/year. The loan term is stated on each debt receipt. Collateral is 23 real estate in Long An province with a total value of 24,942,000,000 VND, balance as of December 31, 2019: VND 17,590,000,000

3. Loans from Ho Chi Minh City Development Commercial Joint Stock Bank - Long An branch include the following loan contracts:

Contract of line credit No. 38901/19MN/HĐTD dated 18/10/2019, loan: VND 9,607,000,000. Loan term of 06 months, interest rate of 9.2%/year. The security measure is the guarantee of Mr. Duong Long Thanh and his wife (major shareholder of the credit grantee), mortgaging 04 real estates owned by Mr. Duong Long Thanh and Ms. Dao Thi Thao Uyen in Ben Luc district, Long An province. Balance sheet as of December 31, 2019: VND 9,607,000,000.

**4. Loans from Shinhan Bank Vietnam Ltd include the following loan contracts:**

Contract No. SHBVN/Q11/08102018/HDTD/CTTL dated October 8, 2018; SHBVN/Q11/14112018/HDTD/CTTL dated 03/12/2018; SHBVN/Q11/03122018/HDTD/CTTL dated 22/04/2019; SHBVN/Q11/22042019/HDTD/CTTL dated 08/05/2019; SHBVN/Q11/23052019/HDTD/CTTL dated 23/05/2019 and SHBVN/Q11/02052019/HDTD/CTTL

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

dated 02/05/2019. Loan term: 60 months. Loan interest rates according to specific loan contracts. Purpose of loan: Buy cars. Collateral is the car formed from the loan contract.

**18. Equity**

**a. Comparison table of changes in equity**

Items	Capital contributed by the owner	Undistributed after-tax profit	Total
<b>Beginning balance of previous year</b>	<b>120,000,000,000</b>	<b>2,147,250,521</b>	<b>122,147,250,521</b>
Capital increase	80,000,000,000	-	80,000,000,000
Profit	-	25,619,306,354	25,619,306,354
<b>Ending balance of previous year</b>	<b>200,000,000,000</b>	<b>27,766,556,875</b>	<b>27,766,556,875</b>
<b>Beginning balance of current year</b>	<b>200,000,000,000</b>	<b>27,766,556,875</b>	<b>27,766,556,875</b>
Profit	-	40,223,375,529	40,223,375,529
<b>Ending balance of current year</b>	<b>200,000,000,000</b>	<b>67,989,932,404</b>	<b>267,989,932,404</b>

**b. Details of the capital contribution of the owner**

	Capital contribution ratio	31/12/2019	01/01/2019
Mr. Duong Long Thanh	81.639%	163,277,870,000	163,277,870,000
Mrs. Dao Thi Thao Uyen	1.000%	2,000,000,000	2,000,000,000
Mr. Nguyen Thanh Quyen	15.012%	30,024,070,000	30,024,070,000
Other shareholders	2.349%	4,698,060,000	4,698,060,000
<b>Total</b>	<b>100.00%</b>	<b>200,000,000,000</b>	<b>200,000,000,000</b>

**c. Capital transactions with owners and distribution of dividends, profit division**

	Year: 2019	Year: 2018
Capital contributed by the owner		
Capital at beginning of the year	200,000,000,000	120,000,000,000
- Capital increased in the year	-	80,000,000,000
Capital at ending of the year	200,000,000,000	200,000,000,000
Distributed dividends, profits	-	-

**VI. ADDITIONAL INFORMATION FOR ITEMS IN REPORT ON BUSINESS RESULTS**

**1. Revenues from sales and services**

**Revenue**

	Year: 2019	Year 2018
Real estate sales revenue	341,603,917,408	213,743,408,714
Real estate brokerage revenue	6,706,164,037	24,897,268,112
Business cooperation revenue	1,196,087,671	3,644,278,083

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

<b>Total</b>	<b>349,506,169,116</b>	<b>242,284,954,909</b>
<b>2. Revenue deductions</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Returned goods	8,350,898,022	1,246,727,272
<b>Total</b>	<b>8,350,898,022</b>	<b>1,246,727,272</b>
<b>3. Net revenues from sale of goods and rendering of services</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Net sales of goods Real estate	333,253,019,386	212,496,681,442
Real estate brokerage net revenue	6,706,164,037	24,897,268,112
Business cooperation revenue	1,196,087,671	3,644,278,083
<b>Total</b>	<b>341,155,271,094</b>	<b>241,038,227,637</b>
<b>4. Cost of goods</b>	<b>Year: 2019</b>	<b>Year: 2018</b>
Cost of goods Real estate sold	175,920,785,614	148,212,280,163
Real estate brokerage cost	7,770,369,266	5,320,533,971
<b>Total</b>	<b>183,691,154,880</b>	<b>153,532,814,134</b>
<b>5. Financial income</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Interest of bank deposit	555,199,981	159,950,321
Interest on deferred sales	80,161,606	98,884,800
<b>Total</b>	<b>635,361,587</b>	<b>258,835,121</b>
<b>6. Expenses from financial activities</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Interest expense	7,638,574,289	5,297,072,622
<b>Total</b>	<b>7,638,574,289</b>	<b>5,297,072,622</b>
<b>7. Cost of sales and administrative expenses</b>	<b>Year: 2019</b>	<b>Year 2018</b>
<b>a. Selling expenses</b>		
Expenses for Employees	10,144,726,435	23,344,915,074
Cost of materials, packaging	-	50,000,000
Expenses of tools and utensils	336,149,668	119,517,134
Fixed asset depreciation expenses	765,499,992	394,332,173
Expenses for outsourcing	44,694,196,867	6,930,109,156
Other expenses	2,039,838,761	3,740,392,460
<b>Total</b>	<b>57,980,411,723</b>	<b>34,579,265,997</b>
<b>b. General and administration expenses</b>		
Expenses for Employees	17,771,039,591	7,887,551,684
Cost of materials, packaging	4,000,000	70,095,990

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Stationery expenses	2,361,889,043	910,101,189
Fixed asset depreciation expenses	4,826,107,295	402,852,980
Taxes, fees and charges	1,984,498,550	174,282,161
Provision for bad receivables	1,188,494,557	1,188,494,557
Expenses for outsourcing	5,116,162,626	5,690,156,758
Other expenses	8,426,859,303	2,011,472,249
<b>Total</b>	<b>41,679,050,965</b>	<b>18,335,007,568</b>
<b>8. Others income</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Fines collected	87,180,154	166,104,901
Others	393,211,908	2,595,162,823
<b>Total</b>	<b>480,392,062</b>	<b>2,761,267,724</b>
<b>9. Other expenses</b>	<b>Year: 2019</b>	<b>Year 2018</b>
Penalties	514,974,875	122,656,779
Others	37,182,011	125,185,224
<b>Total</b>	<b>552,156,886</b>	<b>247,842,003</b>
<b>10. Business &amp; production expenses by factor</b>	<b>Year: 2019</b>	<b>Year: 2018</b>
Construction cost and land value	181,864,649,998	153,532,814,134
Labor expenses	27,915,766,026	31,232,466,758
Depreciation expenses	5,561,075,748	797,185,153
Expenses for outsourcing	49,810,359,493	12,620,265,914
Others	15,153,235,325	7,075,861,183
<b>Total</b>	<b>280,305,086,590</b>	<b>205,258,593,142</b>
<b>11. Current corporate income tax expense</b>	<b>Year: 2019</b>	<b>Year: 2018</b>
<b>1. Accounting gross profit before tax</b>	50,729,676,000	32,066,328,158
<b>2. Amounts adjusted to increase or decrease accounting profits to determine taxable profits for enterprises to access:</b>		
	711,772,226	168,780,864
- Increasing adjusted	711,772,226	168,780,864
Expenses that are not deductible	711,772,226	168,780,864
<b>3. Taxable income in the current year (1+2)</b>	51,441,448,226	32,235,109,022
<b>4. Corporate income tax rate</b>	20%	20%
<b>5. Adjusted the expenses of corporate income tax of the previous years to the current income rent expense this year</b>	218,010,826	-

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

<b>6. Total current corporate income tax expense</b>	10,506,300,471	6,447,021,804
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**12. Objectives and policies of financial risk management**

Key risks from financial instruments include market risk, credit risk and liquidity risk. The Board of Directors considers and applies management policies for these risks as follows:

**12.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate with changes in market prices. There are three types of market risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments exposed to market risk include loans and debt, deposits, and available-for-sale investments.

The sensitivity analyzes presented below relate to the financial position of the Company as of December 31, 2019 and December 31, 2018.

These sensitivity analyzes have been prepared on the basis of the net debt value, the ratio of fixed-rate debt to floating-rate debt, and the correlation ratio between financial instruments denominated in foreign currency remains unchanged.

In calculating sensitivity analyses, management assumes that the sensitivities of available-for-sale debt instruments on the balance sheet and related items of income statement are affected by changes in assumptions about the respective market risk. This analysis is based on the financial assets and liabilities held by the Company as of December 31, 2019 and December 31, 2018.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with changes in market interest rates. The Company's market risk due to changes in interest rates mainly relates to the Company's loans and debts, cash and short-term deposits.

The Company manages interest rate risk by analyzing the competitive situation in the market to obtain interest rates that are favorable for the Company's purposes and remain within its risk management limits.

*Sensitivity to interest rates*

The sensitivity of the Company's (loans and debt, cash and short-term deposits) to a reasonably probable change in interest rates is shown below.

Assuming that other variables remain unchanged, changes in interest rates on floating interest rate (loans) have the following effects on the Company's profit before tax:

	<i>Base gain/decrease</i>	<i>Impact on profit before tax</i>
<b>Current year</b>		
VND	+100	142,725,645
	-100	(142,725,645)
<b>Previous year</b>		



**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

VND	+100	(222,324,552)
	-100	222,324,552

The basis point increase/decrease used for interest rate sensitivity analysis is assumed based on current observable market conditions. These conditions show a slightly higher volatility than in previous periods.

***Foreign currency risk***

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with changes in the exchange rate. The Company is exposed to the risk of changes in foreign exchange rates directly related to its business activities in currencies other than Vietnam Dong.

The Group manages foreign currency risk by considering the current and expected market when the Company plans future transactions in foreign currencies. The Company does not use any derivative financial instruments to hedge its foreign currency risk.

***Foreign currency sensitivity***

The Company has not performed a sensitivity analysis for foreign currencies because the risks from changes in foreign currencies at the date of the financial statements are negligible.

***Real Estate Risks***

The Company has identified the following risks associated with its Real Estate portfolio: (i) project costs may increase if there is a delay in the planning process. The Company hires consultants who specialize in specific planning within the scope of the project in order to reduce risks that may arise during the planning process; (ii) fair value risk of the Real Estate portfolio due to market and buyer fundamentals.

**12.2 Credit risk**

Credit risk is the risk that a party to a financial instrument or customer contract will fail to meet its obligations, resulting in a financial loss. The company is exposed to credit risk from its business activities (mainly from customers) and from its financial activities, including deposits with banks, foreign exchange transactions and foreign exchange transactions and other financial instruments.

***Receivables from customers***

The company minimizes credit risk by only dealing with units with good financial ability. The company regularly monitors closely receivables to urge recovery. On this basis, and the Company's receivables relate to many different customers, credit risk is not concentrated on a certain customer.

***Bank deposits***

The company mainly maintains deposits at large reputable banks in Vietnam. The company found that the concentration of credit risk for bank deposits was low.

The Board of General Directors of the Company assesses that most of the financial assets are mature and not impaired as these financial assets are related to customers with good reputation and ability to pay.

**12.3 Liquidity risk**

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Liquidity risk is the risk that the Company has difficulty in fulfilling its financial obligations due to lack of capital. Liquidity risk of the Company mainly arises from financial assets and financial liabilities with different maturity dates.

The Company monitors liquidity risk by maintaining a level of cash and cash equivalents and bank loans that the Board of General Directors considers as being sufficient to support the Company's operations and to minimize the impact of cash flow fluctuations.

The following table summarizes the payment terms of the Company's financial liabilities based on the expected contractual payments on an undiscounted basis:

<b>December 31, 2019</b>	<b><i>Less than 1 years</i></b>	<b><i>1-5 years</i></b>	<b><i>Over 5 years</i></b>	<b><i>Total</i></b>
Loans and debts	51,549,556,376	14,952,332,272	-	66,501,888,648
Payables to sellers	55,748,975,177	-	-	55,748,975,177
Other payables and payables and payable expenses	434,140,049,785	-	-	434,140,049,785
<b>Total</b>	<b>541,438,581,338</b>	<b>14,952,332,272</b>	<b>-</b>	<b>556,390,913,610</b>
<b>December 31, 2018</b>	<b><i>Less than 1 years</i></b>	<b><i>1-5 years</i></b>	<b><i>Over 5 years</i></b>	<b><i>Total</i></b>
Loans and debts	39,157,930,156	36,788,801,484	-	75,946,731,640
Payables to sellers	30,773,811,297	-	-	30,773,811,297
Other payables and payables and payable expenses	195,947,568,010	-	-	195,947,568,010
<b>Total</b>	<b>265,879,309,463</b>	<b>36,788,801,484</b>	<b>-</b>	<b>302,668,110,947</b>

The company has sufficient access to funds and loans maturing within 12 months can be renewed with existing lenders.

**Collateral**

The Company has used land use rights and tangible assets as collateral for loans from banks (Note V. 17- Borrowings and financial leases)

The Company is using third-party land use rights on December 31, 2018 and December 31, 2019 to secure loans from banks (Note V. 17- Borrowings and financial leases)

**13. Financial assets and financial liabilities** (See page 35).

The fair value of financial assets and financial liabilities is stated at the amount to which the financial instrument could be converted in a current transaction between the parties, unless it is required to sell or liquidate.

The Company uses the following methods and assumptions to estimate fair value:

The fair value of cash and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the carrying amount of these items as a result of these instruments as short term.

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Except for the foregoing, the fair values of financial assets and long-term financial liabilities have not been measured and measured formally as of December 31, 2019 and December 31, 2018 respectively. However, the Board of General Directors judges that the fair value of these financial assets and financial liabilities are not materially different from the book value at the end of the financial year.

**VII. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CASH FLOW STATEMENT**

**1. Amount actually borrowed in the year**

	<b>Year: 2019</b>	<b>Year 2018</b>
- Proceeds from ordinary borrowing	56,947,000,000	99,275,000,000

**2. Amount actually repaid in the year**

	<b>Year: 2019</b>	<b>Year 2018</b>
- Repayment under ordinary loan	(66,391,842,992)	(28,328,268,360)

**VIII. OTHER INFORMATION**

**1. Potential debts, commitments and other financial information**

No contingent liabilities, commitments and financial information arising as of the balance sheet date are disclosed in the financial statements.

**2. Events arising after the date of the end of the financial year**

No significant events have occurred since the balance sheet date require adjustments or disclosures in the Financial Statements.

**3. Transactions with related parties**

Significant transactions and balances with related parties during the year are as follows:

Stakeholders	Relationship	Transactional properties	Amount arising in the year	Balance at year-end receivable (payable)
		Brokerage fees	352,440,000	-
		Borrowings	263,623,108	6,760,344,765
Thang Loi Group Investment Joint Stock Company	Co-Chairman of the Board of Directors	Investment cooperation liquidation	(61,000,000,000)	
		Lending	61,000,000,000	61,000,000,000
		Receive deposits	1,000,000,000	-
Mrs. Dao Thi Thao Uyen	Member of Board of Directors	Investment cooperation profit	1,196,087,671	-
		Recovery of investment cooperation money and interest	79,960,858,905	-

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

Thanh Long Newtown Co., Subsidiary Ltd	Brokerage advance fees	100,000,000,000	(125,482,762,506)
	Borrowings	49,300,000,000	(24,295,000,000)
Thang Loi Land Estate Investment Company	RealCo-Chairman and the Board of Directors of advance payment for service provision	70,007,279,093	15,847,786,439
Mr. Duong Long Thanh	Chairman of the Board of Directors of Loan recovery of Borrowings	18,700,000,000	
		5,100,000,000	(3,000,000,000)
+ Income of Board of Directors and Board of General Directors		<b>Year: 2019</b>	<b>Year: 2018</b>
Key members	Salaries and bonuses	1,565,630,228	1,352,000,000
<b>Total</b>		<b>1,565,630,228</b>	<b>1,352,000,000</b>

**4. Presenting assets, revenue, business results by segment:**

**4.1 Key segment reports: by business lines**

**a. Income Statement of segments by business fields for the year 2019**

As of December 31, 2019, the Company reported its activities by business lines: Real estate commodity trading, real estate brokerage and business cooperation are analyzed revenue and cost price as follows:

<b>Business field</b>	<b>Net sales</b>	<b>Cost-price</b>	<b>Gross profit</b>
Selling Real Estate	333,253,019,386	175,920,785,614	157,332,233,772
Real Estate Brokerage	6,706,164,037	7,770,369,266	(1,064,205,229)
Business cooperation	1,196,087,671	-	1,196,087,671
<b>Total</b>	<b>341,155,271,094</b>	<b>183,691,154,880</b>	<b>157,464,116,214</b>

**b. Income Statement of segments by business fields for the year 2018**

As of December 31, 2018, the Company reported its activities by business lines: Real estate commodity trading, real estate brokerage and business cooperation are analyzed revenue and cost price as follows:

<b>Business field</b>	<b>Net sales</b>	<b>Cost-price</b>	<b>Gross profit</b>
Selling Real Estate	212,496,681,442	148,212,280,163	64,284,401,279
Real Estate Brokerage	24,897,268,112	5,320,533,971	19,576,734,141
Business cooperation	3,644,278,083	-	3,664,278,083
<b>Total</b>	<b>241,038,227,637</b>	<b>153,532,814,134</b>	<b>87,505,413,503</b>

**5. Information about continuous operation:** The company continues to operate in the future.

Prepared by

Chief accountant

*Ho Chi Minh City, April 24, 2020*  
**GENERAL DIRECTOR**

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

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(Signed)

Nguyen Thi Thue Huan

(Signed)

Bui Duc Trung

(Signed and sealed)

Duong Long Thanh

**NOTES TO FINANCIAL STATEMENT**  
*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

**V.9. Tangible fixed assets**

Items	House, building materials	Devices and equipment	Means of transportation	Equipment, management tools	Total
Cost/ Historical cost					
Beginning balance	-	2,761,516,285	7,396,253,601	131,740,000	10,289,509,886
Purchase in the year	14,995,548,614	806,810,000	4,342,281,818	428,603,544	20,573,243,976
Ending balance	14,995,548,614	3,568,326,285	11,738,535,419	560,343,544	30,862,753,862
Accumulated depreciation					
Beginning balance		24,576,756	1,541,871,456	196,875	1,566,645,087
Depreciation in the year	2,985,287,501	760,693,756	1,669,754,758	94,339,733	5,510,075,748
Ending balance	2,985,287,501	785,270,512	3,211,626,214	94,536,608	7,076,720,835
Net carrying amount					
Beginning balance	-	2,736,939,529	5,854,382,145	131,543,125	8,722,864,799
Ending balance	12,010,261,113	2,783,055,773	8,526,909,205	465,806,936	23,786,033,027

\* The residual value of the tangible fixed assets used for mortgage or pledge to secure loans: VND 6,832,911,389.

\* The cost of tangible fixed assets at the end of the year is fully depreciated but still in use: None

**NOTES TO FINANCIAL STATEMENT**

*for the fiscal year ended December 31, 2019*

*Unit: Vietnam dong*

**VI.13 Financial assets and financial liabilities:**

The table below presents the carrying value and fair value of the financial instruments presented in the Company's financial statements.

	Book Value				Fair value	
	31/12/2019		31/12/2018		31/12/2019	31/12/2018
	Value	Provision	Value	Provision		
Financial assets						
- Receivables from customers	43,745,445,522	(1,050,900,000)	17,058,523,473	(525,450,000)	42,694,545,522	16,533,073,473
- Receivables from loans	61,000,000,000	-	-	-	61,000,000,000	-
- Other receivables	106,524,860,208	(1,326,089,113)	212,319,642,794	(663,044,557)	105,198,771,095	211,656,598,237
- Cash and cash equivalents	19,774,453,149	-	53,714,276,427	-	19,774,453,149	53,714,276,427
<b>TOTAL</b>	<b>231,044,758,879</b>	<b>(2,376,989,113)</b>	<b>283,092,442,694</b>	<b>(1,188,494,557)</b>	<b>228,667,769,766</b>	<b>281,903,948,137</b>
Financial liabilities						
- Borrowings	66,501,888,648	-	75,946,731,640	-	66,501,888,648	75,946,731,640
- Payables to sellers	55,748,975,177	-	30,773,811,297	-	55,748,975,177	30,773,811,297
- Other payables	434,140,049,785	-	195,947,568,010	-	434,140,049,785	195,947,568,010
<b>TOTAL</b>	<b>556,390,913,610</b>	<b>-</b>	<b>302,668,110,947</b>	<b>-</b>	<b>556,390,913,610</b>	<b>302,668,110,947</b>