



**NAM LONG**  
NLG



# **DRAGON GROWTH TRANSFORMATION**

ANNUAL REPORT

**2020**

# DRAGON GROWTH TRANSFORMATION

Nam Long has begun its Dragon Growth Transformation journey to become the leading and innovative Integrated Real Estate Developer of Vietnam and the region.

## CONTENTS

<b>01</b>	<b>NAM LONG 2020 &amp; CHAIRMAN'S MESSAGE</b>	<b>02</b>	<b>NAM LONG GROUP OVERVIEW</b>
06	Key figures for 2020	14	Nam Long Group overview
08	Corporate milestones 2020	14	29 years of development
09	2020 awards	16	Core businesses
10	Chairman's message		
<b>03</b>	<b>BOARD OF MANAGEMENT'S REPORT ON 2020 OPERATIONS</b>	<b>04</b>	<b>CORPORATE GOVERNANCE REPORT</b>
22	CEO message	38	Corporate structure
24	Financial analysis	44	Organization structure
30	Projects portfolio	46	Introduction Board of Directors
34	2021-2030 development roadmap	50	Corporate governance report
		56	Internal audit activities
		57	Enterprise risk management
		60	Shareholder structure
<b>05</b>	<b>SUSTAINABLE DEVELOPMENT REPORT</b>	<b>06</b>	<b>FINANCIAL STATEMENT</b>
64	2020 key activities & notable figures	74	General Information
64	Sustainable development strategy	76	Report of the management
68	Ecosystem innovation	77	Independent auditors' report
70	Organization & Human Resources	78	Consolidated balance sheet
		80	Consolidated income statement
			Consolidated cash flow statement
		81	Notes to the consolidated financial statements
		82	

- 06 Keyfigures for 2020
- 08 Coporate milestones 2020
- 09 2020 awards
- 10 Chairman's message

# Waterpoint Township - 355 ha

📍 Ben Luc, Long An

*Construction progress March 2021*



## KEY FIGURES FOR 2020

### BUSINESS PERFORMANCE (Billion VND)

#### Net revenue

2,217

Achieved 2020 business plan with key products in EHome / Flora segments

#### Net profit after-tax

835

Achieved 2020 business plan thanks to product revenue and success of DNWF transfer deal

#### Earning Per Share (EPS)

3,078 (VND)

Average EPS growth of 18% in 5 consecutive years.

#### Total assets

13,643

Total assets increased VND 2,738 billion compared to 2019 mostly from investment in projects and profit generated in 2020

### TOTAL SALES (UNITS)

#### Valora

3,248

Valora products increased 456 units compared to 2019, equivalent to 195%

#### Flora

3,808

In 2020, Flora products accounted for 61% of all products sold, equivalent to 1,662 units

#### EHome/ EHomeS

141

EHome / EHomeS sold 141 units, accounted for 2% of all sales

#### Total

7,158

Despite changes to product composition, Flora & Valora segments are still key products of the Group, accounted for the majority of product composition (approximately 95%).



Construction status of Rivera Jetty Boat  
(Waterpoint project) March 2021

## COPORATE MILESTONES 2020

**MAY 05** Signed strategic agreements with a series of prestigious suppliers  
15 May 2020



Nam Long Group held a signing ceremony of Partnership agreements with a series of prestigious construction materials and services suppliers. This is an important step in improving the project development capability, standardizing the supply chain, stabilizing product quality according to the standards, and preparing for the simultaneous development of major township projects in the near future.

**Nam long inks agreement with Keppel Land to develop commercial land at Waterpoint**  
19 Jul 2020

**JULY 07**

Nam Long signed an agreement with Keppel Land Mall Management Vietnam for strategic consulting for developing commercial land at its Waterpoint township and diversifying its utility ecosystem to add value to the project.



**Nam long launches high-end products at Waterpoint, targets affluent**  
19 Jul 2020

Introduced Detached Villa products & The luxury product collection at Waterpoint to satisfy premium customer segment, generated sales volume of over VND 800 billion in 1 day.

**“Xem nha mau trung vang” series of events**

**SEPTEMBER 09**



1,474 customers participated in the “Xem nha mau, trung vang rong” series of events at Waterpoint project.

**Hand over the first products at Waterpoint township**  
14 Nov 2020

**NOVEMBER 11**



Nam Long handed over the first products at Waterpoint township

Hand-over ceremony was attended by Mr. Watanabe - Consulate General of Japan in HCMC, representatives of the government authorities in Ben Luc district, Long An province, Nishi Nippon Railroad (Japan), Nam Long, TBS Group, Tan Hiep and 600 customers.

**AUGUST 08** Topping out of Akari City project Phase 1  
06 Aug 2020



After 11 months of construction, phase 1 of Akari City was topped out, consisting of 6 apartment blocks, equivalent to more than 1,800 apartments, completed earlier than the expected construction progress, with tightly controlled construction quality and safety.

Within 1 day of announcement, 1,200 customers signed up for the 3<sup>rd</sup> Housing Saving Program in collaboration with Vietcombank, applied for Flora Mizuki MP6, MP 7 and MP8 of Mizuki Park township.



**3<sup>rd</sup> Housing Saving Program**

## AWARDS 2020

### INTERNATIONAL AWARDS:

Asia Property Awards 2020 by International Property Awards

- Best Public Service - Mizuki Park
- Best Marketing Development - Akari City



### LOCAL AWARDS:

- Top 50 Most Valuable Vietnamese Brands (voted by Forbes Vietnam)
- Top 50 The Best Vietnamese Listed Company (voted by Forbes Vietnam)
- Best Developers of Vietnam – Vietnamese Outstanding Township Developer (in Vietnam Outstanding Property Award, organized by The Business Review)
- Top 50 Best Growing Company (organized by The Business Review & TVS)
- Top10 Most Reputable Property Developer of Vietnam (organized by Vietnam Report & Vietnamnet)
- Top 50 Vietnam The Best (organized by Vietnam Report & Vietnamnet)
- Top 500 Largest Corporate of Vietnam - VNR500 (organized by Vietnam Report & Vietnamnet)
- Top 500 Fast Growing Company of Vietnam - FAST500 (organized by Vietnam Report & Vietnamnet)
- Top 500 Best Profit Company of Vietnam - PROFIT500 (organized by Vietnam Report & Vietnamnet)
- The Spirit of CSR among business 2020 (organized by The SaiGonTimes)
- Top 50 Vietnamese employer brand & Top 100 Best Workplaces in Vietnam (organized by Anphabe)

## CHAIRMAN'S MESSAGE



**“2021 is a turning point for Nam Long in jump-starting the Dragon Growth Transformation journey. After over a year of working with the world - leading strategic consultant, Nam Long has acquired a solid base to launch ambitious goals in the new journey.”**

Dear Shareholders, Partners and all employees of Nam Long Group!

On behalf of the Board of Directors, I humbly present the achievements in 2020, the Company's goals in 2021 and the new vision & mission of the Company in 2021-2030.

### 2020 – OVERCOMING OBSTACLES

2020 is considered a challenging year for domestic and international economies under the influence of the Covid-19 pandemic. Despite being one of the countries with the highest economic growth, with GDP growth of 2.91%, Vietnam's macroeconomy in general and the real estate market, in particular, cannot avoid certain influences. In such a circumstance, the Nam long team still endured to acquire notable achievements on our journey to realize the 10-year vision 2021-2030. Together, we have achieved:

- Recorded net revenue and net profit of **VND 2.217 billion** and **VND 835 billion**, respectively, **exceeded the 2020 business plan 46% in revenue and 2% in profit.**
- Continue to **simultaneously develop 3 large-scale townships** of Mizuki, Akari and Waterpoint; **pre-sales** volumes (bookings) of approximately **VND 2000 billion.**
- Simultaneously develop our most ambitious initiative projects:
  - **With the world-renowned strategic consultant from America develop Dragon Growth Transformation strategy** for the next 10 years from **2021 – 2030**

- **With Deloitte:** develop ERP - enterprise resource planning system - the same technology platform unutilized by some of the most successful companies in the world
- **With PwC** build **ERM risk management model** to identify, assess and manage risks that can affect business growth, creating a stable growth environment for the Company.
- Highly praised and acknowledged by reputable institutions both domestic and international:
  - Vietnam's **50 best listed companies by Forbes**
  - Vietnam's **50 Best-performing Companies by Nhip Cau Dau Tu Magazine**
  - Top **100 Best Places to Work in Vietnam by Alphabe**
  - International award for projects eligible for **International Property Awards.**
- Maintain leading position in the **“affordable”** segment, supporting national housing strategy by **building and handling over 300 social housing at EhomeS** Nam Saigon and EhomeS Can Tho, while there is no supply for this segment on the market.
- The Group has **donated approximately VND 8 billion to support over 20,000 people** through **CSR** activities such as Support for Covid-19, support for flash floods in central-region, education fund across the country, and maintaining the “Swing for dreams” scholarship fund of the Group.

### 2021 - DRAGON GROWTH TRANSFORMATION

2021 is a turning point for Nam Long in jump-starting the Dragon Growth Transformation journey. After over a year of working with the world-leading strategic consultant, Nam Long has acquired a solid base to launch ambitious goals in the new journey.

#### Mission:

Together, we create living environments and valuable products for communities.

#### Nam Long Vision 2030

- Become the leading and innovative integrated real estate company in Vietnam and region
- Foster brand reputation with the focus on customers
- Have a sustainable business, with billions of dollars in annual revenue
- Enhance value for Customers, Partners and Shareholders
- Become a source of pride for our employees, communities and Vietnam

To realize the aforementioned vision, in **2021 Nam Long will develop with the following orientation:**

### STRENGTHEN & STRETCH THE CORE

- For the two core businesses **Land Development and Residential & Township development**, Nam Long will increase core business efficiency by **setting strategic business goals for 3 /5 /10 years** to have an overall and ambition for short, mid and long-term. For the **3-year short term**, Nam Long expects to **increase annual sales volume by 85% on average, and increase annual revenue by 72%.**
- **Focus on developing integrated townships** such as Southgate (Waterpoint phase 1 – 165 ha), Mizuki Park 26 ha, Izumi City (Waterfront – 190 ha), Akari City, Nam Long – Can Tho (43 ha), etc. Gradually transforming Nam Long from the leading “affordable” housing developer into an **integrated township developer.**
- **Further penetration of home market:** Nam Long will increase housing market share by **developing new segments** in priority districts of HCMC on top of familiar products like EHome, Flora, Valora.
- **Geographic expansion: the market in Hanoi area and priority tier-2 cities** has potential for economic growth, attracting a large workforce with a great need for settlement. These will be the target for Nam Long's land and housing development.
- **Regarding Investment**, we will standardize capital allocation and investment, developing fundraising strategy for Nam Long via **foreign fundraising, M&A**, etc.
- **Regarding Finance**, Nam Long will continue to **seek for Project-level financing both domestic and international**, as well as proficient & flexible finance allocation.
- Nam Long will also give special attention to other supplementary **initiatives**, especially **in technology**, to support core businesses' operations.

### DIVERSIFY GROWTH

Development of new horizontal growths will create **resonance and value for core businesses**, balance investment segments and **diversify products, create stability for Nam Long's revenue and cash flow**, adapting to the ever-changing market.

In 2020, the Group will begin to **diversify growth** by preparing development plans for the following business segments:

- Ecosystem
  - Educational Service
  - Medical/ Healthcare service
- Commercial properties development:
  - Office
  - Retail

The first projects will be implemented at the integrated townships being developed to satisfy the need to **live – work – play – shop – learn**, not only for Nam Long residences but also for the surrounding communities. During implementation, Nam Long will study and develop **successful formulas** for each new business segments, ensuring the most secure business operations approach.

### ENABLING THE ORGANIZATION AND ITS PEOPLE

To realize the new vision, Nam Long needs to have strong transformation in its organization, specifically:

- Restructuring the Company into Business Units, in which each business unit is an operating profit center and committed to create profit growth for the Group. In the next 3 years, net profit contribution to NLG is expected to **grow 32% annually.**
- Selecting suitable key leader for each business unit, ensuring optimal efficiency for each unit.
- Develop Nam Long Academy, continuously trains successors to ensure resources and workforce stability to contribute to our long-term plan.

Restructuring for growth is Nam Long's initiative in developing new business segments. Regardless of circumstances, core values of Professionalism, Integrity, Ownership and the Company's culture will be preserved and fostered.

For our shareholders, partners and related parties, Nam Long always considers fulfilling our plan for **“sustainable breakthroughs”** to share with you all of our coming stable growths.

On behalf of Nam Long, I thank you for your support and companion on the development journey is the past 30 years. I wish you good health, happiness and success.



**Nguyen Xuan Quang**  
Chairman

- 14 Nam Long Group overview
- 14 29 years of development
- 16 Core businesses

# Mizuki Nguyen Son Township - 37 ha

📍 Binh Chanh, HCMC.

*Construction status December 2020*



## OVERVIEW

<b>Company name</b>	CÔNG TY CỔ PHẦN ĐẦU TƯ NAM LONG
<b>English name</b>	Nam Long Investment Corporation
<b>Charter capital</b>	2,852,706,600,000
<b>Headquarter</b>	06 Nguyen Khac Vien, Tan Phu Ward, District 7, HCM City
<b>Tel</b>	(+84-28) - 54 16 17 18
<b>Fax</b>	(+84-28) - 54 17 18 19
<b>Website</b>	www.namlongvn.com
<b>Email</b>	info@namlongvn.com



## MISSION

Create living environments with humanitarian values to the community



## VISION 2030

1. Become the leading and innovative integrated real estate company in Vietnam and region
2. Foster brand reputation with the focus on customers
3. Have a sustainable business, with billions of dollars in annual revenue
4. Enhance values for Customers, Partners, and Shareholders
5. Become a source of pride for our employees, communities and Vietnam



## CORE VALUES

- Professionalism
- Integrity
- Ownership



## 29 YEARS HISTORY OF DEVELOPMENT

### 2015

Nam Long collaborated with:

- Strategic partner - Keppel Land
- Japanese partners - Hankyu Hanshin Properties and Nishitetsu Group to develop projects.



### 2014

Nam Long welcomed strategic shareholders:

- IFC(World Bank)
- Bridger Capital (US)
- Probus Asja



### 2016

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



### 2013

Nam Long welcomed a strategic shareholder - Mekong Capital 2005



### 2017

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



### 2010

Nam Long welcomed a strategic shareholder - Mekong Capital 2005



### 2018

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



### 2008

Nam Long received synergy of two strategic shareholders:

- Nam Viet Corporation (100% owned by Goldman Sachs)
- ASPL fund (Malaysia)



### 2019

In-depth announcement of Township Development Strategy. Expand the market, accelerate the acquisition of 236 ha of "clean" land: Nam Long Hai Phong (21ha), Waterfront (Dong Nai, 170ha), Nam Long Dai Phuoc (45ha) Vanto programme to transform corporate culture in order to realize Nam Long Vision 2020

### 2020

Develop **Dragon Growth Transformation 2021 - 2030** strategy with new mission and vision.

Izumi City project (170 ha) - in partnership with Hankyu Hanshin Properties

### 2005

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

### 1992

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

## CORE BUSINESSES

### 1. TOWNHOUSE DEVELOPMENT



355 ha

**WATERPOINT**  
An Thanh, Long An



37 ha

**MIZUKI-PARK**  
Binh Chanh, TP. HCM



8.5 ha

**AKARI CITY**  
Binh Tan, TP. HCM



45 ha

**NAM LONG DẠI PHUOC**  
Nhon Trach, Dong Nai



170 ha

**IZUMI CITY**  
Long Hung, Dong Nai



21 ha

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

### COMPLETED TOWNSHIPS



28 ha

**NAM LONG TAN THUAN DONG**  
Tran Trong Cung, Quan 7, TP. HCM



34 ha

**NAM LONG PHUOC LONG B**  
Do Xuan Hop, Quan 9, TP. HCM



17.5 ha

**NAM LONG PHU HUU**  
Phu Huu, Quận 9, TP. HCM



12.5 ha

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



80 ha

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



**29** YEAR  
EXPERIENCE  
IN REAL ESTATE  
DEVELOPMENT

**20** SUBSIDIARIES and  
JOINT VENTURES

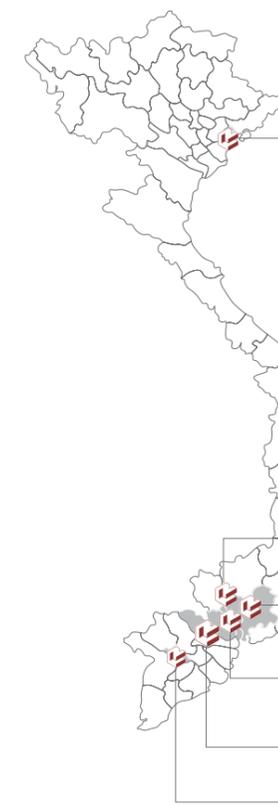
LANDBANKS **681** ha

EMPLOYEES **739** Individuals

TOTAL ASSETS **13.643** Billion VND  
31/12/2020



**21.000**  
FAMILIES HAVE CHOSEN  
**NAM LONG**



**06** PROJECTS  
LOCATED IN  
PROVINCES

HAI PHONG

BINH DUONG

ĐÔNG NAI

TP. HO CHI MINH

LONG AN

CAN THO

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

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

#### HIGHLIGHTED NAM LONG COMMERCIAL PROPERTIES

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



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

## CORE BUSINESSES (CONTINUED)

### 3. DEVELOPING THREE KEY HOUSING PRODUCT LINES

#### A. AFFORDABLE, VILLA



**Camellia Garden**  
Binh Chanh, HCMC.



**Valora Island**  
Binh Chanh, HCMC.



**Valora Shophouse Mizuki Park**  
Binh Chanh, HCMC.



**Valora Fuji**  
District 9, HCMC.



**Valora Kikyo**  
District 9, HCMC.



**Dalia Garden**  
Cai Rang, Can Tho

#### B. AFFORDABLE CONDOMINIUM



**The Bridgeview**  
District 7, HCMC.



**Flora Mizuki**  
Binh Chanh, HCMC.



**Flora Anh Dao**  
District 9, HCMC.



**Flora Fuji**  
District 9, HCMC.



**Flora Kikyo**  
District 9, HCMC.



**Flora Novia**  
Thu Duc, HCMC.

#### C. AFFORDABLE HOUSING



**EHome 1**  
District 9, HCMC.



**EHome 2**  
District 9, HCMC.



**EHome 3**  
Binh Tan District, HCMC.



**EHome 4**  
Thuan An, Binh Duong



**EHomeS - Nam Sai Gon**  
Binh Chanh, HCMC.



**EHomeS - Phu Huu**  
District 9, HCMC.

22	CEO message
24	Financial analysis
30	Projects portfolio
34	2021-2030 development roadmap

## Akari City Township - 8,5 ha

📍 Binh Tan, HCMC.

*Construction progress March 2021*

## CEO MESSAGE

**“For Nam Long the fiscal year 2020, the group managed to achieve the business plan target with Profit After Tax of parent company to vnd 835 billion. Through NL team sheer commitment and determination, we managed to deliver the performances within the strategic business plan despite the great challenges and difficulty posed by COVID 19 and the continuous uncertainty in regulatory imposition to the real estate industry by the government.”**



### CORPORATE OVERVIEW 2020

2020 have been challenging year for most businesses and economy as whole due to pandemic of COVID 19; which have a significant adverse impact to investment, human capital and productivity growth. There is still uncertainty in longer-term growth and risk to economic stability.

For Nam Long the fiscal year 2020, the group managed to achieve the business plan target with Profit After Tax of parent company to vnd 835 billion. Through NL team sheer commitment and determination, we managed to deliver the performances within the strategic business plan despite the great challenges and difficulty posed by COVID 19 and the continuous uncertainty in regulatory imposition to the real estate industry by the government.

### FULLFILLMENT OF VISION 2020 AND IMPLEMENTATION OF OTHER KEY INITIATIVES

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

The year 2020 marked the success of a 6-year long journey of relentless innovation and development for the group's activities. During this period, with timely encouragement from the BOD, and the heart-and-soul dedication of the Board of Management, as well as the staffs; our group has attained many outstanding achievement. The most noticeable is the successful implementation of the join-venture projects with our Japanese business partners Nishi Nippon Railroad (NNR) and Hankyu Hanshin Properties (HHP) in key projects such as Akari City (8 ha), Mizuki (26 ha), and most recently the township projects Waterpoint (190

ha) and Izumi City (170 ha) locating at the Eastern and Western strategic gateway of Ho Chi Minh City. Apart from our projects, Nam Long also shared our success with the Anabuki housing services company in providing township and properties management services; and East Wing Auditing & Consulting in exploring Nam Long's investment and fundraising potential.

While the COVID-19 pandemic was wreaking havoc on the economy and the market in 2020, causing grave consequences, Nam Long took the opportunity and gather its focus and resources to strengthen internal operation, to become ever more competitive, to ready itself for an explosive leap as soon as the market recovers. Specifically, with the advices from world-leading experts on business strategy, during 2020, the group started to take action to transform from a functional division-department model into a business-unit based model via a new organization structure, whereby



2019 - Acquiring DNWF from Portsville (Keppel Land)



2020 - Acquiring the remaining 30% of DNWF from Portsville (Keppel Land)



Transition between the old and new generations - March 2021

the business-unit assume a more independent stance in financial control in order to create the foundation for a long-term, sustainable growth platform. One of the remarkable highlight is the establishment of the brand-new business-unit for the purpose of expanding the group's investment portfolio, in charge of developing commercial properties, installing the complementary ecosystem for existing township, and mange other ventures.

### MOVING FORWARD 2021

Despite the difficulties, Vietnamese Government has done a commendable job in controlling the outbreak, and has been given world-wide recognition. Consequently, the real estate market proved to be promising and real demand from the majority of Vietnamese families for affordable housing remained unfazed. This demand is the result of good demographic, high urbanization rate, increasing middle-class income and the ever expanding public infrastructures and connectivity.

Moving forward in 2021, all the 3 key initiatives mentioned in 2020 will be going into implementation stages to bring the best operation efficiency and effectiveness to deliver sustainable high performing results in 2021 and 3 years Plan.

On the Long Term Growth Strategy 2021-2030, NL currently a reputable Affordable Housing Developer aspired to hop-step-jump into Integrated Township Developer and finally Integrated Property Company with focus on strong profitability to growth potential and finally reliable brand. Growth strategy work on principles of Business Units of Land Development, Township/ Residential Development and Commercial Development. Concurrently NL is in the process of creating our new Mission and Vision 2030 matching to NL long term growth and business plan.

### ACKNOWLEDGEMENT

I would like to extend my heartfelt appreciation to the Board of Directors for unwavering commitment to the sustainability of our continuous growth. I

would also like to extend my appreciation and gratitude to the Board of Management and dedicated employees of Nam Group for their dedication and hard work and to all our customers, stakeholders and shareholders for your support, trust and loyalty all this time.

Finally, I would like to take this opportunity to offer the best of wishes to my successor – Mr. Tran Xuan Ngoc – who will assume the Group CEO position on the 1st April, 2021. I strongly believe that his leadership will help the group achieve momentous milestones and realize the 2030 vision, taking Nam Long to new height.

Thank you.

**STEVEN CHU CHEE KWANG**

Group Chief Executive Officer

## FINANCIAL ANALYSIS

BUSINESS RESULTS (Billion VND)	2016	2017	2018	2019	2020
Total assets	6,209	7,906	9,574	10,904	13,643
Net revenue	2,534	3,161	3,480	2,546	2,217
Pre-tax profit	484	950	1,128	1,226	1,015
Net profit after-tax & minority interest	345	535	763	961	835
Earnings per share	2,159	3,314	3,521	4,479	3,078

TOTAL SALES (Units)	2016	2017	2018	2019	2020
EHome/ EHomeS	1,415	1,270	1,112	552	141
Flora	650	1,156	1,776	1,971	1,662
Valora	170	340	162	480	936
Landlots	293	187	222	10	2
<b>TOTAL</b>	<b>2,528</b>	<b>2,953</b>	<b>3,272</b>	<b>3,013</b>	<b>2,741</b>

NET PROFIT  
AFTER-TAX  
**835**  
BIL. VND

TOTAL ASSETS 2020  
**13,643**  
BIL. VND

**INCREASE  
25%  
Y.O.Y**

FINANCE STATEMENT (Billion VND)	2019	2020	INCREASE/DECREASE
Total assets	10,904	13,643	25%
Revenue	2,549	2,260	-11%
Net revenue	2,546	2,217	-13%
Operating profit	844	1,002	19%
Other profits	383	13	-97%
Pre-tax profit	1,226	1,015	-17%
Net profit after-tax & minority interest	961	835	-13%
Corporate income taxes and other taxes	252	119	-53%

KEY FINANCIAL INDICATORS (Billion VND)	2019	2020
<b>LIQUIDITY RATIO</b>		
Current ratio: Current assets/Current liabilities	2.62	2.16
<b>CAPITAL STRUCTURE</b>		
Total liabilities/Total assets	43%	51%
Total liabilities/Owners' equity	93%	124%
<b>OPERATING CAPACITY</b>		
Inventory turnover	0.39	0.30
Asset turnover: Net revenue/Total assets	0.25	0.18
<b>PROFITABILITY RATIO</b>		
After-tax profit/Net revenue	38%	38%
After-tax profit/Equity	21%	16%
After-tax profit/Total assets	10%	7%



Rivera (Waterpoint project) - Construcion progress December 2020

## FINANCIAL ANALYSIS (CONTINUED)

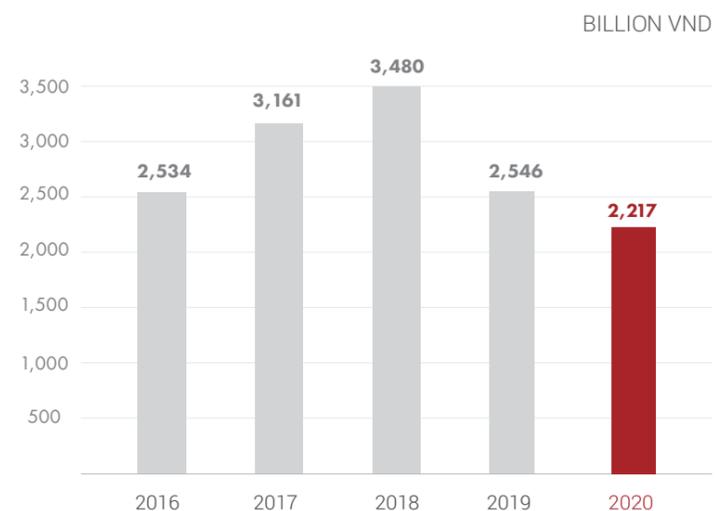
BUSINESS PERFORMANCE (Billion VND)	2016	2017	2018	2019	2020
Net revenue	2,534	3,161	3,480	2,546	2,217
Pre-tax profit	484	950	1,128	1,226	1,015
Net profit after-tax & minority interest	345	535	763	961	835
EPS	2,159	3,314	3,521	4,479	3,078
Net consolidated revenue	2,534	3,161	3,480	2,546	2,217
Revenue from JVs	-	-	59	2,034	1,856
<b>Combined revenue</b>	<b>2,534</b>	<b>3,161</b>	<b>3,539</b>	<b>4,580</b>	<b>4,073</b>

### NET REVENUE

Revenue in 2020 reached VND 2,217 Billion (achieved the BP 2020). The Ehomes/Flora apartment product has occupied at highest proportion in revenues from products handover (approx. 8%), this apartment product line remained as the key selling of Nam Long Group. Besides, revenue from projects development services has occupied at highest proportion in revenues (approx. 65%) increased 42% compared to 2019.

Revenue from Valora/Nam Long Home reached VND 132 Billion (exceeded the BP by VND 84 Billion), was mainly from Small Island and Valora Island, occupied 6% of the 2020 total revenue.

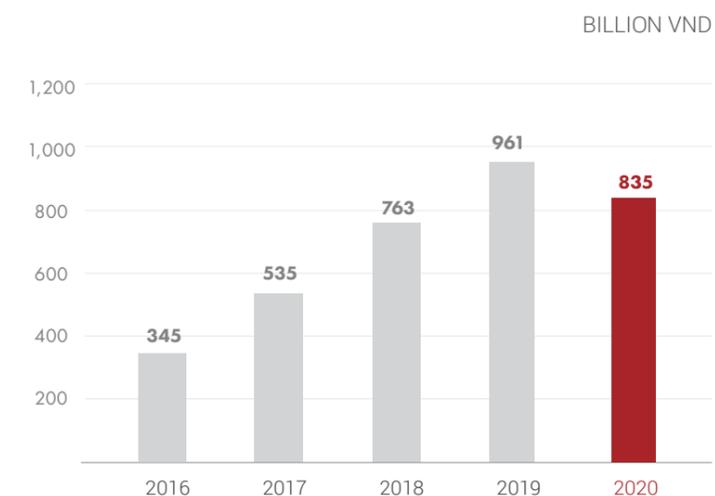
Revenue from land lots accounting for 1.2% of total revenue of 2020, mainly from Dalia Garden (Can Tho City) project and Phu Huu project.



### NET PROFIT AFTER-TAX & MINORITY INTEREST

Net profit after-tax & minority interest is VND 835 Billion (achieved the BP 2020), as a result of stabilisation of product lines and the successful of charter capital transfer of Dong Nai Waterfront City Company Limited.

Together with steady growth, the parent company has paid dividends in cash since 2015 at the rate of 5% - 10% per share. The Group has also changed its policy of dividend payment by issuing dividends in forms of stocks at the rate of 8.23% in 2019 and 9.57% in 2020.



### COMPOUND ANNUAL GROWTH RATE

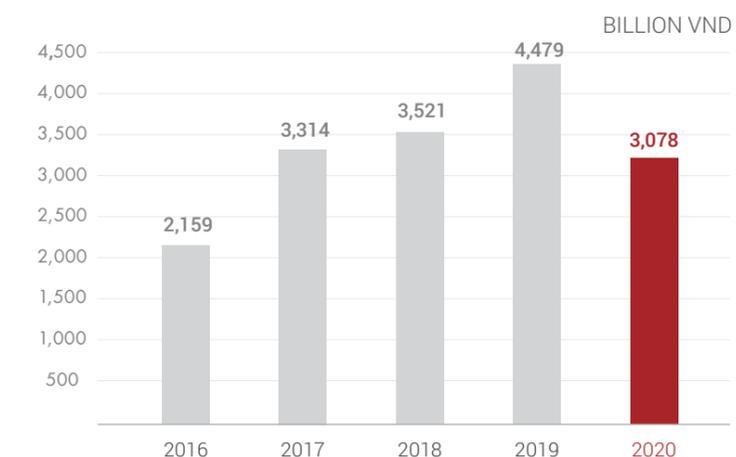
At the Group level, Nam Long's revenue is also contributed significantly by JVs' product handover (has not been presented in the consolidated financial statements).

■ Net consolidated revenue  
■ Revenue from JVs



### EARNINGS PER SHARE (EPS)

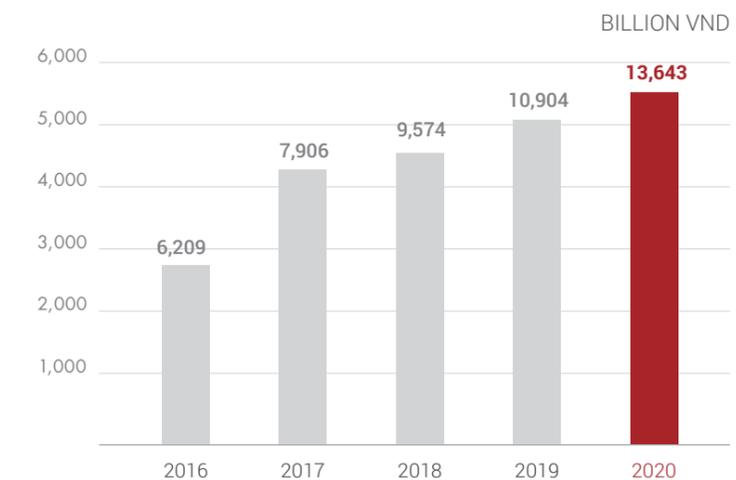
In 5 consecutive years, the Compound Annual Growth Rate (CAGR) of after-tax profit attributable to shareholders of the parent company were 32% and 18% respectively. The growth rate of EPS was lower than Nam Long issued stocks separately in 2015 (7,100,000 shares); issued stocks in form of employee selection in 2016 (542,353 shares), 2017 (958,160 shares); 2018 (1,680,616 shares) and paid dividends in form of share at the rate of 9.96% (14,153,739 shares) in 2017, the rate of 11.25% (20,259,037 shares) in 2018, the rate of 8.23% (18,867,196 shares) in 2019 and the rate of 9.57% (23,893,716 shares) in 2020. In 2018, the company has changed bonds into 27,560,355 shares.



### BALANCE SHEETS (Billion VND)

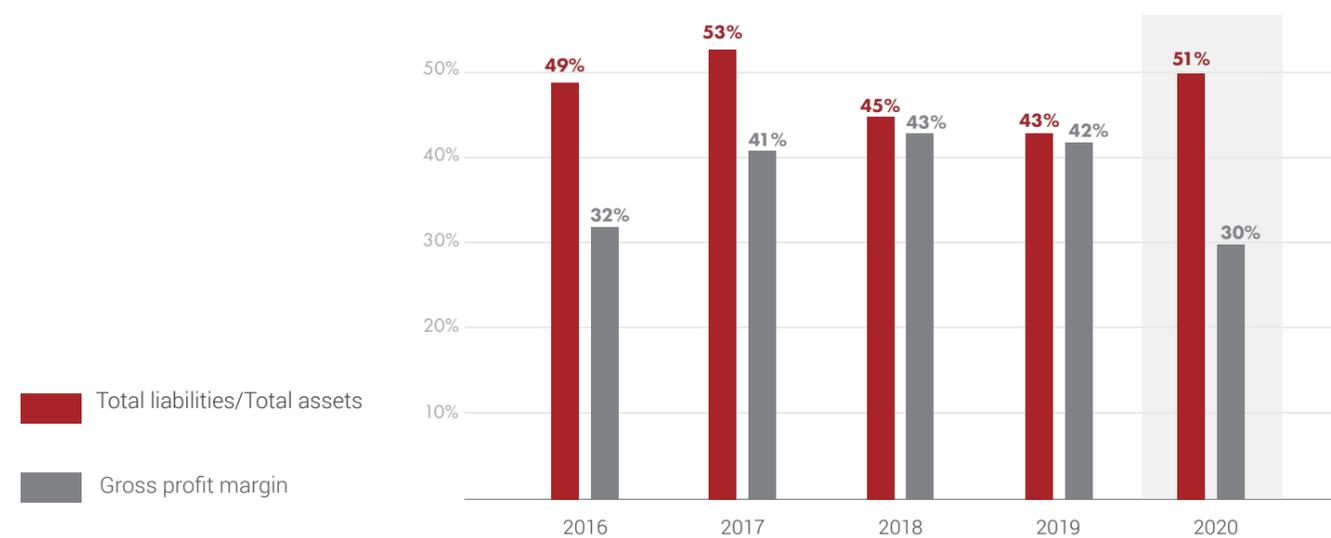
	2016	2017	2018	2019	2020
Charter capital	1,421	1,572	2,391	2,597	2,853
Equity	2,484	2,920	4,600	5,055	5,603
Total assets	6,209	7,906	9,574	10,904	13,643
Loan & Borrowings	1,166	916	1,007	870	2,457
Book value/share (Billion VND)	22,054	23,596	22,045	23,801	23,558

Total asset of Nam Long Investment Corporation has increased steadily. In 2020, total assets increased by 25% (Year 2019: 14%), from VND 10,904 Billion to VND 13,643 Billion. In which, inventories increased 40%, or VND 1,771 Billion, mainly due to the additional investment into projects (Akari, Waterpoint, Can Tho).



## FINANCIAL ANALYSIS (CONTINUED)

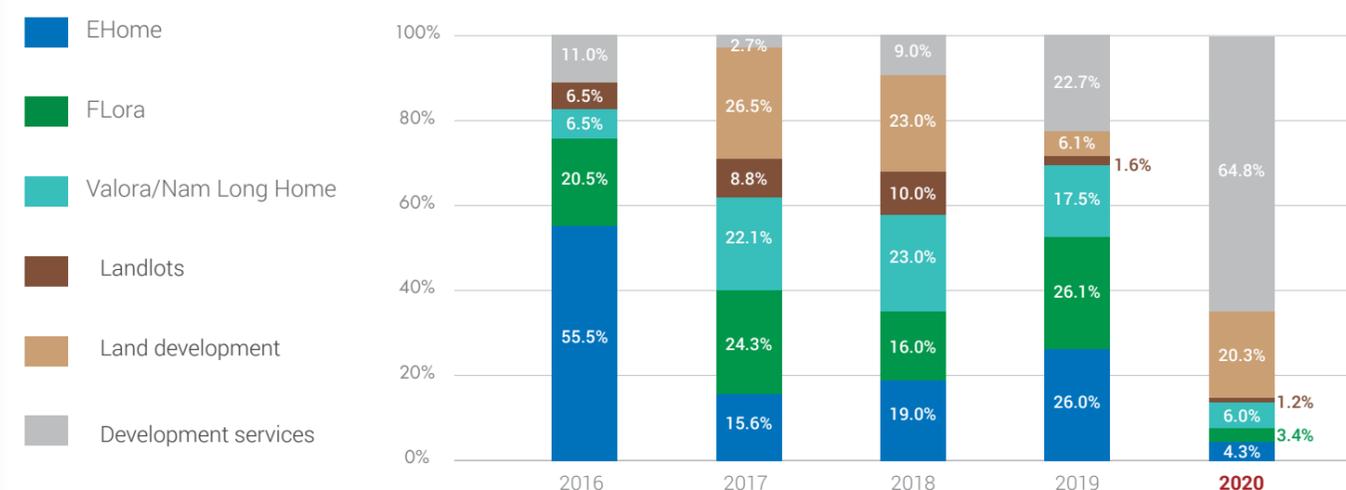
FINANCIAL INDICATORS	2016	2017	2018	2019	2020
<b>LIQUIDITY RATIO</b>					
Short-term solvency ratio (times)	2.67	2.21	2.72	2.62	2.16
Quick ratio (times)	0.98	0.95	1.51	1.20	0.79
<b>DEBT-TO-EQUITY RATIO</b>					
Total debt/Total assets	47%	31%	22%	17%	44%
Total liabilities/Owners' equity	123%	143%	93%	93%	124%
Total liabilities/Total assets	49%	53%	45%	43%	51%
<b>OPERATING RATIO</b>					
Inventory turnover	0.46	0.49	0.55	0.39	0.30
Total assets turnover	0.45	0.45	0.40	0.25	0.18
<b>PROFITABILITY RATIO</b>					
Gross profit margin	32%	41%	43%	42%	30%
Net profit margin	14%	17%	22%	38%	38%
Net profit/Total equity	15%	20%	20%	21%	16%
Net profit/Total assets	6%	8%	9%	10%	7%



## REVENUE BREAKDOWN (BY PRODUCTS)

BY PRODUCTS

PRODUCTS	2016	2017	2018	2019	2020
<b>TOTAL</b>	<b>2,534</b>	<b>3,161</b>	<b>3,480</b>	<b>2,546</b>	<b>2,217</b>
EHome	1,405	494	655	663	95
Flora	519	768	565	665	76
Valora/Nam Long Home	166	699	794	444	132
Landlots	166	279	360	41	26
Land development	-	838	795	155	451
Development services	278	83	310	578	1,437
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
EHome	55.5%	15.6%	19.0%	26.0%	4.3%
Flora	20.5%	24.3%	16.0%	26.1%	3.4%
Valora/Nam Long Home	6.5%	22.1%	23.0%	17.5%	6.0%
Landlots	6.5%	8.8%	10.0%	1.6%	1.2%
Land development	0.0%	26.5%	23.0%	6.1%	20.3%
Development services	11.0%	2.7%	9.0%	22.7%	64.8%



## PROJECTS PORTFOLIO



📍 Binh Chanh, HCMC.



Phase	Phase 1	Phase 2		Phase 3				
Product	1,470 Units	CC3 760 Units	CC5 796 Units	VALORA 24 Units	FLORA 436 Units	VALORA 39 Units	CCTM 3 162 Units	CCTM 1-2 465 Units



📍 Binh Tan, HCMC.



Phase	Phase 1	Phase 2	Phase 3
Product	1,862 Units	1,723 Units	1,242 Units



**WATERPOINT**  
RIVERSIDE COMMUNITY

📍 An Thanh, Long An



Phase	Phase 1A	Phase 1B	Phase 1C	Phase 2A	Phase 2B	Phase 2C
Product	1,700 Units			474 Units		

## MRI (EHOME)

📍 An Thanh, Long An



Phase	Phase 1	Phase 2	Phase 3
Product	366 Units	384 Units	561 Units

## PROJECTS PORTFOLIO (CONTINUED)

### NAM LONG DAI PHUOC (DONG NAI)

📍 Nhon Trach, Dong Nai



Phase	Product	Phase 1 - VALORA	Phase 2 - VALORA
		<b>307 Units</b>	<b>370 Units</b>

### IZUMI CITY

📍 Long Hung, Dong Nai



Phase	Product	Phase 1A	Phase 1	Phase 2
		<b>447 Units</b>	<b>797 Units</b>	<b>424 Units</b>

### NAM LONG CAN THO 2

📍 Cai Rang, Can Tho



Phase	Product	Phase 1		Phase 2		Phase 3	
		Valora	Landlots	Valora	Landlot	Valora	Landlots
		<b>51 Units</b>	<b>350 Units</b>	<b>72 Units</b>	<b>182 Units</b>	<b>85 Units</b>	<b>398 Units</b>

### NAM LONG HAI PHONG

📍 Thuy Nguyen, Hai Phong



Phase	Product	Phase 1 - Valora	Phase 2A - Valora	Phase 2B - EHome
		<b>369 Units</b>	<b>370 Units</b>	<b>2,159 Units</b>

## 2021 - 2030 DEVELOPMENT ROADMAP

NLG will transform and become an Integrated Real Estate Investor across the Vietnam market.



### Strengthen the Core

- Housing development:** Serve real demand with core products EhomeS, Flora, Valora offering affordable quality living.
- Land development:** Acquire and develop land parcels strategically for master planning and development with partners.
- Professional project management & construction management .**
- Non-residential property** including education, healthcare, etc. generate stable revenue & profits.

### PMO

- Establish transformation** by setting up monitoring infrastructure and governance controls.
- Support to design & implement** initiative on all components.
- Manage relationship with related parties** via communication & awareness of transformation.
- Manage implementation** to enhance transparency in work efficiency management.

### STRETCH THE CORE

- Further penetration of home market** by growing middle-segment market share, boosting project value identify key locations for growth.
- Modern integrated NLG township** offering multi-generational living for higher value creation with compelling digitally-enabled live – work – play – shop – learn proposition .
- Geographic expansion** to Hanoi and priority tier-2 cities, and then international expansion, etc.



### QUICK WIN

**Overall project, Design to Cost and Design to Value** to save cost & boost value for future projects.

### DIVERSIFY GROWTH

- Office development & operations** & business park spaces first in NLG townships and expanding to key cities in HCMC area, Hanoi area, Hai Phong, etc.
- Retail development & operations first** in NLG townships and expanding to key cities in HCMC area, Hanoi area, Hai Phong, etc.
- NLG ventures:** form strategic partnerships and investments for an ecosystem of business to grow recurring income for NLG in key diversified themes e.g., healthcare, education, industrial parks, warehouse / logistics, consumer financing, co-living, budget hotels, etc.

### STRUCTURAL ENABLERS FOR GROWTH

- Structure** including group governance, new business unit organization chart: land development, township & residential, commercial & venture.
- Systems** including performance management and KPIs, transparent and outstanding bonus.
- Process** including talent development and opportunity matching, clear career path.
- People** including strategy academy, key leadership capabilities and profiles.



# Izumi City Township - 170 ha

📍 Long Hung, Dong Nai



## 04

### CORPORATE GOVERNANCE REPORT

38	Corporate structure
44	Organization structure
46	Introduction Board of Directors
50	Corporate governance report
52	Internal audit activities
57	Enterprise risk management
60	Shareholder structure

## CORPORATE STRUCTURE

		BUSINESS	CHARTER CAPITAL (BILLION VND)	OWNERSHIP as of 31/12/2020	
		Nam Long VCD Corporation	Real estate	1,128.9	89.33%
		Nguyen Son Real Estate Joint Stock Company	Real estate	150.0	87.33%
		Nam Phan Investment Corporation	Real estate	511.3	100%
		Paragon Dai Phuoc One Member Liability Company Limited	Real estate	1,366.8	100%
		Nam Long Apartment Development Corporation	Real estate	300.0	100%
		Nam Long - Hong Phat Joint Stock Company	Real estate	60.0	75.25%
		Dong Nai Waterfront City LLC	Real estate	2,050.0	35.1%
		Southgate Joint Stock Company	Real estate	1,833.0	50%
		NNH Mizuki Joint Stock Company	Real estate	1,500.0	50%
		NLG – NNR – HR Fuji Joint Stock Company	Real estate	1,450.0	50%
		NNH Kikyo Valora Company Limited	Real estate	583.0	50%
		Nam Long Real Estate Transaction Floor One Member Limited Liability Company	Real estate services	6.0	100%
		Nam Khang Construction Investment Development One Member Limited Liability Company	Civil, industrial construction; Real estate	116.0	100%
		Nam Long Service One Member Liability Company Limited	Real estate services	23,3	100%
		Nam Long Transport Service Company Limited	Transportation services	20.0	100%
		Nam Long Construction and Investment Management Limited Company	Project management, construction management	30.0	100%
	Nam Long Property Management and Development One Member Limited Company	Real estate; Real estate management services; Restaurant	298.7	100%	

## INTRODUCTION OF SUBSIDIARIES

### LAND BANK DEVELOPMENT

#### Nam Long VCD Corporation

- Charter capital: 1,128,991,150,000 VND
- Headquarter: 21-23, Street number 3, Nam Long Residential Area, An Thanh Ward, Ben Luc District, Long An Province.
- Representative office in HCMC: Floor 5B, Nam Long Capital Tower, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

Nam Long VCD Joint Stock Company was established to focus on developing Waterpoint new urban area with a scale of 355 ha located in Ben Luc District, Long An Province. This is the project with the largest scale of Nam Long Group. In 2018, Nam Long Group signed an investment cooperation contract with Japanese partners (Southgate Urban Development Co., Ltd.), Thai Binh Group and Tan Hiep Investment Co., Ltd. to develop the land of 164, 9 ha out of a total of 355 ha.

#### Nguyen Son Real Estate Joint Stock Company

- Charter capital: 150,000,000,000 VND
- Headquarter: Floor 5B, Nam Long Capital Tower, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

Nguyen Son Company was established in 1999, with the goal of developing a land bank in South Saigon New Urban Area. Currently, the company is focusing on completing the construction and handover of components including: social housing, townhouses and villas of the Nguyen Son project with a scale of 10ha, adjacent to the intersection of the strategic Nguyen Van Linh boulevard. With its strategic location, large scale and impressive planning, the project has attracted the special attention of customers & investors.

#### Nam Phan Investment Corporation

- Charter capital: 511,341,780,000 VND
- Headquarter: 151 Tran Trong Cung, Tan Thuan Dong Ward, District 7, City. HCM City.

Nam Phan Investment Joint Stock Company is in the process of completing the remaining components of the Phu Huu Residential Area project with a total area of 17.8 hectares located in Phu Huu Ward, District 9, City, HCM City. In which, Ehome S Phu Huu Project (1,240 apartments) is the first social housing project developed by Nam Long Group to meet great demand for low-income customers.

#### NHH Paragon Dai Phuoc

- Charter capital: 1,366,815,400,000 VND
- Headquarter: No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

NHH Paragon Dai Phuoc was established on November 20, 2018 to invest in the development of a villa project located in subdivision 8, Ong Con isle, Dai Phuoc commune, Nhon Trach district, Dong Nai province. with the scale of 454,757 m2.

### HOUSING DEVELOPMENT

#### Nam Long Apartment Development Limited Liability Company (Nam Long ADC)

- Charter capital: 300,000,000,000 VND
- Headquarter: Floor 9, Capital Tower - 06 Nguyen Khac Vien, District 7, HCMC.

Nam Long Apartment Development Company Limited Liability Company ("Nam Long ADC") was founded in November 2007 with a charter capital of VND 300 billion, derived from the idea of establishing the first real estate company on the market specialized in investing and developing affordable apartments segment. Currently, Nam Long ADC is participating in the investment and development of the Ehome S social housing product line of Nam Long Group in two project clusters located in Phu Huu Ward, District 9 and Binh Hung Commune, Binh Chanh District. , HCM City. In this year 2021, Nam Long ADC will continue to invest in developing affordable apartments in other key provinces such as Long An, Can Tho, Ba Ria - Vung Tau, ect.

#### Nam Long - Hong Phat Joint Stock Company

- Charter capital: 60,000,000,000 VND
- Headquarter: A201 (3rd Floor), Street 10, Nam Long Residential Area, Hung Thanh Ward, Cai Rang District, Can Tho City.

Nam Long - Hong Phat was established in 2007 with the goal of developing a land fund in the Mekong Delta region. Currently, the company is implementing the Dalia Garden residential project with a scale of 15.9 hectares, located in Cai Rang District, Can Tho City.

With its strategic location, impressive planning and methodical investment, the Dalia Garden project has attracted the special attention of customers & investors.

#### Dong Nai Waterfront City LLC

- Charter capital: 2,050,000,000,000 VND
- Headquarter: Donacoop Building, Phuoc Hai Area, Long Thanh Town, Long Thanh District, Dong Nai Province, Vietnam.

Dong Nai Waterfront City Co., Ltd. is an investor of Dong Nai Waterfront Project, with the scale of 1,693,960 m2 located in Long Hung commune, Bien Hoa city, Dong Nai province.

Waterfront City Dong Nai Company Limited ("DNWC"), formerly a company 100% owned by Portsville Company - a subsidiary of Keppel Land Vietnam. On January 25, 2019, Nam Long signed a Contract to receive the transfer of 70% contributed capital of Portsville at DNWC Company to increase the Group's land bank. On 30/11/2020, Nam Long completed the transfer of 34.9% of its capital in DNWC Company. Currently, Nam Long and Portsville are in the process of completing the transfer of an additional 30% charter capital of Portsville to Nam Long. After completing the transaction, Nam Long will own 65.1% stake in this company. Dong Nai Waterfront project is expected to launch sales in 2021.

#### Southgate Joint Stock Company

- Charter capital: 1,833,000,000,000 VND
- Headquarter: 21-23 Street 3, Nam Long Residential Area, An Thanh Commune, Ben Luc District, Long An Province, Vietnam.

Southgate Joint Stock Company was established on July 9, 2018 by the cooperation between Nam Long Investment Joint Stock Company and Japanese partner (Southgate Urban Development Co., Ltd.), Thai Binh Investment Joint Stock Company, Tan Hiep Investment Company Limited from receiving the transfer of 164.9 ha project, a part of the total 355 ha of the Waterpoint new urban area project under Nam Long VCD Joint Stock Company to develop township includes villas, townhouses, complex functional areas, commercial areas, schools, ect. By the end of 2020, the project has handed over 358 villas, townhouses for customers and investors.

#### NNH Mizuki Joint Stock Company

- Charter capital: 1,500,000,000,000 VND
- Headquarter: Floor 5B Capital Tower, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

NNH Mizuki Joint Stock Company was established to continue cooperation in the development of Muziki Park project with two Japanese partners (Nishi-Nippon Railroad Co., LTD and Hankyu Realty Co., LTD) located in Binh Hung commune, Binh Chanh District, HCM City. Mizuki Park project has a scale of 26.2 ha, with three main product lines: apartments, townhouses and villas. The project will launch 4,023 apartments, 57 townhouses and 39 villas. By the end of 2020, Mizuki has completed handing over 100% of phase 1, including 33 shop houses and 1,437 flora units.

## INTRODUCTION OF SUBSIDIARIES (CONTINUED)

### NLG – NNR – HR Fuji Joint Stock Company

- Charter capital: 1,450,000,000,000 VND
- Headquarter: Capital Tower Building, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

NLG - NNR - HR FUJI Company Limited ("Fuji") is another joint venture between Nam Long and two Japanese partners (Hankyu Hanshin Properties Co., LTD and Nishi-Nippon Railroad Co., LTD).

Fuji Company has successfully invested and developed the Flora Fuji high-class apartment project and the Valora Fuji luxury villa project in Phuoc Long B Ward, District 9, Ho Chi Minh City. As of December 31st 2018, the Flora Fuji project signed a contract of 789/789 units, and all 789 units were handed over. Similarly, for project 84 villas Valora Fuji has completed the sale and handover to customers.

In addition, in 2018, Fuji Company continued to sign a contract in principle to receive the transfer of a 85,374 m2 project located in An Lac Ward, Binh Tan District, Ho Chi Minh City to develop 5,228 units. apartment.

### NNH Kikyo Valora Company Limited

- Charter capital: 583,000,000,000 VND
- Headquarter: Capital Tower Building, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

NNH Kikyo Valora Co., Ltd. was established to continue project development cooperation with a Japanese partner (Nishi-Nippon Railroad Co., LTD) located in Phu Huu Ward, District 9, Ho Chi Minh City. Kikyo Valora Project, scale of 47,790 m2, with all 110/110 villas have been sold.

In 2021, Kikyo Valora NNH Co., Ltd. plans to continue developing the VSIP Hai Phong Project with a scale of 21.4 ha located in VSIP Industrial Park, Thuy Nguyen, Hai Phong.

## CONSTRUCTION & SERVICES

### Nam Long Real Estate Transaction Floor One Member Limited Liability Company

- Charter capital: 6,000,000,000 VND
- Headquarter: 73-75, Tran Trong Cung, Tan Thuan Dong Ward, District 7, HCMC.

Nam Long Real Estate Transaction Floor One Member Limited Liability Company was established in 2010 with the aim of distributing Nam Long Group system's products to the market openly and transparently.

In 2019, Nam Long Transaction Floor is honored to be recognized as the Best International Real Estate Exchange at IPAX London 2019 (International Property Awards is the most prestigious award for businesses operating in the field. Real Estate worldwide) held on December 2 and 3, 2019 in London, UK.

On May 15, 2020, in the framework of the Asia Pacific Property Awards 2020-2021, Nam Long Transaction Floor was honored to be awarded 2 awards: Outstanding Commercial Real Estate Business Organization in Vietnam and Typical Marketing Organization. These are prestigious and very reputable for the business community of real estate and marketing.

### Nam Khang Construction Investment Development One Member Limited Liability Company

- Charter capital: 116,000,000,000 VND
- Headquarter: 147 - 149 Tran Trong Cung, Tan Thuan Dong Ward, District 7, HCMC.

Nam Khang Construction Investment Development One Member Limited Liability Company, formerly known as Nam Khang Investment Joint Stock Company, was founded in 2004 and converted into One Member Limited Liability Company from July 22, 2015.

In the coming time, Nam Khang aims to become a trillion-VND company, at the same time, is always an important member in the real estate development chain of Nam Long Group.

### Nam Long Service One Member Liability Company Limited

- Charter capital: 23,334,000,000 VND
- Headquarter: 73-75, Tran Trong Cung, Tan Thuan Dong Ward, District 7, HCMC.

Nam Long Service was founded in 2005 to specialize in the after-sales services and providing urban services, to round off the real estate development cycle, and increase the value of the Corporation.

In the coming time, Nam Long Service will improve and perfect service quality in order to bring customers the most satisfaction when living in the residential community of Nam Long.

### Nam Long Transportation Service One Member Limited Liability Company

- Charter capital: 20,000,000,000 VND
- Headquarter: No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

Nam Long Transportation Services Company was established in 2019 with the goal of organizing a professional organization to operate the bus system for Nam Long Group's projects.

In 2020, although there are periods of suspension due to the impact of Covid 19, Nam Long Transport has made every effort to organize the transportation of customers and residents of the Waterpoint project with 1,696 bus trips and 2,428 buggy trips.

Nam Long Group believes that, with the benefits the Group brings to its customers / investors / residents of the project, it will create residential communities in urban areas; at the same time, perfecting the image of Nam Long Group in the real estate development value chain.

### Nam Long Construction Management and Investment Company Limited

- Charter capital: 30,000,000,000 VND
- Headquarter: No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, HCMC.

Nam Long Construction Management and Investment Co., Ltd was established in July 2020 with the goal of organizing a professional organization to perform project management - construction management for the Group's projects --> increase the competitiveness of Nam Long Group in the real estate market of Vietnam.

## NON-RESIDENTIAL PROPERTIES DEVELOPMENT

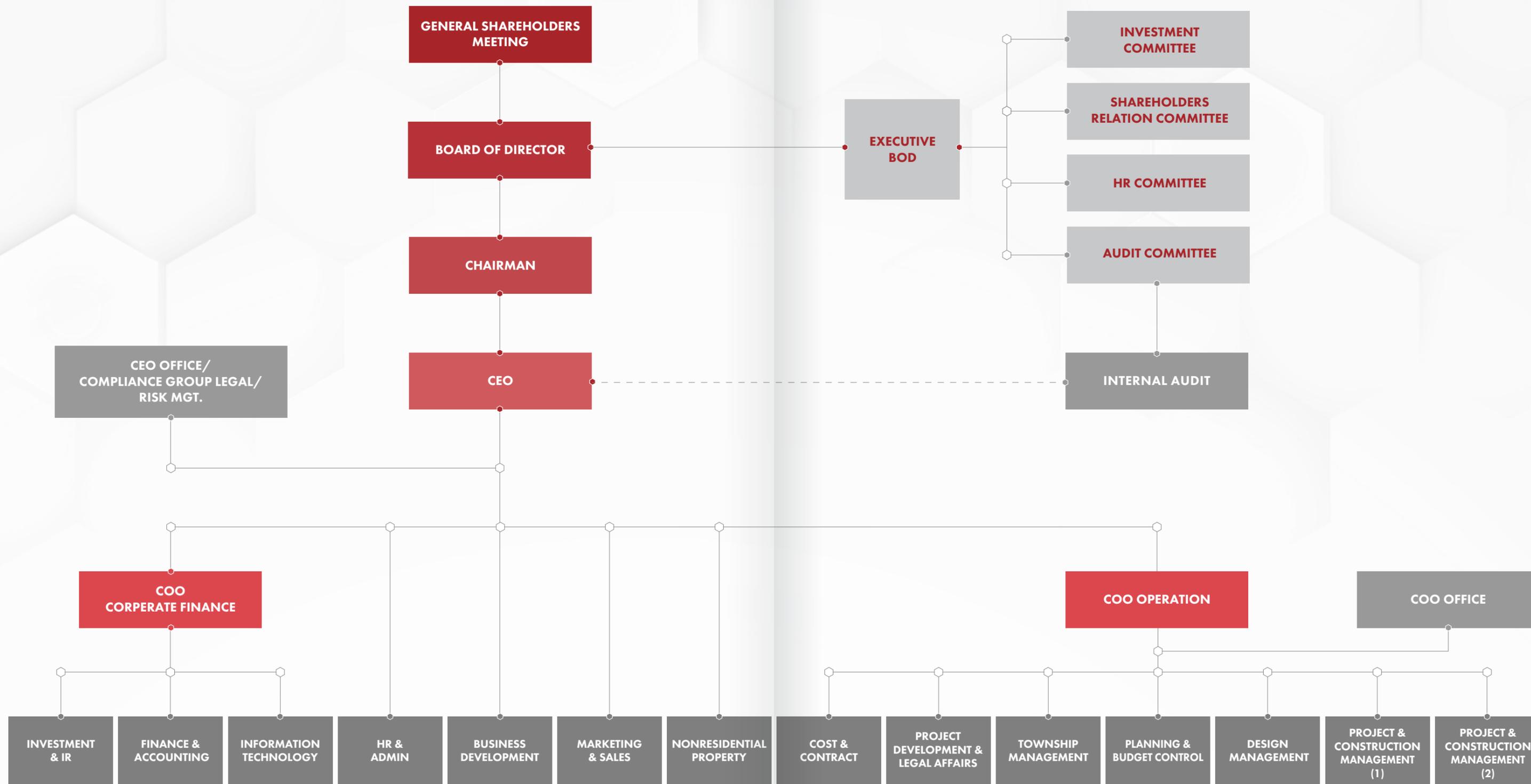
### Nam Long Property Management and Development One Member Limited Company (Nam Long PMD)

- Charter capital: 298,766,102,000 VND
- Headquarter: Capital Tower - 06 Nguyen Khac Vien, District 7, HCMC.

Nam Long Property Management and Development One Member Co., Ltd was established in 2007 with the goal of developing, managing and developing commercial real estate products of Nam Long Group.

In this year 2021, Nam Long PMD sets a target of striving to become a trillion-VND business by continuing to centralize and put into operation the Group's commercial real estate.

## ORGANIZATION STRUCTURE



## INTRODUCTION BOARD OF DIRECTORS & BOARD OF MANAGEMENT

### BOARD OF DIRECTORS



Mr. **NGUYEN XUAN QUANG**  
Chairman of the Board

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

**Currently Head of Investment Committee.**



Mr. **TRAN THANH PHONG**  
Vice Chairman

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

**Currently Head of Shareholder's Relation Committee.**



Mr. **BUI DUC KHANG**  
Member of the Board

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



Mr. **CAO TAN THACH**  
Member of the Board

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



Mr. **NGIAN SIEW SIONG**  
Member of the Board

More than 30 years of experience in real estate development. Previously advisor to CEO of Mah Sing Group, CEO of Sunway City BHD & advisor to the Chairman of Pavilion Group.

**Currently the Head of HR Committee.**



Mr. **ZIANG TONY NGO**  
Member of the Board

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

**Currently the Head of Audit Committee.**



Mr. **LINSON LIM SOON KOOI**  
Member of the Board

More than 30 years of experience in construction and real estate development. Currently CEO of Keppel Land Ltd.



Mr. **LAI VOON HON**  
Member of the Board

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



Mr. **CHAD RYAN OVEL**  
Member of the Board

More than 20 years of experience in corporate management, investment, and finance. Currently Partner of Mekong Capital & Chairman of the American Chamber & Commerce in Vietnam

**BOARD OF MANAGEMENT****FINANCE & INVESTMENT DIVISIONS**Mr. **STEVEN CHU CHEE KWANG**

Chief Executive Officer

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

Ms. **NGUYEN THI PHUONG**

Chief Personnel Officer

More than 20 years of experience in human resource management. Formerly Group Chief Personnel Officer at Pharmacity, Vinhomes - Vingroup, Autogrill VFS, Novaland Group, Gannon Vietnam Group.

Mr. **CHAU QUANG PHUC**

Chief Financial Officer

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

Mr. **PHAM DINH HUY**

Chief Investment Officer

More than 15 years of experience in Investment, Finance, and Business Development in domestic and international companies.

Mr. **NGUYEN PHUONG LAM**

Information Technology Division Director

More than 24 years of experience in information technology. Formerly IT Manager / Director at Novaland Group, Tan Hiep Phat Group, Pepsico International Vietnam, KNG Group.

Mr. **NGUYEN QUANG DUC**

Chief Accountant

22 years of experience in Accounting.

**PROJECT MANAGEMENT DIVISIONS**Mr. **NGUYEN THANH SON**

Chief Operating Officer

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

Mr. **TRAN QUOC THANG**

Planning &amp; Budget Control Director

More than 20 years of experience in Real Estate industry

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

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

Mr. **VAN VIET SON**

Design Management Division Acting Director

More than 22 years of experience in Design Management at KYTA, FUJINAMI, NQH, etc.

Mr. **LAO SAM THANH**Project Management / Construction  
Management Division 2 Director

30 years of experience in Construction Management, Project Management & Real Estate industry, both internationally and domestically.

Mr. **NGUYEN MINH TUAN**

Township Management Division Director

Nearly 20 years of experience in Real Estate industry, including 17 years working for Phu My Hung Group.

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

20 years of experience in Legal and Real Estate Project Development industry

## CORPORATE GOVERNANCE REPORT

### ASSESSMENT BY THE BOARD OF DIRECTOR REGARDING THE COMPANY’S OPERATIONS

#### 1. Assessment by the Board of Director regarding the Company’s operations

In 2020, the Board of Directors (“BOD”) organized frequent meetings and issued Resolutions and Decisions to execute plans approved by the Annual Shareholders General Meeting (“AGM”), directs the Company to comply to the Company Charter, Internal Regulation on Corporate Governance and current laws. BOD Resolutions and Decisions were issued within authority, in conformance with internal procedures, Company Charter and Enterprise Law, appropriate with business practices and satisfy management needs and business development needs as well as Nam Long Group’s strategy to develop affordable housing, specifically.

#### 2. Assessment by the Board of Directors regarding the Board of Management

- Assign KPIs 2020 for the Board of Management and review/assess periodically
- Request BOM to follow the Board’s guidance timely
- Direct the Board’ Sub-committees to supervise and assess the compliance of CEO on legal regulations, Company Charter, Internal Regulation on Corporate Governance, prevailing Charter of Authorizations (COAs) and other company regulations

#### 3. BOD’s plans and orientations

2020 is turning point to close off 2020 Nam Long vision. Nam Long Group has secured certain achievements. To prepare for the new development period of 2021 – 2030 to become the intergrated real estate company across the Vietnam market , BOD had:

- Orient and guide the 10-year (2021 – 2030) development strategy of Nam Long Group.
- Orient and guide BOM to assess and prepare to implement ERP in operation management.

### CORPORATE GOVERNANCE

#### 1. The Board of Directors

#### THE ROLE OF CORPORATE GOVERNANCE IN NAM LONG’S GROWTH

Corporate governance is identified by Nam Long Group as the core factor to ensure efficient development and sustainable growth. Nam Long Group believes that operating the Group in a transparent and responsible manner, following the best governance principles is to serve the long-term interests of the Group and its shareholders, as well as balance interests of stakeholders.

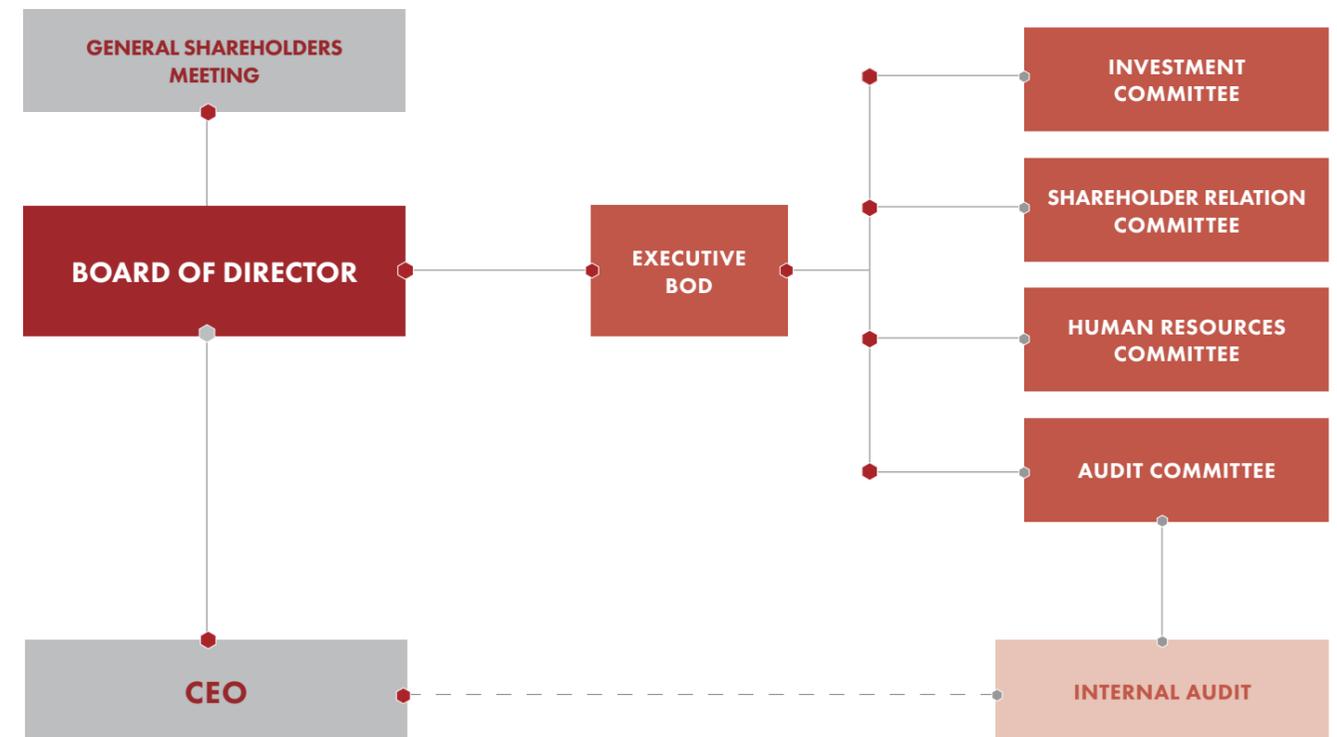
The Board of Directors supervises the business activities, implements the resolutions of the General Meeting of Shareholders through the Board of Directors, the Board of Directors regularly assesses and controls the risks, promptly makes decisions and strategies suitable to the situation. Company activities. In addition, in order to support the governance of the activities of the Board of Directors, the Company has established subcommittees under the Board of Directors such as Audit Committee, Personnel Sub-Committee, Investment Sub-Committee and Shareholder Relations Committee according to regulations of the corporate law and the securities law.

Applying best practices in Vietnam and the world built on CG principles, in 2020, the Company will maintain the number of independent members of the Board of Directors accounting for at least 1/3 of the total number of the Board members (there are 04 out of 09 members of the Board of Directors are independent members) according to the provisions of the Law on Enterprises and the Law on Securities contribute to ensuring objectivity, fairness, preventing conflicts of interest and ensuring the interests of shares majority of decisions of the Board of Directors.

In addition to focusing on the structure, the Board of Directors continued to maintain the operation of the subcommittees to ensure the monitoring mechanism, increase the independence in the decisions of the Board of Directors, the Board of Directors appointed independent members of the Board of Directors to hold the position of Top of the important subcommittees such as: Audit Committee and Personnel Committee.

### NAM LONG GROUP CORPORATE GOVERNANCE MODEL

Nam Long’s corporate governance model includes layers of governance according to international practices and the provisions of law. During the application process, Nam Long Group regularly reviews the efficiency of the governance model operation to make adjustments in line with the business practices of the Group and its member units.



## MEMBERS OF THE BOARD OF DIRECTORS

BOARD MEMBER	POSITION
Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Permanent Vice Chairman
Mr Lai Voon Hon	Member
Mr Bui Duc Khang	Member
Mr Chad Ryan Ovel	Member
Mr Ziang Tony Ngo	Member
Mr Ngian Siew Siong	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member

## REPORT OF THE BOARD OF DIRECTORS

In 2020, the Board had organized 04 meetings on 21 Feb 2020, 10 Apr 2020, 7 Aug 2020 and 11 Dec 2020 with attendance ratio as follows:

NO.	BOARD MEMBER	POSITION	DAY BECOMING/NO LONGER MEMBER OF THE BOARD	NUMBER OF ATTENDANCE	RATIO
1	Mr Nguyen Xuan Quang	Chairman	Board members for term 2016 – 2021, reappointed at the Annual General Shareholders Meeting on 23 Apr 2016	4	100%
2	Mr Tran Thanh Phong	Permanent Vice Chairman		4	100%
3	Mr Lai Voon Hon	Member		4	100%
4	Mr Bui Duc Khang	Member		4	100%
5	Mr Chad Ryan Ovel	Member		4	100%
6	Mr Ziang Tony Ngo	Member		4	100%
7	Mr Ngian Siew Siong	Member		4	100%
8	Mr Cao Tan Thach	Member		4	100%
9	Mr Linson Lim Soon Kooi	Member		4	100%

## ACTIVITIES OF INDEPENDENT DIRECTORS OF THE BOARD

- Orient, guide the preparation of the 10-year growth strategy (2021-2030) of Nam Long Group; guide the execution of strategic initiatives to strengthen the core and growth diversification in the next 3 years, 5 years and 10 years (under the growth transformation project that Nam Long partnered with the world-leading consultant – McKinsey);
- Preside at monthly meetings to consult the Board of Management about project management and development, system and procedure improvement, Sales and Marketing activities, HR and IT matters (especially for enhancing Nam Long people's readiness for the ERP implementation) ....;
- Share best practices and standardized operational models of big corporations in the region and then propose proper recommendation for Nam Long to apply.

The Board' Sub-Committees work as assigned by BOD and respective Sub-Committee's working plan, periodically review and evaluate the implementation of the respective working plan. Detailed scopes of work of the Sub-Committees are as follow:

## 2. Board of Directors' Sub-committees

### INVESTMENT COMMITTEE

BOARD MEMBER	POSITION
Mr Nguyen Xuan Quang	Head of Investment Committee
Mr Tran Thanh Phong	Member
Mr Bui Duc Khang	Member
Mr Ngian Siew Siong	Member

## HUMAN RESOURCES COMMITTEE

### Investment Committee functions

- Plan, evaluate, advise the Board of Directors to make decisions on investment orientation, investment policy, investment management structure & decisions on investment disbursement / divestment.
- Make decisions within the scope and authorization of the Board of Directors on investment directions, investment policy, investment management structure & investment disbursement / divestment decisions.
- On behalf of the Board of Directors, to direct the Board of Directors to implement / implement investment directions, investment policies, investment management structure & decisions on investment disbursement / divestment.
- On behalf of the Board of Directors to supervise and evaluate the Board of Directors implementing / implementing investment policies, investment management structure & decisions on investment disbursement / divestment.

### Key activities in 2020

- Appraise annual/3-year business plans of Nam Long and its key subsidiaries;
- Appraise cooperation, investment, development plans for the projects; investment/divestment plans of subsidiaries within the Group; plan to expand land banks and acquisition of new projects, options to invest/divest at subsidiaries within the Group
- Appraise fundraising plans and the plan to realize Nam Long's vision to become 1 billion USD Company;
- Lead, give direction in defining vision and growth strategy for Nam Long for the next 10 years 2021-2030, as well as outlining enablers for growth; appraise strategic initiatives to strengthen the core and diversify growth in the coming 3 years, 5 years and 10 years.

BOARD MEMBER	POSITION
Mr Ngian Siew Siong	Head of HR Committee
Mr Nguyen Xuan Quang	Member
Mr Chad Ryan Ovel	Member

### Human Resources Committee functions

- Advising and supporting the Board of Directors of the Company on some issues of the Board of Directors in personnel functions.
- Advising and reviewing and submitting to the Board of Directors for decision and approving a number of strategies and policies in the scope of recruitment attraction, salary, bonus, competitive and good income, and talent preservation. / potential personnel at managerial / executive level of the Company in accordance with the relevant regulations and laws of Vietnam, rules, regulations, policies, procedures established by the Company and standards professional, optimal, competitive and appropriate ink of the domestic and international market.
- Introduce, expand, connect and develop business relationships, investment partnerships, potential external strategies for the Company and gradually and completely transfer these external relationships to the team. management of the Company

### Key activities in 2020

- Appraise 2020 HR operation budget, headcount planning and new organization structure of the Company and the Group;
- Assess 2019 performance of the Group CEO;
- Support to design & assign 2020 key objectives for the Group CEO and consult him in 2020 goals setting for Division Heads of the Company and General Directors of the subsidiaries within the Group;
- Propose operation budget for the Board in 2020 for approval of the Annual General Shareholders' Meeting (AGM) on 25 Apr 2020;

### Key activities in 2020 (continued)

- Review and allocate 2019 variable bonus for Board Members (based on the approved operation budget for the Board approved by AGM on 20 Apr 2019 and 2019 audited business results);
- Review and appraise execution results of ESG policy as well as detailed allocation of ESG shares (the shares granted to top management level and outstanding employees)
- Give advices to enhance capability of the Group's HR Function, focusing on standardizing recruitment criteria & procedure applied for the whole Group;
- Review, appraise HR documentations and important HR procedures/policies (employees' performance evaluation process and system, C&B policies for subsidiaries...);
- Advise, support the Board of Management in searching potential candidates for high-level positions;
- Advise for the Board of Management regarding personnel structure to build 10-year growth strategy (2021 -2030) for Nam Long.

### SHAREHOLDER RELATION COMMITTEE

BOARD MEMBER	POSITION
Mr Tran Thanh Phong	Head of SRC
Mr Chau Quang Phuc	Member
Mr Pham Dinh Huy	Member

### Shareholder Relation Committee functions

Shareholder Relation Committee was established to assist the activities of the Board of Directors with the purpose of managing and supervising the implementation of shareholders' rights and obligations in accordance with the law, the Enterprise Law of Socialist Republic of Vietnam, the Charter and Internal Regulation on Corporate Governance of Nam Long Investment Corporation in the most standard manner on the principle of:

- Ensure the rights of shareholders;
- Equal treatment between shareholders;
- Ensure the role of people with interests related to the Company.

### Key activities in 2020

- To be a point of contact between the Board and Shareholders
- Organize Annual General Shareholders' Meeting on 21 Apr 2018, record the meeting minute, resolution, and disclosed information as regulated.
- Disclose information periodically, extraordinarily as regulated such as: Quarterly/yearly Financial statement, Annual report, the documents related to 2020 Annual General Shareholders' Meeting, the documents related to dividend payment...
- Send shareholders the Memo about Supplement, update personal information of Shareholders periodically; Memo about Receive dividends from 2014 in cash for undeposited Shareholders...
- Coordinate with Investor Relation Department to perform activities to increase the value of NLG shares such as: organizing regular meetings (NLG Day) with shareholders, investors; organizing site visit with investors, coordinate with the consultant to organize Broker Meetings...
- Periodically provide information about the operation and value of NLG shares to shareholders by IR Newsletter, Nam Long Newsletter...

### AUDIT COMMITTEE

BOARD MEMBER	POSITION	GIAI ĐOẠN
Mr Ziang Tony Ngo	Head of AC	01/01/20 - 31/12/20
Mr Nguyen Xuan Quang	AC Member in-charge of Operation	01/01/20 - 07/08/20
Mr Linson Lim Soon Kooi		01/01/20 - 31/12/20
Mr Cao Tan Thach		01/01/20 - 31/12/20
Mr Tran Thanh Phong	AC Member in-charge of Compliance, Risk Mgmt. & CG	01/01/20 - 31/12/20
Mr Bui Duc Khang		01/01/20 - 07/08/20
Ms Nguyen Luu Tuyen	AC Member in-charge of Finance, Accounting & Auditing	01/01/20 - 31/12/20
Mr Dang Hong Tan		01/01/20 - 31/12/20

### Audit Committee functions

The purpose of Audit Committee ("AC") is to be responsible to the Board of Directors for performing their monitoring for the Company and its Subsidiaries (hereinafter called "Group") and the Board of Management, in relation to:

1. Overseeing and assessing the integrity of the Group's financial statements, financial reporting processes, financial statements internal controls and financial statement audits.
2. Overseeing and assessing the Company's compliance with legal and regulatory requirements as well as internal policies & procedures.
3. Overseeing and assessing the compliance of the Board and its sub-committees to the Company Charter, Corporate Governance Regulation, Operational Charters of sub-committees Annual working plans of sub-committees and Annual Shareholders General Meeting Resolution.
4. Overseeing and assessing capacity, independence and quality of independent auditors. Overseeing and assessing the performance of internal auditor and internal audit function.
5. Overseeing and assessing the procedures and control in relation to information disclosure of the Company, and compliance with the Company's Code of Conduct. Overseeing compliance with the Code of Conduct, including whistleblower hotline.
6. Overseeing and assessing the performance of the Company and its Subsidiaries.
7. Overseeing and assessing the risk management framework.
8. Overseeing and assessing the implementation of special projects per request from the Board of Directors.

### Key activities in 2020

#### Important reports for public disclosure

- Overseeing financial statements by reviewing controls related to financial statement preparation as well as independent audit for financial statement. The Company's financial statement is audited by Ernst & Young Vietnam Limited. According to independent auditor's opinion, the consolidated financial statements give a true and fair view of the financial position of the Group.

#### Internal Audit

- Approve 2020 working plan of Internal Audit and other ad-hoc audits;
- Review operational efficiency of Internal Audit compared to approved working plan;
- Discuss with Internal Audit regarding operation budget, audit activities and Internal Audit organization structure;
- Review all reports from Internal Audit;
- Review and monitor feedback from Board of Management regarding Internal Audit's findings and recommendations.

### Risk Management

Monitor Risk Management system through reports from Board of Management, Internal Audit and the Group's Risk Management department.

### 2021 directions

Audit Committee continues to perform its monitoring role, especially in financial statements, internal audit, external audit, risk management and internal controls. Additionally, Audit Committee will continuously review Charter of Operations for Audit Committee and Internal Audit to ensure their relevance with international best practices as well as Vietnamese regulations.

Monthly remuneration for Members of the Board is compliant with limits stipulated in the Company's Charter regarding remuneration, bonus and operational expenses for Board Members and BOM of Nam Long Group, approved by AGM in each annual AGM meeting and compliant with relevant laws.

### Remuneration for Board Members in 2020

In 2020 the Board has a total of 09 Member. The total remuneration for Board Members of Nam Long Group was approved by Nam Long Group's Annual Shareholders General Meeting, according to Resolution number.

## 3. BOD and BOM remuneration principles

## INTERNAL AUDIT ACTIVITIES

**Internal Audit ("IA") is established by the Board of Directors. The Board and Audit Committee ("AC") directly manage IA.**

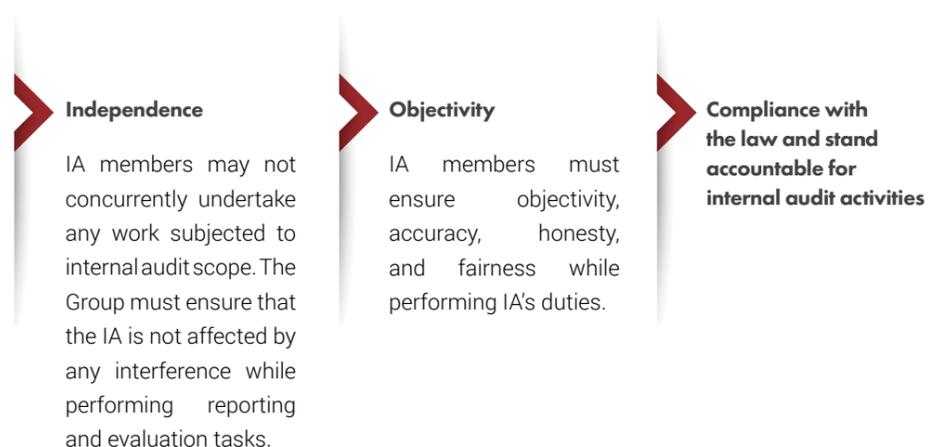
### Roles & Responsibilities

The role of IA is to assist the AC in fulfilling its duties.

Through inspection, evaluation and consulting services, IA has the duty to provide independent, objective assurance and make recommendations on the following:

1. The Group's internal control system has been set up and operated appropriately to prevent, detect, and handle the Group's risks.
2. The Group's governance and risk management processes ensure high efficiency and effectiveness.
3. The Group's operational goals and strategic objectives and Group's business plan.

### Core Principles



## ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management ("ERM") is an integral part of business strategy and plays an important role in effective corporate governance, especially in the situations of unpredictable economic fluctuation and changing external context (inflation, recession, competition ...). Foreseeing this situation, Nam Long Group's Board of Directors ("BOD") and Board of Management ("BOM") have actively involved in supporting the establishment of the ERM Framework and Policy in 2020 with the consulting of PwC Vietnam, aiming to:

- To strengthen corporate governance.
- To assist the organization in fulfilling its strategic objectives
- To build a transparent, professional, accountable and effective working environment and culture.
- To maintain the commitment and continuously improve the business operational efficiency to meet the expectations of shareholders, investors, customers, partners and individuals who have been trusting and accompanying with the Company.

### ERM Framework and Policy

ERM Framework and Policy is developed as the foundation for risk management activities to evaluate, treat, monitor and review the risks in consistent with the organizational model and business environment in Vietnam. The content is designed based on international practices and standards such as COSO: Enterprise Risk Management - Integrating Strategy and Efficiency, ISO 73: 2009 and ISO 31000: 2018.

The Board is ultimately responsible for overseeing risks governance and ensuring a sound system of corporate governance, risk culture and risk practices are maintained. Assisted by the Audit Committee, the Board provides advice to management in formulating the risk strategies, risk appetite, risk management framework, policies and guidelines, and overseeing the management's performance in implementing the Company's risk management policy. The Chief Executive Officer is responsible for risk management as a whole Group and senior management is assigned to be responsible for significant risks at the Enterprise and Division levels.

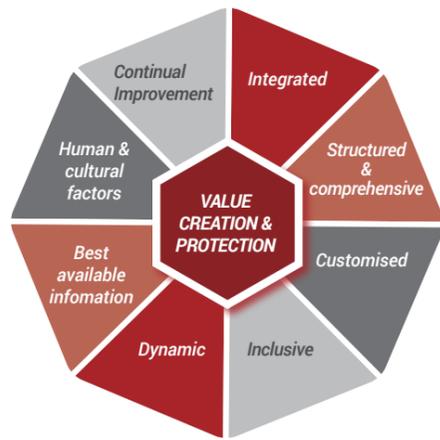
In addition, the Company also focuses on improving risk culture and awareness of all employees and integrates risk management into daily operations of the business.

The ERM Framework and Policy are reviewed and updated at least on an annual basis or when necessary to reflect changes in the business environment, legal, and organizational structure of the NLIC.

### Risk Management Principles

In view of the importance of an effective ERM function to the success of the organisation, the following sets out the key risk management principles for Nam Long:

- Adopting the "three lines" model which emphasises that ERM is the responsibilities of all staff.
- Setting its risk appetite and risk tolerance that aligns with the strategic / business / operational objectives.
- Providing necessary resources to facilitate those accountable and responsible for the management of risks such as developing risk policies and procedures, providing training and education, and establishing a risk management system.
- Establishing a common risk language to be used across the entire organisation. This includes the adoption of common risk assessment methodology, levels of risk, terms of definitions and risk categories.
- Ensuring that the ERM Framework will be continually improved to adapt with new development and changes to the organisation.



Characteristics of an effective and efficient ERM being applied at Nam Long

<b>Integrated</b>	ERM is an integral part of all organisational activities.
<b>Structured and comprehensive</b>	A structured and comprehensive approach to ERM contributes to consistent and comparable results.
<b>Customised</b>	The ERM Framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
<b>Inclusive</b>	Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered.
<b>Dynamic</b>	Risks can emerge, change or disappear as an organisation's external and internal context changes. The changes shall be anticipated, detected, acknowledged, and responded in an appropriate and timely manner.
<b>Best available information</b>	The inputs to ERM are based on historical and current available information, as well as on future expectation. Information should be timely, clear and available to relevant stakeholders.
<b>Human and cultural factors</b>	Human behaviour and culture significantly influence all aspects of ERM at each level and stage.
<b>Continual improvement</b>	ERM shall be continually improved through learning and experience.

**HIGHLIGHTED RISK MANAGEMENT ACTIVITIES DURING THE YEAR**

In 2020, Risk Management department coordinates with other Divisions and Board of Management to perform the following activities:

- Conduct internal communication workshop about the ERM to form risk management habits and ownership of each employee to build a "risk culture" at Nam Long.
- Organize training on Risk Management Framework and Policy for Divisions and Departments to ensure that the Divisions understand and comply with the internal regulations.
- Facilitate to complete Divisional Risk Profile and identify the Group-level Top risks with respective Key Risk Indicators.

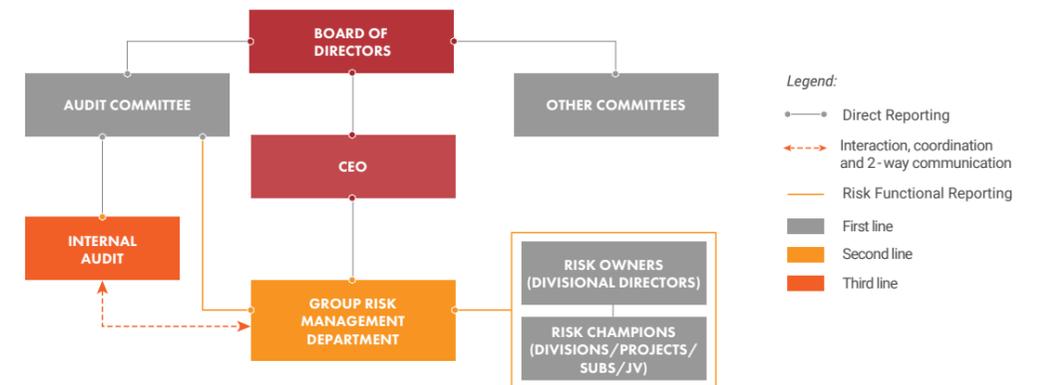
Specifically, in 2020 NLIC identified risks using risk category as basis. Risk category was developed through analysis and stakeholder dialogue of material risks for our industry, our different businesses, critical laws and regulations and critical operational, commercial, sustainability and financial requirements.

**RISK GOVERNANCE AND STRUCTURE**

Nam Long's risk governance is based on the Three Lines model (following corporate governance structure) which ensures clear demarcation of roles, responsibilities and accountabilities in effectively managing risk.



Based on the current Nam Long organizational structure, the Risk Operating Model is illustrated as follow:



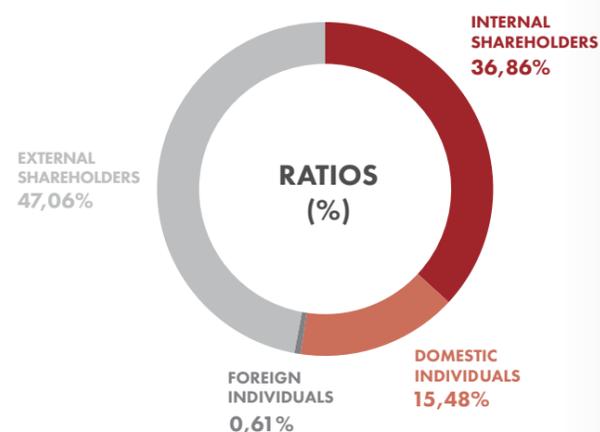
**RISK MANAGEMENT PROCESS**



## SHAREHOLDER STRUCTURE

### SHAREHOLDER STRUCTURE AS AT 18/02/2021

SHAREHOLDER	AMOUNT	NUMBER OF SHARES
Domestic individuals	7258	105,141,509
Domestic organizations	69	44,149,777
Foreign individuals	98	1,734,692
Foreign organizations	96	134,244,682
<b>TOTAL</b>	<b>7,521</b>	<b>285,270,660</b>



(\*) **Note:** As of 18/02/2021:

The total number of Nam Long Investment Corporation shares as of 18/02/2021 is 285,270,660 due to 2 share issuance to increase capital as following:

- On 24/09/2020, Nam Long Investment Corporation issued 23,893,716 shares to pay 2019 dividend, 9.57% ratio;
- On 05/10/2020, Nam Long Investment Corporation issued 1,674,369 shares according to its Employee Shares Grant program;

The amount of NLG shares owned by Nam Long Investment Corporation and its Subsidiaries is 10,000,034 shares, in which:

- 10.000.000 treasury shares owned by Nam Long Investment Corporation
- 34 NLG shares own by Nam Khang Construction Investment Development One Member Limited Liability Company - A subsidiary 100% owned by Nam Long (On 05/02/2021, Nam Khang sold 11,319,100 NLG shares).

The amount of NLG shares in circulation is 275,270,660 shares.

### LIST OF SHAREHOLDERS OWNING OVER 5% SHARE CAPITAL AS AT 18/02/2021

NO.	SHAREHOLDER	NUMBER OF SHARES	RATIOS (%)
1	Nguyen Xuan Quang	38,322,810	13.9%
2	IBEWORTH PTE.LTD	28,374,615	10.3%
3	PYN ELITE FUND (NON-UCITS)	19,722,278	7.2%
4	THAI BINH GROUP	17,281,900	6.3%
<b>TOTAL</b>		<b>72,326,001</b>	<b>37.7%</b>

### LIST OF FOUNDING SHAREHOLDERS AS AT 18/02/2021

NO.	SHAREHOLDER	NUMBER OF SHARES	RATIOS (%)
1	Nguyen Xuan Quang	38,322,810	13.9%
2	Tran Thanh Phong	13,679,798	5.0%
3	Nguyen Thi Bich Ngoc	12,272,284	4.5%
4	Ngo Thi Ngoc Lieu	6,645,019	2.4%
5	Do Ngoc Minh	1,377,817	0.5%
6	Nguyen Thi Huong	20,014	0.0%
7	Lam Xuan Hoang Lan	8,225	0.0%
8	Nam Khang Construction Investment Development One Member Limited Company	34	0.0%
<b>TOTAL</b>		<b>72,326,001</b>	<b>26.3%</b>

### LIST OF INTERNAL SHAREHOLDERS AS AT 18/02/2021

NO.	SHAREHOLDER	POSITION	NUMBER OF SHARES	RATIOS (%)
<b>BOARD OF DIRECTORS</b>				
1	Nguyen Xuan Quang	Chairman	38,322,810	13.4%
2	Tran Thanh Phong	Vice Chairman	13,679,798	4.8%
3	Lai Voon Hon	Board Member	-	0.0%
4	Cao Tan Thach	Board Member	756,040	0.3%
5	Ngian Siew Siong	Board Member	-	0.0%
6	Bui Duc Khang • Personal: 772,563 shares • Capital representative at Nam Khang Construction Investment Development One Member Limited Liability Company: 34 shares	Board Member	772,597	4.2%
7	Chad Ryan Ovel	Board Member	-	0.0%
8	Ziang Tony Ngo	Board Member	-	0.0%
9	Linson Lim Soon Kooi - Capital representative at IBEWORTH PTE.LTD: 25,896,336	Board Member	28,374,615	9.9%
<b>BOARD OF MANAGEMENT</b>				
1	Chu Chee Kwang	Chief Executive Officer	2,135,228	0.7%
2	Nguyen Thanh Son	Chief Operating Officer	103,795	0.0%
3	Pham Dinh Huy	Chief Investment Officer	19,418	0.0%
4	Chau Quang Phuc	Chief Financial Officer	369,002	0.1%
5	Nguyen Quang Duc	Chief Accountant	14,285	0.0%

- 64 2020 key activities & notable figures
- 64 Sustainable development strategy
- 68 Ecosystem innovation
- 70 Organization & Human Resources



Nam Long Dai Phuoc Township - 45 ha  
📍 Nhon Trach, Dong Nai

## SUSTAINABLE DEVELOPMENT REPORT

### 2020 KEY ACTIVITIES & NOTABLE FIGURES

Sustainable development is one of Nam Long's indispensable criterias and missions since its inception, on the basis of three important foundations: Sustainable business operations; Protecting the Environment and Contributing to Society. In 2020, Nam Long has identified 5 goals in the next 3-5 years for the sustainable development strategy based on 17 orientations on Sustainable Development by Unesco for the period 2015-2030, including:

- Promote long-term, open and sustainable economic growth, sufficient jobs and productivity, and good employment for all.
- Build urban areas and residential areas open to all, safe, reliable and sustainable.
- Build solid infrastructure, promote open and sustainable industrialization, and encourage innovation.
- Ensuring healthy life and improving well-being for all people of all ages.
- Improve learning opportunities for all.

The main forms for sustainable development in Nam Long in 2020 include:

- Create values for the society and the environment through volunteer activities.
- Value chain reconstruction: Improving operational efficiency from home to internal group to create common values for businesses and the community (Labor Safety Regulations, Environmental Standards Regulations for suppliers ...).
- Ecosystem innovation: Gradually renovate the enterprise's ecosystem to create products / services that have a positive impact on the environment and society: initially building an integrated urban ecosystem. create residential values, study, play, and entertain local people and surrounding areas.



Zen garden (Mizuki Park) - March 2021

### 2020 KEY ACTIVITIES & NOTABLE FIGURES



Donated 125,000 medical mask and 1,000 hand sanitizers to Can Gio District Medical station



Built 20 outposts at the Vietnam - Laos border



Donated 110 gifts for poor patients & 2.500 amenities for the people of Da Nang



Donated 20 bikes, 10,000 notebooks to students of Ben Luc, Long An



Scholarship for students severely affected by COVID-19 & flashfloods Central Vietnam regions.



Gifts for janitors and security staff at 20 townships of NLG in HCMC, Long An & Binh Duong

**100%**  
Project Residents are safely protected from unpredictable developments of the pandemic

**22,000 PEOPLE**  
in  
**170 AREAS**  
in  
**18 PROVINCES**  
are supported directly

#### ASSISTANCE TO OVERCOME COVID PANDEMIC

- **1,677 gifts** of necessities to support low-income workers at **20 projects** of Nam Long
- **425,000 medical items** sponsored for the front line hospitals in HCMC
- **4,200 underprivileged people** in Da Nang, Hue, Quang Nam, Quang Tri, Hai Phong, Binh Dinh ... received basic necessities, food and Covid aid
- **106 border posts** are supported, joining hands to protect **4,550 km of border** between Vietnam - China, Vietnam - Laos, Vietnam - Cambodia
- **11,000 people** in Long An received **70 tons** of relief rice through the system of **13 Rice ATMs**

#### ENABLING THE DREAMS OF EDUCATION

- **1,000 students** - students at all levels received scholarships, equipment and learning tools, realizing their dreams of going to school
- **125 scholarships** were awarded to universities of Da Nang, Hue University, Quang Nam University, University of Architecture, University of Technology, University of Economics Ho Chi Minh City

#### SOCIAL HOUSING IN URBAN PROJECTS

- **300 low-income families** own their own homes in Ho Chi Minh City and Can Tho

#### SPREAD THE SPIRIT OF LOVE AND AFFECTION

- NLG staff donated **VND 617 million** to support the people of Central Vietnam to re-establish their lives after Covid and flash floods

## Create values for the society and the environment through volunteer activities

### EHomeS social housing development

Overcoming all the difficulties and problems in investment and development of social housing projects, Nam Long continues to comply with its commitment to the national housing strategy, contributing together. creating a social housing fund, accompanying the government to take better care of low-income people.

In 2020, Nam Long has handed over 300 social houses in the urban areas of Mizuki-Nguyen Son and Nam Long Can Tho to 300 low-income households in Ho Chi Minh City and Ho Chi Minh City. Can Tho.

Up to now, Nam Long's affordable social housing product line has created conditions for nearly 3,300 low-income households in Ho Chi Minh City the opportunity to own their own home in apartment buildings. full of living utilities, ensuring synchronous investment in technical infrastructure and traffic connecting with the surrounding urban area with the cheapest price in the market.

Collaborate with the local government and the Central Organization of the Youth Union to provide financial and in-kind support to frontline forces and communities severely affected by the Covid-19 pandemic, to support the people to overcome through difficulty.

- Built rice ATM system, donated 70 tons of rice to support more than 11,000 families in 13 districts of Long An province.
- Contribute with Saigon Economic Times to support Saigon Department of Health of Ho Chi Minh City to fund 60 hospital beds for quarantine centers.

### "Sharing love" Supporting the frontline & Helping people to overcome the epidemic

- Supporting the front-line hospital in Ho Chi Minh City with 425,000 medical items including medical masks and antiseptic solution for Tropical Hospital, Children's Hospital, Medical Center of Can Gio district.
- Awarded 1,677 basic necessities to support low-income labor at 20 Nam Long project sites for 3 consecutive months from October to December.
- Accompanying "Sharing love, joining hands to overcome the pandemic" with Central Youth Union.
- Timely support 4,200 people in the "hot spots" of the epidemic across the country such as Hai Phong, Da Nang, Hue, Quang Nam, Binh Dinh, ...
- Fire the border, support the border guards at 106 border posts on the Vietnam-China, Vietnam-Lao and Vietnam-Cambodia border with practical activities such as building camps, supporting operational equipment, salary food, ... join hands to protect 4,550 km of borderline to prevent pandemic from preventing smuggling into Vietnam.

### Spread the spirit of love and affection in the Nam Long family

NLG staff members, through 2 times, have donated a total of 617 million VND with clothes, blankets to keep warm, ... coordinated with Thanh Nien newspaper to help 317 people of the Central region re-establish their lives. after Covid and after flash floods.

### Support for the poor

- Tet gifts for poor households in Thu Duc district, district 9, Binh Tan district - HCMC
- Supporting poor fishermen to cling to the sea in Ba Ria - Vung Tau province
- Coordinate with Saigon Giai Phong Newspaper to raise funds to support poor people in the Central region to overcome natural disasters



### Enabling the dream of education

- Opening school year 2020 - 2021, Nam Long awarded 30 scholarships of "Swing for Dreams" with a total value of 300 million VND to outstanding students of Poly-technic University, University of Economics and City University of Architecture. Ho Chi Minh.
- "Swing for Dreams" scholarship is one of the CSR activities of Nam Long raised by the annual Nam Long Friendship Golf Tournament launched in 2009 to connect the spirit of sport with value sharing for the community. copper, towards sustainable development. By 2020, the "Swing for Dreams" scholarship has traveled a 10-year journey and has set its dreams to lecture halls for 1,500 poor students overcoming difficulties in HCMC.
- 95 scholarships with a total value of VND 395 million will support difficult students from 8 faculties & universities of Da Nang, Hue, and Quang Nam.
- 1,000 students of primary and secondary schools in Long An and Ha Tinh provinces, students of the University of Social Sciences and Humanities are provided with equipment, textbooks, learning tools, bicycles, ... to continue taking books to the road during the new school year..

## Value chain reconstruction creates common value for the business and the community

### Code of Conduct of Nam Long Group

In addition to building an equal working environment for creative and career freelance employees, Nam Long also focuses on building a corporate culture, business philosophy based on strong core values. and steady. The Code of Conduct brings together all the rules, principles, values, expectations of employees, behaviors and relationships that Nam Long considers and believes are the foundation for the success of the corporation. All categories are based on an ethical foundation and criteria geared towards law-abiding business, creating value for employees, shareholders, customers and the community; aiming to become the leading integrated real estate developer in Vietnam, billion dollar revenue, sustainable business operations, becoming a pride for employees, the community and the country.

In 2020, Nam Long won the title of Top 100 best workplace in Vietnam, Top 10 best workplace in real estate industry and Top 50 Vietnamese enterprises with most attractive employer brands in Vietnam.

### Supplier environmental standards

Issue regulations on environmental standards for suppliers, standardize the process of selecting contractors to supply building materials and reputable services to standardize the supply chain, ensuring stable quality in accordance with the standards of product lines to enhance project development capacity, ready for the mass development of large-scale urban areas.

### Labor Safety Regulations

Stipulate the responsibilities of all sectors in the enterprise, employees and related parties, investors, contractors, construction workers, ... to efficiently use resources, ensure security. safety, minimizing incidents affecting the health of workers, property, machinery, ...

### Health - Safety - Environment Manual (HSE)

With the aim of effectively managing health, safety and the environment on all construction sites, Nam Long applies the Health - Safety - Environment Manual (HSE) system to strictly apply, to ensure compliance with standards. in the entire scope of project development such as master planning, architectural design, structural and infrastructure design, electromechanical and drainage, project management, health and the environment.

Nam Long requires the contractor to apply new and modern construction techniques to minimize environmental damage such as using unburnt bricks, using Miclayco additive to improve clay, salt in the sand, rock material on site. into mortar and cement concrete, used for traffic items, ...

## Ecosystem innovation

Building ecosystems of integrated urban areas for sustainable development “to satisfy current human needs but not to harm the satisfaction of the needs of future generations” by urban areas. to create important living values of settlement - learning - entertainment - entertainment for local people and surrounding areas.

### Public Domain Product Standards Sustainable Urban Planning

Over 30 years of investment activities as well as constantly learning from developed countries, summarizing lessons to improve products to best meet Vietnamese people, Nam Long has built and issued a Public Domain product standards aim towards sustainable urban development, mainly include: Conservation and development of diversity of natural ecosystems, environmental protection; Preserve and develop historical and cultural values; Save energy, water and resources; Create a comfortable, safe and secure living environment.

Public domain product standards are applied to utilities and landscapes, public spaces invested, built and managed by Nam Long Group in a complete residential unit planning complex. and standards of infrastructure, utility and landscape that meet the provisions of National Technical Regulations, in accordance with national and international standards.

### Sustainable Urban Planning

Balancing the problem of profits and the problem of bringing a better living environment for the community and society, the projects before investment are organized by Nam Long to organize an environmental impact assessment to provide Planning project suitable for urban development in 50 or 100 years. In all urban areas that have been developed by Nam Long, whether social housing products, medium or high-end, are all built on the criterion of creating green habitats from low building density planning is only 16% to 30%, conserving nature of rivers and water, spending most of the area for trees, community works, landscape lakes, ... Nam Long accepts to sacrifice a part of profits to create a system of utilities to improve the quality of life of residents living permanently in the project. Every part of the area taken from nature will be returned by Nam Long by man-made works to balance the natural ecosystem.

Typically at the Waterpoint urban project, in order to conserve the nature of the Vam Co Dong river, the 50m wide coastal natural flora ecosystem, stretching over 5.8km of the riverbank will be preserved intact. not destroyed for building dykes and embankments. In the area of Waterpoint, 8.6ha of artificial freshwater bay and more than 8km of canals weaving throughout the urban area are designed by the world's leading corporation Royal HaskoningDHV (Netherlands) to regulate the regional water level when the project is underway. construction leveling and flood prevention in the future.



### Integrated urban area creating living values

Nam Long creates constant added values for large-scale urban areas - Creating Shared Value (CSV) with the planning of real estate ecosystems to not only serve business but also contribute part of improving the local business environment by supporting jobs, connecting infrastructure, helping local communities grow together over the next several years.

Nam Long's urban areas not only develop a variety of products to suit the purchasing power and needs of many different segments, but also invest in commercial real estate into an all - in - one utility ecosystem, fulfilling the live - play - work - learn -shop needs of people. This is the trend of urban development of the world when forming urban areas not only serving the needs of population relaxation but also forming prosperous residential communities, quality living standards, urban spatial planning. coupled with socio-economic development strategy.

This is evidenced by Nam Long's strategic cooperation agreement with Keppel Land Mall Management Vietnam - The company is known for large commercial projects in Ho Chi Minh City such as Takashimaya, Saigon Center in consulting The development of commercial land banks in Waterpoint and Mizuki urban areas diversifies utility ecosystems, towards adding value to the project.

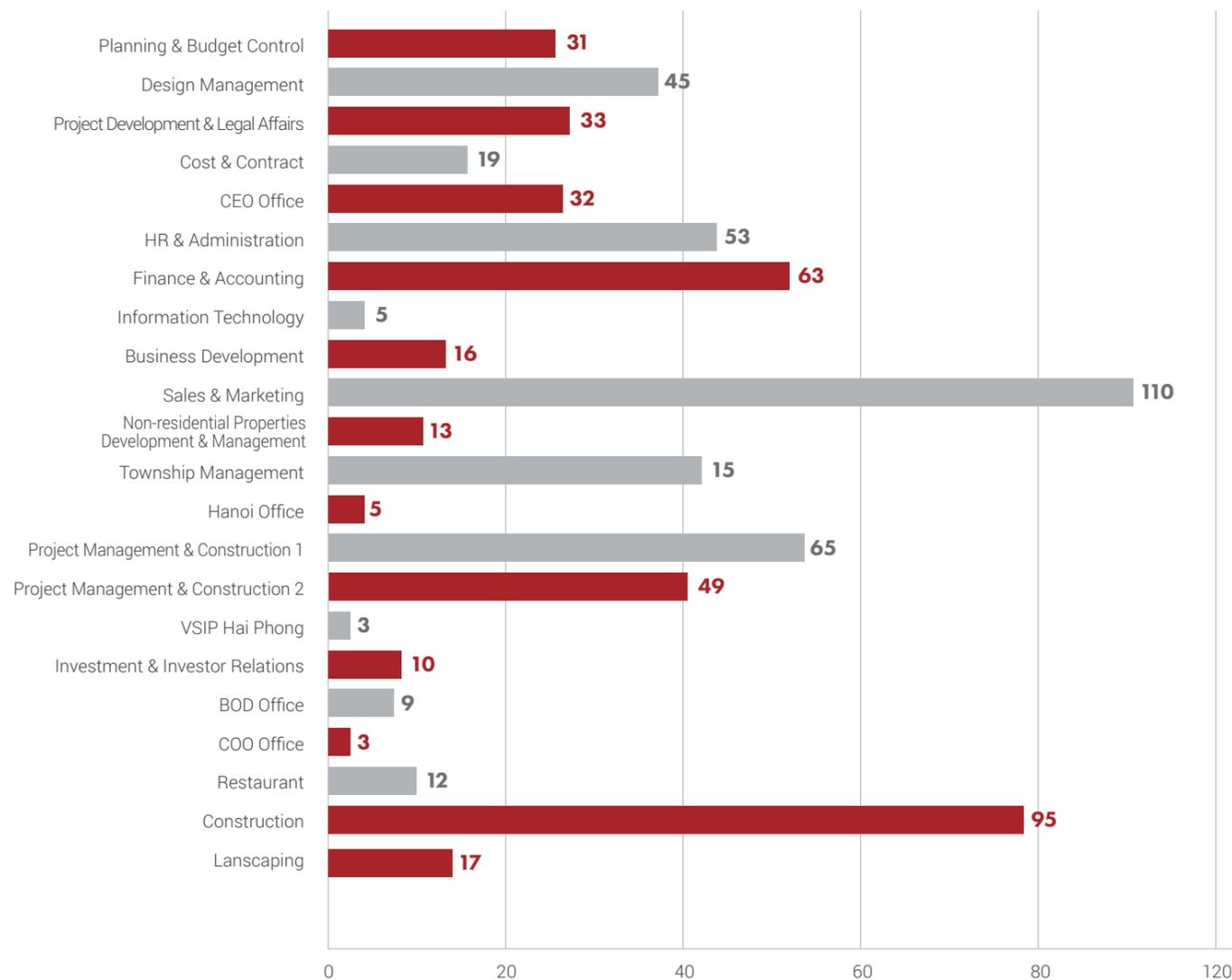
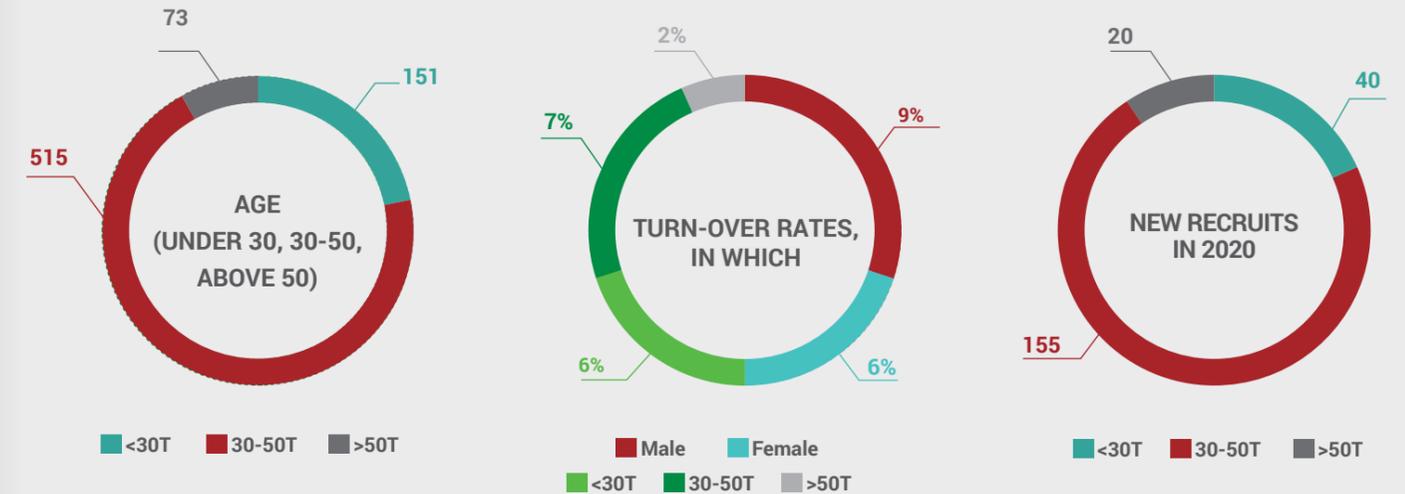
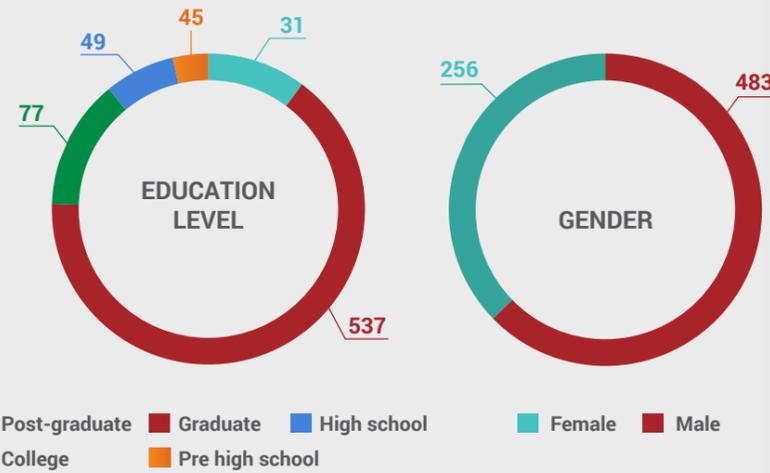
### Creating a living environment for the community

The year 2020 can be said to be a difficult year before the complicated developments of the epidemic, Nam Long strictly strengthens, propagates about sanitation and epidemic prevention activities as well as coordinates with authorities and authorities. implement isolation of suspected infections, prevent community spread. The results ensure safety for all 21,000 residents in all projects.

Besides, sports movement activities to exercise health and strengthen resistance were also organized such as: jogging, soccer, tennis competition, ... at the Waterpoint project.

## ORGANIZATION & HUMAN RESOURCES

**NAM LONG INVESTMENT CORPORATION**  
**TOTAL EMPLOYEES**  
**739 PEOPLE**  
 HEADCOUNT AS OF 31/12/2020



### TRAINING & DEVELOPMENT POLICIES

In 2020, with the companionship of Vanto Group - a global consulting company on organizational transformation and corporate culture, Nam Long Group continues to implement Nam Long 2020 project with 8 breakthrough projects to become a self-directed leadership organization, with satisfied and engaged employees, operating reliably, following the core values of Professionalism, Integrity and Ownership.

Besides, 2020 is the year that Nam Long Group focuses on promoting internal training and sharing culture. With more than 366 hours of professional knowledge and soft skills training conducted by the Board of Directors and internal trainers, the spirit of learning and sharing strongly spread to all employees of the Group. In addition, Nam Long cooperated with the global training firm Vanto to conduct a

long-term training program for the senior management team and key management. The program kicked off a chain of corporate culture reconstruction with the meaning of enhancing organizational trust to better control change and lead a more responsive, collaborative, creative, and highly efficient team. Attachment. At the same time, improving data management and systems through ERP projects.

# Nam Long Can Tho Township 2 - 43 ha

📍 Can Tho



06

## FINANCIAL STATEMENT

- 74 General Information
- 76 Report of the management
- 77 Independent auditors' report
- 78 Consolidated balance sheet
- 80 Consolidated income statement
- 81 Consolidated cash flow statement
- 82 Notes to the consolidated financial statements

## GENERAL INFORMATION

### THE COMPANY

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC"). No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the 22nd amended BRC dated 13 November 2020.

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

As at 31 December 2020, the Company has fourteen direct subsidiaries, five indirect subsidiaries, two associates and two jointly-controlled entities with details as follows:

COMPANIES	LOCATIONS	BUSINESSES	OWNERSHIP AND VOTING RIGHTS %
<b>SUBSIDIARIES</b>			
Nam Long VCD Corporation	Long An	Construction and real estate	99.91
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	Ho Chi Minh City	Real estate	87.33
Nam Phan Investment Corporation	Ho Chi Minh City	Construction and real estate	100
NNH Paragon Dai Phuoc	Ho Chi Minh City	Real estate	100
Nam Long Apartment Development Company Limited	Ho Chi Minh City	Construction and real estate	100
Nam Long - Hong Phat Joint Stock Company	Can Tho City	Construction and real estate	99.98
NLG – NNR – HR Fuji Limited Liability Company (*)	Ho Chi Minh City	Construction and real estate	50.00
NNH Kikyo Flora Company Limited	Ho Chi Minh City	Real estate	100
NNH Kikyo Valora Company Limited (*)	Ho Chi Minh City	Real estate	50.00
Nguyen Phuc Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Real estate	100
Nam Khang Construction Investment Development One Member Limited Liability Company	Ho Chi Minh City	Construction and real estate	100
Nam Vien Construction and Design Consulting Joint Stock Company	Ho Chi Minh City	Service	81.25
Nam Khang Construction Materials Trading Company Limited	Ho Chi Minh City	Construction material trading	100
6D Joint Stock Company ("6D")	Ho Chi Minh City	Construction and real estate	76.03
Nam Long Real Estate Transaction Floor One Member Limited Liability Company	Ho Chi Minh City	Real estate trading floor	100
Nam Long Service One Member Liability Company Limited	Ho Chi Minh City	Service and construction	100
Nam Long Transportation Service One Member Limited Company	Ho Chi Minh City	Service and construction	100
Nam Long Property Management and Development One Member Limited Company	Ho Chi Minh City	Construction and real estate	100
Nam Long Construction Management and Investment Company Limited ("Nam Long CMI")	Ho Chi Minh City	Management service	100
<b>JOINTLY-CONTROLLED ENTITIES</b>			
NNH Mizuki Joint Stock Company ("NNH Mizuki")	Ho Chi Minh City	Real estate	50.00
Southgate Joint Stock Company ("Southgate")	Ho Chi Minh City	Real estate	50.00
<b>ASSOCIATE</b>			
Anabuki NL Housing Service Vietnam Company Limited	Ho Chi Minh City	Real estate	30.59
Dong Nai Waterfront City LLC	Dong Nai	Real estate	35.10

Note:

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

### THE COMPANY (CONTINUED)

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

The Company's head office is located at 11th Floor, Capital Tower, No. 6, Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam. The number of the Group's employees as at 31 December 2020 is 713 (31 December 2019: 625 employees).

NAME	POSITION
<b>BOARD OF DIRECTORS</b>	
Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Vice chairman
Mr Bui Duc Khang	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member
Mr Lai Voon Hon	Independent member
Mr Chad Ryan Ovel	Independent member
Mr Ziang Tony Ngo	Independent member
Mr Ngian Siew Siong	Independent member
<b>AUDIT COMMITTEE</b>	
Mr Ziang Tony Ngo	Head
Mr Tran Thanh Phong	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member
Ms Nguyen Luu Tuyen	Member
Mr Dang Hong Tan	Member
Mr Nguyen Xuan Quang	Member (resigned on 7 August 2020)
Mr Bui Duc Khang	Member (resigned on 7 August 2020)
<b>MANAGEMENT</b>	
Mr Chu Chee Kwang	General Director
Mr Chau Quang Phuc	Chief Financial Officer

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Xuan Quang. Mr Chu Chee Kwang is authorised by Mr Nguyen Xuan Quang to sign the accompanying consolidated financial statements for the year ended 31 December 2020.

### AUDITORS

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

## REPORT OF THE MANAGEMENT

Management of Nam Long Investment Corporation (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2020.

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

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

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

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

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

### TATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the management:



CHU CHEE KWANG  
General Director  
Ho Chi Minh City, Vietnam  
12 March 2021

## INDEPENDENT AUDITORS’ REPORT

Reference: 60755865/22077008-HN

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

We have audited the accompanying consolidated financial statements of Nam Long Investment Corporation (“the Company”) and its subsidiaries (“the Group”) as prepared on 12 March 2021 and set out on pages 6 to 51, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### MANAGEMENT’S RESPONSIBILITY

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

### OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



ERNEST YOONG CHIN KANG  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1891-2018-004-1  
Ho Chi Minh City, Vietnam  
12 March 2021

### AUDITORS’ RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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

## CONSOLIDATED BALANCE SHEET

B01-DN/HN

as at 31 December 2020

VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>9,569,568,165,506</b>	<b>7,923,235,851,914</b>
110	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,073,169,336,986</b>	<b>1,900,653,285,537</b>
111	1. Cash		592,888,738,986	748,368,802,370
112	2. Cash equivalents		480,280,598,000	1,152,284,483,167
<b>120</b>	<b>II. Short-term investment</b>	<b>6</b>	<b>35,455,035,992</b>	<b>66,681,732,259</b>
123	1. Held-to-maturity investments		35,455,035,992	66,681,732,259
<b>130</b>	<b>III. Current accounts receivables</b>		<b>2,227,700,447,866</b>	<b>1,548,342,609,488</b>
131	1. Short-term trade receivables	7	609,857,093,648	456,727,723,004
132	2. Short-term advances to suppliers	8	477,696,500,025	742,712,905,473
135	3. Short-term loan receivables	9	145,499,412,750	-
136	4. Other short-term receivables	10	997,995,419,421	352,339,958,989
137	5. Provision for doubtful debts		(3,347,977,978)	(3,437,977,978)
<b>140</b>	<b>IV. Inventory</b>		<b>6,069,326,690,880</b>	<b>4,298,124,187,459</b>
141	1. Inventory	11	6,069,326,690,880	4,298,124,187,459
<b>150</b>	<b>V. Other current assets</b>		<b>163,916,653,782</b>	<b>109,434,037,171</b>
151	1. Short-term prepaid expenses	12	4,414,458,729	2,453,491,665
152	2. Value-added tax deductible	21	158,326,009,825	106,731,537,209
153	3. Tax and other receivables from the State	21	1,176,185,228	249,008,297
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>4,073,137,887,349</b>	<b>2,981,157,959,467</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>102,277,222,301</b>	<b>427,464,424,439</b>
215	1. Long-term loan receivables		-	73,789,212,750
216	2. Other long-term receivables	10	102,277,222,301	353,675,211,689
<b>220</b>	<b>II. Fixed assets</b>		<b>77,310,850,615</b>	<b>76,794,007,669</b>
221	1. Tangible fixed assets	13	57,666,132,634	58,065,005,720
222	Cost		118,957,101,945	108,695,776,138
223	Accumulated depreciation		(61,290,969,311)	(50,630,770,418)
227	2. Intangible fixed assets	14	19,644,717,981	18,729,001,949
228	Cost		32,261,118,268	27,888,031,346
229	Accumulated amortisation		(12,616,400,287)	(9,159,029,397)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>259,778,194,035</b>	<b>185,417,247,848</b>
231	1. Cost		291,721,297,005	210,054,788,851
232	2. Accumulated depreciation		(31,943,102,970)	(24,637,541,003)
<b>240</b>	<b>IV. Long-term asset in progress</b>		<b>38,281,315,930</b>	<b>194,018,233,786</b>
242	1. Construction in progress	16	38,281,315,930	194,018,233,786
<b>250</b>	<b>V. Long-term investments</b>	<b>17</b>	<b>3,262,292,924,302</b>	<b>1,808,796,822,726</b>
252	1. Investments in associates and jointly-controlled entities	17.1	3,259,883,924,302	1,806,387,822,726
253	2. Investment in other entities	17.2	2,409,000,000	2,409,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>333,197,380,166</b>	<b>288,667,222,999</b>
261	1. Long-term prepaid expenses	12	104,081,633,850	17,271,336,174
262	2. Deferred tax assets	35.3	223,794,473,406	264,554,250,215
269	3. Goodwill	18	5,321,272,910	6,841,636,610
<b>270</b>	<b>TOTAL ASSETS</b>		<b>13,642,706,052,855</b>	<b>10,904,393,811,381</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

B01-DN/HN

as at 31 December 2020

VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>300</b>	<b>C. LIABILITIES</b>		<b>6,922,368,313,313</b>	<b>4,704,460,956,362</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,439,141,504,524</b>	<b>3,024,335,277,673</b>
311	1. Short-term trade payables	19	390,382,082,801	174,705,474,076
312	2. Short-term advances from customers	20	2,097,544,959,844	1,321,709,245,270
313	3. Statutory obligations	21	118,798,691,353	251,691,667,672
314	4. Payables to employees		61,591,865,074	33,343,057,214
315	5. Short-term accrued expenses	22	493,490,788,363	488,054,866,482
318	6. Short-term unearned revenues	26	6,698,604,900	6,667,470,512
319	7. Other short-term payables	23	202,983,688,889	561,488,562,672
320	8. Short-term loan	24	931,941,548,675	63,282,000,000
321	9. Short-term provision	27	51,516,293,091	63,584,149,284
322	10. Bonus and welfare fund	25	84,192,981,534	59,808,784,491
<b>330</b>	<b>I. Non-current liabilities</b>		<b>2,483,226,808,789</b>	<b>1,680,125,678,689</b>
336	1. Long-term unearned revenues	26	757,276,989,590	694,788,377,071
337	2. Other long-term liabilities	23	135,841,073,185	104,464,456,895
338	3. Long-term loans and debts	24	1,525,023,673,583	806,240,486,487
341	4. Deferred tax liabilities	35.3	37,481,799,167	24,134,890,127
342	5. Long-term provisions	27	27,603,273,264	50,497,468,109
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>6,720,337,739,542</b>	<b>6,199,932,855,019</b>
<b>410</b>	<b>I. Capital</b>		<b>6,720,337,739,542</b>	<b>6,199,932,855,019</b>
411	1. Share capital	28.1	2,852,706,600,000	2,597,025,750,000
411a	- Shares with voting rights		2,852,706,600,000	2,597,025,750,000
412	2. Share premium	28.1	988,508,364,367	988,508,364,367
415	3. Treasury shares	28.1	(382,934,347,400)	(382,934,347,400)
418	4. Investment and development fund	28.1	10,709,490,423	10,709,490,423
420	5. Other funds belonging to owners' equity	28.1	2,216,611,139	2,216,611,139
421	6. Undistributed earnings	28.1	2,131,776,750,845	1,839,301,254,305
421a	- Undistributed earnings up to the prior year-end		1,420,140,583,379	990,053,918,135
421b	- Undistributed earnings of current year		711,636,167,466	849,247,336,170
429	7. Non-controlling interests	29	1,117,354,270,168	1,145,105,732,185
<b>400</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>13,642,706,052,855</b>	<b>10,904,393,811,381</b>



BUI HOANG VU  
Preparer  
12 March 2021



NGUYEN QUANG DUC  
Chief Accountant



CHU CHEE KWANG  
General Director

**CONSOLIDATED INCOME STATEMENT**

B02-DN/HN

for the year ended 31 December 2020

VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenues from sale of goods and rendering of services	30.1	2,260,022,752,035	2,548,661,230,206
02	2. Deductions	30.1	(43,303,581,914)	(2,560,451,561)
10	3. Net revenues from sale of goods and rendering of services	30.1	2,216,719,170,121	2,546,100,778,645
11	4. Costs of goods sold and services rendered	31	(1,545,950,061,294)	(1,479,645,666,849)
20	5. Gross profit from sale of goods and rendering of services		670,769,108,827	1,066,455,111,796
21	6. Finance income	30.2	726,710,134,272	96,747,896,996
22	7. Finance expenses	33	(102,522,834,354)	(21,052,917,497)
23	- In which: Interest expenses		(53,384,618,909)	(19,740,490,753)
24	8. Shares of profit of associates, joint-controlled entities	17.1	141,648,801,603	126,376,149,985
25	9. Selling expenses	32	(67,658,769,303)	(119,286,865,591)
26	10. General and administration expenses	32	(366,813,609,445)	(305,567,667,299)
30	11. Operating profit		1,002,132,831,600	843,671,708,390
31	12. Other income	34	30,304,785,282	405,759,339,267
32	13. Other expenses	34	(17,598,678,897)	(23,154,211,570)
40	14. Other profit		12,706,106,385	382,605,127,697
50	15. Accounting profit before tax		1,014,838,937,985	1,226,276,836,087
51	16. Current corporate income tax expense	35.1	(110,405,053,486)	(216,390,636,733)
52	17. Deferred tax expense	35.3	(54,106,685,849)	(2,613,520,264)
60	18. Net profit after tax		850,327,198,650	1,007,272,679,090
61	19. Net profit after tax attributable to shareholders of the parent		834,865,877,302	960,564,301,342
62	20. Net profit after tax attributable to non-controlling interests	29	15,461,321,348	46,708,377,748
70	21. Basic earnings per share	37	3,078	3,562
71	22. Diluted earnings per share	37	3,078	3,562



BUI HOANG VU  
Preparer  
12 March 2021

NGUYEN QUANG DUC  
Chief Accountant

CHU CHEE KWANG  
General Director

**CONSOLIDATED CASH FLOW STATEMENT**

B03-DN/HN

for the year ended 31 December 2020

VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>01</b>	<b>Profit before tax</b>		<b>1,014,838,937,985</b>	<b>1,226,276,836,087</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	13, 14, 15, 18	22,943,495,450	20,702,761,878
03	(Reversal of provisions) provision		(864,348,250)	931,858,784
05	Profits from investing activities		(868,358,935,875)	(611,450,895,542)
06	Interest expenses	33	53,384,618,909	19,740,490,753
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>221,943,768,219</b>	<b>656,201,051,960</b>
09	(Increase) decrease in inventories		25,152,549,438	(335,937,349,653)
10	Decrease (increase) in payables		(1,668,219,008,375)	433,467,961,979
11	Decrease (increase) in payables		690,661,792,221	(169,969,739,060)
12	(Increase) decrease in prepaid expenses		(88,771,264,740)	18,286,554,680
14	Interest paid		(48,279,451,778)	(18,981,032,798)
15	Corporate income tax paid	21	(197,773,124,753)	(228,027,006,341)
17	Other cash outflows used in operating activities		(37,713,819,737)	(29,760,841,068)
<b>20</b>	<b>Net cash (used in) flows from operating activities</b>		<b>(1,110,910,136,930)</b>	<b>325,279,599,699</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchases of fixed assets		(43,547,498,073)	(63,761,241,523)
22	Proceeds from disposals of fixed assets		-	3,331,812,282
23	Net loans to other entities		(40,483,503,733)	(71,502,924,922)
25	Payments for investments in other entities		(3,165,294,629,681)	(361,597,506,680)
26	Proceeds from sale of investments in other entities		2,088,825,034,985	33,460,000,000
27	Interest and dividends received		117,961,443,770	82,641,658,018
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(1,042,539,152,732)</b>	<b>(377,428,202,825)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	Capital contribution from non-controlling interests		-	572,500,000,000
	Capital redemption to non-controlling interests	29	(6,017,930,000)	(22,072,330,000)
32	Repurchase of treasury shares		-	(296,730,939,400)
33	Drawdown of borrowings	24.4	1,878,660,636,689	329,075,470,886
34	Repayment of borrowings	24.4	(290,000,300,380)	(470,575,125,115)
36	Dividends paid to shareholders	28.3, 29	(256,677,065,198)	(243,571,513,369)
<b>40</b>	<b>Net cash flows from (used in) financing activities</b>		<b>1,325,965,341,111</b>	<b>(131,374,436,998)</b>
<b>50</b>	<b>Net decrease in cash and cash equivalents for the year</b>		<b>(827,483,948,551)</b>	<b>(183,523,040,124)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>1,900,653,285,537</b>	<b>2,084,176,325,661</b>
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>1,073,169,336,986</b>	<b>1,900,653,285,537</b>



BUI HOANG VU  
Preparer  
12 March 2021

NGUYEN QUANG DUC  
Chief Accountant

CHU CHEE KWANG  
General Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

as at 31 December 2020 and for the year then ended

### 2. BASIS OF PREPARATION

#### 2.1 APPLIED ACCOUNTING STANDARDS AND SYSTEM

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

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

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

#### 2.2 APPLIED ACCOUNTING DOCUMENTATION SYSTEM

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

#### 2.3 FISCAL YEAR

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

#### 2.4 ACCOUNTING CURRENCY

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

#### 2.5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2020.

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

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

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 CASH AND CASH EQUIVALENTS

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

#### 3.2 INVENTORIES

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

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

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

#### *Provision for obsolete inventories*

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

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

#### 3.3 RECEIVABLES

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

B09-DN/HN

as at 31 December 2020 and for the year then ended

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

#### 3.4 FIXED ASSETS

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

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

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

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

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

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

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

#### 3.5 LEASED ASSETS

#### *Where the Group is the lessee*

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

#### *Where the Group is the lessor*

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

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

#### 3.6 DEPRECIATION AND AMORTISATION

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

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

#### 3.7 INVESTMENT PROPERTIES

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

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

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

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

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

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

#### 3.8 BORROWING COSTS

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### 3.9 PREPAID EXPENSES

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

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

- Tools and consumables with large value issued into construction and can be used for more than one year;
- Show houses;
- Commission fees; and
- Other long-term prepaid expenses with associated economic benefits generated for more than one (1) year and being amortised over the period of no more than three (3) year.

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

as at 31 December 2020 and for the year then ended

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

#### 3.10 BUSINESS COMBINATIONS AND GOODWILL

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

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

#### 3.11 INVESTMENTS

##### *Investments in associates*

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

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

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

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

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

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

the jointly controlled entities. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entities.

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

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

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for investments*

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

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

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

#### 3.12 PAYABLE AND ACCRUALS

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

#### 3.13 ACCRUAL FOR SEVERANCE PAY

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

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

#### 3.14 PROVISION

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

as at 31 December 2020 and for the year then ended

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

Provision for warranty obligation of completed project is estimated of 5% on value of project based on the specification of each project and actual experience.

#### 3.15 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

#### 3.16 TREASURY SHARES

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

#### 3.17 APPROPRIATION OF NET PROFIT

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

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

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

#### 3.18 EARNINGS PER SHARE

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

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

#### 3.19 REVENUE RECOGNITION

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

- *Revenue from construction contracts:* Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed as certified by customers at the balance sheet date. Variations in contract work and claims are included to the extent that they have been agreed with the customer. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.
- *Sale of villas, town houses, and apartments:* For villas, town houses and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the villas, town houses, or apartments have passed to the buyers.
- *Sale of residential plots and related infrastructure:* Revenue from the sale of residential plots and related infrastructure are recorded at the total consideration received when residential plots and related infrastructure are transferred to the customers.
- *Rendering of other services:* Revenue is recognised when services have been rendered and completed.
- *Interest:* Interest is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- *Dividends:* Dividend is recognised when the Group's entitlement as an investor to receive the dividend is established.
- *Rental income:* Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease in the consolidation income statements.

#### 3.20 TAXATION

##### *Current income tax*

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

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

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

as at 31 December 2020 and for the year then ended

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

#### 3.20 TAXATION (COTINUED)

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

##### Deferred tax

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

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

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

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

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

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

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

#### 3.21 RELATED PARTIES

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

#### 3.22 SEGMENT INFORMATION

A segment is a component determined separately by the Group which is engaged in providing products or related services

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

### 4. SIGNIFICANT EVENTS

#### 4.1 PARTIAL ACQUISITION OF OWNERSHIP INTERESTS IN NAM LONG APARTMENT DEVELOPMENT CORPORATION ("NAM LONG ADC")

On 11 May 2020, the Company acquired additional 32,790 shares, equivalent to 0.11% equity interest in Nam Long ADC from an investor. Then, on 17 July 2020, the Company acquired additional 6,440 shares, equivalent to 0.02% equity interest in Nam Long ADC from investors. Accordingly, the Company increased its ownership interest in Nam Long ADC from 99.98% to 100%.

The difference between consideration transferred and the value of net assets acquired in Nam Long ADC as at the transaction date amounting to VND 66,072,147 was recorded as a decrease in undistributed earnings in the Group's consolidated balance sheet (Note 28.1).

#### 4.2 PARTIAL ACQUISITION OF OWNERSHIP INTERESTS IN NNN KIKYO FLORA COMPANY LIMITED ("KIKYO FLORA")

On 27 May 2020, Nam Long Service One Member Liability Company Limited, a subsidiary of the Group, acquired additional 50% contributed capital in Kikyo Flora from other investors. Accordingly, the Company increased its ownership interest in Kikyo Flora from 50% to 100%.

The difference between consideration transferred and the value of net assets acquired in Kikyo Flora as at the transaction date amounting to VND 1,368,876,512 was recorded as an increase in undistributed earnings in the Group's consolidated balance sheet (Note 28.1).

#### 4.3 COVID-19 PANDEMIC

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these consolidated financial statements.

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

as at 31 December 2020 and for the year then ended

### 5. CASH AND CASH EQUIVALENTS

VND

	ENDING BALANCE	BEGINNING BALANCE
Cash on hand	1,555,924,437	2,342,461,612
Cash at banks (*)	591,332,814,549	746,026,340,758
Cash equivalents (**)	480,280,598,000	1,152,284,483,167
<b>TOTAL</b>	<b>1,073,169,336,986</b>	<b>1,900,653,285,537</b>

(\*) Part of the cash at banks has been mortgaged to secure for the Group's outstanding borrowings (Note 24).

(\*\*) Cash equivalents comprised bank deposits with original maturities of less than three months and earned interest at the rates ranging from 2.4% to 5.5% per annum.

### 6. SHORT-TERM INVESTMENTS

Held-to-maturity investments represented the term deposits at the commercial banks with the original maturities of less than twelve months and earned interest at the rates ranging from 3.2% to 7.4% per annum.

### 7. SHORT-TERM TRADE RECEIVABLES

VND

	ENDING BALANCE	BEGINNING BALANCE
Trade receivables from other customers	352,826,487,081	321,386,197,498
Trade receivables from related parties (Note 36)	257,030,606,567	135,341,525,506
<b>TOTAL</b>	<b>609,857,093,648</b>	<b>456,727,723,004</b>

### 8. SHORT-TERM ADVANCES TO SUPPLIERS

VND

	ENDING BALANCE	BEGINNING BALANCE
<b>ADVANCES FOR PURCHASES OF LAND USE RIGHTS</b>	<b>363,518,476,614</b>	<b>430,822,523,148</b>
VSIP Hai Phong Company Limited	255,816,965,255	255,447,310,043
Phu Duc Construction Material Manufacturing Company Limited	50,089,987,104	22,004,463,804
Land Clearance and Compensation Board of District 7	19,718,794,222	19,577,752,319
Can Tho Land Fund Development Center	19,559,645,914	126,517,440,795
Others	18,333,084,119	7,275,556,187
<b>ADVANCES FOR CONSTRUCTION SERVICES</b>	<b>101,589,181,632</b>	<b>303,043,562,566</b>
Coteccons Construction Joint Stock Company	34,756,466,931	186,013,813,237
An Phong Construction Joint Stock Company	13,355,702,807	2,584,031,788
Dien Quang Nguyen Construction Joint Stock Company	8,344,307,013	4,624,440,639
Others	45,132,704,881	109,821,276,902
<b>OTHERS</b>	<b>12,588,841,779</b>	<b>8,846,819,759</b>
<b>TOTAL</b>	<b>477,696,500,025</b>	<b>742,712,905,473</b>

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

as at 31 December 2020 and for the year then ended

**9. SHORT-TERM LOAN RECEIVABLES**

Details of the loan receivables are as follows:

VND

BORROWERS	ENDING BALANCE (VND)	MATURITY DATE	INTEREST RATE (% p.a)
<b>MR NGUYEN THANH DONG</b>	<b>24,270,964,170</b>		
Loan 1	16,230,004,170	24 April 2021	6.0
Loan 2	8,040,960,000	24 April 2021	6.0
<b>MS VU BICH LAN</b>	<b>49,518,248,580</b>		
Loan 1	31,318,248,580	24 April 2021	6.0
Loan 2	18,200,000,000	24 April 2021	6.0
<b>MR TRAN THANH PHONG</b>	<b>39,210,200,000</b>		
Loan 1	34,210,200,000	26 May 2021	6.0
Loan 2	5,000,000,000	18 December 2021	6.0
<b>MR CAO TAN THACH</b>	<b>32,500,000,000</b>		
Loan 1	30,000,000,000	17 June 2021	6.0
Loan 2	2,500,000,000	30 November 2021	6.0
<b>TOTAL</b>	<b>145,499,412,750</b>		

**10. OTHER RECEIVABLES**

VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>997,995,419,421</b>	<b>352,339,958,989</b>
Deposit for acquiring shares (i)	585,356,850,000	-
Deposits	168,252,435,693	168,264,935,693
Staff advances for land compensation purpose	115,902,877,126	64,027,483,915
Receivables of interest, dividends and shared profits	68,610,384,353	17,040,638,527
Prepayment of corporate income tax based on payment progress of customers (ii)	34,933,275,200	36,205,764,503
Staff advances for other business purposes	11,660,868,599	21,455,744,694
Receivable from investment in Business Cooperation Contracts ("BCC") (iii)	2,602,954,938	29,716,402,657
Others	10,675,773,512	15,628,989,000
<b>LONG-TERM</b>	<b>102,277,222,301</b>	<b>353,675,211,689</b>
Dividend receivables	97,107,260,274	-
Deposit	5,169,962,027	353,675,211,689
<b>TOTAL</b>	<b>1,100,272,641,722</b>	<b>706,015,170,678</b>
<i>In which:</i>		
- Due from other parties	948,448,472,828	700,923,303,154
- Due from related parties (Note 36)		
- Short-term	54,716,908,620	5,091,867,524
- Long-term	97,107,260,274	-

- (i) This represent the deposit at HSBC Bank (Vietnam) Limited in accordance with Escrow Contract dated 15 December 2020 for the purpose of acquiring shares of Dong Nai Waterfront City LLC.
- (ii) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on Corporate Income Tax, the Group is entitled to provisionally pay tax at the rate of 20% on turnover received by cash from its customers less corresponding expenses or at the rate of 1% on cash collections from its customers.
- (iii) This amount mainly represented the BCC with 21 Century Joint Stock Company in 2015 to develop Lot 9B7 Residential Area on an area of 5.9 hectares in South Sai Gon Urban Area. The Company has 60% interest in this BCC. The profit shared from this BCC is based on the fixed rate. As at 31 December 2020, this project was under hand-over stage.

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

as at 31 December 2020 and for the year then ended

**11. INVENTORIES**

VND

	ENDING BALANCE	BEGINNING BALANCE
Inventory properties under development (i)	6,014,901,786,539	4,292,967,461,006
Engineering Procurement Contracts ("EPC") services	50,313,408,059	3,124,109,702
Construction materials	4,111,496,282	2,032,616,751
<b>TOTAL</b>	<b>6,069,326,690,880</b>	<b>4,298,124,187,459</b>
(i) Inventory properties under development:		
Hoang Nam project (Akari) (*) (**)	2,180,013,455,962	951,810,992,088
Paragon Dai Phuoc	1,706,464,606,674	1,701,620,417,887
Vam Co Dong project (Waterpoint) (*) (**)	1,098,448,032,621	864,637,432,683
Can Tho project	296,471,888,867	62,928,900,699
Phu Huu project	205,761,804,480	189,655,916,049
Areco project (Flora Novia) (*) (**)	145,665,095,290	156,086,601,205
Nguyen Son project		126,442,560,774
Phuoc Long B project – Extension	87,412,779,357	79,894,074,535
VSIP Hai Phong	60,985,564,431	41,325,850,640
Tan Thuan Dong project (Ehome 5 project)	50,065,386,849	47,712,651,797
Binh Duong project ("Ehome 4 project")	25,943,899,351	24,155,627,412
Phu Duc project	7,729,024,658	4,892,459,132
Long An 36ha project (*)	3,926,066,133	10,352,127,885
Tien Hung project ("Ehome 3 project")	134,701,665	93,481,665
Casa project (Fuji Residence)	74,181,729	122,146,533
Phuoc Long B project (Flora Sakura)	-	389,782,187
Others	43,237,468,656	30,846,437,835

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

- LURs in An Thanh Ward, Ben Luc District, Long An Province; and

- LURs in Linh Tay Ward, Thu Duc District, Ho Chi Minh City.

(\*\*) During the year, the Group capitalised interest amounting to VND 81,243,401,503 to those inventory properties under development (31 December 2019: VND 72,961,567,373).

**12. PREPAID EXPENSES**

VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>4,414,458,729</b>	<b>2,453,491,665</b>
Operating expenses	2,812,563,878	680,690,909
Tools and supplies	1,358,654,530	1,184,913,573
Others	243,240,321	587,887,183
<b>LONG-TERM</b>	<b>104,081,633,850</b>	<b>17,271,336,174</b>
Tools and supplies	19,611,624,320	9,983,099,404
Commission fees	449,667,233	1,323,914,770
Others	84,020,342,297	5,964,322,000
<b>TOTAL</b>	<b>108,496,092,579</b>	<b>19,724,827,839</b>

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

as at 31 December 2020 and for the year then ended

**13. TANGIBLE FIXED ASSETS**

VND

	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT AND FURNITURE	OTHER ASSETS	TOTAL
<b>COST:</b>						
Beginning balance	59,864,739,978	21,068,896,786	17,189,050,855	8,982,210,231	1,590,878,288	108,695,776,138
Transfer from investment properties	3,514,877,313	-	-	-	-	3,514,877,313
New purchase	-	2,303,644,182	4,008,917,221	287,818,182	146,068,909	6,746,448,494
Ending balance	63,379,617,291	23,372,540,968	21,197,968,076	9,270,028,413	1,736,947,197	118,957,101,945
<i>- In which: Fully depreciated</i>	<i>4,554,146,286</i>	<i>8,130,560,632</i>	<i>5,851,567,940</i>	<i>2,352,614,308</i>	<i>1,292,036,145</i>	<i>22,180,925,311</i>
<b>ACCUMULATED DEPRECIATION:</b>						
Beginning balance	(23,439,800,657)	(10,718,996,160)	(9,776,863,098)	(5,498,589,584)	(1,196,520,919)	(50,630,770,418)
Transfer from investment properties	(1,631,164,563)	-	-	-	-	(1,631,164,563)
Depreciation for the year	(2,378,796,301)	(2,161,772,568)	(4,060,165,318)	(219,066,139)	(209,234,004)	(9,029,034,330)
Ending balance	(27,449,761,521)	(12,880,768,728)	(13,837,028,416)	(5,717,655,723)	(1,405,754,923)	(61,290,969,311)
<b>NET CARRYING AMOUNT:</b>						
Beginning balance	36,424,939,321	10,349,900,626	7,412,187,757	3,483,620,647	394,357,369	58,065,005,720
Ending balance	35,929,855,770	10,491,772,240	7,360,939,660	3,552,372,690	331,192,274	57,666,132,634
<i>In which: Pledged as loans security (Note 24)</i>	<i>1,545,404,137</i>	-	-	-	-	<i>1,545,404,137</i>

**14. INTANGIBLE ASSETS**

VND

	LAND USE RIGHTS	COMPUTER SOFTWARE	TOTAL
<b>COST:</b>			
Beginning balance	13,936,263,191	13,951,768,155	27,888,031,346
New purchase	-	3,562,893,900	3,562,893,900
Transfer from investment properties	810,193,022	-	810,193,022
Ending balance	14,746,456,213	17,514,662,055	32,261,118,268
<i>In which: Fully amortised</i>	-	<i>4,016,295,973</i>	<i>4,016,295,973</i>
<b>ACCUMULATED AMORTISATION:</b>			
Beginning balance	(2,073,364,075)	(7,085,665,322)	(9,159,029,397)
Amortisation for the year	(104,215,896)	(3,173,590,938)	(3,277,806,834)
Transfer from investment properties	(179,564,056)	-	(179,564,056)
Ending balance	(2,357,144,027)	(10,259,256,260)	(12,616,400,287)
<b>NET CARRYING AMOUNT:</b>			
Beginning balance	11,862,899,116	6,866,102,833	18,729,001,949
Ending balance	12,389,312,186	7,255,405,795	19,644,717,981

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

as at 31 December 2020 and for the year then ended

**15. INVESTMENT PROPERTIES**

VND

	LAND USE RIGHTS	BUILDINGS AND STRUCTURES	TOTAL
<b>COST:</b>			
Beginning balance	9,927,682,139	200,127,106,712	210,054,788,851
Transfer from inventories	15,902,155,653	70,089,422,836	85,991,578,489
Transfer to assets	(810,193,022)	(3,514,877,313)	(4,325,070,335)
Ending balance	25,019,644,770	266,701,652,235	291,721,297,005
<i>In which:</i>			
<i>- Fully depreciation</i>	<i>702,721,672</i>	<i>816,491,827</i>	<i>1,519,213,499</i>
<b>ACCUMULATED DEPRECIATION AND AMORTISATION:</b>			
Beginning balance	(8,688,915,040)	(15,948,625,963)	(24,637,541,003)
Charge for the year	(92,460,638)	(9,023,829,948)	(9,116,290,586)
Transfer to assets	179,564,056	1,631,164,563	1,810,728,619
Ending balance	(8,601,811,622)	(23,341,291,348)	(31,943,102,970)
<b>NET CARRYING AMOUNT:</b>			
Beginning balance	1,238,767,099	184,178,480,749	185,417,247,848
Ending balance	16,417,833,148	243,360,360,887	259,778,194,035

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

VND

	CURRENT YEAR	PREVIOUS YEAR
Rental income from investment properties	18,245,532,495	20,204,733,760
Direct operating expenses of investment properties that generated rental income during the year	(11,150,921,562)	(11,232,479,914)

The future annual rental receivable under the operating leases is included in Note 38.

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2020. However, given the present occupancy of these properties and the market value of the land, it is management's assessment that these properties' fair values are higher than their carrying values at the balance sheet date.

**16. CONSTRUCTION IN PROGRESS**

VND

	ENDING BALANCE	BEGINNING BALANCE
Shopping mall construction expenses	20,109,036,876	-
An Thanh market construction expenses	12,914,998,010	-
Educational project	-	190,850,089,742
Others	5,257,281,044	3,168,144,044
<b>TOTAL</b>	<b>38,281,315,930</b>	<b>194,018,233,786</b>

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

as at 31 December 2020 and for the year then ended

**17. LONG-TERM INVESTMENTS**

VND

	ENDING BALANCE	BEGINNING BALANCE
Investment in associates and jointly-controlled entities (Note 17.1)	3,259,883,924,302	1,806,387,822,726
Other long-term investments (Note 17.2)	2,409,000,000	2,409,000,000
<b>TOTAL</b>	<b>3,262,292,924,302</b>	<b>1,808,796,822,726</b>

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

VND

ENTITIES	BUSINESS	ENDING BALANCE		BEGINNING BALANCE	
		INTEREST (%)	COST OF INVESTMENT (VND)	INTEREST (%)	COST OF INVESTMENT (VND)
Dong Nai Waterfront City LLC (i)	Real Estate	35.10	1,460,943,601,343	-	-
Southgate Joint Stock Company (ii)	Real Estate	50.00	916,500,000,000	50.00	916,500,000,000
NNH Mizuki Joint Stock Company (iii)	Real Estate	50.00	750,000,000,000	50.00	750,000,000,000
Anabuki NL Housing Service Vietnam Co., Ltd.	Real estate	30.59	834,000,000	30.59	834,000,000
<b>TOTAL</b>			<b>3,128,277,601,343</b>		<b>1,667,334,000,000</b>

Note:

- (1) During the year, the Group acquired 70% of ownership interest of Portsville Pte. Ltd in Dong Nai Waterfront City LLC for a total consideration of VND 2,313,000,000,000. On 4 March 2020, the Group contributed additional capital into Dong Nai Waterfront City LLC with an amount of VND 595,000,000,000. On 11 June 2020, the Group entered into the Capital Transfer Agreement to dispose 34.90% ownership interest in Dong Nai Waterfront to a third party. Accordingly, the interest ownership of the Group is Dong Nai Waterfront as at 31 December 2020 was 35.10% and this was presented as investment in associates on consolidated financial statements. The principal activity of Dong Nai Waterfront City LLC is to develop Dong Nai Waterfront Area on an area of 169.3 hectares in Long Hung Ward, Bien Hoa City, Dong Nai Province.
- (ii) The principal activity of Southgate is to develop Vam Co Dong Residential Area on an area of 165 hectares in An Thanh Ward, Ben Luc District, Long An Province.
- (iii) The principal activity of NNH Mizuki Joint Stock Company is to develop Mizuki Park Residential Area on an area of 26 hectares in South Sai Gon Urban Area, Binh Hung Ward, Binh Chanh District, Ho Chi Minh City.

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

VND

	ANABUKI	NNH MIZUKI	SOUTHGATE	DONG NAI WATERFRONT	TOTAL
<b>COST OF INVESTMENT:</b>					
Beginning balance	834,000,000	750,000,000,000	916,500,000,000	-	1,667,334,000,000
Acquisition during the year	-	-	-	2,913,562,737,723	2,913,562,737,723
Disposal during the year	-	-	-	(1,452,619,136,380)	(1,452,619,136,380)
Ending balance	834,000,000	750,000,000,000	916,500,000,000	1,460,943,601,343	3,128,277,601,343
<b>ACCUMULATED SHARE IN POST-ACQUISITION (LOSS) PROFIT:</b>					
Beginning balance	1,166,987,179	138,835,258,286	(948,422,739)	-	139,053,822,726
Share in post-acquisition profit (loss) for the year	1,671,190,731	32,972,769,602	107,753,690,512	(748,849,242)	141,648,801,603
Dividend from preference shares	-	(51,989,041,096)	(97,107,260,274)	-	(149,096,301,370)
Ending balance	2,838,177,910	119,818,986,792	9,698,007,499	(748,849,242)	131,606,322,959
<b>NET CARRYING AMOUNT:</b>					
Beginning balance	2,000,987,179	888,835,258,286	915,551,577,261	-	1,806,387,822,726
Ending balance	3,672,177,910	869,818,986,792	926,198,007,499	1,460,194,752,101	3,259,883,924,302

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

as at 31 December 2020 and for the year then ended

**17.2 OTHER LONG-TERM INVESTMENTS**

VND

NAME OF ENTITY	BUSINESS	ENDING BALANCE		BEGINNING BALANCE	
		INTEREST (%)	COST OF INVESTMENT (VND)	INTEREST (%)	COST OF INVESTMENT (VND)
Hong Phat Finance Investment Corporation	Financing activities	1.25	2,409,000,000	1.25	2,409,000,000
<b>TOTAL</b>			<b>2,409,000,000</b>		<b>4,409,000,000</b>

**18. GOODWILL**

VND

	GOODWILL ARISING FROM INVESTMENT IN 6D
<b>COST:</b>	
Beginning balance and ending balance	7,601,818,460
<b>ACCUMULATED AMORTISATION:</b>	
Beginning balance	(760,181,850)
Amortization for the year	(1,520,363,700)
Ending balance	(2,280,545,550)
<b>NET CARRYING AMOUNT:</b>	
Beginning balance	6,841,636,610
Ending balance	5,321,272,910

**19. SHORT-TERM TRADE PAYABLES**

VND

	ENDING BALANCE	BEGINNING BALANCE
<i>Trade payables to other suppliers:</i>		
Hung QuocThinh Services Trading Company Limited	53,796,383,214	4,120,673,398
East Wing Capital Pte. Ltd.	39,687,675,665	-
Pham Nguyen Construction Joint Stock Company	35,217,434,400	-
Coteccons Construction Joint Stock Company	34,756,466,931	-
C.N.D Aluminium Glass Co., Ltd	28,857,443,512	9,413,282,264
Payables to other construction contractors	198,066,679,079	161,171,518,414
<b>TOTAL</b>	<b>390,382,082,801</b>	<b>174,705,474,076</b>

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

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

VND

	ENDING BALANCE	BEGINNING BALANCE
Advances from other customers	2,060,238,738,293	1,244,504,246,045
Advances from related parties (Note 36)	37,306,221,551	77,204,999,225
<b>TOTAL</b>	<b>2,097,544,959,844</b>	<b>1,321,709,245,270</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

B09-DN/HN

as at 31 December 2020 and for the year then ended

**21. STATUTORY OBLIGATIONS AND RECEIVABLES TAX**

VND

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
<b>RECEIVABLE</b>				
Corporate income tax ("CIT")	145,011,226	680,083,936	(590,927,979)	234,167,183
Value-added tax	106,731,537,209	390,268,301,189	(338,673,828,573)	158,326,009,825
Other taxes	103,997,071	1,423,285,055	(585,264,081)	942,018,045
<b>TOTAL</b>	<b>106,980,545,506</b>	<b>392,371,670,180</b>	<b>(339,850,020,633)</b>	<b>159,502,195,053</b>
<b>PAYABLE</b>				
CIT	178,904,045,673	120,185,215,809	(197,773,124,753)	101,316,136,729
<i>In which:</i>				
- CIT	146,013,992,393	110,405,053,486	(189,421,048,120)	66,997,997,759
- Prepayment of CIT based on payment progress of customers	32,890,053,280	9,780,162,323	(8,352,076,633)	34,318,138,970
Personal income tax	6,386,214,172	73,649,483,229	(70,930,692,712)	9,105,004,689
Value-added tax (*)	62,508,934,612	373,769,806,732	(429,042,361,537)	7,236,379,807
Other taxes	3,892,473,215	5,611,223,100	(8,362,526,187)	1,141,170,128
<b>TOTAL</b>	<b>251,691,667,672</b>	<b>573,215,728,870</b>	<b>(706,108,705,189)</b>	<b>118,798,691,353</b>

Note:

Movement of value-added tax payable represented the amount declared and being offset during the year.

**22. SHORT-TERM ACCRUED EXPENSES**

VND

	ENDING BALANCE	BEGINNING BALANCE
Cost-to-complete of projects	437,335,772,098	433,323,401,565
Interest expense payables	11,860,307,589	6,755,140,458
Other operating costs	44,294,708,676	47,976,324,459
<b>TOTAL</b>	<b>493,490,788,363</b>	<b>488,054,866,482</b>

**23. OTHER PAYABLES**

VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>202,983,688,889</b>	<b>561,488,562,672</b>
Maintenance and warranty expenses	126,715,406,082	125,059,997,676
Dividends payable to non-controlling interests	20,617,711,877	18,388,330,046
Deposits from customers	18,049,170,885	18,233,954,562
Deposits received	6,112,634,000	1,309,634,000
Investment contributions received for BCCs	-	245,498,564,091
Deposit received for capital transfer	-	100,000,000,000
Payables for on-going projects	-	10,170,673,059
Others	31,488,766,045	42,827,409,238
<b>LONG-TERM</b>	<b>135,841,073,185</b>	<b>104,464,456,895</b>
Deposit	133,906,073,185	104,304,911,366
Others	1,935,000,000	159,545,529
<b>TOTAL</b>	<b>338,824,762,074</b>	<b>665,953,019,567</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

B09-DN/HN

as at 31 December 2020 and for the year then ended

**24. LOANS**

VND

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>931,941,548,675</b>	<b>63,282,000,000</b>
Short-term loan from banks (Note 24.1)	841,941,942,497	63,282,000,000
Current portion of long-term loans (Note 24.2)	89,999,606,178	-
<b>LONG-TERM</b>	<b>1,525,023,673,583</b>	<b>806,240,486,487</b>
Bonds (Note 24.3)	1,125,023,673,583	626,241,274,121
Long-term loans from banks (Note 24.2)	400,000,000,000	179,999,212,366
<b>TOTAL</b>	<b>2,456,965,222,258</b>	<b>869,522,486,487</b>

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

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

VND

BANKS	ENDING BALANCE (VND)	MATURITY DATE	PURPOSE	INTEREST RATE (%/p.a)	DESCRIPTION OF COLLATERALS
Orient Commercial Joint Stock Bank - Loan 1	528,569,864,492	23 December 2021	Support working capital requirements	8.2% - 8.3%	Lot 2479, Map sheet number 5; Lot 779, Map sheet 6 and Lot 226, Map sheet number 5, An Thanh Commune, Ben Luc District, Long An Province (Note 11)
Orient Commercial Joint Stock Bank - Loan 2	140,000,000,000	27 April 2021	Support working capital requirements	8.5% - 9.2%	9,500,000 shares of the Company owned by Nam Khang
Orient Commercial Joint Stock Bank - Loan 3	13,448,278,005	12 months since the drawdown date	Support working capital requirements	8.1% - 8.3%	House No. 147 - 149, Tran Trong Khang Street, Tan Thuan Dong Ward, District 7, HCMC (Note 13)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	89,923,800,000	30 June 2021	Support working capital requirements	6%	Unsecured
Standard Chartered Bank (Vietnam) Limited	70,000,000,000	13 November 2021	Support working capital requirements	4.5% - 4.6%	LUR and associated assets of An Thanh Ward, Ben Luc District, Long An Province (Note 11)
<b>TOTAL</b>	<b>841,941,942,497</b>				

**24.2 LONG-TERM LOAN FROM A BANK**

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

VND

BANKS	ENDING BALANCE (VND)	MATURITY DATE	PURPOSE	INTEREST RATE (%/p.a)	DESCRIPTION OF COLLATERALS
Orient Commercial Joint Stock Bank	200,000,000,000	30 September 2022	Financing for investing and developing Akari project	10.2%	Future receivables arising from the sales contract of the project and cash in banks of the Company (Note 5)
Standard Chartered Bank (Vietnam) Limited	200,000,000,000	11 November 2022		5.46% - 5.75%	
HSBC Bank (Vietnam) Ltd	89,999,606,178	13 May 2021	Investing and developing commercial housing project of Novia project at the land with an area of about 8,179 meters square in Linh Tay Ward, Thu Duc District, Ho Chi Minh City.	8.0% - 8.2%	LUR and associated assets of Novia Project (Note 11)
<b>TOTAL</b>	<b>489,999,606,178</b>				
<i>In which:</i>					
- Non-current portion	400,000,000,000				
- Current portion	89,999,606,178				

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

B09-DN/HN

as at 31 December 2020 and for the year then ended

**24. LOANS (CONTINUED)****24.3 BONDS**

ARRANGEMENT ORGANIZATIONS	OWNER	AMOUNT (VND)	INTEREST RATE (%/p.a)	MATURITY DATE	PURPOSE	COLLATERAL
Ho Chi Minh Securities Corporation	Manulife (Vietnam) Limited	510,000,000,000	6.5% + 2.5% guarantee fee to GuarantCo Management Company Limited - a guarantee party for this bond	19 June 2025	Implement the Company's investment plans and projects	80,824,459 Nam Long VCD Corporation's shares owned by the Company
	AIA (Vietnam) Life Insurance Co., Ltd	120,000,000,000				
	Generali Vietnam Life Insurance L.L.C	30,000,000,000				
Vietcombank Securities Company Limited ("VCBS")	Manulife (Vietnam) Limited	300,000,000,000	10.5%	17 June 2023	Implement the Company's investment plans and projects	Land used rights at An Thanh Ward, Ben Luc District, Long An Province owned by Nam Long VCD Corporation (Note 11)
	VCBS	80,000,000,000				
	Vietcombank Fund Management	52,000,000,000				
	Kwe Beteiligungen AG	47,000,000,000				
	AIA (Vietnam) Life Insurance Co., Ltd	8,000,000,000				
	Generali Vietnam Life Insurance L.L.C	5,000,000,000				
	Arventus Limited	4,000,000,000				
	Ms Khuat Thu Huyen	4,000,000,000				
<b>TOTAL</b>	<b>1,160,000,000,000</b>					
Less: Issuance costs	(34,976,326,417)					
<b>ENDING BALANCE</b>	<b>1,125,023,673,583</b>					
In which:						
Non-current portion	1,125,023,673,583					
Current portion						

**24.4 MOVEMENTS OF LOANS AND BOND DURING THE YEAR**

VND

	LOANS	BOND	TOTAL
Beginning balance	243,281,212,366	626,241,274,121	869,522,486,487
Drawdown from borrowings	1,378,660,636,689	500,000,000,000	1,878,660,636,689
Repayment from borrowings	(290,000,300,380)	-	(290,000,300,380)
Cost of issuing bonds	-	(26,556,594,211)	(26,556,594,211)
Allocated cost of issuing bonds	-	25,338,993,673	25,338,993,673
<b>ENDING BALANCE</b>	<b>1,331,941,548,675</b>	<b>1,125,023,673,583</b>	<b>2,456,965,222,258</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

B09-DN/HN

as at 31 December 2020 and for the year then ended

**25. BONUS AND WELFARE FUND**

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	59,808,784,491	43,990,827,616
Increase (Note 28.1)	53,716,762,319	45,578,797,943
Fund usage	(29,332,565,276)	(29,760,841,068)
<b>ENDING BALANCE</b>	<b>84,192,981,534</b>	<b>59,808,784,491</b>

**26. UNEARNED REVENUE**

Unearned revenue included:

- The value of the Group's income received from the transfer part of Mizuki Park Project to NNH Mizuki Joint Stock Company and from the transfer part of Vam Co Dong Residence Project to Southgate and the profit arising from providing services deferred as at reporting date, which is proportionate to the ownership of the Group in these joint ventures. These unearned revenue will be realised once the houses developed by these project are handed to home buyers; and
- The rental fees which was received in advance for the whole rental period and are amortised periodically.

Details are as follow:

	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM</b>	<b>6,698,604,900</b>	<b>6,667,470,512</b>
Rental fees received in advance	6,698,604,900	6,667,470,512
<b>LONG-TERM</b>	<b>757,276,989,590</b>	<b>694,788,377,071</b>
Vam Co Dong Residence Project	464,624,798,537	395,951,385,000
Mizuki Park Project	217,619,752,529	244,941,295,332
Rental fees received in advance	75,032,438,524	53,895,696,739
<b>TOTAL</b>	<b>763,975,594,490</b>	<b>701,455,847,583</b>

**27. PROVISIONS**

The balance represented the provision for warranty for work and work items completed which was handed over as at the reporting date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

as at 31 December 2020 and for the year then ended

B09-DN/HN

**28. OWNERS' EQUITY****28.1 INCREASES AND DECREASES IN OWNERS' EQUITY**

VND

	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARE	INVESTMENT AND DEVELOPMENT FUND	OTHER FUNDS BELONGING TO OWNERS' EQUITY	UNDISTRIBUTED EARNINGS	TOTAL
<b>PREVIOUS YEAR</b>							
Beginning balance	2,391,369,180,000	988,508,364,367	(86,203,408,000)	10,709,490,423	2,216,611,139	1,293,714,724,748	4,600,314,962,677
Stock dividend	188,556,930,000	-	-	-	-	(188,556,930,000)	-
Issuance of new shares	17,099,640,000	-	-	-	-	-	17,099,640,000
Treasury shares	-	-	(296,730,939,400)	-	-	-	(296,730,939,400)
Net profit after tax	-	-	-	-	-	960,564,301,342	960,564,301,342
Cash dividends declared	-	-	-	-	-	(181,026,448,724)	(181,026,448,724)
Contribution to bonus and welfare funds	-	-	-	-	-	(45,578,797,943)	(45,578,797,943)
Remuneration of the Board of Directors	-	-	-	-	-	(7,856,460,796)	(7,856,460,796)
Equity transactions with non-controlling interests in subsidiaries without changing control	-	-	-	-	-	9,056,030,358	9,056,030,358
Others	-	-	-	-	-	(1,015,164,680)	(1,015,164,680)
<b>ENDING BALANCE</b>	<b>2,597,025,750,000</b>	<b>988,508,364,367</b>	<b>(382,934,347,400)</b>	<b>10,709,490,423</b>	<b>2,216,611,139</b>	<b>1,839,301,254,305</b>	<b>5,054,827,122,834</b>
<b>CURRENT YEAR</b>							
Beginning balance	2,597,025,750,000	988,508,364,367	(382,934,347,400)	10,709,490,423	2,216,611,139	1,839,301,254,305	5,054,827,122,834
Stock dividend (i)	238,937,160,000	-	-	-	-	(238,937,160,000)	-
Issuance of new shares (i)	16,743,690,000	-	-	-	-	-	16,743,690,000
Net profit after tax	-	-	-	-	-	834,865,877,302	834,865,877,302
Cash dividends declared (ii)	-	-	-	-	-	(241,429,262,808)	(241,429,262,808)
Contribution to bonus and welfare funds (iii)	-	-	-	-	-	(53,716,762,319)	(53,716,762,319)
Remuneration of the Board of Directors	-	-	-	-	-	(9,610,000,000)	(9,610,000,000)
Equity transactions with non-controlling interests in subsidiaries without changing control (Note 4.1 and 4.2)	-	-	-	-	-	1,302,804,365	1,302,804,365
Others	-	-	-	-	-	-	-
<b>ENDING BALANCE</b>	<b>2,852,706,600,000</b>	<b>988,508,364,367</b>	<b>(382,934,347,400)</b>	<b>10,709,490,423</b>	<b>2,216,611,139</b>	<b>2,131,776,750,845</b>	<b>5,602,983,469,374</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

B09-DN/HN

as at 31 December 2020 and for the year then ended

**28. OWNERS' EQUITY (CONTINUED)****28.1 INCREASES AND DECREASES IN OWNERS' EQUITY (CONTINUED)**

Note:

(i) On 13 October 2020, the Group issued additional 23,893,716 new shares at par value of VND 10,000 per share as dividends to existing shareholders at ratio of 9.57%. This issuance was appropriated from undistributed earnings as at 31 December 2019, which was in accordance with the Resolution of Shareholders No. 01/2020/NQ/DHDCD/NLG dated 4 May 2020.

On 13 October 2020, the Group received the Official Letter No. 6122/UBCK-QLCB from the State Securities Commission for approval on issuance new shares to the executives in accordance to the Executive Stock Grant program. Based on the program, the Group will issue additional 1,674,369 ordinary shares at the price of VND 10,000 to its executives in accordance with the approved Resolution of Shareholders No. 01/2020/NQ/DHDCD/NLG dated 4 May 2020 and the Board of Directors' Resolutions No. 32/2020/NQ/DHDCD/NLG dated 5 October 2020. On 13 November 2020, the Group received the 22nd amended Business Registration Certificate issued by the Department of Planning and Investment of Ho Chi Minh City, for the approval of such increase in capital.

(ii) In accordance with the Board of Directors' Resolution No. 13/2020/NQ/HDQT/NLG dated 25 May 2020 and No. 37/2020/NQ/HDQT/NLG dated 25 November 2020, the Group was approved to pay dividends in 2019 by cash at 4.79% and advance dividends in 2020 by cash 4.53% par value; respectively.

(iii) In accordance with the Resolution of Shareholders No. 01/2020/NQ/DHDCD/NLG dated 4 May 2020, the Group's shareholders approved the appropriation of bonus at 4% of the Group's profit after tax of 2019 and welfare fund of VND 10 billion.

**28.2 SHARES**

	Number of shares	
	As at 31 December 2020	As at 31 December 2019
<b>AUTHORISED SHARES</b>	<b>285,270,660</b>	<b>259,702,575</b>
<b>ISSUED SHARES</b>		
<i>Issued and paid-up shares</i>	285,270,660	259,702,575
Ordinary shares	285,270,660	259,702,575
<b>TREASURY SHARES</b>		
<i>Held by parent company</i>	(10,000,000)	(10,000,000)
Ordinary shares	(10,000,000)	(10,000,000)
<i>Held by subsidiaries</i>	(11,319,134)	(9,544,956)
Ordinary shares	(11,319,134)	(9,544,956)
<b>SHARES IN CIRCULATION</b>		
Ordinary shares	263,951,526	240,157,619

Note:

Par value of outstanding share: VND 10,000/share (31 December 2019: VND 10,000/share). The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. Each ordinary share carries one vote per share without restriction.

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

as at 31 December 2020 and for the year then ended

**28. OWNERS' EQUITY (CONTINUED)****28.3 INCREASE AND DECREASE IN SHARE CAPITAL**

VND

	CURRENT YEAR	PREVIOUS YEAR
<b>SHARE CAPITAL</b>		
Beginning balance	2,597,025,750,000	2,391,369,180,000
Increase	255,680,850,000	205,656,570,000
Ending balance	2,852,706,600,000	2,597,025,750,000
Stock dividends declared	238,937,160,000	188,556,930,000
Cash dividends declared	241,429,262,808	181,026,448,724
Dividends paid in cash	236,072,403,898	172,888,159,069

**29. NON-CONTROLLING INTERESTS**

VND

	ENDING BALANCE	BEGINNING BALANCE
Contributed charter capital	1,011,897,763,970	1,028,700,293,970
Share premium	26,394,994,873	26,394,994,873
Treasury shares	(656,280,000)	(656,280,000)
Investment and development fund	62,463,835	62,463,835
Other funds belonging to owners' equity	577,917,539	577,917,539
Asset revaluation reserve	63,818,489	63,818,489
Undistributed earnings	79,013,591,462	89,962,523,479
<b>TOTAL</b>	<b>1,117,354,270,168</b>	<b>1,145,105,732,185</b>

Movements of non-controlling interests are as follows:

VND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	1,145,105,732,185	684,189,248,746
Net profit for the year	15,461,321,348	46,708,377,748
Capital withdrawal by cash	(6,017,930,000)	(22,072,330,000)
Equity transactions with non-controlling interests in subsidiaries without changing control	(14,629,154,365)	(31,128,360,358)
Dividends declared	(22,565,699,000)	(78,387,001,800)
Additional capital contribution	-	572,500,000,000
Acquisition of a subsidiary	-	5,425,994,773
Disposal of investments in a subsidiary	-	(27,598,740,606)
Capital deduction by offsetting to receivables	-	(4,531,456,318)
Ending balance	1,117,354,270,168	1,145,105,732,185
<i>In which:</i>		
- Dividends paid in cash	20,604,661,300	70,683,354,300

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

as at 31 December 2020 and for the year then ended

**30. REVENUES****30.1 REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES**

VND

	CURRENT YEAR	PREVIOUS YEAR
<b>GROSS REVENUES</b>	<b>2,260,022,752,035</b>	<b>2,548,661,230,206</b>
Sale of land, apartments, town houses and villas	880,703,905,620	1,967,576,332,982
Sales from construction	702,468,052,258	428,552,074,889
Rendering of services	658,605,261,662	132,328,088,575
Rental income from investment properties	18,245,532,495	20,204,733,760
<b>LESS SALES DEDUCTION</b>	<b>(43,303,581,914)</b>	<b>(2,560,451,561)</b>
<b>NET REVENUES</b>	<b>2,216,719,170,121</b>	<b>2,546,100,778,645</b>
<i>In which:</i>		
Sale of land, apartments, town houses and villas	837,400,323,706	1,965,015,881,421
Sales from construction	702,468,052,258	428,552,074,889
Rendering of services	658,605,261,662	132,328,088,575
Rental income from investment properties	18,245,532,495	20,204,733,760
<i>In which:</i>		
Sales to related parties (Note 36)	1,323,987,317,122	651,927,034,226
Sales to other parties	892,731,852,999	1,894,173,744,419

**30.2 FINANCE INCOME**

VND

	CURRENT YEAR	PREVIOUS YEAR
Gain from disposal of investment	636,281,433,491	6,916,883,500
Interest income	57,542,148,500	67,983,093,544
Profit received from BCCs	32,886,552,281	21,345,474,284
Dividends income	-	262,350,000
Others	-	240,095,668
<b>TOTAL</b>	<b>726,710,134,272</b>	<b>96,747,896,996</b>

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

VND

	CURRENT YEAR	PREVIOUS YEAR
Cost of land, apartments, town houses and villas	494,957,380,816	1,081,281,967,877
Cost of construction services	578,612,207,261	313,672,737,320
Cost of rendering of services	461,229,551,655	73,458,481,738
Operating costs of investment property	11,150,921,562	11,232,479,914
<b>TOTAL</b>	<b>1,545,950,061,294</b>	<b>1,479,645,666,849</b>

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

as at 31 December 2020 and for the year then ended

**32. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSE** VND

	CURRENT YEAR	PREVIOUS YEAR
<b>SELLING EXPENSES</b>	<b>67,658,769,303</b>	<b>119,286,865,591</b>
Marketing fees and show-houses cost	42,101,400,332	63,877,038,710
Salary expenses	10,016,513,953	15,142,177,961
Commission fees	9,885,433,722	32,439,821,815
Consultant fees	955,286,193	1,827,936,937
Others	4,700,135,103	5,999,890,168
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>366,813,609,445</b>	<b>305,567,667,299</b>
Salary expenses	238,166,046,178	192,046,577,755
External services	56,688,771,864	38,588,381,255
Rental expenses	19,329,923,040	35,132,809,082
Depreciation expenses	6,602,447,084	4,451,626,009
Others	46,026,421,279	35,348,273,198
<b>TOTAL</b>	<b>434,472,378,748</b>	<b>424,854,532,890</b>

**33. FINANCE EXPENSES** VND

	CURRENT YEAR	PREVIOUS YEAR
Interest expenses on bonds issued and bank loans	53,384,618,909	19,740,490,753
Fees relating to disposal of Dong Nai Waterfront	46,839,391,665	-
Loss on disposal of Bac Trung Nam Housing Development Joint Stock Company	-	400,000,000
Other finance expenses	2,298,823,780	912,426,744
<b>TOTAL</b>	<b>102,522,834,354</b>	<b>21,052,917,497</b>

**34. OTHER INCOME AND EXPENSES** VND

	CURRENT YEAR	PREVIOUS YEAR
<b>OTHER INCOME</b>	<b>30,304,785,282</b>	<b>405,759,339,267</b>
Reversal of warranty provision	18,431,497,955	-
Contract penalty	4,871,359,566	11,490,205,037
Profit from disposal of fixed assets	-	171,606,755
Gain on bargain purchase	-	381,365,125,769
Others	7,001,927,761	12,732,401,706
<b>OTHER EXPENSES</b>	<b>17,598,678,897</b>	<b>23,154,211,570</b>
Penalty	6,417,947,092	10,162,771,477
Others	11,180,731,805	12,991,440,093
<b>OTHER PROFIT</b>	<b>12,706,106,385</b>	<b>382,605,127,697</b>

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

as at 31 December 2020 and for the year then ended

**35. CORPORATE INCOME TAX**

The statutory enterprise income tax ("CIT") rate applicable to the Company is 20% of taxable profits. The CIT rates applicable for the Group's subsidiaries are ranging from 10% to 20% per entity and per project.

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

**35.1 CIT EXPENSE** VND

	CURRENT YEAR	PREVIOUS YEAR
Current tax expense	108,612,991,094	206,218,688,627
Adjustment for under accrual of tax from previous years	1,792,062,392	10,171,948,106
Current CIT expense	110,405,053,486	216,390,636,733
Deferred tax expense (Note 35.3)	54,106,685,849	2,613,520,264
<b>TOTAL</b>	<b>164,511,739,335</b>	<b>219,004,156,997</b>

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

	CURRENT YEAR	PREVIOUS YEAR
<b>ACCOUNTING PROFIT BEFORE TAX</b>	<b>1,014,838,937,985</b>	<b>1,226,276,836,087</b>
At applicable CIT rate	193,588,842,136	236,398,048,623
<i>Adjustments to increase (decrease)</i>		
Adjustment for under accrual of CIT from previous years	1,792,062,392	10,171,948,106
Amortisation of goodwill in business combination	304,072,740	906,795,256
Tax loss carried forward	(218,703,974)	(616,158,519)
Income from business activities not subject to CIT	(7,376,517,254)	(8,589,578,778)
Share of profit from associates	(28,329,760,321)	(25,275,229,997)
Adjustment of CIT relating to Decree No. 114/2020/ND-CP (*)	(10,663,204,969)	-
Others	15,414,948,585	6,008,332,306
<b>CIT EXPENSE</b>	<b>164,511,739,335</b>	<b>219,004,156,997</b>

(\*) This represents the reduction of 30% of CIT payables in the fiscal year 2020 for enterprise whose total revenue in 2020 does not exceed 200 billion VND in accordance with Decree No. 114/2020/ND-CP dated 25 September 2020.

**35.2 CURRENT TAX**

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

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

as at 31 December 2020 and for the year then ended

### 35. CORPORATE INCOME TAX (CONTINUED)

#### 35.3 DEFERRED TAX

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

VND

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED INCOME STATEMENT	
	ENDING BALANCE	BEGINNING BALANCE	CURRENT YEAR	PREVIOUS YEAR
<b>DEFERRED TAX ASSETS</b>	<b>223,794,473,406</b>	<b>264,554,250,215</b>		
Intra-group unrealised profits eliminated in consolidation	194,839,688,097	230,285,696,758	(35,446,008,661)	10,491,739,399
Accrued expenses	20,522,418,905	31,591,236,238	(11,068,817,333)	(1,110,369,173)
Marketing expenses	6,184,945,333	-	6,184,945,333	-
Others	2,247,421,071	2,677,317,219	(429,896,148)	(40,096,997)
<b>DEFERRED TAX LIABILITIES</b>	<b>(37,481,799,167)</b>	<b>(24,134,890,127)</b>		
Deductible interest expenses at entity level but capitalized on the consolidated financial statements	(25,301,702,533)	(11,954,793,493)	(13,346,909,040)	(11,954,793,493)
Fair value adjustment on assets acquired in business combination	(12,180,096,634)	(12,180,096,634)	-	-
<b>NET DEFERRED TAX EXPENSE (NOTE 35.1)</b>			<b>(54,106,685,849)</b>	<b>(2,613,520,264)</b>

### 36. TRANSACTIONS WITH RELATED PARTIES

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

VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	CURRENT YEAR	PREVIOUS YEAR
Southgate	Jointly-controlled entity	EPC servicesfee (*)	565,964,050,361	335,964,913,165
		Sale of project (*)	92,249,092,178	-
		Other services (*)	66,486,931,204	-
		Dividend income	97,107,260,274	-
NNH Mizuki	Jointly-controlled entity	EPC services fee (*)	509,391,056,616	160,904,361,903
		Dividend income	51,989,041,096	-
		Sale of (*)	54,055,410,422	154,939,703,704
		Other services (*)	35,840,776,341	118,055,454
(*) Sale to related parties (Note 30.1)			1,323,987,317,122	651,927,034,226

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

as at 31 December 2020 and for the year then ended

### 36. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

VND

RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	ENDING BALANCE	BEGINNING BALANCE
<b>SHORT-TERM TRADE RECEIVABLES (NOTE 7)</b>			<b>257,030,606,567</b>	<b>135,341,525,506</b>
Southgate	Jointly-controlled entity	141,954,260,644	54,168,143,109	54,168,143,109
NNH Mizuki	Jointly-controlled entity	73,949,967,796	81,122,382,397	81,122,382,397
Dong Nai Waterfront	Associate (from 30 November 2020)	41,075,378,127	-	-
Individuals	Shareholders	51,000,000	51,000,000	51,000,000
<b>SHORT-TERM ADVANCE FROM CUSTOMER (NOTE 20)</b>			<b>37,306,221,551</b>	<b>77,204,999,225</b>
Southgate	Jointly-controlled entity	EPC services	26,626,289,298	56,882,166,972
NNH Mizuki	Jointly-controlled entity	EPC services	10,679,932,253	20,322,832,253
<b>OTHER SHORT-TERM RECEIVABLES (NOTE 10)</b>			<b>54,716,908,620</b>	<b>5,091,867,524</b>
NNH Mizuki	Jointly-controlled entity	Dividend income	51,989,041,096	-
Southgate	Jointly-controlled entity	Others	2,727,867,524	4,727,867,524
Các cá nhân	Shareholders	Others	-	364,000,000
<b>OTHER LONG-TERM RECEIVABLES (NOTE 10)</b>				
Southgate	Jointly-controlled entity	Dividend income	97,107,260,274	-

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

VND

	CURRENT YEAR	PREVIOUS YEAR
Remunerations for members of the BOD	6,298,573,470	8,833,793,944
Remunerations for members of the Management	6,276,472,986	9,328,950,830
<b>TOTAL</b>	<b>12,575,046,456</b>	<b>18,162,744,774</b>

### 37. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computations:

VND

	CURRENT YEAR	PREVIOUS YEAR (RESTATED)
<b>NET PROFIT AFTER TAX (VND)</b>	<b>834,865,877,302</b>	<b>960,564,301,342</b>
Less: Bonus and welfare fund (VND) (i)	(50,281,040,000)	(53,716,762,319)
<b>NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (VND)</b>	<b>784,584,837,302</b>	<b>906,847,539,023</b>
Weighted average number of ordinary shares during the year (shares) (ii)	254,929,003	254,566,605
<b>WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ADJUSTED FOR THE EFFECT OF DILUTION</b>	<b>254,929,003</b>	<b>254,566,605</b>
<b>Earnings per share (VND)</b>		
Basic earnings per share	3,078	3,562
Diluted earnings per share	3,078	3,562

Note:

(i) Net profit used to compute earnings per share for the the year ended 31 December 2019 was restated following the actual distribution to Bonus and welfare funds from 2019 undistributed earnings as approved in the Annual General Meeting 2019's Resolution dated 4 May 2020 ("AGM Resolution 2019"). Net profit used to compute earnings per share for the year ended 31 December 2020 is adjusted for distribution to Bonus and welfare funds as approved in accordance with the AGM Resolution 2019.

(ii) The weighted average number of shares in circulation for the year ended 31 December 2020 and 2019 were adjusted to reflect the issuance of stock dividends at the ratio of 9.57% on 13 October 2020.

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

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

as at 31 December 2020 and for the year then ended

**38. COMMITMENTS AND CONTINGENCIES****Guarantee commitment**

The Group provided guarantees for the short and long term loans of Southgate amounting to VND 789,000,000,000 and VND 526,000,000,000; respectively with the due date from 3 March 2021 to 2 September 2022 in Standard Chartered Bank (Vietnam) Limited - Ho Chi Minh City Branch.

**Operating lease commitments**

The Group leases assets under operating lease arrangements. The future minimum rental payable as at 31 December 2020 under the operating lease agreements are as follows:

VND

	ENDING BALANCE	BEGINNING BALANCE
Less than one year	18,688,846,402	14,103,964,643
From one to five years	18,244,994,552	16,875,153,886
<b>TOTAL</b>	<b>36,933,840,954</b>	<b>30,979,118,529</b>

The Group leases out assets under operating lease arrangements. The future minimum rental receivable as at 31 December 2020 under the operating lease agreements are as follows:

VND

	ENDING BALANCE	BEGINNING BALANCE
Less than one year	24,691,760,165	10,710,686,089
From one to five years	46,192,189,579	24,273,247,270
<b>TOTAL</b>	<b>70,883,949,744</b>	<b>34,983,933,359</b>

**Capital commitments**

As at 31 December 2020, the Group has contractual commitments for the construction work for its apartments, villa projects as follows:

VND

	CONTRACTED AMOUNT	RECOGNIZED AMOUNT	REMAINING COMMITMENT
Akari project	2,122,905,392,187	(1,224,827,641,879)	898,077,750,308
Long An project	577,354,637,116	(371,450,974,645)	205,903,662,471
Southgate project	124,505,757,956	(56,653,682,179)	67,852,075,777
Nguyen Son project	94,855,829,247	(56,532,537,182)	38,323,292,065
Ehome project	64,576,396,827	(9,446,028,363)	55,130,368,464
Novia project	29,893,686,774	(20,730,764,144)	9,162,922,630
VSIP Hai Phong project	11,217,300,000	(4,951,204,000)	6,266,096,000
Others	65,268,010,834	(32,501,293,854)	32,766,716,980
<b>TOTAL</b>	<b>3,090,577,010,941</b>	<b>(1,777,094,126,246)</b>	<b>1,313,482,884,695</b>

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

as at 31 December 2020 and for the year then ended

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

On 13 October 2021, the Group completed selling 11,319,199 shares of the Company owned by Nam Khang Construction Investment Development One Member Limited Liability Company. This transaction was approved in accordance with the Resolution of Shareholders No. 04a/2021/NQ/DHDCD/NLG dated 29 January 2021.

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



BUI HOANG VU  
Preparer  
12 March 2021



NGUYEN QUANG DUC  
Chief Accountant



CHU CHEE KWANG  
General Director



**NAM LONG**  
NLG

**CÔNG TY CỔ PHẦN ĐẦU TƯ NAM LONG**

ĐC : 6 Nguyễn Khắc Viện, Phường Tân Phú, Quận 7, TP.HCM

ĐT : (+84-28) 54 16 17 18

Fax: (+84-28) 54 17 18 19

Email: [info@namlongvn.com](mailto:info@namlongvn.com)

Web: [www.namlongvn.com](http://www.namlongvn.com)