



HẢI PHÁT
VƯỜN TÂM CAO MÔI

ANNUAL REPORT 2020

HAI PHAT INVESTMENT JOINT STOCK COMPANY

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CHAPTER

- I OVERVIEW
- II CORPORATE GOVERNANCE REPORT
- III REPORT OF EXECUTIVE BOARD
- IV RISK MANAGEMENT
- V SUSTAINABLE DEVELOPMENT REPORT
- VI CONSOLIDATED FINANCIAL STATEMENTS 2020



CHAPTER I



OVERVIEW

Message from Chairman of Board of Directors	1
General Information	2
Business key activities	3
Business Locations	4
History of formation and development	5
Shareholder's Structure	6
Governance Model	7
Company Structure	8
Introduction to the Board of Directors	9
Introduction to the Executive Board	10
Corporate Milestones of 2020	11

Dear Shareholders and Investors,

On behalf of the Board of Directors and the Executive Board of Hai Phat Investment Joint Stock Company (HPX), I would like to wish you health, happiness, and success!

Over the past two decades, Hai Phat has gradually built a solid foundation to overcome the ups and downs with the solidarity, dynamism of the Board of Directors, and the effort, creativity of employees. The Company has obtained remarkable achievements, becomes the leading enterprise in the field of real estate development in Vietnam.

With the goal of becoming **"A real estate developer with the most complete and synchronized ecosystem in Vietnam"**, we continue to strengthen our organization management, business activities based on our 5 core values **"Customer is our focus - Quality is our top priority - Creativity is our driving force - Efficiency is our goal - Responsibility is our commitment"**.

2020 - Conquer Greater Heights

In 2020, Vietnamese economy witnessed two unexpected waves of COVID-19 outbreaks, the first from March 2020 to April 2020, the second from July 2020 to September 2020.

Covid-19 – a "Black Swans" phenomenon wreaked havoc on the economy and the market in 2020. The pandemic caused grave consequences to the entire business system including the real estate industry.

The unpredictable progression of the epidemic along with other influencing factors such as quality supply shortage, legal environment changes, circumspect credit policy, have caused real estate businesses to face many challenges. In such a context, HPX has focused on restructuring the organization, rebranding, organizing training courses to improve employee productivity, as well as applying technology in business activities.

In addition, HPX has urged to facilitate the investment preparation, complete the legal framework for assigned projects to implement promptly. The Company initiated numerous new projects to create supply for 2021 and the following years such as Mai Pha New Urban Area Project - Lang Son, the 5A urban area project in De Tham, Cao Bang, the project on resort combining commercial services and housing in Ha Phong ward - Ha Long city - Quang Ninh province, the Housing project in Fidel Park - Dong Ha - Quang Tri.

With the goal of "Conquer Greater Heights", in 2020

we officially entered the resort property market and successfully affirm our brand position with The Seahara project. In particular, The Seahara Phu Yen Shop Villas with a scale of 1.4 hectares with 46 shop-houses in Phu Yen was the first resort property project of Hai Phat. The project is under construction and will be launched this year. In addition, in 2020 we were selected to be the developer of the Vinh My Resort project - Thua Thien Hue.

In terms of the resort property market, over the years, we have expanded our land funds in the coastal provinces of Da Nang, Nha Trang, Binh Thuan, Phu Yen ... which are available for implementation in the following years. This is the foundation for Hai Phat to expand and support sustainable development in the long-term.

These results indicate the relentless efforts of Hai Phat members, customers loyalty and support from the community.



2021-Construction of Sustainable Value

In 2021 Hai Phat set the goals to expand the scale of investment area, focus on research our products with the **customer-centric** mindset.

With the complicated progression of the Covid-19, Hai Phat determined that in 2021, we will prioritize stability, complete the ecosystem, as well as expand land fund with prime locations in the provinces and cities, which are accessible when market gradually recovers.

Hai Phat will continue to branding in the potential land funds such as: Bac Giang, Hanoi, Quang Ninh, Cao Bang, Phan Thiet, Thua Thien Hue, Can Tho with large-scale projects such as: My Do project - Bac Giang with the scale of 9.2ha, the project on resort combining commercial services and housing in Ha Phong ward - Ha Long city - Quang Ninh with the size of 12.6 ha; No.5A Urban Development Project in De Tham (Cao Bang) with a scale of 4.35 ha; Phu Hai residential area, Phu Hai ward (Phan Thiet - Binh Thuan) with 5.6 ha scale; An Binh New Urban Area Project (Areas 1 and 2) with a scale of 223 ha in An Binh ward (Ninh Kieu - Can Tho); An Khanh New Urban Area Project (Hanoi).

2020 is the beginning of Hai Phat's journey to become **"The real estate developer with the most comprehensive ecosystem in Vietnam"** - an ecosystem created added value in the real estate development chain with a stable and sustainable management system.

Dear Valued Shareholders, the achievements that Hai Phat has built up today are derived from ceaseless efforts of the past. The journey to success is far and difficult to achieve. However, with dedication, desire to conquer, and efforts of the Board of Directors, Executive Board, and employees, along with harmony from Shareholders, we affirm that Hai Phat will together overcome all difficulties and challenges, continue to sustainably "Conquer Greater Heights".

On behalf of the Board of Directors and employees of Hai Phat, I would like to express my sincere gratitude and wish customers, partners, and shareholders Health - Happiness - Success.

I always want to receive your trust, support, and companionship in the future journey.

Sincerely thank you!

Chairman of Bod

Do Quy Hai

Name of Organizer: **Hai Phat Investment Joint Stock Company**

Charter Capital: **2,644,945,820,000 VND**

Owner's Capital: **2,644,945,820,000 VND**

Address: **5th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe Ward, Ha Dong District, Hanoi City, Vietnam**

Telephone: **+84 2432 080 666**

Facsimiles: **+84 2432 080 566**

Website: **haiphat.com.vn**

Stock ticker: **HPX**

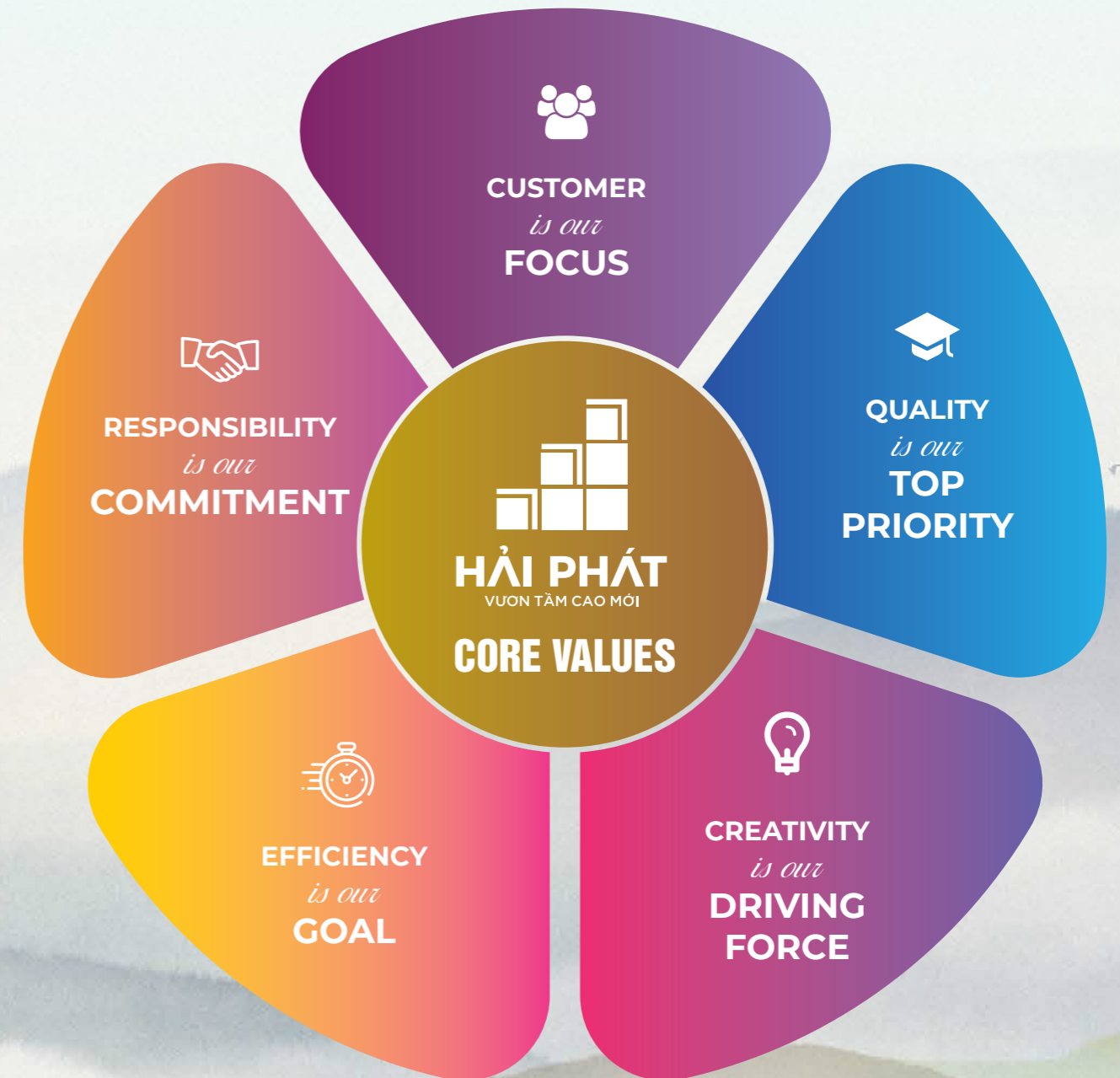
A Vision

- Become a leading enterprise in the field of Vietnam Real Estate.
- That value will be delivered through each project with the foundation of prestige and trust.

B Mission

- Create high-quality products and services to customers.
- Build a professional working environment, maximize the ability of each individual, create opportunities for enthusiastic talents to develop their long-term careers.
- Give shareholders the optimal and sustainable benefits through a standard corporation, governance model and professional management.
- Harmonize social benefits with business benefits, work together to contribute to the community, protect the environment, and create a lasting beautiful civilized life.

C Core Values



A Project Development



Real Estate Project Development has always played a vital role in business key activities, making major contributions to the revenue stream of the Company since the foundation until now. Hai Phat provided to the market thousands of products with main lines such as apartments, villas, shophouses, middle and high-end townhouses, etc. Hai Phat's business philosophy is to create differentiated real estate products in each project, shape new standards for the future. Every product is the optimal combination of sustainable living environment and feature diversified utilities in one project. Thanks to that, the brand of the Company is increasingly known and builds trust from customers. Various buildings not only meet its functional demand but also becomes the symbol of the Company such as The Pride project - An Hung urban area, To Huu (Ha Dong). The project consists of a 45-storey

building and 3 35-storey buildings, this is the tallest building in Hanoi at the time of 2015, invested by a domestic private enterprise and implemented by local workers. In addition, The Vesta Social Housing is also a project that receives prestigious awards including Vietnam National Real Estate Award for the best Social Housing project in 2018, Top 10 best public housing projects in 2019 etc. In the early stage, Hai Phat was renowned as a real estate developer in the west of Hanoi. The scale of projects is also constantly expanding, from a few hundred billion to thousands of billion with numerous types of product lines from residential to resort real estate. The growth in the scale of the project over time is a clear evident of the ability to implement and develop real estate projects of the Company to shareholders and customers.

B Sale and Distribution

Owning the major capital contribution in the Hai Phat Land - one of the leading real estate distributors in Vietnam, sale and distribution is always the key activities in the development strategy of Hai Phat. With a team of members with 10 years of experience in working and building distribution systems in the market, until now Hai Phat Land has built a network of more than 40 branches and representative offices; nearly 2,000 sale staffs and more than 2,500 collaborators. Hai Phat Land is playing the role as a bridge between the project developer and the market. Not only renowned with

the distribution channel, the company also provides marketing and communication solutions for real estate projects; real estate secondary investment; training programs of sales representatives for real estate developers or distributors. Hai Phat Land's growth was demonstrated by the expanding of the distribution networks abroad - South Korea and the Company planned to open more branches in Taiwan and Singapore in the near future. This not only shows the expansion of the Company but also helps the Company to attract the flow of foreign investment.



C Operational Management

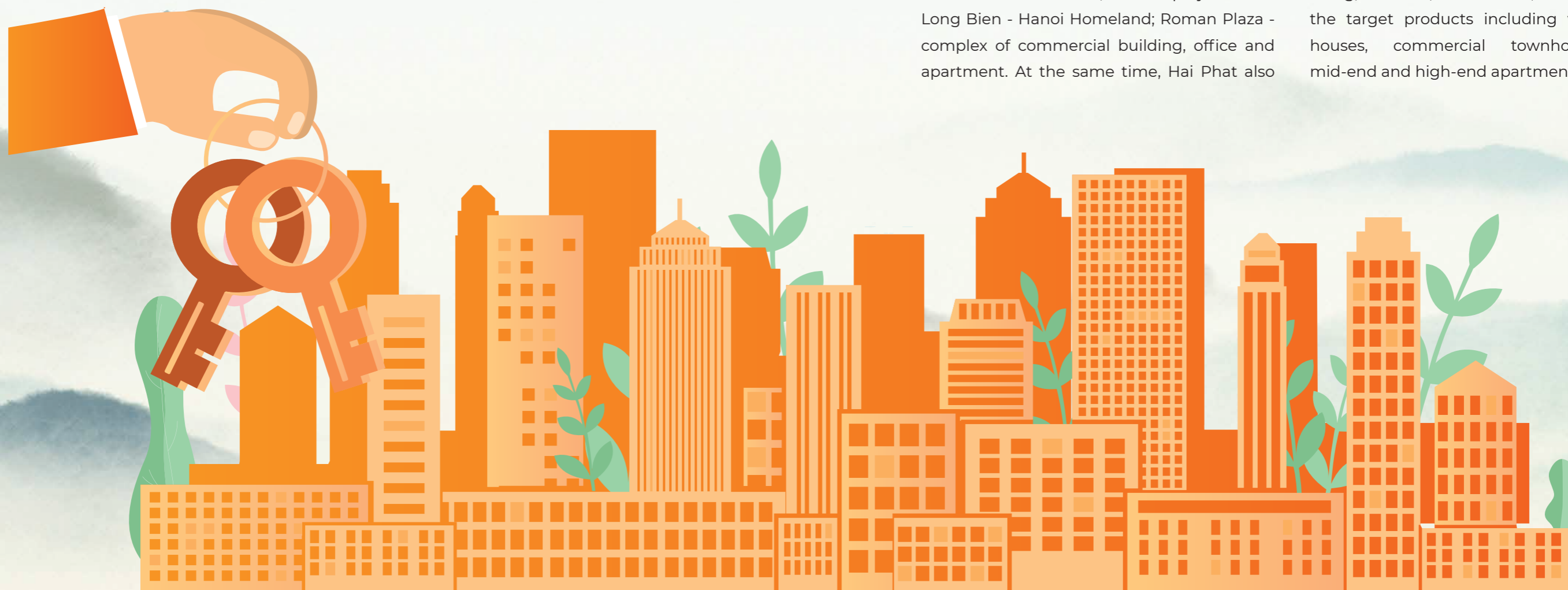
Operational Management is a new business activity of Hai Phat recently with the transfer of owned shares from PSP Urban Services Joint Stock Company and the establishment of IWG Hotel and Resort Joint Stock Company. In the residential real estate sector, the company provides full services of real estate operational management including: maintenance, cleaning, security, property management, etc. The formation of IWG Hotel and Resort Joint

Stock Company is considered as the first step of the company to entering the resort real estate market. While some investors who have only implemented project development and sales, outsource the operational management, Hai Phat will construct a complete ecosystem from construction to operational management in order to create a stable cash flow and generate profit for shareholders.

With 17 years of experience in project development, Hai Phat continues to pursue its goal of becoming a leading real estate developer in Vietnam. Until now, Hai Phat has completed and put into operation various projects, contribute to local economic development. These projects are Van Phu New Urban Area (joint venture project with Van Phu Investment Joint Stock Company); The Pride – complex of commercial, office and luxury apartment; Tan Tay Do – complex of commercial, office and apartment; social housing Phu Lam - The Vesta; Phu Luong New Urban Area; low-rise housing auction project Trau Quy, Gia Lam - Thuan An Central Lake; debt restructure project HPC Landmark 105; auction project No.23 Long Bien - Hanoi Homeland; Roman Plaza - complex of commercial building, office and apartment. At the same time, Hai Phat also



has developed land funds at reasonable cost and located in the provinces and cities with potential economic growth such as Lang Son, Cao Bang, Lao Cai, Bac Giang, Hanoi, Nam Dinh, Thai Binh, Thanh Hoa, Da Nang, Nha Trang, Can Tho, Binh Thuan, Phu Yen ... with the target products including villas, townhouses, commercial townhouses, and mid-end and high-end apartments.



2003 Hai Phat Investment Joint Stock Company was established with the original name of Hai Phat Construction - Tourism Joint Stock Company with charter capital of 8 billion VND.

In 2011, the Company continued to increase its charter capital from 300 billion VND to 750 billion VND in order to expand the business and finance project implementation.

In 2017, the company increased its charter capital from VND 750 billion to VND 1500 billion and Dragon Capital Fund became a strategic shareholder of Hai Phat when holding 15% of the company's charter capital.

2008, the Company increased its charter capital to 300 billion VND, with the main business line - real estate development and officially changed its name to Hai Phat Investment Joint Stock Company.

On July 24, 2018, Hai Phat was officially listed on the Ho Chi Minh Stock Exchange (HOSE) with the ticker symbol of HPX and charter capital increased to VND 2,000 billion on December 2018.

- In 2019 and 2020, after being listed on HOSE, the completed and restricted system empower Hai Phat to sustainably thrive in the future with three core business areas: project development, project distribution and operational management. The affiliated and subsidiaries companies in the ecosystem are clearly oriented towards the core business areas.

- In 2021, Hai Phat continues to complete the ecosystem and some affiliated companies will be listed on the stock market toward a perfect governance system.

2020

2018

2017

2011

2008

2003

Shareholder's Structure

Shareholder	Number of shares	Ratios	Number of Shareholders
1. Founding Shareholders			
Domestic	105,899,710	40.04 %	1
Foreign	0	0	0
2. Shareholders owning over 5% share capital			
Domestic	105,899,710	40.04 %	1
Foreign	23,083,232	8.72%	1
3. Shareholder			
Domestic	122,289,037	46.24%	490
Foreign	13,222,603	4.99%	14
4. Treasury Stocks			
	0	0%	
5. Shares are restricted for transfer			
	0	0%	0
6. Total			
	264,494,582	100%	506
Domestic	228,188,747	86.27%	491
Foreign	36,305,835	13.73%	15

List of Shareholders owning over 5% share capital

Shareholders	Number of shares	Ratios
1. Do Quy Hai	105,899,710	40.04 %
2. Vietnam Enterprise Investments Limited	23,083,232	8.72%
Total	128,982,942	48.76%

Change in Owner's Equity

Time	Equity before increased	Change in Equity increased	Equity after increased	Purpose
20/10/2020	2,299,955,060,000	344,990,760,000	2,644,945,820,000	Share issuance to pay dividend

Share transactions of internal persons and affiliated persons.

Transaction executor	Relationship with internal persons	Beginning ownership		Ending ownership		Description
		Number of shares	Percentage	Number of shares	Percentage	
1. Mrs. Chu Thi Luong	Wife of Do Quy Hai	18,399,677	8.0%	9,928,207	3.75%	Sold shares & received dividend by shares

Transactions between the Company and its affiliated persons and between the Company and its major shareholders, internal persons and affiliated persons at December 31 2020.

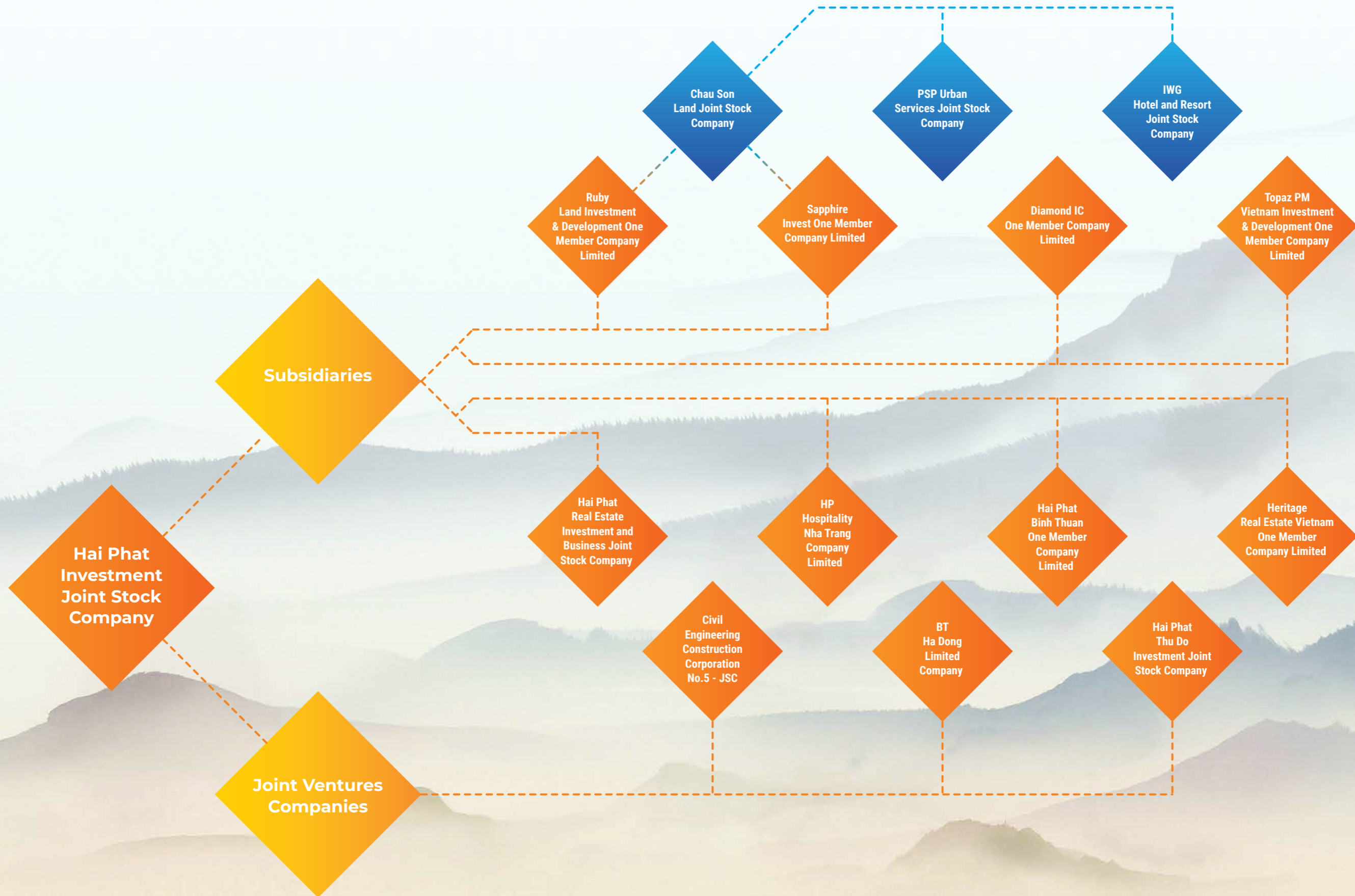
No	Name of organization/ individual	Relationship with the Company	Time of transaction with the Company	Resolution No./ Decision No. approved by GMoS/ BoD (*)	Content, quantity, total value of transaction
1	Chau Son Land Joint Stock Company (formally called Chau Son Land Co., LTD)	Subsidiaries and related organizations of internal persons	25/3/2020	Resolution No. 02A/NQ-HĐQT dated 06/01/2017	Rent payment
			08/10/2020	Decision No. 40/QĐ-HĐQT dated 16/09/2020	Shares transfer
			02/11/2020	Resolution No. 32/NQ-HĐQT dated 15/10/2020	Investment cooperation agreement
			08/12/2020	Resolution No. 08/NQ-HĐQT dated 22/3/2019	Trading activities of commercial real estate
			08/12/2020	Resolution No. 08/NQ-HĐQT dated 22/3/2019	Trading activities of commercial real estate
2	Hai Phat Binh Thuan One Member Company Limited	Subsidiaries and related organizations of internal persons	01/06/2020	Decision No. 71/2019/QĐ-HĐQT dated 25/12/2019	Transfer expenses and pay on behalf
			03/12/2020	Resolution No. 32/NQ-HĐQT dated 15/10/2020	Investment cooperation agreement
			31/12/2020	Decision No. 71/2019/QĐ-HĐQT dated 25/12/2019	Transfer expenses and payment on behalf
3	HP Hospitality Nha Trang Company Limited	Subsidiaries and related organizations of internal persons	01/06/2020	Decision No. 71/2019/QĐ-HĐQT dated 25/12/2019	Transfer expenses and payment on behalf
			31/12/2020	Decision No. 71/2019/QĐ-HĐQT dated 25/12/2019	Transfer expenses and payment on behalf
4	Hai Phat Thu Do Investment Joint Stock Company	Related organizations of internal persons	25/03/2020	Resolution No. 08/NQ-HĐQT dated 25/3/2020	Assurance of third party obligation
			28/5/2020	Decision No. 19/QĐ-HĐQT dated 22/04/2020	Transfer of shares

* GMoS: General Meeting of Shareholders

* BoD: Board of Directors

No	Name of organization/ individual	Relationship with the Company	Time of transaction with the Company	Resolution No./ Decision No. approved by GMoS/ BoD (*)	Content, quantity, total value of transaction
5	Ruby Land Investment and Development One Member Company Limited (formally called Dong Do Land One Member Limited Company)	Subsidiaries	03/02/2020	Decision No. 67/QĐ-HĐQT dated 17/09/2018	Centralized Cash Management
			16/09/2020	Decision No. 39/QĐ-HĐQT dated 16/09/2020	Transfer of contributed capital
6	Hai Phat Real Estate Investment and Business Joint Stock Company	Subsidiaries and related organizations of internal persons	17/04/2020	Resolution No. 10/NQ-HĐQT dated 09/04/2020	Receive Real Estate transfer
			17/4/2020	Resolution No. 12/NQ-HĐQT dated 16/04/2020	Assurance of third party obligation
			10/12/2020	Resolution No. 32/NQ-HĐQT dated 15/10/2020	Investment cooperation agreement
7	Mr. Lê Việt Dũng	Internal persons	25/3/2020	Decision No. 10/QĐ-HĐQT dated 24/03/2020	Transfer of shares
8	Ms. Trần Thùy Anh	Affiliated persons	25/3/2020	Decision No. 11/QĐ-HĐQT dated 24/03/2020	Transfer of shares
9	PSP Urban Services Joint Stock Company	Related organizations of internal persons	31/08/2020	Resolution No. 39/NQ-HĐQT dated 31/7/2019	Building management services
			01/09/2020	Resolution No. 02A/NQ-HĐQT dated 06/01/2017	Land lease contract
10	Heritage Real Estate Vietnam One Member Company Limited	Subsidiaries and related organizations of internal persons	02/07/2020	Decision No. 67/QĐ-HĐQT dated 17/09/2018	Centralized Cash Management
			19/10/2020	Resolution No. 32/NQ-HĐQT dated 15/10/2020	Investment Cooperation Agreement
11	Civil Engineering Construction Corporation No.5 - JSC	Related organizations of internal persons	31/12/2020	Decision No. 64/QĐ-HĐQT dated 29/12/2020	Investment Cooperation Agreement
12	Topaz PM Vietnam Investment and Development One Member Company Limited	Subsidiaries and related organizations of internal persons	11/12/2020	Decision No. 54/QĐ-HĐQT dated 10/12/2020	Regular Consultant
			11/12/2020	Decision No. 54/QĐ-HĐQT dated 10/12/2020	Project management consulting and construction supervision
	Sapphire Invest One Member Company Limited	Subsidiaries	29/10/2020	Decision No. 67/QĐ-HĐQT dated 17/09/2018	Centralized Cash Management







Mr. Do Quy Hai
Chairman of Board of Director

Born in 1969, Mr Hai was the founding shareholder of Hai Phat Investment Joint Stock Company since its foundation. He has been the Chairman of the Board of Directors since December 15, 2003 until now.

Qualification:

- Engineer of Civil - Industrial Construction
- Master of Business Administration

Experience:

- From 1989 to 2003, he worked at several construction companies of Ha Tay province, Ministry of National Defense and Quang Ninh Housing Investment and Construction Investment Joint Stock Company - this was the solid foundation for the formation of Hai Phat Investment Joint Stock Company in 2003.

- From 2003 up to now, he has worked at Hai Phat Investment Joint Stock Company. At the beginning of the company's development, he served as Chairman of the Board of Directors and CEO, from 2007 to now, he was the Chairman of the Board of Directors. In addition, he is also Chairman of the Board of Directors and Chairman of the Board of Members in companies with contributed capital from Hai Phat Investment Joint Stock Company.

List of Positions hold at other organizations:

- Chairman of the Board of Directors of Hai Phat Thu Do Investment Joint Stock Company;
- Chairman of the Board of Directors of Hai Phat Real Estate Investment and Business Joint Stock Company
- Chairman of Hai Phat Binh Thuan One Member Company Limited

Percentage ownership of shares with voting rights: 105,899,710 shares, accounting for 40.04%.



Mr. Nguyen Van Phuong
Vice Chairman of the Board of Directors

Born in 1979, Mr Nguyen Van Phuong joined the Company since 2016 as Deputy General Director and after that he was appointed as Vice Chairman of the Board of Directors from 2017 until now.

Qualification:

- Construction engineer

Experience:

Mr. Nguyen Van Phuong spent years working in different organizations in real estate development and business industry where he held different positions, especially in industrial real estate.

Since his participation, he held important positions such as Deputy CEO of Hai Phat Investment Joint Stock Company and now Vice Chairman of the Board of Directors. He is also CEO, members of the Board of Directors and Chairman of the Board of Directors of subsidiaries.

List of Positions hold at other organizations:

- Chairman of the Board of Directors of Hai Phat Kinh Bac Joint Stock Company;
- Chairman of the Board of Directors of Civil Engineering Construction Corporation No.5 – JSC.(CIENCO No.5) and Director of Cienco 5 - Hanoi Branch;
- Chairman of the Board of Directors of S.E.A Thuan Phuoc Real Estate Joint Stock Company;
- CEO of An Viet Infrastructure Development and Investment Joint Stock Company;

Percentage ownership of shares with voting rights: 528,989 shares, accounting for 0.20%.



Mr. Pham Minh Tuan
Vice Chairman of the Board of Directors
cum Chairman of Strategy Committee,
non-executive member of the Board of Directors

Born in 1973, Mr Pham Minh Tuan joined the Company since 2009 as Specialist of Investment Division and held various positions of increasing responsibility including Deputy Head of Department and Head of Investment Department, Assistant to Chairman of the Board of Directors, CEO, member of the Board of Directors and from June 2020 to now, he has been the Vice Chairman of the Board of Directors.

Qualification:

- Bachelor of Economics
- Master of business administration

Experience:

- Since his graduation, he worked at Transport Engineering Consulting Joint Stock Company member of Civil Engineering Construction Corporation No.8.
- From 2003 to 2007: He held the position of Deputy CEO of Joint Stock Company of Thai Binh Duong Group.
- From 2007 to 2009: he was CEO of Tran Hung Dao Joint Stock Company.
- Since his participation, he also held positions in the Company's subsidiaries such as Director, CEO, Chairman of the Board of Directors, Chairman of the Board of Members in accordance with the goals and strategies of the Company.

List of Positions hold at other organizations:

- Chairman of the Board of Members and CEO of Hai Phong Land Development Company Limited.

Percentage ownership of shares with voting rights 16,925 shares, accounting for 0.0064%.



Mr. Le Viet Dzung
Non-executive member of the Board of Directors

Born in 1975, Mr Le Viet Dzung joined the Company since 2017 as Deputy CEO and currently a member of the Board of Directors.

Qualification:

- Construction engineer
- Master of business administration

Experience:

- Since his graduation, from 1995 to 2010, Mr. Le Viet Dzung served as specialists and head of unit in different departments of Ha Tay province, especially the Department of Construction of Ha Tay and Hanoi.

- From 2010 to 2013, he was Deputy CEO of Nhan Hoa Investment Joint Stock Company

- From 2013 to 2015, he was Deputy CEO of Urban Construction and Investment Consulting Joint Stock Company.

- Before his appointment in the Company in 2017, Mr. Le Viet Dzung held different position in the Company's subsidiaries such as members of the Board of Directors, Deputy CEO

List of Positions hold at other organizations:

- Chairman of the Board of Directors of 283 Investment Joint Stock Company;
- Deputy CEO of Dai Dong A Investment Joint Stock Company
- Member of the Board of Directors of Railway Urban and Infrastructure Development Investment Joint Stock Company.

Percentage ownership of shares with voting rights: 1,234,311 shares, accounting for 0.47%



Mr. Tran Vu Thai Hoa

**Independent member of the Board of Directors
and Chairman of Audit Committee**

Born in 1985, Mr Tran Vu Thai Hoa was appointed as an independent member of the Board of Directors since June 2020 and concurrently holds the position of Chairman of the Audit Committee.

Qualification:

- Bachelor of Banking and Finance

Experience:

- After his graduation, Mr Tran Vu Thai Hoa held various positions of increasing responsibility mainly in financial institutions and the Ministry of Finance such as specialist, head of department, director of department, members of the Board of Directors. With years of experience in financial and capital markets, Mr. Hoa has proposed requests and criticism from the perspective of investors, financial institutions as well as recommendations for the Company to enhance its corporate governance, in order to construct a sustainable and transparent listed company on the stock market.

List of Positions hold at other organizations:

- Chairman of the Board of Directors of Hoa Binh Construction Investment Joint Stock Company
- Chairman of the Board of Directors of Thai Binh Investment and Trade Joint Stock Company.

Percentage ownership of shares with voting rights: 0



Mr. Do Danh Tri

Independent member of the Board of Directors

Born in 1976, Mr Do Danh Tri joined the Board of Directors of the Company as an independent member since October 2020.

Qualification:

- Bachelor of Laws
- Master in Financial Management
- Master of Laws

Experience:

- From his graduation to 2010, Mr Do Danh Tri served as specialist, deputy chief of the district office, and chief of district justice department at Binh Phuoc Provincial People's Committee.
- From 2010 to 2017, Mr Do Danh Tri served as head of training department at Hanoi National University.
- From 2016 up to now, Mr. Do Danh Tri has been Member of the Board of Directors of Vuong Phat Real Estate Joint Stock Company.

List of Positions hold at other organizations:

- Member of the Board of Directors of Vuong Phat Real Estate Investment Joint Stock Company.

Percentage ownership of shares with voting rights: 0



Mr. Doan Hoa Thuan
CEO

Born in 1975, since 2017 he served as Deputy CEO and now CEO of the Company.

Qualification:

- Bachelor of Economics, Accounting major;
- Master of Business Administration.

Experience:

- From his graduation until 2016, Mr. Doan Hoa Thuan held various positions of increasing responsibility such as specialist, controller, deputy of financial department, financial director, deputy CEO, CEO director, member of the Board of Directors at Ha Long Cement Joint Stock Company, Song Da Finance Company, Song Da Thang Long Joint Stock Company and Song Da Corporation.
- From 2017 to now, Mr. Doan Hoa Thuan has served as Deputy CEO, CEO and concurrently holds several positions in some subsidiaries such as Vice Chairman of Board of Directors, Chairman of Board of Directors. Now, to ensure the independence and objectivity in management, Mr. Doan Hoa Thuan only holds the position of CEO of the Company and the person in charge of corporate governance.

Percentage ownership of shares with voting rights: 66,349 shares, accounting for 0.03%



Mr Pham Huy Thong
Deputy CEO

Born in 1978, since October 2010 Mr Thong has served as of Deputy Head of Finance and Accounting Department, Controller and currently Deputy CEO of the Company.

Qualification:

- Bachelor of Economics.

Experience:

- Since his graduation until 2010, Mr. Pham Huy Thong held different positions at Glass and Ceramic Construction Corporation (Viglacera) and its subsidiaries such as specialist of Department of Accounting-Finance, Chairman of the Supervisory Committee.
- Since his participation, in addition to the positions hold in the Company, Mr. Pham Huy Thong has also served in its subsidiaries as Controller and in charge of financial department. In May 2020, Mr. Pham Huy Thong was appointed as Deputy CEO.

Percentage ownership of shares with voting rights: 10,154 shares, accounting for 0.004%



Mr. Dinh The Quynh
Deputy CEO

Born in 1985, since April 2016, Mr. Dinh The Quynh held different important positions in the Company and its subsidiaries including Head of Sales Department, Deputy CEO in charge of Sales, Deputy CEO and currently Deputy CEO of the Company.

Qualification:

- Bachelor of Foreign Trade.

Experience:

- From his graduation until 2016, Mr. Dinh The Quynh held different positions in various commercial companies, investment companies and real estate businesses including specialist, deputy CEO of real estate trading floors, deputy director and deputy CEO of the company.

- Mr. Dinh The Quynh was appointed as Deputy CEO in April 2019. In addition to the position of the Company's Deputy CEO, Mr. Dinh The Quynh also holds several management positions in its subsidiaries, including:

- Deputy CEO of Hai Phat Real Estate Investment and Business Joint Stock Company;
- Deputy CEO of Hai Phat Thu Do Investment Joint Stock Company.

List of Positions hold at other organizations:

- Chairman of the Board of Directors of Chau Son Real Estate Joint Stock Company;
- Chairman of the Board of Directors of IWG Hotel and Resort Joint Stock Company;
- Member of the Board of Directors of PSP Urban Services Joint Stock Company.

Percentage ownership of shares with voting rights: 0



Mr. Do Quy Thanh
Deputy CEO

Born in 1975, since 2016 Mr. Do Quy Thanh held different important positions in the Company such as Head of Construction Inspection Department, Deputy Chief of Office of the Board of Directors and now Deputy CEO.

Qualification:

- Engineer of Civil - Industrial Construction.

Experience:

- Prior his participation in the Company, Mr. Do Quy Thanh had years of experience working in construction companies, served as technical specialist, construction manager and director.

- Since his participation, Mr. Do Quy Thanh has been in charge of construction inspection, internal control, and operation management. Mr. Do Quy Thanh was appointed as Deputy CEO in May 2020.

List of Positions hold at other organizations:

- Chairman of Board of Directors of PSP Urban Services Joint Stock Company;
- Deputy CEO of Chau Son Real Estate Joint Stock Company;
- Chairman of the Board of Directors of Phuc Thanh Trade and Concrete Construction Joint Stock Company.

Percentage ownership of shares with voting rights 7,755,284 shares, accounting for 2.93%



Mr. Nguyen Trong Thiet
Deputy CEO

Born in 1983, since 2011 Mr. Nguyen Trong Thiet held different important positions in the Company such as investment specialist, head of investment department, Investment director and now Deputy CEO.

Qualification:

- Construction engineer.

Experience:

- From his graduation to 2011, Mr. Nguyen Trong Thiet held important positions at several design and investment consulting firms such as specialists, head of department and branch deputy director.

- Mr. Nguyen Trong Thiet was appointed as Deputy CEO from May 2020. In addition to his position in the Company, Mr. Nguyen Trong Thiet also held several positions in its subsidiaries including:

- CEO of Hai Phat Binh Thuan One Member Company Limited;
- Chairman of Heritage Real Estate Vietnam One Member Company Limited;
- Chairman Diamond IC One Member Company Limited;
- Member of the Board of Directors of Sea Thuan Phuoc Real Estate Joint Stock Company.

Percentage ownership of shares with voting rights 3,383 shares, accounting for 0.001%



Mr. Ngo Quoc Huan
Deputy CEO

Born in 1985, since 2011 Mr. Ngo Quoc Huan held different important positions in the Company such as specialist, head of Planning - Technical Department and now Deputy CEO.

Qualification:

- Electric Engineer.

Experience:

- From his graduation to 2011, Mr. Ngo Quoc Huan worked as a technical officer at companies in electromechanical engineering, urban construction investment.

- Since his participation, Mr. Ngo Quoc Huan has held important positions including technical specialist, deputy head of the department, head of the department at the project management boards of Tan Tay Do, The Pride, department of planning - engineering, Department of Auction-Economy. He was appointed as Deputy CEO from May 2020.

- In addition, Mr. Ngo Quoc Huan is also the Chairman of the Board of Directors of Topaz PM Vietnam Investment and Development One Member Company Limited.

Percentage ownership of shares with voting rights: 3,383 shares, accounting for 0.001%



Mr. Le Hong Son
Chief Accountant

Born in 1971, he started working at the Company since April 2020 as Chief Accountant.

Qualification:

- Bachelor of Banking and Finance.

Experience:

- Since his graduation to April 2020, Mr. Le Hong Son hold various important positions at subsidiaries of Song Da Corporation such as as specialist, Deputy Chief Accountant, Chief Accountant In addition, he also holds the positions of Controller in the Company's subsidiaries, including:

- Chief Accountant of Diamond IC One Member Company Limited;
- Chief Accountant of Topaz PM Vietnam Investment and Development One Member Company Limited;
- CEO of Muong Tung Electrical Joint Stock Company;
- Member of the Board of Directors of Van Phong Investment and Development Joint Stock Company;
- Head of Supervisory Committee of Bac Ha Construction Investment Joint Stock Company.

Percentage ownership of shares with voting rights: 0

A Launch of New Brand Identity



HẢI PHÁT

Logo used in 2011



HAI PHAT INVEST

Logo used in 2017



HAI PHAT INVEST

Logo used in 2019



Logo used in 2020

Hai Phat's new logo consists 6 orange squares organized from left to right representing the buildings organized from low to high, 3 squares with yellow lines symbolizes the upward pointing arrows.

The logo illustrates the constant growth of the Company with the main business activities - Project development while promoting our core values. The small squares in the logo also

represent subsidiaries and affiliated companies, demonstrates the expansion of the Hai Phat Real Estate ecosystem.

The Board of Directors of Hai Phat expects that this new brand identity will contribute to enhancing the corporate value, improve our competitiveness and become a prestigious brand in the Real Estate industry.

B Restructure of human resources management

In 2020, Hai Phat appointed new members of the Executive Board with the positions of Deputy CEO. Born in the 1980s this new Executive Board has accumulated knowledge and experience in their expertized field. The Company believes that with the qualifications, skills and enthusiasm from the new Executive

Board, the Company will gradually change its management policies, improve the efficiency of working performance and towards the establishment of an international management system.

C Construct and perfect the Real Estate ecosystems

In order to optimize the human resources and the capital cost of preparation and execution for projects invested by Hai Phat and its subsidiaries, the Company established two companies specialized in investment procedures consulting and project management

consulting. The formation of these two companies is the advancement for the Company to possess a complete ecosystem of real estate development.

D HPX is proposed in MSCI Small Cap Index

MSCI VIETNAM INDEX	
Additions	Deletions
AN PHAT HOLDINGS	None
HAI PHAT INVESTMENT	
HOA SEN GROUP	
KHANG DIEN HOUSE TRD	

4 Vietnamese tickers were added to the basket of MSCI Frontier Markets Small Cap Indexes.

The MSCI Frontier Markets Small Cap Index this period recorded strong fluctuations with 17 excluded stocks, of which Kuwait accounted for 12 stocks. On the contrary, there were 12 newly added securities, of which Vietnam accounted for 4 tickers including APH, KDH, HPX and HSG. Accordingly, the number of

securities in this index decreased to 153 stocks. Hai Phat was proposed to the MSCI Frontier Markets Small Cap Indexes is a milestone for the Company representing the transparency in business resources, liquidity, sufficient capital and reasonable free-float ratio.

Alteration in the Composition of Executive Board in 2020

No.	Name	Position	Alteration
1	Mr. Le Viet Dung	Deputy CEO	Terminated
2	Mrs. Tran Hoai Anh	Deputy CEO	Terminated
3	Mr. Ta Phu Cuong	Deputy CEO	Terminated
4	Mr. Do Quy Thanh	Deputy CEO	Appointed
5	Mr. Pham Huy Thong	Deputy CEO and Information Publisher	Appointed
6	Mr. Nguyen Trong Thiet	Deputy CEO	Appointed
7	Mr. Ngo Quoc Huan	Deputy CEO	Appointed

E Hai Phat Land awarded the title "Top 10 outstanding real estate trading floors in Vietnam" for the 5th consecutive year



Possess a top real estate distributor in the market is a distinct competitive advantage for the Company compared to other developers in the Real Estate industry, The flow of market information, as well as consumer trends, helps Hai Phat promptly adjust and develop real estate products to address market demand. In 2020, Hai Phat Land also received 4 major

awards in the field of real estate.

- Top 10 Typical Real Estate Exchange of Vietnam in 2019 voted by the Vietnam Real Estate Brokerage Association in June 2020. This is also the 5th consecutive time that Hai Phat Land has won this award.
- Awards at ASEAN Economic Forum 2020 in July 2020 in two categories: Top 10 typical

enterprises and Top 10 famous ASEAN brands, · In September 2020, Hai Phat Land continued to listed on the Top 5 prestigious Vietnam Real Estate Consulting & Brokerage Companies in 2020 at the Announcement Ceremony of Top 10 prestigious real estate companies - Con-

struction - Building Materials - Banking - Insurance - Technology 2020, organized by Vietnam Report Joint Stock Company (Vietnam Report) in collaboration with VietNam-Net Newspaper.

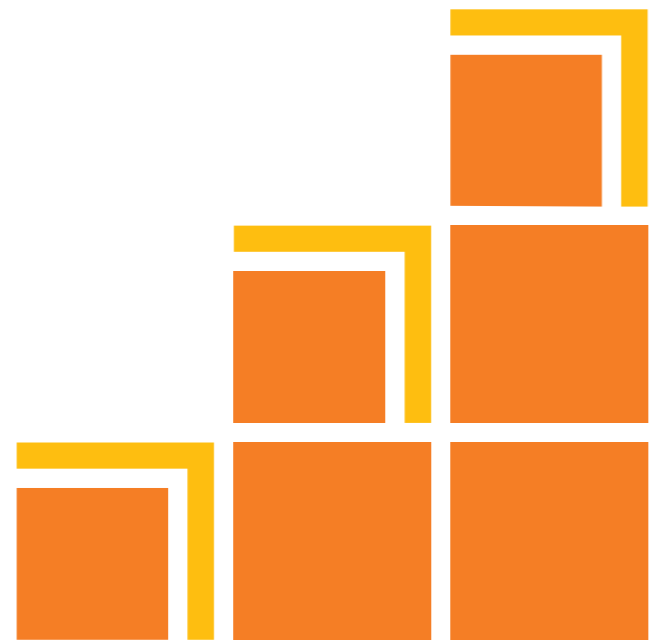
F Expansion of clean land fund

As a real estate developer, keep charting clean land funds is our priority goal. In 2020, Hai Phat Joint Venture and Ha Son Company Limited have been selected as the investor of the Mai Pha New Urban Area (Lang Son) project with the scale of nearly 92 hectares and total estimated investment of VND 3,380 billion. In addition, Hai Phat and Hai Phat Land respec-

tively won the auction of urban projects No. 5A, De Tham ward, Cao Bang city, Cao Bang province; resort project combining commercial services and housing in Ha Phong ward, Ha Long city, Quang Ninh province. The Company continues to implement projects such as An Binh 1, 2 in Can Tho city, Vinh My project in Hue city, Thua Thien Hue province....



CHAPTER II



HẢI PHÁT
VƯƠN TẦM CAO MỚI

CORPORATE GOVERNANCE REPORT

Governance Structure	1
Functional Departments	2
Board of Director's Report	3
Activities of Board of Directors in 2020	4
Report on activities of Control Committee / Audit Committee	5
Transactions, remuneration, and benefits of BoD and Control Committee	6
Activities of investor relation department	7
Plan and Orientation of Board of Directors for 2021	8

Through 17 years of operation since the foundation, Hai Phat Investment Joint Stock Company always affirms the sustainable development of the Company based on enterprise governance in combination with compliance of the existing regulations, laws, charter of enterprise, behavior standards, morality ethics, efficient operations of Board of Directors and Executing Board, ensure shareholder's and relevant benefit, equality's treatment, company's information transparency, interest conflict prevents, etc.

In the purpose, at the annual shareholders meeting hold on June 2020, the shareholders agree to change governance structure from General Meeting of Shareholders, Board of Directors, Control Committee, CEO to General Meeting of Shareholders, Board of Directors, Audit Committee, CEO.

A General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company, the Annual General Meeting of Shareholders is held once a year.

Annual General Meeting of Shareholders decides issues in accordance with the provisions of law and the Charter of the Company, especially approving: Annual financial state-

ments and cost estimates for the next fiscal year; The company's annual business plan; Report of the Board of Directors on the governance and results of operations of the Board of Directors and each member of the Board of Directors. Other benefits of the General Meeting of Shareholders are detailed in the announced Charter.

B Board of Directors

Hai Phat Investment Joint Stock Company maintains the membership structure of the Board of Directors including 06 people, of which two are independent members, namely Mr. Tran Vu Thai Hoa and Mr. Do Danh Tri. The term of office of the members of the Board of Directors shall not exceed 05 (five) years and may be re-elected with an unlimited number of terms. The independent members of the Board of Directors must account for at least one third (1/3) of the total number of the members of the Board of Directors or smaller if required by law.

The Board of Directors is the agency implementing the function of monitoring and

targets of business activities of the Company. The Board of Directors has full powers and performs the rights and obligations that are not within the authority of the General Meeting of Shareholders and are specified in details in the Company Charter.

Meetings of the Board of Directors are conducted when there are at least three quarters (3/4) of the total number of members of the Board of Directors present in person or through a representative (authorized person). the number of members of the Board of Directors approved.

The Board of Directors has two affiliated Committees, which are:

Strategy Committee

- On June 27, 2020, the Strategy Board was renamed to Strategy Committee in accordance with Decision No. 32 / QD-HĐQT issued by the Board of Directors. Accordingly, the position of Head of Strategy Board will be automatically renamed as Chairman of the Committee. The Strategy Committee is belonging to the Board of Directors and Mr.

Pham Minh Tuan - Vice Chairman of the Board concurrently holds the position of Chairman of the Committee. During the period, the Strategy Committee has advised the Board of Directors on a number of business development orientations, monitoring the implementation of the goals of the Executive Directors Board.

Audit Committee

- Right at the General Meeting of Shareholders year 2020 held on June 27th, 2020, the General Meeting of Shareholders has agreed to convert the corporate governance model to the model of the Auditing Committee under the Board of Directors to gradually approach advanced and popular management method in the world. Accordingly, on June 27, 2020, the Internal Audit Sub-Committee was renamed to the Audit Committee according to Decision No. 33 / QD-HĐQT issued by the Board of Directors. The Board of Directors appointed

Mr. Tran Vu Thai Hoa - Independent Member of the Board of Directors concurrently holds the position of Chairman of the Audit Committee in place of Mr. Le Tien Hung.

- The Audit Committee operates according to the functions, duties and powers prescribed by law, ensuring independence, objectivity and compliance with the law, in specifically reviewing financial information, working with an independent auditor, supervising the activities of the internal audit committee, risk and internal controlling.

C Supervisory Board

Hai Phat Investment Joint Stock Company operates with the management model of the Supervisory Board until June 27, 2020, then changes to the Audit Committee model.

The number of members of the Supervisory Board of the Company is three (03) people. The term of office of a controller does not exceed five (05) years and may be re-elected for an unlimited number of terms.

The main obligation of the Supervisory Board is to supervise the financial situation of the company, the legality of the activities of the members of the Board of Directors, the CEO, other managers, the coordination of activities between the Supervisory Board with the Board of Directors, CEO and Shareholders. Other rights and obligations of the Supervisory Board are detailed in the Company Charter.

D Executive Board

The Executive Board implements the resolutions issued by the Board of Directors and the General Meeting of Shareholders and the business plan and investment plan of the company approved by the Board of Directors and the General Meeting of Shareholders. The CEO is responsible to the Board of Direc-

tors and the General Meeting of Shareholders for the performance of assigned duties, powers and must report to these levels if required.

Other rights and obligations of the Executive Board are specified in detail in the Company's charter

Finance & Accounting Department

The Finance and Accounting Department has the function of advising and assisting the Executive Board and the CEO in planning, finance, credit, and capital investment outside

the enterprise. Other assignments include tax - auditing as well as business accounting and control of economic activities.

Investment Department

The Investment Department is in charge of advising and assisting the Executive Board in researching projects, issuing reports, analyzing & evaluating projects for investment decision making and implementing investment preparation procedures of the projects belonging to the assigned areas.

The Department is responsible for looking for projects with the nature, size and location in line with the direction and strategy of the Company; implementation of compensation for site clearance, site management of cleared land.

Technical & Estimating Department

The Technical & Estimating Department advises on works of bidding, designing, engineering and management projects that the Company is developer as well as is responsible for task of monitoring total investment of proj-

ects, works, taking prime responsibility for the settlement of project/work investment capital and managing technical works, implementation of schedule, quality, safety & sanitation works at the site of the project.

Sales Department

The Sales Department plays a key role in advising and assisting the Executive Board in researching and analyzing the real estate market and organizing sales works. Besides, The Department coordinates with relevant departments to evaluate investment efficiency of the projects in purpose of decision

making. The Board is absolutely responsible for planning sales policies, managing product marketing programs, and selecting distribution unit suitable for each product line of the company.

After Sale Service Department

The After Sales Service Department is responsible for implementing and monitoring the sale contract signed with customers, at the same time, implement rights and obligations arising for the signed contract, including main activities: requiring payment, handing - over the product to customers, preparing proce-

dures for getting ownership right certificate. The Board is responsible for management of properties formed after the investment and coordinating with related departments to exploit business activities for the properties provided that ensuring the quality of properties.

Post-investment Operation Department

The post-investment operation department has the function of advising and assisting the Executive Board in performing customer care tasks (the period after handing over product to the customer), supervising the building management and carrying out warranty work

according to the provisions of the law, coordinating with the Residential Representative Board of the buildings to manage operational services for the purpose of ensuring customer care goals and improving the service quality of the Company.

The Human Resources Department

The Human Resources Department is in charge of advising and assisting the Executive Board in human resource development (Recruitment, training, evaluation, policy, reward - discipline), system administration. The department is also responsible for human resource planning and recruiting in accordance with the proposed plan, developing

and implementing internal training programs, external training to improve staff productivity to meet the working requirements. Periodically, the department performs the staff assessment to have an orientation to train and develop the promotion system for qualified employees.

Investor and Shareholders Relations Department

Investor and Shareholder Relations Department has the function of advising and assisting to the Executive Board on activities related to investor & shareholder and stock market and participating in capital mobilization plans by stocks and convertible bonds. The Department is responsible for announc-

ing information to the investors and shareholders in accordance with the law, developing and preparing relevant documents for communication, information transmission of business operations and the company's strategy to investors and shareholders and as well as relevant authorities in the capital market.

Internal Audit Committee

The Internal Audit Committee has the function of advising the Executive Board in the selection and control of the use of indepen-

dent audit services, building internal audit professional process, planning, developing and adjusting internal audit methods.

Administration Department

The Administration Department is responsible for providing administrative services such as: receptionist, documents keeping, reservations, occupational safety and sanitation, fire prevention, etc... as well as conducting super-

vision of outsourced services, performing systematic information technology management and managing internal & external public relations.

A Evaluation of the Board of Directors on the operational aspects of the Company

i On development strategy

In 2020, Vietnamese economy as well as the global economy were heavily influenced by the COVID-19 outbreak. Real estate and construction are also ones of the industries facing many difficulties and in need of support. Experts commented that the real estate market has never been through difficult times and submerged in many levels like in 2020.

Experts all shared that the year 2020 is a "death" year for many businesses operating in the real estate sector. Many real estate companies listed on the stock market still showed the growth in profits but the cash flow was negative. Real estate businesses have difficulty in cash flow because the sale opening was delayed continuously and the market demand dropped sharply. During the first 3 quarters of the year, the implementation, launching and sale of projects of many real estate businesses had to stop, postpone or even close. The epidemic also made the financial resources of customers limited. Cash is concentrated to serve essential needs. The restriction on gathering and travelling negatively affected the purchasing power of real estate products.

ii On company management

- The year 2020 marked the transformation of the company by changing the corporate governance model. At the Annual General Meeting of Shareholders year 2020 on June 27th, 2020, the General Meeting of Shareholders approved the transformation of the model

Even so, the Board of Directors and the Executive Board of Hai Phat Investment Joint Stock Company are constantly striving to overcome difficulties to achieve set goals. In 2020, the Company has changed the logo & re-branding, restructured the business and nominated the key personnel, besides planned and targeted to implement projects with large land funds such as Mai Pha new urban area project, An Binh 1 & 2 new urban area projects, prepared investment procedures to be ready for the implementation of the project Seahara Phan Thiet and grand sale opening of the project Seahara Phu Yen, hold online seminars and sales with customers. At the end of the year, when the disease situation was stabilized, the Company and its affiliates took advantage of and the opportunity to successfully bid in the auction of two projects which are 5A Urban Area project in De Tham city, Cao Bang province and the project on resort combining commercial services and housing in Ha Phong ward, Ha Long city, Quang Ninh province.

of operation organization of the company from the model including the General Meeting of Shareholders, the Board of Directors, the Supervisory Board and the CEO into the one consisting of General Meeting of Shareholders, the Board of Directors, CEO in which

Audit Committee has been established belonging to the Board of Directors.

The application of this Auditing Committee is to closely monitor on risk management, improve transparency in the operations of the Board of Directors and the Executive Board and in accordance with international practices. In 2020, the company has fully complied with the provisions of the law on corporate governance.

- Enterprise information is fully and transpar-

ently provided, at the same time strengthened communication channels, promptly and continuously updated information for stakeholders. Efforts to improve corporate governance are not only from the management leaders, but also from each employee of the company and subsidiaries. The company promptly has plans on capital use, capital planning to ensure timely funding for projects but with reasonable capital costs to achieve optimal investment efficiency.

iii On human and organization structure

- In each enterprise, people are always considered the most important resource and a "vital" factor for the development of the business. Therefore, HPX always sets the human development goal as the core value of the business. During the past time, HPX has always been a professional and friendly working environment for employees to engage, develop and assert themselves.

- In addition, the training and fostering of young cadres to promote in the future are always top priority by the management board.

HPX is building and training a generation of enthusiastic and dedicated staffs to the development of the corporation.

- Currently, the Industrial Revolution 4.0 is creating a rapid change in the management, administration and development of the business, therefore the human resource management is also directly affected by this trend. The management leaders of Hai Phat have always been changing in management and personnel structure to suit this modernization.

iv On community development

- During the 17 years of development, whether it is favorable or difficult, HPX has always turned towards the community, actively contributed to the society, replicated volunteer programs with the spirit of sharing and caring for life less fortunate, honoring poor students with good academic achievements to motivate them to overcome difficulties and challenges in life.

- In 2020, the company has contributed nearly 2 billion VND to community and social activities. One of the outstanding activities is that Hai Phat Group has donated nearly 1 billion VND in cash to the floodplain people of Thua

Thien Hue province. Although this number is not large, but it is the Hai Phat's heart to share the difficulties with the people and authorities of the central provinces.

- Besides, the company always strives to limit negative impacts on the environment, ensure full compliance with technical regulations and standards as prescribed by law. The company has approached, applied and asked contractors to apply advanced technologies in construction to improve the quality of works, save energy & materials, build safe and sustainable for purpose of limitation of effects on the environment.

Board of Directors' supervisory activity on Executive Board

The Board of Directors has supervised the activities of the Executive Board in compliance with the provisions of the Charter, corporate governance regulations, internal governance regulations and regulations of current law, specifically:

- Directed and successfully organized the 2020 Annual General Meeting of Shareholders on June 27th, 2020 and the 1st Extraordinary General Meeting of Shareholders 2020 on October 10th, 2020.
- Urged and monitored the implementation production process and business plans in 2020
- Supervised the implementation of the resolutions and decisions of the Board of Directors and the General Meeting of Shareholders issued, examining the in business activities.
- Organized and directed the serious implementation of the publication of quarterly financial statements, annual financial statements and annual reports.
- Supervised and directed information disclosure in order to ensure transparency and timeliness in accordance with Government regulations.
- Supervised the implementation of the internal management rules and regulations of the Company.

- Supervised the management activities of the Executive Board to improve the efficiency of production and business activities and achieved the planned targets.

- Supervised the implementation of projects invested by the Company.

- Monitored the operation of the Company in compliance with the provisions of the Law on Enterprises, the Company Charter and current law provisions.

In 2020, under the supervision of the Board of Directors, the Company has achieved a number of achievements as follows:

- Closely managed production and business activities in accordance with the orientation, objectives and duties that General Meeting of Shareholders and the Board of Directors has set out on the basis of compliance with the current law provisions.
- Organized the implementation of business activities with qualified implementation of internal administration, proactively arranged and completed the ecosystem, promoted high-quality human resources.

A Board of Directors

i Members and structure of the Board of Directors

(list of members of the Board of Management, percentages of ownership in voting shares and other securities issued by the Company, number of positions that a member of the Board of Management held in other companies).

No.	Full name	Position	Number of positions that a member of the Board of Management held in other companies	Number of voting shares and other securities
1	Mr. Do Quy Hai	Chairman of BoD	05	105,899,710
2	Mr. Le Tien Hung	Vice Chairman of BoD	04	410,484
3	Mr. Nguyen Van Phuong	Vice Chairman of BoD	04	528,989
4	Mr. Pham Minh Tuan	Vice Chairman of BoD, Chairman of the Strategy Committee, Audit Committee Member	0	16,925
5	Mr. Hoang Ve Dzung	Independent Member of BoD	01	0
6	Mr. Nguyen Xuan Dong	Independent Member of BoD	10	0
7	Mr. Le Viet Dzung	Independent Member of BoD	03	1,234,311
8	Mr. Tran Vu Thai Hoa	Independent Member of BoD Chairman of Audit Committee	02	0
9	Mr. Do Danh Tri	Independent Member of BoD	01	0



Board of directors

ii Sub-Committee of Board of Directors

In 2019, Board of Directors established two subcommittees, Strategy Sub-Committee (on April 17, 2019 according to Decision No. 12 / QD-HĐQT of Board of Directors) and Internal Audit Sub-Committee (on April 17, 2019 according to Decision No. 13 / QD-HĐQT of Board of Directors).

In 2020, the Company changed the name of 02 sub-committees of Board of Directors established in 2019, specifically as follows:

Renamed Strategy Sub-Committee to Strategy Committee

On June 27, 2020, Strategy Sub-Committee was renamed to Strategy Committee according to Decision No. 32 / QD-HĐQT of Board of Directors.

Current structure of Strategy Committee:

No.	Full name	Position held on Strategy Committee
1	Mr. Pham Minh Tuan	Chairman of Strategy Committee

Renamed Internal Audit Sub-Committee to Internal Audit Committee

On June 27, 2020, Internal Audit Sub-Committee was renamed Auditing Committee according to Decision No. 33 / QD-HĐQT of Board of Directors.

Current structure of Audit Committee:

No.	Full name	Position held on Audit Committee
1	Mr. Tran Vu Thai Hoa	Chairman of Audit Committee
2	Mr. Pham Minh Tuan	Member of Audit Committee

iii Activities of Board of Directors

In 2020, the Board of Directors held 05 meetings and collected written opinions from the members of Board of Directors to issue resolutions and decisions according to their competence to serve corporate governance.

Meetings of Board of Directors: 05

No.	Full name	Number of meetings of Bod attended	Attendance rate	The reason for not attending
1	Mr. Do Quy Hai	05/05	100%	
2	Mr. Le Tien Hung	02/02	100%	Resignation application on May 15, 2020
3	Mr. Nguyen Van Phuong	05/05	100%	
4	Mr. Pham Minh Tuan	05/05	100%	
5	Mr. Hoang Ve Dzung	03/03	100%	Additional Appointment
6	Mr. Nguyen Xuan Dong	02/02	100%	Resignation application on May 15, 2020
7	Mr. Le Viet Dzung	03/03	100%	Resignation application on September 1st, 2020
8	Mr. Tran Vu Thai Hoa	03/03	100%	Additional Appointment
9	Mr. Do Danh Tri	01/01	100%	Additional Appointment

The first meeting of Board of Directors

The meeting was held on 31/3/2020, with 06/06 members attending the meeting. Members attending the meeting agreed to approve various contents related to Quarter I / 2020 business result and business plan for Quarter II / 2020.

(Details are according to the Minutes of Meeting No. 10A / BB-HĐQT dated March 31st, 2020).

The second meeting of Board of Directors

The meeting was held on May 15, 2020, with 06/06 members attending the meeting. Members attending the meeting agreed to approve the following contents:

- Convened the General Meeting of Shareholders and submit contents to the Annual General Meeting of Shareholders 2020;
- Authorized the Chairman of Board of Directors to proactively approve the promulgation, amendment and supplementation of the Charter on organization and operation of subsidiaries - 100% owned by Hai Phat.

(Detailed contents are according to the Minutes of Meeting No. 21 / BB-HĐQT dated May 15, 2020).

The 3rd meeting of Board of Directors

The meeting was held on June 27, 2020, with 06/06 members attending the meeting. Members attending the meeting agreed to approve the following contents:

- Elected Mr. Pham Minh Tuan to hold the position of Vice Chairman of the Board of Directors of the Company;
- Dismissed Mr. Le Viet Dung from the position of Deputy CEO of the Company;
- Renamed Sub-Strategy Committee to Strategy Committee;
- Renamed Internal Audit Committee to Audit Committee;
- Dismissed Mr. Le Tien Hung from the position of Head of the internal audit committee of the Company;
- Appointed Mr. Tran Vu Thai Hoa to hold the position of Independent Member of the Board of Directors and Chairman of Audit Committee.

(Details are according to the Minutes of Meeting No. 26 / BB-HĐQT dated June 27, 2020).

The 4th meeting of Board of Directors

The meeting was held on September 28, 2020, with 06/06 members attending the meeting. Members attending the meeting agreed to approve various contents related to quarter III / 2020 business results and business plan for Quarter IV/ 2020.

(Details are according to the Minutes of Meeting No. 38A/ BB-HĐQT dated September 28, 2020).

The 5th meeting of the Board of Directors

The meeting was held on December 30, 2020, with 06/06 members attending the meeting. Members attending the meeting agreed to approve various contents related to quarter IV / 2020 business results and business plan for 2021.

(Details are according to the Minutes of Meeting No. 52/ BB-HĐQT dated December 30th, 2020).



iv Resolutions and Decisions issued by Board of Directors

In 2020, Board of Directors has issued the following Resolutions/Decisions:

No.	Dec./Res. No.	Date	Content	Acceptance Rate
1	01/NQ-HĐQT	16/1/2020	Contents related to the activities of Hai Phat - Phu Yen One Member Limited Company.	100%
2	01A/NQ-HĐQT	18/1/2020	Invested and project implemented in Phu Loc district, Thua Thien Hue province.	100%
3	02/NQ-HĐQT	12/2/2020	Established Phu Yen Project Management Board; Authorized Chairman of the Board of Directors to decide various issues related to the organizational structure of the Company.	100%
4	01/QĐ-HĐQT	12/2/2020	Established Phu Yen Project Management Board.	100%
5	03/NQ-HĐQT	28/2/2020	Approved contents related to the 2020 Annual General Meeting of Shareholders; Appointed Deputy CEO of the Company; Adjusted sales plan of Hai Phat Plaza commercial, service and luxury apartment project.	100%
6	02/QĐ-HĐQT	28/2/2020	Approved contents related to the organization of Annual General Meeting of Shareholders 2020.	100%
7	03/QĐ-HĐQT	28/2/2020	Appointed Deputy CEO of the Company	100%
8	04/QĐ-HĐQT	28/2/2020	Adjusted sales plan of Hai Phat Plaza commercial, service and luxury apartment project.	100%
9	04/NQ-HĐQT	05/03/2020	Approved Feasibility Study Report on projects in Phu Yen province; Cooperated to invest and implement projects in Thai Binh province.	100%
10	05/QĐ-HĐQT	05/03/2020	Cooperated to invest and implement projects in Thai Binh province.	100%
11	06/QĐ-HĐQT	05/03/2020	Approved Feasibility Study Report on projects in Phu Yen province	100%
12	07/QĐ-HĐQT	05/03/2020	Approved Feasibility Study Report on projects in Phu Yen province	100%
13	07A/QĐ-HĐQT	09/03/2020	Adjusted the total project investment capital in Phu Yen province.	100%
14	07B/QĐ-HĐQT	09/03/2020	Approved estimate of construction drawing design of the project in Phu Yen province.	100%
15	07C/QĐ-HĐQT	09/03/2020	Approved estimate of construction drawing design of the project in Phu Yen province.	100%
16	05/NQ-HĐQT	16/03/2020	Extended organized time of Annual General Meeting of Shareholders 2020; some contents related to the operation of Chau Son Land Company Limited.	100%

No.	Dec./Res. No.	Date	Content	Acceptance Rate
17	08/QĐ-HĐQT	16/03/2020	Extended organized time of Annual General Meeting of Shareholders 2020	100%
18	09/QĐ-HĐQT	16/3/2020	Distributed profit after tax and set up funds at Chau Son Land Company Limited.	100%
19	05A/NQ-HĐQT	20/03/2020	Terminated cooperation in investment projects in Ba Ria - Vung Tau province	100%
20	06/NQ-HĐQT	23/03/2020	Approved Hai Phat - Binh Thuan One Member Limited Company to use assets as collateral for loans of Hai Phat Thu Do Joint Stock Company.	100%
21	07/NQ-HĐQT	24/03/2020	Transferred shares at Railway Urban and Infrastructure Development Investment Joint Stock Company and Dai Dong A Investment Joint Stock Company.	100%
22	10/QĐ-HĐQT	24/03/2020	Transferred shares at Railway Urban and Infrastructure Development Investment Joint Stock Company	100%
23	11/QĐ-HĐQT	24/03/2020	Transferred shares at Dai Dong A Investment Joint Stock Company.	100%
24	08/NQ-HĐQT	25/03/2020	Used the Company's assets as collateral for loans of Hai Phat Thu Do Joint Stock Company at the Bank.	100%
25	09/NQ-HĐQT	25/03/2020	Used the Company's assets as collateral for loans of Hai Phat Thu Do Joint Stock Company at the Bank.	100%
26	09A/NQ-HĐQT	31/3/2020	Approved the expected business results for Quarter I/2020 and the expected business plan for Quarter II/2020.	100%
27	10/NQ-HĐQT	09/04/2020	Approved the policy regarding business transactions with Hai Phat Real Estate Investment and Business Joint Stock Company.	100%
28	12/QĐ-HĐQT	16/04/2020	Adjusted the Company's charter capital	100%
29	11/NQ-HĐQT	16/04/2020	Adjusted the model, the organizational structure of the Company, dismissed and appointed managerial positions of the Company.	100%
30	13/QĐ-HĐQT	16/04/2020	Dismissed Deputy CEO of the Company	100%
31	14/QĐ-HĐQT	16/04/2020	Dismissed Deputy CEO of the Company	100%
32	14A/QĐ-HĐQT	16/04/2020	Adjusted the model, the organizational structure of the Company	100%
33	12/NQ-HĐQT	16/04/2020	Approved the Company and its Subsidiaries to use assets as collateral for loans of the Hai Phat Real Estate Investment and Business Joint Stock Company.	100%
34	15/QĐ-HĐQT	16/04/2020	Approved Hai Phat Binh Thuan One Member Company Limited to use assets as collateral for loans of the Hai Phat Real Estate Investment and Business Joint Stock Company.	100%

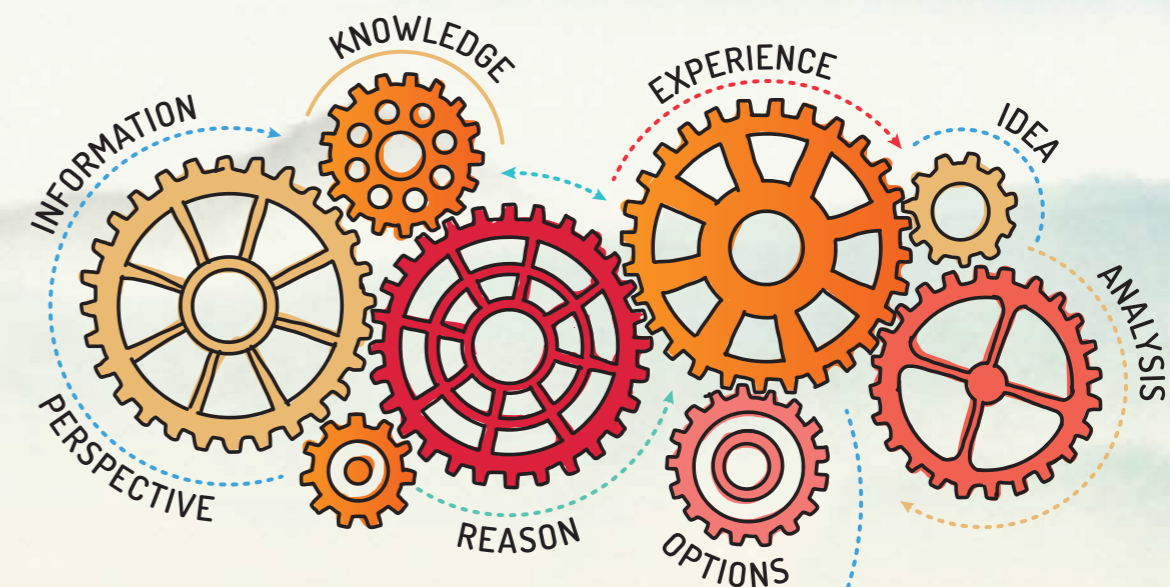
No.	Dec./Res. No.	Date	Content	Acceptance Rate
35	16/QĐ-HĐQT	16/04/2020	Utilized the Company's assets as collateral for loans of the Hai Phat Real Estate Investment and Business Joint Stock Company.	100%
36	17/QĐ-HĐQT	16/04/2020	Utilized the Company's assets as collateral for loans of the Hai Phat Real Estate Investment and Business Joint Stock Company.	100%
37	13/NQ-HĐQT	16/04/2020	Approved the Company's guarantee for the payment obligations of Hai Phat Real Estate Investment and Trading Joint Stock Company at the Bank.	100%
38	14/NQ-HĐQT	17/04/2020	Private issuance of Corporate Bonds.	100%
39	15/NQ-HĐQT	22/04/2020	Increased charter capital in Dong Do Real Estate Company Limited; Transferred shares in Civil Engineering Construction Corporation No.5 - JSC.	100%
40	18/QĐ-HĐQT	22/04/2020	Increased charter capital in Dong Do Real Estate Company Limited	100%
41	19/QĐ-HĐQT	22/04/2020	Transferred shares in Civil Engineering Construction Corporation No.5 - JSC.	100%
42	16/NQ-HĐQT	04/05/2020	Dismissed and appointed managerial positions of the Company.	100%
43	20/QĐ-HĐQT	04/05/2020	Dismissed Controller and Head of Finance and Accounting Department of the Company.	100%
44	21/QĐ-HĐQT	04/05/2020	Appointed Controller of the Company.	100%
45	22/QĐ-HĐQT	04/05/2020	Dismissed Chief of Office of the Board of Directors of the Company.	100%
46	23/QĐ-HĐQT	04/05/2020	Appointed Chief of Office of the Board of Directors of the Company.	100%
47	24/QĐ-HĐQT	04/05/2020	Appointed Deputy CEO of the Company.	100%
48	25/QĐ-HĐQT	04/05/2020	Appointed Deputy CEO of the Company.	100%
49	26/QĐ-HĐQT	04/05/2020	Appointed Deputy CEO of the Company.	100%
50	17/NQ-HĐQT	07/05/2020	Established Heritage Real Estate Vietnam One Member Company Limited.	100%
51	27/QĐ-HĐQT	12/05/2020	Approved the selection of audit financial statements and stock swap consultant for Hai Phat Thu Do Joint Stock Company.	100%
52	18/QĐ-HĐQT	15/05/2020	Authorized the Chairman of the Board of Directors to proactively approve the issuance of amendments and supplements to the Charter of Subsidiaries and Companies with 100% charter capital owned by the Company.	100%

No.	Dec./Res. No.	Date	Content	Acceptance Rate
53	28/QĐ-HĐQT	26/5/2020	Financed planning activities in projects in Thai Binh province.	100%
54	29/QĐ-HĐQT	26/5/2020	Research on investment and project implementation in Thai Binh province.	100%
55	30/QĐ-HĐQT	26/5/2020	Research on investment and project implementation in Thai Binh province.	100%
56	19/NQ-HĐQT	10/6/2020	Approved the policy for Chau Son Land One Member Limited Company to contribute capital in another enterprise.	100%
57	20/NQ-HĐQT	15/6/2020	Loans at the Bank	100%
58	21/NQ-HĐQT	17/6/2020	Buyback bonds before maturity.	100%
59	21A/NQ-HĐQT	25/6/2020	Approved some contents in An Khanh project, Hoai Duc district, Hanoi.	100%
60	22/NQ-HĐQT	27/6/2020	Approved the following contents: Election of Vice Chairman of the Board of Directors of the Company; Dismissed Deputy CEO of the Company; Renamed Sub-Committees of the Board of Directors into Committees; Dismissed Head of the Internal Audit Committee; Appointed Chair of Audit Committee.	100%
61	31/QĐ-HĐQT	27/6/2020	Dismissed Deputy CEO of the Company.	100%
62	32/QĐ-HĐQT	27/6/2020	Renamed Strategy Sub-Committee's to Strategy Committee.	100%
63	33/QĐ-HĐQT	27/6/2020	Renamed the Internal Audit Sub-Committee to Audit Committee.	100%
64	34/QĐ-HĐQT	27/6/2020	Dismissed Head of Internal Audit Sub-Committee.	100%
65	35/QĐ-HĐQT	27/6/2020	Appointed the Chair of Audit Committee.	100%
66	36/QĐ-HĐQT	04/07/2020	Replaced the Authorized Representative to manage the contributed capital of the Company at IWG Hotel and Resort Joint Stock Company.	100%
67	36A/QĐ-HĐQT	10/07/2020	Adjusted the total project investment capital.	100%
68	23/NQ-HĐQT	24/7/2020	Bought shares issued by Civil Engineering Construction Corporation No.5 - JSC and Hai Phat Thu Do Joint Stock Company	100%
69	24/NQ-HĐQT	06/08/2020	Modified and completed Registered Business Lines of the Company.	100%
70	25/NQ-HĐQT	14/08/2020	Approved private issuance of Corporate Bonds.	100%
71	26/NQ-HĐQT	14/08/2020	Approved private issuance of Corporate Bonds.	100%
72	27/NQ-HĐQT	14/08/2020	Approved private issuance of Corporate Bonds.	100%
73	28/NQ-HĐQT	24/08/2020	Approved the plan of issuing shares to pay dividends in 2019.	100%
74	37/QĐ-HĐQT	25/08/2020	Approved the policy of increasing charter capital of Hai Phat - Binh Thuan One Member Limited Company.	100%
75	29/NQ-HĐQT	05/09/2020	Convened the extraordinary meeting of the General Meeting of Shareholders 2020.	100%

No.	Dec./Res. No.	Date	Content	Acceptance Rate
76	38/QĐ-HĐQT	09/09/2020	Approved a number of contents related to the operation of Dong Do Real Estate Company Limited.	100%
77	30/NQ-HĐQT	16/09/2020	Approved the policy of restructuring the Company's investments in subsidiaries.	100%
78	39/QĐ-HĐQT	16/09/2020	Transferred contributed capital, replaced the authorized representative to manage contributed capital, replaced the legal representative, amended the charter at Chau Son Land One Member Company Limited.	100%
79	40/QĐ-HĐQT	16/09/2020	Transferred shares in IWG Hotel and Resort Joint Stock Company.	100%
80	31/NQ-HĐQT	23/09/2020	Established Sapphire Invest One Member Company Limited.	100%
81	31A/NQ-HĐQT	28/09/2020	Resolution of the Board of Directors meeting on September 28, 2020.	100%
82	41/QĐ-HĐQT	23/09/2020	Established Sapphire Invest One Member Company Limited.	100%
83	32/NQ-HĐQT	15/10/2020	Authorized the Chairman of the Board of Directors to approve transactions related to investment, business, and joint venture cooperation with subsidiaries whose over 50% of charter capital is owned by the Company.	100%
84	42/QĐ-HĐQT	15/10/2020	Approved the policy for Ruby Land Investment and Development One Member Company Limited to transfer the capital contribution in Chau Son Land One Member Limited Company and converted the business type of Chau Son Land One Member Limited Company to Chau Son Land Joint Stock Company.	100%
85	33/NQ-HĐQT	15/10/2020	Approved a number of contents related to the Company's activities.	100%
86	43/QĐ-HĐQT	15/10/2020	Reformed the model and organizational structure of the Company.	100%
87	44/QĐ-HĐQT	15/10/2020	Established Diamond IC One Member Company Limited.	100%
88	45/QĐ-HĐQT	15/10/2020	Established Topaz PM One Member Company Limited.	100%
89	45A/QĐ-HĐQT	15/10/2020	Established Topaz PM Vietnam Investment and Development One Member Company Limited.	100%
90	46/QĐ-HĐQT	15/10/2020	Appointed Mr. Pham Minh Tuan - Vice Chairman of the Board of Directors as Member of the Audit Committee.	100%
91	47/QĐ-HĐQT	15/10/2020	Adjusted the Company's charter capital.	100%
92	34/NQ-HĐQT	16/10/2020	Approved the policy of the Company participating in the auction of land use rights to implement the project.	100%
93	48/QĐ-HĐQT	23/10/2020	Approved the policy of restructuring the Company's investments in Heritage Real Estate Vietnam One Member Company Limited.	100%

No.	Dec./Res. No.	Date	Content	Acceptance Rate
94	35/NQ-HĐQT	26/10/2020	Approved the policy of investment, Project implementation and Company's Loans at the Bank.	100%
95	49/QĐ-HĐQT	26/10/2020	Company's loans at the Bank.	100%
96	50/QĐ-HĐQT	26/10/2020	Approved the policy of investment and Project implementation.	100%
97	51/QĐ-HĐQT	30/10/2020	Sapphire Invest One Member Company Limited bought shares issued by Chau Son Land Joint Stock Company.	100%
98	36/NQ-HĐQT	10/11/2020	The company overdraft its current account at a bank.	100%
99	51A/QĐ-HĐQT	20/11/2020	Approved the policy for Diamond IC One Member Company Limited to sign the Contracts / Transactions / Agreements with related parties.	100%
100	51B/QĐ-HĐQT	20/11/2020	Approved the policy for Topaz PM Vietnam Investment and Development One Member Company Limited to sign the Contracts / Transactions / Agreements with related parties.	100%
101	37/NQ-HĐQT	10/12/2020	- Approved the plan to temporarily distribute profits of Ruby Land Investment and Development One Member Company Limited and use the assets of Ruby Real Estate Development and Investment One Member Limited Company to guarantee the obligations of the third party; -Approved the plan of profit distribution and shares transfer in Hai Phat Real Estate Investment and Business Joint Stock Company; Approved the Company received the transfer of land use rights. - Approved the policy of signing contracts with its subsidiaries: Topaz PM Vietnam Investment and Development One Member Company Limited, Diamond IC One Member Company Limited.	100%
102	52/QĐ-HĐQT	10/12/2020	Approved various contents related to the operation of Ruby Real Estate Development and Investment One Member Limited Company.	100%
103	53/QĐ-HĐQT	10/12/2020	Approved various contents related to the operation of Hai Phat Real Estate Investment and Business Joint Stock Company.	100%
104	54/QĐ-HĐQT	10/12/2020	Approved various contents related to the operation of Topaz PM Vietnam Investment and Development One Member Company Limited.	100%
105	55/QĐ-HĐQT	10/12/2020	Approved various contents related to the operation of Diamond IC One Member Company Limited.	100%
106	56/QĐ-HĐQT	10/12/2020	Approved the policy for the Company to receive the transfer of land use rights.	100%
107	38/NQ-HĐQT	15/12/2020	Used the Company's assets as collaterals for the Subsidiary's loans.	100%

No.	Dec./Res. No.	Date	Content	Acceptance Rate
108	57/QĐ-HĐQT	15/12/2020	Use the Company's assets as collaterals for the Subsidiary's loans.	100%
109	58/QĐ-HĐQT	15/12/2020	Approved the Company's guarantee for the debt settlement obligations of Hai Phat Real Estate Investment and Business Joint Stock Company at the Bank.	100%
110	59/QĐ-HĐQT	15/12/2020	Committed to maintaining the Company's equity ownership in Hai Phat Real Estate Investment and Business Joint Stock Company during the time the Bank financing the project.	100%
111	60/QĐ-HĐQT	25/12/2020	Dismissed the Chief of Office of the Board of Directors.	100%
112	39/NQ-HĐQT	28/12/2020	Approved the "Regulations of Operation of the Board of Directors", dismissed and appointed the Company's Secretary.	100%
113	61/QĐ-HĐQT	28/12/2020	Issued the "Regulation on the Operation of Board of Directors".	100%
114	61A/QĐ-HĐQT	28/12/2020	Decentralized administration and assigned duties of the Board of Directors to the Chairman.	100%
115	62/QĐ-HĐQT	28/12/2020	Dismissed Company's Secretary.	100%
116	63/QĐ-HĐQT	28/12/2020	Appointed Ms. Phan Thi Xuyen as Company's Secretary.	100%
117	64/QĐ-HĐQT	28/12/2020	Approved the policy of cooperation with Civil Engineering Construction Corporation No.5 – JSC to invest in projects.	100%
118	65/QĐ-HĐQT	29/12/2020	Approved the business plan of the Hai Phat Plaza Complex of Retail and Luxury Apartments.	100%
119	65/QĐ-HĐQT	30/12/2020	Resolution of the Board of Directors meeting on December 30, 2020.	100%



Decision

v Activities of independent members of the Board of Directors

- From January 1, 2020 to June 27, 2020: The Company had 02 independent members of the Board of Directors, namely Mr. Nguyen Xuan Dong and Mr. Hoang Ve Dung.
 - From June 27, 2020 to September 1, 2020: The Company had 02 independent members of the Board of Directors, namely Mr. Nguyen Xuan Dong and Mr. Tran Vu Thai Hoa.
 - From October 10, 2020 up to now: The Company has 02 independent members of the Board of Directors, namely Mr. Tran Vu Thai Hoa and Mr. Do Danh Tri.
- All independent members fulfill their roles, their functions and duties including control the management and administration of the Company through attendance at meetings of the Board of Directors. and give their opinions on issues through collecting written opinions.

vi Activities of Sub-Committees of Board of Directors

- On June 27, 2020, the Strategy Sub-Committee was renamed to Strategy Committee according to Decision No. 32 / QD-HĐQT of the Board of Directors. Mr. Pham Minh Tuan - Former Head of Strategy Committee was automatically renamed as Chairman of the Committee. The Strategy Committee advised the Board of Directors on business development orientations, monitor the implementation of the goals of the Board of Directors.
- On June 27, 2020, the Internal Audit Sub-Committee was renamed to the Audit Committee according to Decision No. 33 / QD-HĐQT of the Board of Directors. The Board of Directors appointed Mr. Tran Vu Thai Hoa - Independent Member of the Board of Directors concurrently as the Chairman of the Audit Committee to replace Mr. Le Tien Hung. On October 15, 2020, the Board of Directors appointed Mr. Pham Minh Tuan - Vice Chairman of the Board of Directors to hold the position of Audit Committee member. The Audit Committee operates according to the functions, duties prescribed by Law, ensuring independence, objectivity, and law compliance.

vii List of members of the Board of Directors participating in corporate governance programs during the year

- List of Corporate governance training programs that Company's managers have participated in in 2020:
 - The Audit Committee Master Program - ACMP on October 15-16, 2020 in Hanoi.
 - Online Program - Internal Audit for Board Members 4 (IAFB4) | September 10 - 11, 2020.
 - Training course on introducing the Enterprise Law 2020, Securities Law 2019
 - The company secretary participated in the training course on introducing Enterprise Law 2020.

A Members and structure of Control Committee / Audit Committee

- In 2020, the Company changed governance structure of the company from the model including General Meeting of Shareholders, Board of Directors, Control Committee and CEO to General Meeting of Shareholders, Board of Directors, CEO and Audit Committee under the Board of Directors, therefore, the control activities in 2020 will include the activities of Control Committee and the Audit Committee, specifically as follows:

i Information of Control Committee's members (From 01/01/2020 to 27/06/2020)

No.	Full name	Positions	Date of dismissal	Number of shares
1	Ms. Tran Thi Kim Oanh	Head of Control Committee	27/06/2020	32,627
2	Mr. Nguyen Anh Dzung	Members of Control Committee	27/06/2020	8,830
3	Ms. Nguyen Thi Hong Yen	Members of Control Committee	27/06/2020	244

ii Information of Audit Committee's members (From 27/06/2020 to 31/12/2020)

No.	Full name	Positions	Date of Appointment	Number of shares
1	Mr. Tran Vu Thai Hoa	Chairman of Audit Committee	27/06/2020	0
2	Mr. Pham Minh Tuan	Member of Audit Committee	15/10/2020	16,925



B Activities of Control Committee

- Complied with the provisions of the Charter, Corporate Governance Regulations, Internal regulations of the Company and current law, specifically as follows:
- Supervised the implementation of resolutions of General Meeting of Shareholders.
- Supervised the implementation of the rights and obligations of members of Board of Directors, Executive Board, and managers of the Company.
- Verified consolidated and separate financial statements of the Company and business results for the first 6 months of 2020.
- Regularly communicated with the Board of Directors, CEO in order to guarantee that the operation of the Company is appropriate and ensure shareholders' interest.
- Consulted with the Board of Directors to select an independent auditor to audit and review the financial statements of the Company in the first 6 months of 2020.
- Monitored business performance and business plan in the year as well as the difficulties and opportunities of Company's business activities..
- Reviewed legality, procedures to issue Resolutions, Decisions of Board of Directors, CEO in accordance with the Company Charter and legal regulations.
- Controlled the information disclosure of the Company and its affiliates in accordance with the provisions of the law on information disclosure requirements for public companies and listed companies.
- Reviewed transactions with affiliated persons under the approval of the Board of Directors.
- Control Committee was fully provided with Board meeting minutes, written opinions of members of Board of Directors, Decisions / Resolutions of Board of Directors, audited financial statements of 2019 and quarterly, semi-annual financial statements in 2020 prepared by the Company.
- Control Committee was provided fully, accurately, and promptly with information and documents on the management, administration, and operation of the Company by the members of the Board of Directors, CEO and managers.
- Monitored the integrity of Company's financial statements.
- Monitored to ensure the Company complies with law provisions, regulatory requirements, and other internal regulations.

C Activities of Audit Committee

Financial, non-financial statements

Audit Committee is responsible for monitoring the Company's quarterly and semi-annual financial statements in 2020 ensuring:

- Financial statements were issued in accordance with the Accounting System, Accounting Standards, and applicable law.
- Financial statements issued were fully accepted by the Independent Auditing company.

The Committee also reviewed other sections of the annual report and the accuracy and completeness of information prior to publication.

Risk management and internal controls

The Committee monitored risk management and internal control through meetings with independent auditor, Executive Board of the Company.

- The Company does not have a specialized risk management department according to its functions, risks were evaluated based on the opinions of the Board of Management and experts. However, risk management policies and procedures are updated in order to adapt with the Company's annual operations and business strategy.
- The Company is maintaining effective control points to cope with risks in the Company's governance, operations and information systems.

Independent audit service

E&Y was chosen as an auditor for the financial statements since the Company was listed on HOSE, Audit Committee has discussed and made comment as follows:

- E&Y has complied with the provisions of the independent auditor, ensuring independence and objectivity when giving an audit opinion.
- E&Y ensured the quality and reliability of the information on financial statements issued.

Committee's Activities Orientation of 2021

In 2021, the Committee will continue to focus more on oversight in areas such as Financial Reporting, Non-Financial; Risk management and internal control; Independent audit. In addition, the Committee will expand the supervision and coordination with the Internal Audit when the Internal Audit Committee officially comes into operation in 2021.



D Meetings of Control Committee/ Audit Committee

Meetings of Control Committee

No.	Full name	Number of meeting participated	Attendance Rate	Acceptance Rate
1	Ms. Tran Thi Kim Oanh	01/01	100%	100%
2	Mr. Nguyen Anh Dung	01/01	100%	100%
3	Ms. Nguyen Thi Hong Yen	01/01	100%	100%

Meetings of Audit Committee

No.	Full name	Number of meeting participated	Attendance Rate	Acceptance Rate
1	Mr. Tran Vu Thai Hoa	02/02	100%	100%
2	Mr. Pham Minh Tuan	02/02	100%	100%

Meeting's Contents

No.	Date	Meeting's Contents	Number of members participated
1	15/10/2020	Approved the establishment of the Internal Audit Committee and considered the selection form of the Internal Audit Director	02
2	20/12/2020	Approved the appointment of Internal Audit Director	02

6

TRANSACTIONS, REMUNERATION, AND BENEFITS OF BOD AND CONTROL COMMITTEE

A Principles of payment for the Board of Directors and sub-committees under the Board of Directors

The remuneration rate the Board of Directors , Sub-committees under the Board of Directors will be approved by the General Meeting of Shareholders at the Annual General Meeting of Shareholders.

B Remuneration paid to the Board of Directors and sub-committees under the Board of Directors in 2020

No.	Full name	Position	Remuneration
1	Mr. Do Quy Hai	Chairman of Board of Director	2,760,000,000
2	Mr. Nguyen Van Phuong	Vice Chairman of Board of Director	690,000,000
3	Mr. Pham Minh Tuan	Vice Chairman of Board of Director	1,185,750,000
4	Mr. Le Viet Dung	Deputy CEO until 27/06/2020 and Non-executive member of the BoD from 27/06/2020	942,224,205
5	Mr. Tran Vu Thai Hoa	Independent member of the Board of Directors and Chairman of Auditing Committee from 27/06/2020	247,219,000
6	Mr. Do Danh Tri	Independent member of the Board of Directors from 10/10/2020	72,734,694
7	Mr. Doan Hoa Thuan	CEO	2,040,126,999
8	Mr. Dinh The Quynh	Deputy CEO	938,902,005
9	Mr. Do Quy Thanh	Deputy CEO	641,165,883
10	Mr. Ngo Quoc Huan	Deputy CEO	504,159,250
11	Mr. Pham Huy Thong	Deputy CEO	801,673,478
12	Mr. Nguyen Trong Thiet	Deputy CEO	591,250,181
TOTAL			11,415,205,695

According to the remuneration plan of the Board of Directors, the sub-committees under the Board of Directors in 2020 approved by the General Meeting of Shareholders, the remuneration rate was paid to Board of Directors, Sub-Committees of Board of Directors according to the plan was 7,020,000,000 VND.

Actual payment is: 5,897,927,899 VND

A The performance of HPX stock price

Despite the serious impact of the COVID-19 pandemic, the Vietnamese stock market in 2020 witnessed a spectacular recovery and impressive growth in almost all aspects at the end of the year. Market liquidity increased sharply to a record high, the average transaction value in 2020 reached over 7,420 billion VND per session, increased by 59.3% compared to the average of 2019.

Stock ticker HPX of Hai Phat Investment Joint

Stock Company always maintains its stability with an average growth rate of 30% per year, dividend payout ratio from 15% - 20% per year, stock price remains stable at around 27,000 - 30,000 VND per share. With sustain business performance and high liquidity, HPX has attracted the attention of domestic and foreign investors and was chosen to be added to the MSCI Small Cap Index.



B Investor and Shareholder Relations Activities

Hai Phat identifies Shareholders and Investors as strategic partners, thus IR activities were continuously improved throughout the year. The Company's information was provided transparently, objectively in accordance with Circular 155/2015 / TT-BTC, ensuring fair access of information among shareholders, through communicating channels such as website and other mass media. In addition, Investor Relations Department maintains regular interactions with shareholders through events such as the Annual General Meeting of Shareholders, investors group meetings, and meetings with analysts.

Meetings of the General Meeting of Shareholders are held in accordance with the agenda mentioned in the meeting invitation

letter. The Company has sent to shareholders all information related to the meeting. In addition, at least ten days prior to the meeting date, the announcement of the shareholder meeting and all of the meeting documents were publicized on Hai Phat's website to give shareholders enough time to prepare. attend meetings as required by relevant laws and regulations.

Investor Relations activities keeps the lines of communication open between investors and the company, regularly updates information regarding The Company on-going projects, financial and operational status, thus, improve investors trust and capital inflows into the Company.

**INVESTOR
RELATIONS**

A Market outlook for 2021

i Macroeconomic forecast

Vietnamese's GDP growth of 2020 reached its lowest level in the past 20 years. However, with the recovery of the agricultural and production especially domestic consumption in the second half of 2020, Vietnam became one of the few rare countries in the world with GDP growth positive. These results thanks to the Government's efforts to control the spread of COVID-19, with appropriate fiscal and monetary expansion policies, which support economic growth while maintaining a stable inflation and exchange rate. Some forecasts about Vietnam's economy in 2021 are as follows:

- GDP growth in 2021 will be 6.6%, with the recovery of domestic consumption demand, manufacturing activities, trade agreements, and FDI investment;
- Average CPI is 3.6% for the whole year 2021, within the inflation target set by the Government;
- Maintain expansionary monetary policy with money supply and credit growth of 14% and 13%, respectively. The VND is expected to appreciate in 2021 with the foreign currency buying policy from Central bank and accusations of currency manipulation from the US.

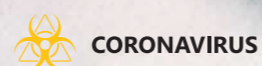
ii Vietnam Real Estate Market Outlook 2021

The real estate market in 2021 will be more sustainable

Regarding the real estate market outlook in 2021, PhD. Su Ngoc Khuong, Senior Director of Savills Vietnam said that the national real estate market and especially Hanoi is expected to explode when a wide range of new projects will be opened for sale and housing remains as an essential demand. For the real estate market, the residential sector always attracts the attention of investors and customers and is likely to expand more compared to 2020. Meanwhile, offices, commercial centers, serviced apartments, and hotels will be less attractive. Industrial real estate continues to be the "star" of the market, however, now is the period to prepare resources including land funds and infrastructure to attract investors when the pandemic is controlled.

In addition, there are a number of opportunities

that push the real estate market to grow in 2021. The market has adjusted quickly according to the epidemic situation as well as the application of technology to sales. In addition, the laws that were amended will be the driving force for businesses such as Enterprise Law with many significant reductions; The Securities Law will come into effect from the beginning of 2021 with the regulation on raising capital from funds. In addition, the rapid disburse-



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ment of public investment is contributing to the overall growth of the national economy. Furthermore, this is the lowest interest rate in the past 15 years, so families and young adults would have favorable conditions to buy houses or invest.

Regarding the real estate outlook in 2021, experts from Jones Lang LaSalle Group (JLL) said that the trend of this year will be growing and adapt to match the current demand. According to experts from JLL, there are 5 trends leading the real estate market in 2021.

The first trend is that "urban areas in urban areas" or "integrated property" is often used for large-scale projects. The real estate market is gradually stable, homebuyers are more interested in a healthy and sustainable living environment rather than a simple living space. So developers began to attract buyers by creating well-planned neighborhoods with lots of amenities, in order to help future residents avoid the nuisance of rapid urbanization and lag of public infrastructures.

The second trend is remote office work trials. This change was performed in many enterprises and accelerated due to COVID-19.

Another trend is the fast-paced growth of e-commerce boosting logistics and warehousing, becoming a vital driver for the market. Vietnam is currently one of the fastest-growing e-commerce markets in Southeast Asia. In recent years, the supply chain is increasingly

focused on serving consumers and the speed of delivery is one of the main factors in the purchasing decision.

Compared to traditional logistics operations, e-commerce uses three times

more labor and warehouses. That is the main driving force for the growing demand of investors for industrial real estate around the world.

Notably, businesses going towards a green and sustainable direction is the 4th trend leading the real estate market in 2021. According to analysis, when company's financial situation is difficult, environment protection initiatives were one of the first to be crossed out in the development plan. But despite those challenges, companies, and investors are expected to still offer "green" options for a sustainable future ahead.

The fifth trend is investors are turning to interested in the healthcare industry. 2021 would witness an increasing interest of investors in key areas of the health crisis. Both domestic and international investors have targeted health and medical logistics and are in need of cold storage closer to customers to serve the growing demand for products sensitive with temperatures such as vaccines, cosmetics, food, pharmaceuticals.

In order for the real estate market to grow stably, and overcome the phase of difference in supply-demand, Deputy Minister of Construction Le Quang Hung said that in 2021, the Ministry will continue to research and construct mechanisms, policies, and solutions to encourage and attract foreign investment into the real estate market; pay attention to encouraging the development of real estate products to meet the great demands of society such as social housing, low-cost commercial housing. At the same time, the Ministry also regularly follows the market situation, promptly adjusts, and dismisses difficulties, limitations, and shortcomings of mechanisms and policies, especially the impact of the COVID-19 pandemic.

A Overview

- The COVID-19 pandemic in 2020 has negatively affected domestic and world economy, and the domestic real estate industry had to face severe difficulties.
- 2020 is the year when local government hold the Party Congress, human resources alteration in local department has affected project investment preparation process.
- Projects were not implemented as planned due to the epidemic.

B Main Business Results

1. Restructure business

When the COVID-19 outbreak thrust economy into "frozen situation", the Company decided to restructure the entire enterprise, as the following contents:

- Reorganized the functional department, redefined the functionality and missions of each department toward professional standard.
- Established two companies, namely Diamond IC One Member Company Limited and Topaz PM Vietnam Investment and Development One Member Company Limited, in order to professionalize investment preparation and project management process
- Established a subsidiary - Sapphire One Member Limited Company for investment function, renamed HP Dong Do Company Limited to Ruby One Member Limited Company. Transferred capital contribution in Chau Son and IWG from HPX to Ruby Company.

2. Financial activities

- In 2020, the Company completed 02 period of dividend payments by shares for 2018, 2019 to shareholders, thereby the Company's charter capital increased from 1,999.9 billion to 2,644.8 billion.
- Debt structure through bond issuance, financing activities and working capital borrow.

- Equitized Chau Son One Member Limited Company, finalized legal procedures to register Chau Son as a public company, proceeding to listed on Upcom.

- Reduced percentage of ownership in Hai Phat Real Estate Investment and Business Joint Stock Company (Hai Phat Land) from 95.775% to 75.775%.

- Divested capital in affiliated with low percentage of ownership such as Dai Dong A Investment Joint Stock Company, Railway Real Estate Joint Stock Company to focus resources on companies with vital business activities.



Organization Structure

3. Investment preparation and M&A activities

- In 2020, Hai Phat has completed legal procedures and became the investor of the new urban area Mai Pha - Lang Son, Vinh My - Hue resort. In addition, the Company, with its subsidiaries and partners, successfully auctioned the 5A urban area project in De Tham, Cao Bang, the project on resort combining commercial services and housing in Ha Phong ward - Ha Long city - Quang Ninh, the Housing project in Fidel Park - Dong Ha - Quang Tri.
- The Phan Thiet Seahara project has been

approved by the Phan Thiet City People's Committee on the 1/500 Planning, but did not attain the goal of construction on October 2020.

- The An Binh 1 & 2 New Urban Area Project has not been approved with 1/500 Planning as scheduled.

- Some projects such as TM1 - Nha Trang, New urban area Nam An Khanh - Hanoi and some transferred projects have not completed the adjustment of 1/500 planning, approval of planning tasks, causing delay in the implementation.

4. Implementation activities

- Implemented the construction of the Seahara Phu Yen project and a 1.2-hectare park in Phu Yen, however the process has not been completed as planned due to the Covid 19 epidemic.
- Completed the acceptance testing process and put the Roman Plaza project into operation and the remaining buildings of The Vesta project in

accordance with the State's regulations and laws provisions.

- Promoted the final settlement process of completed projects and put into operation including Thuan An Central Lake - Trau Quy project, 24h Van Phuc townhouse project.

5. Sales activities

- Completed final sales of the Roman Plaza project and The Vesta project as planned.
- Organized and implemented sales plan of the project on resort combining commercial services and housing in Ha Phong ward - Ha Long city, Quang Ninh province, Fidel Park project in Dong Ha (Fidel Central Park), Quang Tri, Urban Resort Project No. 5A - De Tham ward, Cao Bang and several low-rise housing auctioned projects.
- Sales of Seahara Phu Yen project was slow due to the COVID-19 epidemic.

6. Operational Management Activities

- Completed the transfer of the operational management process of The Pride and The Vesta projects to the Project management board.
- In spite of some problems related to the operational management process of The Vesta, The Pride, and Roman Plaza projects, the Company has gradually resolved the issues and minimized disputes between the developer and customers.

1. Business results

Unit: Millions VND

Items	2020 (Consolidated)	2020 (Parent Company)	2019 (Parent Company)	2020/2019 (Parent Company)
1. Revenue from sale of goods and rendering of services	1,329,627,915,814	800,567,762,205	3,522,160,952,173	23%
3. Net revenue from sale of goods and rendering of services	1,329,627,915,814	800,567,762,205	3,522,160,952,173	23%
4. Cost of goods sold and services rendered	990,130,932,451	640,035,042,777	3,149,071,046,562	20%
5. Gross profit from sale of goods and rendering of services	339,496,983,363	160,532,719,428	373,089,905,611	43%
6. Finance Income	147,986,222,500	540,954,054,085	411,103,573,034	132%
7. Finance Expenses	214,734,429,599	216,800,581,571	130,763,137,154	166%
In which: Interest Expense	194,625,426,154	200,605,472,802	114,148,746,847	176%
8. Shares of (loss) profit of associates	(889,206,465)			
8. Selling expenses	25,942,221,748	33,705,376,154	94,082,806,517	36%
9. General and administrative expenses	117,773,299,352	79,577,651,982	108,252,928,491	74%
10. Operating profit	128,144,048,699	371,403,163,806	451,094,606,483	82%
11. Other income	29,262,106,318	26,100,480,074	2,312,870,314	1.13%
12. Other expenses	12,740,508,007	9,576,485,900	3,150,778,307	304%
13. Other profit (loss)	16,521,598,311	16,523,994,174	(837,907,993)	-1.97%
14. Accounting profit before tax	144,665,647,010	387,927,157,980	450,256,698,490	86%
15. Current corporate income tax expense	45,670,868,799	49,720,800,591	143,924,976,413	35%
16. Deferred tax income (expense)	1,383,299,000			
17. Net profit after tax	97,611,479,211	338,206,357,389	306,331,722,077	110%

According to the Plan 2020 approved by the General Meeting of Shareholders:

- Net Revenue in 2020 is from 1,600-2,000 billion VND, the parent company contributed 1,100 - 1,500 billion VND

- Profit after tax is from 350 to 400 billion, the parent company contributed 300-330 billion.

Thus, in 2020, if including income from financial activities, revenue and profit targeted of the Parent Company were achieved. However, consolidated profit did not meet the set plan due to the impact of the Covid-19 epidemic, so the revenue and profit of subsidiaries contributing to the consolidated profit fell significantly. In addition, the Company has not recognized any profit from the transferred capital of a subsidiary in the Consolidated Income Statement, but only recorded as the undistributed earnings on the Consolidated Balance Sheet.

2. Financial Indicators in 2020

	2019	2020	+/-
I. LIQUIDITY RATIOS			
Cash Ratio	0.13	0.11	-19%
Current ratio	1.00	1.10	10%
Quick ratio	0.53	0.68	29%
II. SOLVENCY RATIOS			
Liabilities/Total Assets	0.60	0.56	-6%
Liabilities/ Owner Equity	1.48	1.27	-14%
Debt/ Total Assets	0.29	0.28	-2%
Debt/ Owners Equity	0.71	0.63	-11%
III. OPERATING RATIOS			
Inventory Turnover Ratio	1.39	0.60	-57%
Account Receivable Turnover	9.03	3.40	-62%
Receivables Turnover	3.08	0.71	-77%
Total Assets Turnover	0.48	0.11	-77%
IV. PROFITABILITY RATIOS			
ROA	4.2%	4.8%	14%
ROE	11.4%	11.3%	-1%
Net Profit Margin	8.7%	42.2%	386%
Operating Profit Margin	12.8%	46.4%	262%
Gross Profit Margin	10.6%	20.1%	89%



Liquidity Ratios

Cash ratio
Quick ratio
Current ratio

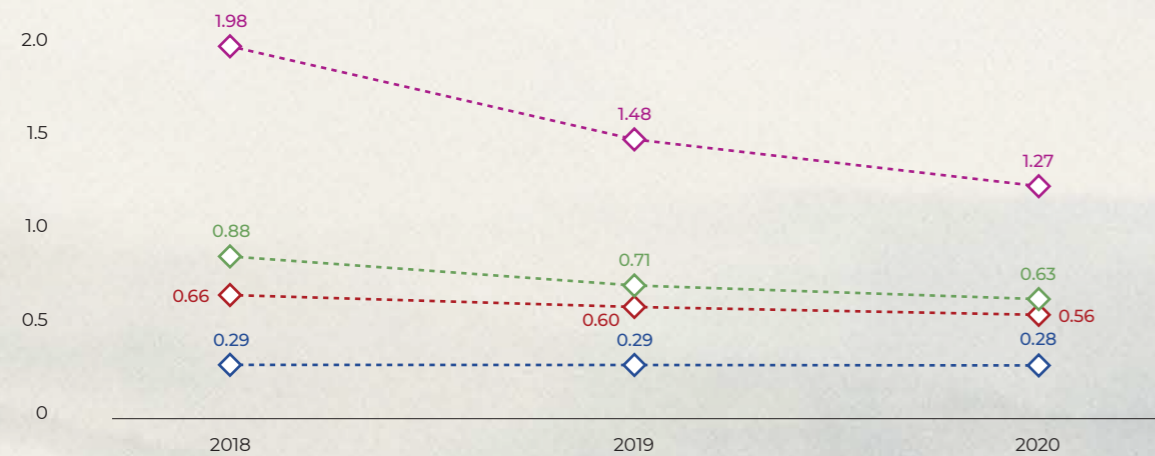
The liquidity ratios of the Company are relatively positive and was improved compared to the beginning of the year, for example the current ratio increased from 1.00 to 1.10 and the quick ratio increased from 0.53 to 0.68 over last year.



Asset Structure

Current Assets/ Total Assets
Long-term Assets/ Total Assets

The proportion of long-term assets in total assets of the Company tends to increase steadily. The main reason is an increase in long-term receivables from deposits for projects investment cooperation and an increase in investment properties account when the projects were accepted and put into operation.



Solvency ratios

Debt/ Total Assets - Liabilities/ Total Assets
Debt/ Owners Equity - Liabilities/ Owners Equity

The solvency ratios of the Company decreased gradually over the last two years. This is a positive signal about the financial situation of the Company when total assets and equity increased slightly while total debt and liabilities declined slowly. On 31/12/2020, the liabilities to total assets ratio decreased to 0.56 and the liabilities to equity ratio to 1.27. Meanwhile, the debt to total assets ratio decreased to 0.28 and the debt-to-equity ratio was 0.63.

The total interest expenses in 2020 was about 230 billion VND, decreased by 9% compared to 2019. However, the interest capitalized into the value of the project decreased sharply compared to 2019, about 89% due to the majority of Company's projects were completed and accepted by the end of 2019.



Operating Ratios

Total Assets Turnover - Inventory Turnover Ratio
Receivables Turnover - Total Assets Turnover

The Company witnessed a significant decreased in Operating ratios compared to 2019, the reason is that the Revenue and COGS in 2020 suddenly decreased compared to 2019 (Revenue decreased by 77%, COGS decreased by 80%) while the remaining accounts such as Inventory, Total Assets and Accounts receivable did not decline at the same rate. As a result, inventory turnover decreased by 57% from 1.39 to 0.6, accounts receivables turnover decreased by 62% from 9.03 to 3.4 and Total assets turnover decreased by 77% from 0.48 to 0.11.



Profitability Ratios

ROA - ROE

Net Profit margin - Operating Profit margin

Profitability ratios of the Company ROA and ROE in 2020 remained the same compared to 2019, at 4.8% and 11.3%, respectively. Although Profit after tax in 2020 increases by 10%, Net profit from operating activities decreases by 18% but net revenue decreased 77%, leading to net profit margin increased from 8.7% to 42.2%, operating profit margin increased from 12.8% to 46.4%.

THE SEAHARA
HOTEL & VILLAS PHAN THIET

HP GALAXY CAO BANG
PROJECT

PROJECT ON RESORT
COMBINING COMMERCIAL
SERVICES AND HOUSING
- LA EMERA HA LONG

- 1 NEW URBAN AREA MAI PHA - LANG SON PROJECT
- 2 NEW URBAN AREA AN BINH 1 PROJECT
- 3 NEW URBAN AREA AN BINH 2 PROJECT
- 4 THE SEAHARA PHU YEN PROJECT
- 5 THE SEAHARA PHU YEN PROJECT
- 6 HP GALAXY CAO BANG PROJECT
- 7 VINH MY - HUE PROJECT
- 8 PROJECT ON RESORT COMBINING COMMERCIAL SERVICES AND HOUSING - LA EMERA HA LONG



1

NEW URBAN AREA MAI PHA - LANG SON PROJECT

Name:	Mai Pha New Urban Area - Lang Son city - Lang Son province
Location:	Mai Pha Commune, Lang Son City, Lang Son Province
Project Scale:	91.73ha, population of 10,000 people
Total investment:	3,381 billion VND
Product type:	Villa, townhouse, shophouse and high-rise apartment
Time of implementation:	2020 – 2026



2

NEW URBAN AREA AN BINH 1 PROJECT

Name:	New Urban Area An Binh 1
Location:	An Binh Ward, Ninh Kieu District, Can Tho City
Project Scale:	164.3 ha
Total investment:	4,981 billion VND
Product type:	Villa, townhouse, shophouse and high-rise apartment
Time of implementation:	2020 – 2026



3

NEW URBAN AREA AN BINH 2 PROJECT

Name:	New Urban Area An Binh 2
Location:	An Binh Ward, Ninh Kieu District, Can Tho City
Project Scale:	58.4 ha
Total investment:	4,160 billion VND
Product type:	Villa, townhouse, shophouse and high-rise apartment
Time of implementation:	2020 – 2026



4 **THE SEAHARA**
HOTEL & VILLAS PHAN THIET

Name:	THE SEAHARA - HOTEL & VILLAS PHAN THIET
Location:	Vo Nguyen Giap Street, Phu Hai Ward, Phan Thiet City, Binh Thuan Province
Project scale:	5.7 ha
Total investment:	2,332 billion VND
Product type:	02 blocks of high-rise apartments with 1,408 resort apartments, 109 low-rise villas.
Time of implementation:	From QII/2021 to QIII/2023
Operation manager:	International Winchester Group (IWG)
Architectural design consultant:	Ha Son Construction & Investment Consulting Joint Stock Company
Planning Consultant:	MHA Partner Company Limited



5 **THE SEHARA**
PHU YEN PROJECT

Name:	The Sehara Phu Yen Shop Villas
Location:	Tran Kiet Street, Tuy Hoa City, Phu Yen Province.
Project Scale:	1.4ha and marine park of 1.2ha
Total investment:	238 billion VND
Product type:	46 shopvillas
Time of implementation:	From QII/2020 to QIII/2021



Name:	HP Galaxy Cao Bằng
Location:	Urban Area 5A, De Tham Ward, Cao Bang City, Cao Bang Province
Project Scale:	4.35 ha
Total investment:	886 billion VND
Product type:	203 shophouse, 11-storey buildings (4 floors of shopping center, 7 floors of hotel apartments).
Time of implementation:	From QI/2021 to QIII/2023





7

PROJECT ON RESORT COMBINING COMMERCIAL SERVICES AND HOUSING - LA EMERA HA LONG

Name:	Resort combining commercial services and housing - La Emera Ha Long
Location:	Ha Phong Ward, Ha Long City, Quang Ninh Province
Project Scale:	12.66 ha
Total investment:	1,200 billion VND
Product type:	Townhouse, villa, shophouse, commercial service area
Time of implementation:	2020 – 2024





Name: Vinh My resort Project

Location: Vinh My commune, Phu Loc district, Thua Thien Hue provinc

Project Scale: 39.58 ha

Total investment: 656 billion VND

Product type: An eco-friendly with local culture resort

Time of implementation: From Q1/2021 to QIV/2023

CHAPTER IV



RISK MANAGEMENT

- The role of risk management 1
- Implementation of risk management in 2020 2
- Risk management strategy for 2021 3

Corporate risk management is one of the key factors to ensure the stable and sustainable development of the business. Therefore, the Board of Directors and the Executive Board decided to perfect the risk management system by changing the governance model and establishing an internal audit committee.

A What is corporate risk management (CRM)?

According to COSO ERM-2004 the international consulting organizations making guidance on building corporate risk management: Risk is the influence of uncertain factors that negatively affects the goal of the business, according to which:

- Risks associate with business goals, any change in business objectives will lead to modification in risks;
- Risks usually are uncertain, which can affect business goals negatively (threats) or positively (opportunities). This is a 2-sides effect of

risks that can increase or decrease the value of the enterprise.

- Enterprise risk management is systematic process, principles and applies in enterprise setting. . Because the risks cannot be completely eliminated, businesses need to apply the enterprise risk management model to promptly detect events, evaluate and manage the worst possible situations to minimize impacts of threats and seize the opportunity.

B Necessity of corporate risk management

The goal of corporate risk management is not only to minimize risks, but also to manage risks effectively in order to preserve and foster organizational values. In other words, corpo-

rate risk management helps managers make accurate and effective decisions and minimize damage during business operations.

Importance of corporate risk management:

a) Risks and measures taken provided to the Board of Directors and Members' Council help strengthen corporate governance.

b) Support businesses to achieve their strategic goals through risk management tools, specifically:

- Evaluate the possibility of occurrence and the negative impacts, establish measures to prevent, respond, or manage the impact of situations on enterprises.

- Risk management does not focus on specific risks but on the source of damage to the business. Thus, ERM supports executive board to improve the efficiency of business activities.

- Enterprises effectively respond to the changing business environment through identifying and planning to respond to risks can proactively handle crisis.

c) ERM helps businesses to build trust and meet the increasing expectations of investors and stakeholders. Currently, investors, credit rating organizations may require enterprises to announce their ability to manage risks in order to assess the correlation between profits and risks that may be encountered.

d) ERM promotes a

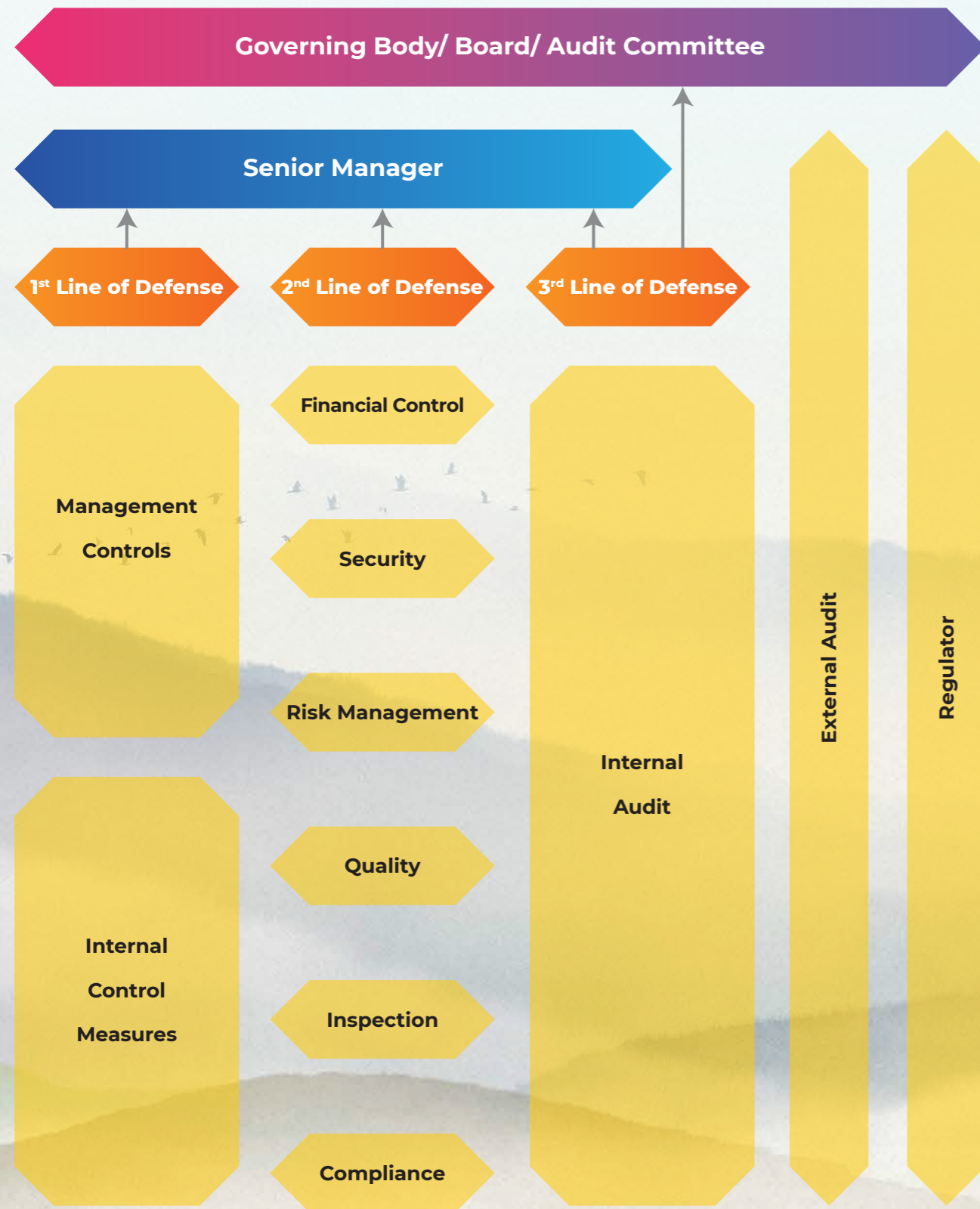
consistent strategy and culture of risk, helps managers focus on setting policies, defining goals, operating mechanism, improving risk quantification tools, enhancing risk management responsibility and promptly identify changes in the risk portfolio.

e) ERM optimizes the enterprises resources use for managing and handling major risks: Risk management allows enterprises to set up a standard process in identifying, evaluating, analyzing, prioritizing and managing main risk.

f) ERM promotes the correlation of profits and risks. Risk management based on the level of risk that can be accepted and managed appropriately, helping enterprises to promptly grasp opportunities (high risks, high profits).

The 'Three Lines of Defense' model is a simple and effective approach, to strengthen the ability of risk management and control by clarifying the roles and duties of stakeholders. Therefore, the Board of Directors and the Executive Board constantly improved the company's risk management system according to this model.

The Three Lines of Defense Model



The **'Three Lines of Defense'** model promotes role and responsibility in risk management for businesses, clearly identifies the roles of 3 groups related to the effectiveness of risk management. This model - suitable for all organizations also provides a new perspective on risk management, ensures the constant success of risk management measures and promotes the effectiveness of the risk management system.

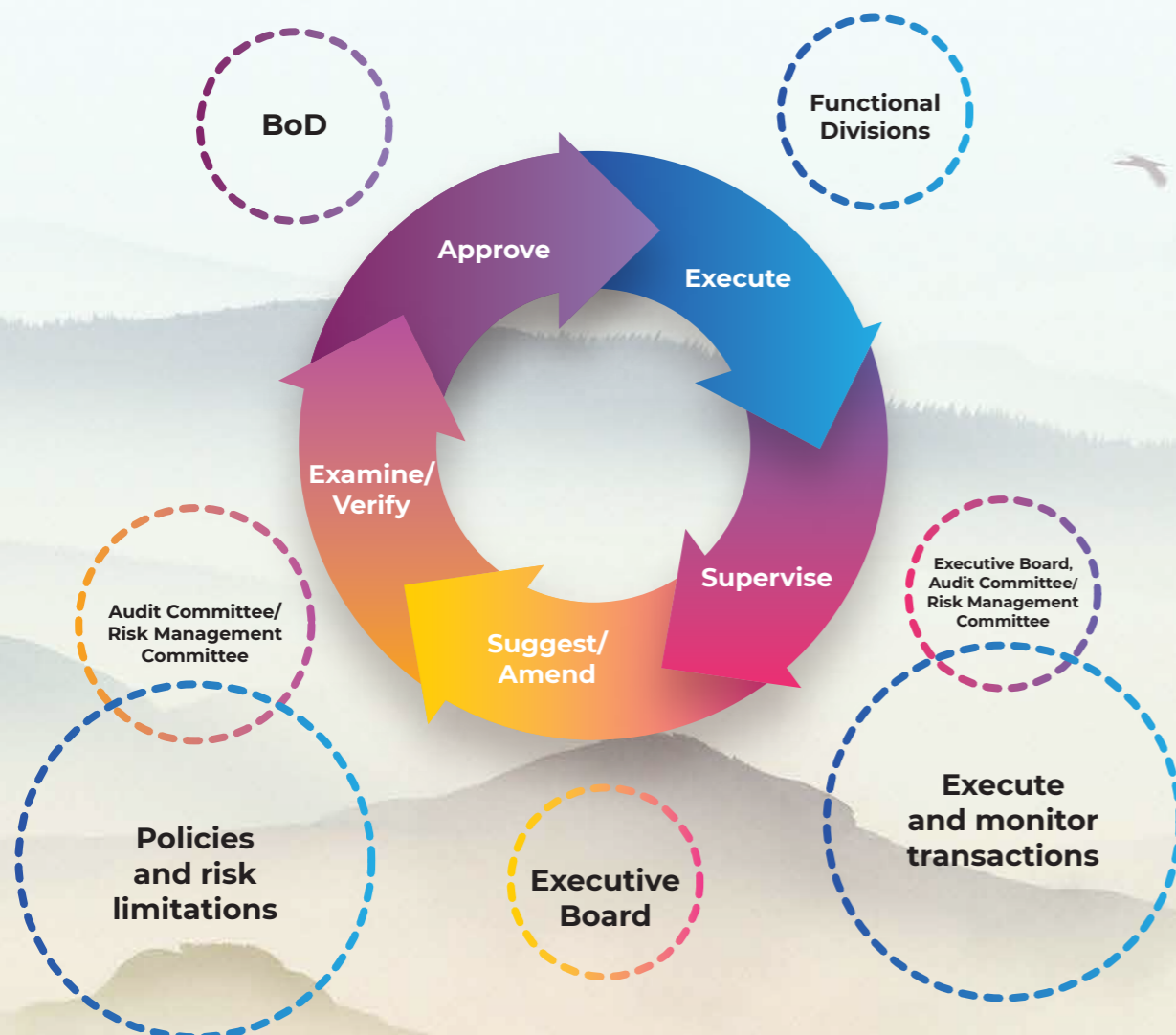
The **'Three Lines of Defense'** model was designed to support the Board of Directors, Board of Members, Executive Board in risk management. Thus, they need to ensure that the principle of 'Three Lines of Defense' is applied in accordance with corporate organizations.



A Strengthening the risk management system

- In 2020, realizing the importance of risk management for the Company, the Board of Directors consulted and has the approval at the 2020 General Meeting of Shareholders on the change of the model from the Supervisory Board to the Audit Committee. The Board of Directors has established and completed lines of defense for risk management:

- Strengthen the bureaucracy of the Audit Committee based on the Internal Audit Committee.
- Strengthen the bureaucracy of the Strategy Committee based on the Strategy Committee of Board of Directors.
- Established the Internal Auditing Committee and recruited key personnel for the Internal Auditing Committee.



B Functions of Internal Audit

Internal audit plays a vital role in corporate governance. Internal auditors can perform an audit to evaluate and make recommendations to improve the management process or perform consulting on corporate governance issues. Consulting activities are often implemented on incomplete governance systems or on backlog management problems.

Criteria of assessment:

- 1) Was the process of making strategic and operational decisions established and consistently operated?
- 2) Was the process of monitoring risk management and control been fully and effectively implemented?
- 3) Were activities that promote core values and ethics in the business were proposed and implemented effectively?
- 4) Was the process related to the responsibility of reporting and effective management in the company appropriately designed and effectively implemented?
- 5) Was the communicating process of risk and control information with relevant departments in the company accurate and timely?
- 6) Was the coordination of activities and information exchange between the Board of Directors / Supervisory Board, independent audit, Internal Audit, and management levels effectively implemented?

C Implementation of risk management by 2020

Real estate business ethics is the prestige, branding and responsibility of the investor for their own products. Not only before and during the sale, but even after the sale is completed, the investor must be responsible for after-sales management and ensure a healthy living environment in the area, especially in the period of the global financial and economic crisis negatively affecting Vietnam's economy. In 2020, the Board of Directors and the Executive Board have implemented the risk management as follows:



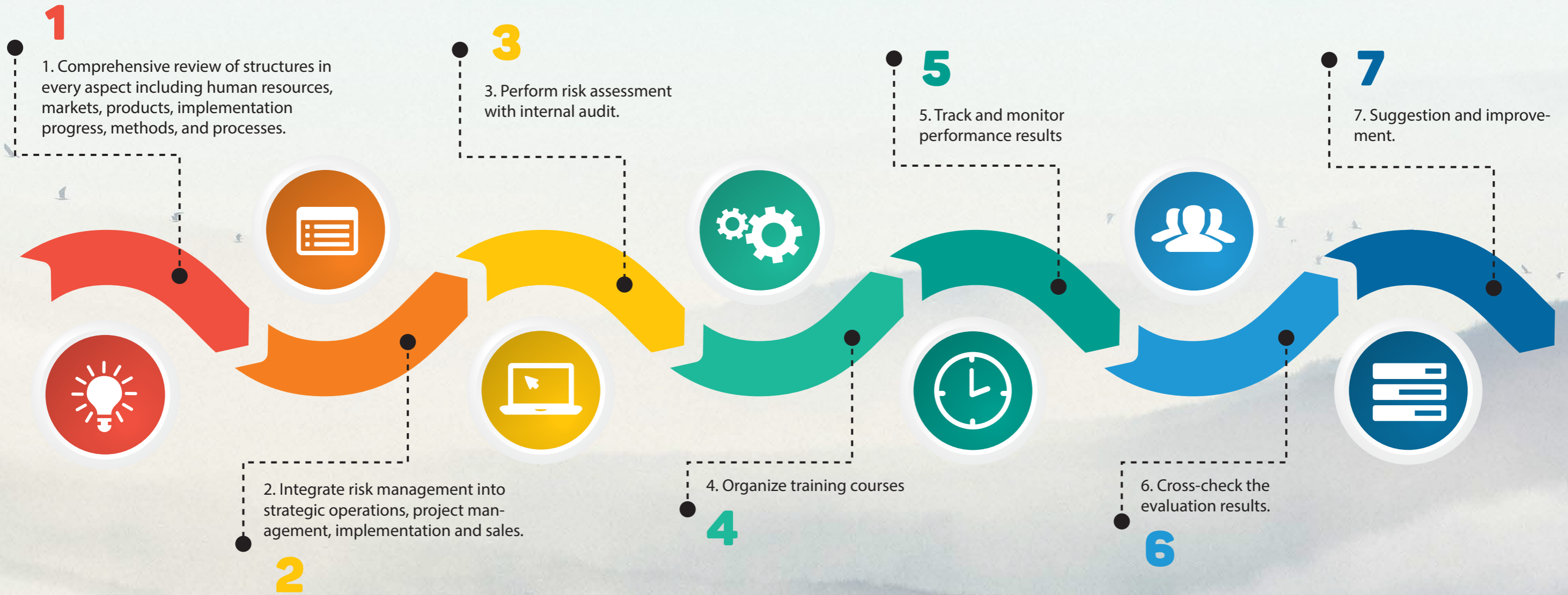
Strategic Risk

No.	Type of Risk	Description	Measures taken
1	Product & market positioning risk	Products fail to keep up with industry trends, economic situation, environmental change, climate and disease.	Develop a complete distribution channel, not just focus on the Company's products but also those of other real estate developers to follow trends, understand customer's taste and define suitable product segments.
2	Macroeconomics Risks	Fail to identify and adapt to macroeconomic changes affecting land fund development process and sales policies.	Update regularly information related to economic, political changes and have promptly analysis in order to establish appropriate real estate products, target markets and sales policies. Ensure the sustainable long-term development of the business, land fund establishment and project implementation.
3	Communication risks	Failure to prevent and promptly handle negative information affecting the Company's reputation and business operations.	Regularly monitor and update information about the Company on the media in order to respond appropriately.
4	Key-person dependency risks	Lack of key persons that can adapt to business expansions.	Maintain HR assessment reports, specifically train key managers and replace unsuitable positions promptly.



Operation Risk

No.	Type of Risk	Description	Measures taken
5	Demolition and site clearance risks	Delay of site clearance process, increase of compensation and provision costs, lack of cooperation from landowners.	Make detailed plans for demolition and site clearance, coordinate with other authorities to promptly update the compensation expense and policy, and support for landowners on the compensation and relocation process.
6	Legal risks	Unclear provisions of the law do not meet the needs of owning and developing products.	Regularly observes and updates the State policies and laws related to real estate, frequently consult with state agencies to improve project legality, avoid litigation disputes occurring in the sales, and put into operation process.
7	Project management risks	Unsatisfied product quality, slow construction progress, and increased cost of project implementation.	Specialize each stage of project development to have a team of high level of expertise Regularly update product, market and technology changes to provide quality advice for Board of Directors and Executive Board.
8	Sales risks	Inappropriate sales strategies including time of release and sales plans negatively affect cash flow plans.	Regularly update economic situation, real estate market and establish an active distribution channel to ensure appropriate sales strategies and policies.
9	Financial risks	Change in credit policies and regulations negatively affect financing activities for project development and purchase for customers.	Regularly update fiscal and monetary policies in order to develop a suitable financial plan for project implementation and credit financing policy for customers.
10	After-sale operational management risks	Although lack of expertise regarding operational management activities, Building Management Board is in charge of this process which leads to some consequences such as improperly services, not fully exploit the potential of the property and negatively affect the business efficiency. This also cause disputes and lawsuits regarding between secondary investors and customers regarding the operation of apartments and high-rise buildings.	Establish a professional and specialized urban service management for each type of product. Currently the Company owns two professional operations management subsidiaries, one is in charge of building management, urban services and the other one is responsible for hotel and resort management.



CHAPTER V



SUSTAINABLE DEVELOPMENT REPORT

- Sustainable development goals and strategies 1
- Achievement of sustainable development goals in 2020 2
- Community development activities 3
- Environment Protection 4
- Application of digital transformation in production and business activities 5

Based on the goals and sustainable development strategy established by the Board of Directors, the Executive Board has implemented policies and programs regarding sustainable development, environmental and social compliance in daily business activities.

A Sustainable economic development

Economic performance is to ensure a strong financial status, maintain production and business results helps the Company provide benefits people employees, shareholders and partners. This is also an essential economic foundation for the Company to contribute to the state revenue through tax, re-invest in sustainable development solutions such as

voluntary programs for the community.

The impact of the COVID-19 pandemic has significantly affected the national economy and the real estate industry. Facing these challenges, the Board of Directors has formulated strategy to adapt to all market fluctuations to maintain and develop stably.

B Human resource strategy

With the strategy "Human are our core resource", Hai Phat always affirms that human resources are the vital contributor to business success. Thus, we create an ideal working environment for our employees that ensure their personal development in order to help them understand their empowerment and responsibilities for the long-term growth of the Company.

Hai Phat also formulates precise remuneration policies that suits each position, skills and qualifications in order to ensure that each employee will have sufficient income and deserve their contributions. In addition, the Company always maintains basic policies including social insurance, holiday bonus, 13th month salary or internal bonding activities for employees.



i Recruitment, training and development policies

In order to continue expanding the business and connect with customers, Hai Phat continuously focus on recruitment programs to build a team of high-quality candidates ready to work in a competitive environment. The recruitment process is optimized and convenient, ensuring efficient and quality human resources.

Training programs have always been priorities in our human resource development policy. The company regularly organize training programs in accordance with the needs of the company such as: Training in recruitment and sales operations.

In addition, when the State revises or promulgates new policies, the Company ensures that

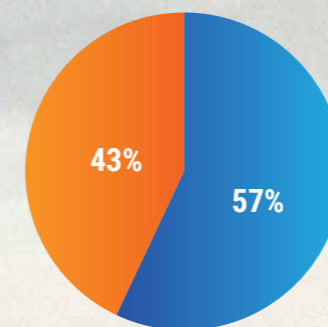
training was carried out promptly for staffs in order to maintain an absolute compliance with laws such as the enterprise law and investment law training program. In addition, Hai Phat also sent specialized staffs to attend training courses for management levels such as an intensive program on Auditing Committee and an online internal audit program. In 2020, Hai Phat has implemented 9 skills training courses for brokers, 120,000 hours of training for leaders.

The company always creates an environment for all employees to have the opportunity to learn, enhance their effectiveness, fit them with the job requirement in order to serve the Company's sustainable development.

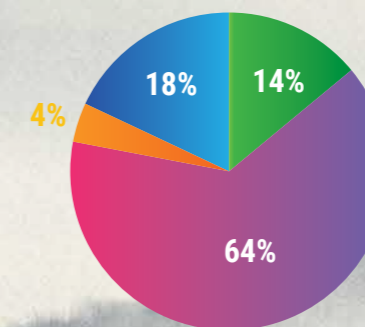
ii Equal and high-quality labor force structure

High quality labor force always the top priority in Hai Phat's sustainable development strategy. Over 70% of the Company's staffs have university diploma or higher degree, ensuring the working process and building a sustainable company. Besides, Hai Phat promotes gender equality with the number of female employees accounting for 43% of the total employees.

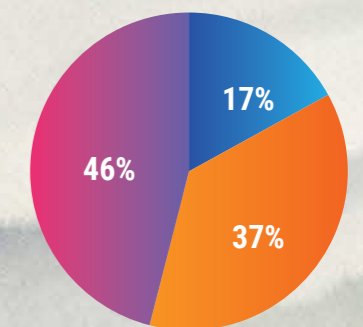
The majority of employees are between the ages of 30 and 42, the age at which the employees have real experience and are the golden age for the field of real estate investment. Especially, there are many young, enthusiastic workers who have been taking up managerial and senior management positions in the business.



Labor force structure by gender
Male | Female



Labor force structure by education
Post-Graduate | Graduate
College | Other



Labor force structure by seniority
> 10 years | 5-10 years | < 5 years

iii Organizational structure and quality at all management levels

In 2020, Hai Phat modified the operating structure, clarified functions and responsibilities of each divisions. Based on these statements, the Company assess their efficiency and serve as the basis for identify the salary of employees.

In 2020, Hai Phat appointed new members of the Executive Board with the positions of Deputy CEO. Born in the 1980s this new Exec-

utive Board has accumulated knowledge and experience in their expertized field. The Company believes that with the qualifications, skills and enthusiasm from the new Executive Board, the Company will gradually change its management policies, improve the efficiency of working performance and towards the establishment of an international management system.

ii Welfare policies for employees

With a sustainable development strategy, Hai Phat always maintained a stable income for employees over the years. The average salary of the Company's employees reached 24,000,000 VND increased by 15% compared to 2019. Especially in 2020 economy and real estate industry were heavily affected by the COVID-19 epidemic, Hai Phat ensures the income for employees and there was not downsize in the labor force.

The Company also provide a considerable

budget in honoring the contributions of employees such as salary adjustment, 13th month salary, New Year bonus, additional allowances for example gasoline, mobile phone, lunch.

In addition to salary and bonus policies, Hai Phat also created wide range of internal activities that strengthen staff cohesion such as birthday, sickness, marriage, funeral, health care policies, vacations.



3

COMMUNITY DEVELOPMENT ACTIVITIES

A Social Responsibility

Not only focusing on business growth, Hai Phat pursues responsibility for the community by implementing various charity programs and fundraising in localities.

Specifically, during the flood in the Central region at the end of 2020, Hai Phat has joined relief efforts and handed donation of 1 billion VND to help the victims in flooded areas of Thua Thien Hue province. In the occasion of

Lunar New Year, Hai Phat gave presents to poor patients with extremely difficult circumstances currently treated at Ha Dong General Hospital.

100% of employees and the Board of Directors have participated in these voluntaries activities, illustrates sustainable development understanding were embedded with corporate culture.



B Responsibilities with customers

Because customers' interests as top priority, Hai Phat always focuses on providing high quality products and services, building sustainable relationships with customers. The Company implemented after-sales policies - maintaining product quality, after-sales program to improve customers' health and

spiritual life. The company regularly organized activities for residents here on holidays, Tet in the year. Through each union, residents have the opportunity to bond with each other, spread the value of a civilized life, and build an increasingly rich cultural and spiritual life.

C Responsibilities with partners and suppliers

As one of the leading real estate developers, Hai Phat appreciates network with partners to share opportunities and cooperate while committing benefits to all parties. Hai Phat has

become a reliable partner of reputable financial institutions, construction services and materials companies.

D Responsibilities with shareholders and investors

Hai Phat always ensures business results, improves management competency and information transparency. Each year the Company pays steady dividends at 15% / year and strictly implements the information disclosure in accordance with the provisions of Circular

No. 155/2015 / TT-BTC. Hai Phat also continuously diversifies communications channels to help shareholders and investors update regularly information regarding strategic orientation, business results of the Company.



A Optimization of raw materials

Since foundation, Hai Phat has constantly researched and applied advanced scientific solutions in construction such as designing according to sustainable standards, using new material technologies for architecture and structures, for example: high-efficiency, energy-saving equipment (led lighting system); insulating glass to ensure natural light exposure and limit heat loss. The Company also uses current advanced power management solutions including central air-conditioning system, electrodynamic system in order to reduce operating costs, as well as

save energy during the operation. In addition, the building shell has detail layers of heat-reducing and non-emission materials for walls, low-e glass for windows. The electromechanical solution and the installation of equipment promote maximum energy saving for the whole project.

In addition, Hai Phat focuses on promoting diversity in land use and urbanization to create a comprehensive overall development, along with a clear and flexible planning structure to fulfil current and long-term needs.

B Compliance with laws on environmental protection

Understanding that the core value of a project is to bring socio-economic benefits while protecting the surrounding environment, Hai Phat is committed to complying with the current Government Environmental Standards for all projects such as National Technical Regulation on ambient air quality (QCVN 05: 2003 / BTNMT), noise (QCVN 26: 2010 / BTNMT), domestic wastewater (QCVN 14: 2008 / BTNMT).

Hai Phat maintain an absolute compliance with laws of environmental protection and put environmental protection requirements in the bidding documents. During project implementation, Hai Phat uses environmental monitoring programs, commits to comply with periodic monitoring requirements and

sends reports to state agencies. In addition, Hai Phat has invested, researched and designed a high-tech wastewater treatment system, ensure the quality of discharged water into the regional drainage system according to the National Technical Regulation on domestic wastewater, take measures to ensuring safety of fire and explosion. Thus, Hai Phat always puts the interests of customers first, ensures that economic development goes hand in hand with environmental protection, thereby form green prosperous residential communities with quality living standards. In 2020 the Company complied with all environmental laws and regulations.

C Dust reduction policies

- All means of transporting raw materials (soil, sand, cement, stone, ...) are covered, it is strictly forbidden to overload to prevent dust spreading into the environment.
- Uses of temporary barriers made of corrugated iron (3-4m high) to prevent dust spreading from the construction site to the outside and dangerous warning signs are placed next to the work site.
- Watering the surface of material gathering areas on the routes of vehicles and vehicles to the construction site with a frequency of 2

times / day to minimize dust generated during construction to the lowest level.

- Means of transport, machinery and equipment used were tested for gas emissions according to Vietnam Standard for CO, hydrocarbon and dust (TCVN 6438-2001). All construction equipment is authorized by the Vietnam Register for emissions.
- Planting trees outside the project areas and paving yard to minimize dust blown into the air.

D Water waste minimization policies

- Waste was collected, classified and moved to the prescribed disposal location, do not pour solid waste, oil residue of equipment into the flow.
- Installing portable toilets were located in the corner of the project area, away from the construction site, residential areas and water sources. All wastewater from toilets were

transported and treated every 3 days. After finishing the construction phase, the toilet would be dismantled and backfilled.

- Building rainwater drainage system around the project was regularly dredged 2 times per week. Rainwater in the project area after deposited was drained into the area's general drainage system.

E Solid waste minimization policies

- During the construction phase, the Company signed contract with transportation units on collect, transport and treat solid waste to the final disposal site of the city every day. The Company also arranged a team of workers in charge of collecting domestic waste generated in the construction phase and dumping it in the garbage.
- During project operation, we implement

advanced solid waste management for example waste classification at source. In addition, in high-rise buildings the Company installs modern waste collection system, in accordance with fire prevention regulations. Hai Phat also signs contract with the environmental company to collect and treat waste generated from the project.



F Noise reduction policies

- Speed of vehicles and machines operating in the project and in residential areas is limited to 10km / h
- Monitoring work schedules to check that noisy work is carried out as specified. Machineries that cause loud noise and vibration in construction are only allowed to work during the day. Activities such as drilling, mixing and

pouring concrete, digging are banned at night.

- Exchanging equipment and/or processes for a quieter alternative and regularly maintain the muffler in construction equipment.
- Planting trees for noise reduction in areas such as backup generator of hot-air-conditioning system.

G Optimal and environment friendly design

Environmentally friendly design is one of our top priorities when implementing projects. The planning layout of the project is researched based on an in-depth analysis of the current conditions of the land, then the Company selects an optimal solution to limit the adverse effects of the weather conditions and minimizes the need for energy used for cooling or heating purposes.

Project design and color must be consistent

with the surrounding areas, combining with the use of using sustainable materials. The Company also takes advantage of the rooftop areas to plant trees, creating green spaces along with flower and miniature garden design helps improve the climate conditions and provide a healthy environment for residents. In addition, Hai Phat also focuses on design to take advantage of sunlight and wind direction at each apartment.

From 2019, Hai Phat used Human Resource Management Software (called CLECO) to systematize and manage the working process in the company. The system has helped to improve employee productivity at the same time, managers can evaluate and identify a clear career path for members.

Especially during the COVID-19 epidemic,

under national lockdown, the use of this system helps the Company monitor online meetings instead of face-to-face, increase working efficiency and reduce administrative costs. The Company continues review, research and upgrade application of software to improve employee performance monitoring.

CHAPTER VI



CONSOLIDATED FINANCIAL STATEMENTS

Hai Phat Investment JSC

Consolidated financial statements

For the year ended 31 December 2020



Hai Phat Investment JSC

CONTENTS

	<i>Page</i>
General information	1 - 2
Report of management	3
Independent auditors' report	4 - 5
Consolidated balance sheet	6 - 8
Consolidated income statement	9 - 10
Consolidated cash flow statement	11 - 12
Notes to the consolidated financial statements	13 - 74

Hai Phat Investment JSC

GENERAL INFORMATION

THE COMPANY

Hai Phat Investment JSC ("the Company"), formerly known as Hai Phat Construction - Tourism JSC, is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No.0500447004 issued by the Ha Tay Department of Planning and Investment on 15 December 2003. According to the 5th amended Business Registration Certificate issued on 4 December 2008, the Company changed its name to Hai Phat Investment JSC. The Company also subsequently received amended Enterprise Registration Certificates with the latest is the 16th amended Enterprise Registration Certificate granted by the Hanoi Department of Planning and Investment on 20 October 2020.

The Company's shares were officially listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the stock code HPX from 24 July 2018 pursuant to the Decision No.234/QĐ-SGDHCM issued by the Director of HOSE on 2 July 2018.

The current principal activities of the Company and its subsidiaries ("the Group") are to develop and trade real estate properties, to provide civil engineering construction, to manage and operate real estate properties, to provide real estate brokerage, to rent real estate products, to manage and operate buildings and to conduct other businesses as per the Business Registration Certificate.

The Company's head office is located at 5th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Do Quy Hai	Chairman	
Mr. Le Tien Hung	Standing Vice Chairman	Resigned on 27 June 2020
Mr. Nguyen Van Phuong	Vice Chairman	
Mr. Pham Minh Tuan	Vice Chairman	Appointed on 27 April 2020
Mr. Le Viet Dung	Member	Appointed on 27 June 2020
Mr. Nguyen Xuan Dong	Independent member	Resigned on 1 September 2020
Mr. Hoang Ve Dung	Independent member	Resigned on 27 June 2020
Mr. Tran Vu Thai Hoa	Independent member	Appointed on 27 June 2020
Mr. Do Danh Tri	Independent member	Appointed on 10 October 2020

BOARD OF SUPERVISION

According to the Meeting Minutes No.02/2020/BB-DHDCD/HPX dated on 27 June 2020, the General Shareholders of the Company has approved the termination of the operation of the Supervisory Board of the Company from 27 June 2020. Accordingly, all members of the Supervisory Board have been resigned on 27 June 2020.

AUDIT COMMITTEE

Members of the Audit Committee during the year and at the date of this report are:

Mr. Tran Vu Thai Hoa	Chairman	Appointed on 27 June 2020
Mr. Pham Minh Tuan	Member	Appointed on 15 October 2020

Hai Phat Investment JSC

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Doan Hoa Thuan	General Director	
Mr. Le Viet Dung	Deputy General Director	Resigned on 27 June 2020
Ms. Tran Hoai Anh	Deputy General Director	Resigned on 20 April 2020
Mr. Ta Phu Cuong	Deputy General Director	Resigned on 20 April 2020
Mr. Dinh The Quynh	Deputy General Director	
Mr. Do Quy Thanh	Deputy General Director	Appointed on 28 February 2020
Mr. Ngo Quoc Huan	Deputy General Director	Appointed on 4 May 2020
Mr. Pham Huy Thong	Deputy General Director	Appointed on 4 May 2020
Mr. Nguyen Trong Thiet	Deputy General Director	Appointed on 4 May 2020

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Do Quy Hai, Chairman.

Mr. Pham Huy Thong, Deputy General Director, is authorised by the legal representative of the Company to sign the accompanying consolidated financial statements of the Company and its subsidiaries in accordance with the Letter of Authorization No.02/UQ-HP dated 25 January 2021.

AUDITOR

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

Hai Phat Investment JSC

REPORT OF MANAGEMENT

Management of Hai Phat Investment JSC ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "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.

STATEMENT 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 ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of management:



Pham Huy Thong
Deputy General Director

Hanoi, Vietnam

31 March 2021



Ernst & Young Vietnam Limited
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16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, S.R. of Vietnam
Tel: +84 24 3831 5100
Fax: +84 24 3831 5090
ey.com

Reference: 61436479/21893543/HN

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of Hai Phat Investment JSC**

We have audited the accompanying consolidated financial statements of Hai Phat Investment JSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 31 March 2021 and set out on pages 6 to 74, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

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 ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Bui Anh Tuan
Deputy General Director
Audit Practising Registration
Certificate No. 1067-2018-004-1

Hanoi, Vietnam

31 March 2021



Nguyen Hoang Linh
Auditor
Audit Practising Registration
Certificate No. 3835-2021-004-1

Hai Phat Investment JSC

B01-DN/HN

CONSOLIDATED BALANCE SHEET
as at 31 December 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		5,219,393,988,120	4,003,659,255,031
110	I. Cash and cash equivalents	5	603,097,534,147	402,944,656,545
111	1. Cash		403,097,534,147	344,147,642,223
112	2. Cash equivalents		200,000,000,000	58,797,014,322
120	II. Short-term investments	6	263,019,803,286	198,860,589,235
123	1. Held-to-maturity investments		263,019,803,286	198,860,589,235
130	III. Current account receivable		1,969,293,614,273	1,133,290,472,764
131	1. Short-term trade receivables	7.1	271,678,447,650	516,180,592,084
132	2. Short-term advances to suppliers	7.2	40,469,482,282	93,727,289,390
135	3. Short-term loan receivables	8	247,700,000,000	25,000,000,000
136	4. Other short-term receivables	9	1,449,299,349,850	528,891,492,554
137	5. Provision for doubtful short-term receivables	10	(39,853,665,509)	(30,508,901,264)
140	IV. Inventories	11	2,288,377,116,056	2,160,187,660,693
141	1. Inventories		2,288,377,116,056	2,160,187,660,693
150	V. Other current assets		95,605,920,358	108,375,875,794
151	1. Short-term prepaid expenses	12	6,477,072,028	17,773,564,403
152	2. Value-added tax deductible	20	88,519,265,861	90,602,311,391
153	3. Tax and other receivables from the State	20	609,582,469	-

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		2,159,133,097,815	2,825,982,204,344
210	<i>I. Long-term receivables</i>	9	295,351,015,364	769,794,065,278
216	1. Other long-term receivables		295,351,015,364	769,794,065,278
220	<i>II. Fixed assets</i>		129,291,290,625	123,033,624,678
221	1. Tangible fixed assets	14	128,906,601,912	122,883,812,178
222	Cost		153,992,212,653	142,350,363,767
223	Accumulated depreciation		(25,085,610,741)	(19,466,551,589)
227	2. Intangible fixed assets		384,688,713	149,812,500
228	Cost		574,050,000	221,000,000
229	Accumulated amortisation		(189,361,287)	(71,187,500)
230	<i>III. Investment properties</i>	15	975,393,151,500	841,009,362,006
231	1. Cost		1,040,179,927,506	883,993,479,415
232	2. Accumulated depreciation		(64,786,776,006)	(42,984,117,409)
240	<i>IV. Long-term assets in progress</i>	17	76,303,910,198	58,867,035,067
242	1. Construction in progress		76,303,910,198	58,867,035,067
250	<i>V. Long-term investments</i>	18	325,527,886,097	519,122,007,433
252	1. Investments in jointly controlled entities and associates	18.1	51,902,886,097	404,042,007,433
253	2. Investment in other entities	18.2	273,625,000,000	115,080,000,000
260	<i>VI. Other long-term assets</i>		357,265,844,031	514,156,109,882
261	1. Long-term prepaid expenses	12	17,533,044,005	21,353,872,176
262	2. Deferred tax assets	34.2	5,732,800,026	6,652,237,706
268	3. Other long-term assets	13	334,000,000,000	486,150,000,000
270	TOTAL ASSETS		7,378,527,085,935	6,829,641,459,375

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2020

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		3,757,583,714,943	3,836,841,692,723
310	<i>I. Current liabilities</i>		2,557,753,904,340	2,298,780,887,031
311	1. Short-term trade payables	19.1	505,049,404,642	404,068,684,322
312	2. Short-term advances from customers	19.2	65,956,710,864	293,988,199,037
313	3. Statutory obligations	20	143,487,717,979	212,135,727,563
314	4. Payables to employees		22,313,356,207	17,138,534,163
315	5. Short-term accrued expenses	21	157,315,648,093	317,195,044,058
318	6. Short-term unearned revenues	22	13,823,465,534	9,748,964,415
319	7. Other short-term payables	23	146,429,974,290	154,442,142,283
320	8. Short-term loans	24	1,472,170,219,171	868,945,426,355
322	9. Bonus and welfare fund	25	31,207,407,560	21,118,164,835
330	<i>II. Non-current liabilities</i>		1,199,829,810,603	1,538,060,805,692
336	1. Long-term deferred revenue	22	4,342,659,144	-
337	2. Other long-term liabilities	23	223,442,610,180	391,834,574,677
338	3. Long-term loans	24	968,054,096,769	1,142,699,647,825
341	4. Deferred tax liabilities	34.2	3,990,444,510	3,526,583,190
400	D. OWNERS' EQUITY		3,620,943,370,992	2,992,799,766,652
410	<i>I. Capital</i>	26	3,620,943,370,992	2,992,799,766,652
411	1. Share capital		2,644,945,820,000	1,999,963,050,000
411a	- Shares with voting rights		2,644,945,820,000	1,999,963,050,000
412	2. Share premium		60,986,800,000	60,986,800,000
420	3. Other funds belonging to owners' equity		580,012,025	-
421	4. Undistributed earnings		516,430,308,503	893,787,588,711
421a	- Undistributed earnings by the end of prior year		430,535,271,688	489,669,354,221
421b	- Undistributed earnings of current year		85,895,036,815	404,118,234,490
429	5. Non-controlling interests	27	398,000,430,464	38,062,327,941
440	TOTAL LIABILITIES AND OWNERS' EQUITY		7,378,527,085,935	6,829,641,459,375


Ta Thi Hoan
Preparer


Le Hong Son
Chief Accountant


Pham Huy Thong
Deputy General Director



Hanoi, Vietnam

31 March 2021

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	1,329,627,915,814	3,431,936,907,385
02	2. Deductions	28.1	-	-
10	3. Net revenue from sale of goods and rendering of services	28.1	1,329,627,915,814	3,431,936,907,385
11	4. Cost of goods sold and services rendered	29	(990,130,932,451)	(2,920,546,951,023)
20	5. Gross profit from sale of goods and rendering of services		339,496,983,363	511,389,956,362
21	6. Finance income	28.2	147,986,222,500	475,946,381,098
22	7. Finance expenses	30	(214,734,429,599)	(130,867,040,443)
23	- In which: Interest expenses		(194,625,426,154)	(114,252,650,136)
24	8. Shares of (loss)/ profit of associates, joint ventures	18.1	(889,206,465)	1,004,201,962
25	9. Selling expenses	31	(25,942,221,748)	(84,569,782,163)
26	10. General and administrative expenses	31	(117,773,299,352)	(144,572,990,269)
30	11. Operating profit		128,144,048,699	628,330,726,547
31	12. Other income	32	29,262,106,318	8,251,284,731
32	13. Other expenses	32	(12,740,508,007)	(4,063,341,564)
40	14. Other profit	32	16,521,598,311	4,187,943,167
50	15. Accounting profit before tax		144,665,647,010	632,518,669,714
51	16. Current corporate income tax expenses	34.1	(45,670,868,799)	(185,206,531,271)
52	17. Deferred tax (expenses)/income	34.2	(1,383,299,000)	5,655,119,289
60	18. Net profit after tax		97,611,479,211	452,967,257,732

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		92,293,322,388	446,702,265,689
62	20. Net profit after tax attributable to non-controlling interests		5,318,156,823	6,264,992,043
70	21. Basic earnings per share	36	325	1,588
71	22. Diluted earnings per share	36	325	1,588


Ta Thi Hoan
Preparer


Le Hong Son
Chief Accountant


Pham Huy Thong
Deputy General Director

Hanoi, Viet Nam

31 March 2021

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020


Currency: VND


Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		144,665,647,010	632,518,669,714
	Adjustments for:			
02	Depreciation of tangible fixed assets, investment properties and amortisation of intangible fixed assets		31,921,721,041	23,358,005,271
03	Provisions		9,344,764,245	30,000,000,000
05	Profits from investing activities		(147,397,016,035)	(481,427,751,064)
06	Interest expenses and bond issue costs	30	210,888,915,994	130,867,040,443
08	Operating profit before changes in working capital		249,424,032,255	335,315,964,364
09	(Increase)/decrease in receivables		(190,169,623,269)	557,844,551,182
10	(Increase)/decrease in inventories		(265,905,681,444)	1,647,046,642,183
11	Decrease in payables		(158,600,785,000)	(843,110,893,937)
12	Decrease in prepaid expenses		14,472,562,684	22,674,824,164
14	Interest paid		(215,467,561,867)	(220,890,152,470)
15	Corporate income tax paid	20	(152,503,745,606)	(112,432,242,404)
17	Other cash outflow for operating activities		(16,187,198,957)	(2,379,400,000)
20	Net cash flows (used in)/from operating activities		(734,938,001,204)	1,384,069,293,082
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(48,458,902,178)	(125,537,234,506)
22	Proceeds from disposals of fixed assets		280,000,000	-
23	Loans to other entities		(293,212,938,866)	(223,860,589,235)
24	Collections from borrowers		17,000,000,000	45,000,000,000
25	Payments for investments in other entities		(393,166,495,525)	(1,478,877,493,850)
26	Proceeds from sale of investments in other entities		1,238,690,788,433	592,906,785,538
27	Interest and dividends received		6,524,926,393	9,023,907,286
30	Net cash flows from/ (used in) investing activities		527,657,378,257	(1,181,344,624,767)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2020

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution		1,380,000,000	30,000,000,000
33	Drawdown of borrowings		1,607,712,022,545	720,731,413,047
34	Repayment of borrowings		(1,194,267,088,807)	(965,909,760,680)
36	Dividends paid/profit distributed		(7,391,433,189)	-
40	Net cash flows from/(used in) financing activities		407,433,500,549	(215,178,347,633)
50	Net increase/(decrease) in cash for the year		200,152,877,602	(12,453,679,318)
60	Cash and cash equivalents at beginning of the year		402,944,656,545	415,398,335,863
70	Cash and cash equivalents at end of the year	5	603,097,534,147	402,944,656,545


Ta Thi Hoan
Preparer


Le Hong Son
Chief Accountant


Phạm Huy Thông
Deputy General Director

Hanoi, Viet Nam

31 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION

Hai Phat Investment JSC ("the Company"), formerly known as Hai Phat Construction - Tourism JSC, is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No.0500447004 issued by the Ha Tay Department of Planning and Investment on 15 December 2003. According to the 5th amended Business Registration Certificate issued on 4 December 2008, the Company changed its name to Hai Phat Investment JSC. The Company also subsequently received amended Enterprise Registration Certificates with the latest is the 16th amended Enterprise Registration Certificate granted by the Hanoi Department of Planning and Investment on 20 October 2020.

The Company's shares were officially listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the stock code HPX from 24 July 2018 pursuant to the Decision No.234/QD-SGDHCM signed by the Director of HOSE on 2 July 2018.

The current principal activities of the Company and its subsidiaries ("the Group") are to develop and trade real estate properties, to provide civil engineering construction, to manage and operate real estate properties, to provide real estate brokerage, to rent real estate products, to manage and operate buildings and to conduct other businesses as per the Business Registration Certificate.

The Group's normal course of real estate business is from 12 to 36 months. The Group's normal course of business cycle for other business activities is 12 months.

The Company's head office is located at 5th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam.

The number of the Company's employees as at 31 December 2020 is: 100 (31 December 2019: 164).

Hai Phat Investment JSC

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

As at 31 December 2019, the Group has 7 subsidiaries. The information of these subsidiaries, and the Company's voting rights and equity interest in the subsidiaries are as follows:

No	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	HP Hospitality Nha Trang Limited Liability Company ("HPH Nha Trang LLC")	78.00	78.00	Con Tan Lap residential area, Xuong Huan ward, Nha Trang city, Khanh Hoa province, Vietnam	Developing real estate project
2	Chau Son Land Joint Stock Company ("Chau Son JSC") (*)	100.00	100.00	5 th floor, CT3 building, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Real estate business
3	Hai Phat - Binh Thuan one-member Limited Liability Company ("Hai Phat - Binh Thuan LLC")	100.00	100.00	2 nd floor, Viettel Binh Thuan building, Hung Vuong avenue, Phu Thuy ward, Phan Thiet city, Binh Thuan province, Vietnam	Trading, developing real estate projects
4	Hai Phat Real Estate Investment and Trading Joint Stock Company ("Hai Phat Real Estate Investment & Trading JSC")	95.78	95.78	2 nd floor, CT4 building, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Consulting brokerage, leasing and managing the operations of real estate projects
5	IWG Hotel and Resort Joint Stock Company ("IWG JSC")	50.50	50.50	5 th floor, CT3 building, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Real estate business, consulting brokerage
6	Ruby Real Estate One-member Limited Liability Company ("Ruby LLC") (**)	100.00	100.00	5 th floor, CT3 building, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Trading, developing real estate projects
7	PSP Urban Services Joint Stock Company ("PSP JSC") (***)	77.00	77.00	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Post-investment property management

(*) On 20 October 2020, Chau Son LLC, a one-member Limited Liability Company, was converted into a Joint Stock Company.

(**) On 11 September 2020, Hai Phat - Phu Yen one-member Limited Liability Company was changed its name to Ruby Real Estate One-member Limited Liability Company.

(***) Indirect subsidiary of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

As at 31 December 2020, the Group has 11 subsidiaries. The information of these subsidiaries, and the Company's voting rights and equity interest in the subsidiaries are as follows:

No	Company	Voting rights (%)	Equity interest (%)	Registered office's address	Principal activities
1	HPH Nha Trang LLC	78.00	78.00	Con Tan Lap residential area, Xuong Huan ward, Nha Trang city, Khanh Hoa province, Vietnam	Developing real estate project
2	Chau Son JSC (*) (**)	81.59	81.59	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Real estate business
3	Hai Phat - Binh Thuan LLC	100.00	100.00	2 nd floor, Viettel Binh Thuan building, Hung Vuong avenue, Phu Thuy ward, Phan Thiet city, Binh Thuan province, Vietnam	Trading, developing real estate projects
4	Hai Phat Real Estate Investment & Trading JSC	75.78	75.78	2 nd floor, CT4 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Consulting brokerage, leasing and managing the operations of real estate projects
5	Heritage Real Estate One-member Limited Liability Company ("Heritage LLC")	100.00	100.00	9 th Ly Thuong Kiet, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	Real estate business
6	Ruby LLC	100.00	100.00	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Real estate business
7	PSP JSC (**)	77.00	77.00	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Post-investment property management
8	IWG JSC (*) (**)	50.50	50.50	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Real estate business, consulting brokerage
9	Sapphire Investment One-member Limited Liability Company ("Sapphire LLC")	100.00	100.00	5 th floor, B2 building, Roman Plaza, To Huu street, Dai Mo ward, Nam Tu Liem district, Hanoi, Vietnam	Financial aid service
10	Topaz PM Vietnam Investment and Development One-member Limited Liability Company ("Topaz LLC")	100.00	100.00	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Architectural and related technical consulting
11	Diamond IC One-member Limited Liability Company ("Diamond LLC")	100.00	100.00	5 th floor, CT3 building, The Pride, An Hung New Urban Area, La Khe ward, Ha Dong district, Hanoi, Vietnam	Financial aid service

15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

1. CORPORATE INFORMATION (continued)

(*) On 16 September 2020, Ruby LLC, a subsidiary of the Group, completed the acquisition of 100% equity interest in Chau Son JSC with a total consideration of VND1,000 billion. Accordingly, Chau Son JSC became a subsidiary of Ruby LLC and an indirect subsidiary of the Group.

In 2020, Ruby LLC completed the transfer of 20,250,000 shares, equivalent to 18.41% of equity interest in this company to individuals. Accordingly, the equity interest of the Group in Chau Son JSC reduced from 100% to 81.59%.

(**) On 8 October 2020, Chau Son JSC, an indirect subsidiary of the Group, completed the acquisition of 50.5% shares of IWG JSC with a total consideration of VND2.5 billion. Accordingly, IWG JSC becomes a subsidiary of Chau Son JSC and an indirect subsidiary of the Group.

(***) Indirect subsidiary of the Company.

As at 31 December 2020, the Group also has investment in joint ventures and associates as described in Note 18.1.

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying consolidated financial statements, 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 consolidated financial position and results of consolidated operations and consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.4 Accounting currency

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

2.5 Basic of consolidation

The consolidated financial statements comprise the financial statements of the 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 Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the Company and its 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.

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 not more than three 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

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Costs concludes:

- ▶ Freehold rights for land;
- ▶ Amounts paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of land compensation and site preparation, property transfer taxes, construction overheads and other related costs.

Net realisable value (NRV) is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs to completion and the estimated costs of sale.

The cost of inventory property recognised in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of common costs based on the relative size of the inventory property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other inventories (continued)

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The Group applies perpetual method to record other inventories which are valued on weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventory properties for sale, raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated 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 that the Group considers to be doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible 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 tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

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

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

3.6 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

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

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.

3.7 Depreciation and amortisation

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

Building and structures	3 - 50 years
Machinery and equipment	3 - 15 years
Means of transportation	5 - 8 years
Office equipment	3 - 7 years
Computer software	3 - 5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investment properties

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

Subsequent expenditure relating to an investment property that has already been recognised 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 of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	48 - 50 years
Land use rights	48 - 50 years
Machinery and equipment	15 years

Land use rights recognised as investment property include land use rights with a definite term granted to the Group for the purpose of development of investment properties. These land use rights are depreciated over the term of the license.

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.

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised 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 year of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 Prepaid expenses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 PREPAID EXPENSES (continued)

Short-term prepaid expenses include real estate commission fees, provisional corporate income tax on down-payments from customers for the Group's real estate projects and other costs that generate economic benefits within a business cycle.

Long-term prepaid expenses include major overhaul expenditure, tools and equipment used of more than one year in large amounts and other costs that generate economic benefits more than one business cycle.

3.11 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 acquiree'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 recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-years on a straight-line basis. The parent company conducts the periodic 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.

3.12 Assets acquisitions and business combinations

The Group acquires subsidiaries that own assets and business activities. At the date of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

3.13 Investments

Investments in associates

The Group's investment in its associates are 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments (continued)

Investments in associates (continued)

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. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year 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.

Investments in joint ventures

The Group's investment in jointly controlled entity is 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 entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit/(loss) of the jointly controlled entity 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 reduces 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 line with those of the Group.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Investments

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 finance expense in the consolidated financial income statement and deducted against the value of such investments.

3.14 Payables and accruals

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

3.15 Provisions

General provision

Provisions are recognised when the Group have 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.

When the Group expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a consolidated asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense in consolidated income statement.

3.16 Appropriation of net profits

Net profit after tax (excluding gain from bargain purchases) is available for appropriation to shareholders after approval of Board of Directors (after approval by the annual general meeting), and after making appropriation to reserve funds in accordance with the Company's Charters and the 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 Directors and subject to approval by shareholders at the annual general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Appropriation of net profits (continued)

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.

3.17 Advances from customers for purchase of residential properties

Payments received from customers as deposits for the purchase of residential properties in the future, which have not met the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section of the consolidated balance sheet. Discounts under the sale programs, which is treated as sale deductions, are recognised as a deduction to "Advances from customers" when the underlying sale contracts have not satisfied the conditions for revenue recognition during the year.

Payments received from customers, in the form of loan agreements, are recognised and presented as "Other payables" in the liability section of the consolidated balance sheet.

3.18 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 sale of inventory property

Revenue from sale of inventory property is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer, normally at the time of handover of properties to the buyer.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Gains from securities trading, capital transfer

Gains from securities trading and capital transfer are determined as the excess of selling prices against the cost of securities sold. Such gains are recognised on the trade date when the relevant contracts are executed.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition (continued)

Dividends

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

Rental income

Rental income arising from operating lease is accounted for on a straight-line basis over the lease term.

3.19 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior period 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 consolidated 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.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set 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 asset in respect of deductible temporary difference which 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;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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 in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation (continued)

Deferred tax (continued)

- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated 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 income tax asset to be utilised. Previously unrecognised deferred tax assets are reassessed at each consolidated 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 consolidated 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; or
- ▶ when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders 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/(loss) after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) 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.

3.21 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.

The Group's business segments include the sales of real estate products, leasing and rendering real estate brokerage services. Management defines the Group's geographical segments is within territory of Vietnam.

3.22 Related parties

Parties are considered to be related parties of the Group if one party has the ability, directly or indirectly, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT TRANSACTIONS DURING THE YEAR

4.1 Establishment of new subsidiaries

Heritage LLC

According to the Resolution of the Board of Directors of the Company No.17/NQ-HDQT dated 7 May 2020, the Board of Directors has approved the decision to establish Heritage LLC. Heritage LLC is a one-member limited liability company incorporated under the Law of Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No.3301675033 issued by the Thua Thien – Hue Department of Planning and Investment on 15 May 2020. This subsidiary has a registered charter capital of VND250 billion and the Group holds 100% equity interest. In 2020, the Group has contributed capital to this company and as at 31 December 2020, the Group has completed the capital contribution with total amount of VND250 billion.

The current principal activities of Heritage LLC are to trade real estate properties, land use rights, to construct houses, to provide civil engineering construction and to conduct other businesses as per the Enterprise Registration Certificate.

Sapphire LLC

According to the Resolution of the Board of Directors of the Company No.31/NQ-HDQT dated 23 September 2020, the Board of Directors has approved the decision to establish Sapphire LLC. Sapphire LLC is a one-member limited liability company incorporated under the Law of Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0109355762 issued by the Hanoi Department of Planning and Investment on 25 September 2020. This subsidiary has a registered charter capital of VND120 billion and the Group holds 100% equity interest. In 2020, the Group has contributed capital to this company and as at 31 December 2020, the Group has completed the capital contribution with total amount of VND120 billion.

The current principal activities of Sapphire LLC are financial consulting services as per the Enterprise Registration Certificate.

Diamond IC LLC

According to the Resolution of the Board of Directors of the Company No.33/NQ-HDQT dated 15 October 2020, the Board of Directors has approved the decision to establish Diamond IC LLC. Diamond IC LLC is a one-member limited liability company incorporated under the Law of Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0109403977 issued by the Hanoi Department of Planning and Investment on 5 November 2020. This subsidiary has a registered charter capital of VND5 billion and the Group holds 100% equity interest. In 2020, the Group started to contribute capital to this company and as at 31 December 2020, the Group has contributed capital with total amount of VND300 million.

The current principal activities of Diamond IC LLC are investment consulting and financial aid services as per the Enterprise Registration Certificate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

4. SIGNIFICANT EVENTS (continued)

4.1 Establishment of new subsidiaries (continued)

Topaz LLC

According to the Resolution of the Board of Directors of the Company No.33/NQ-HDQT dated 15 October 2020, the Board of Directors has approved the decision to establish Topaz LLC. Topaz LLC is a one-member limited liability company incorporated under the Law of Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No.0109403984 issued by the Hanoi Department of Planning and Investment on 5 November 2020. This subsidiary has a registered charter capital of VND5 billion and the Group holds 100% equity interest. In 2020, the Group started to contribute capital to this company and as at 31 December 2020, the Group has contributed capital with total amount of VND300 million.

The current principal activities of Topaz LLC are to plan, to investigate, to construct, to consult project management and to manage construction investment costs as per the Enterprise Registration Certificate.

4.2 Disposal of subsidiaries

Partially disposal of Chau Son JSC

On 15 October 2020, the Group completed the transfer of 10% of its capital contribution in Chau Son JSC to four individuals with a total consideration of VND100 billion, thereby reducing the Group's equity interest in this company from 100% to 90%.

On 2 November 2020, the Group contributed an additional VND100 billion, equivalent to 10,000 shares in Chau Son JSC, while the shareholders did not participate in this capital contribution, resulting in an increase the equity interest of the Group in Chau Son JSC from 90% to 90.91%.

On 30 November 2020, the Group completed the transfer of 10,025,000 shares, equivalent to 9.32% equity interest of the Group in Chau Son JSC to two individuals for a consideration of VND205 billion, thereby reducing the Group's equity interest in this company from 90.91% to 81.59%.

Gain/(loss) arising from these transactions is recognized in undistributed earnings and non-controlling interests on the consolidated balance sheet.

Partially disposal of Hai Phat Real Estate Investment & Trading JSC

On 31 December 2020, the Company completed the transfer of 14.2 million shares, equivalent to 20% charter capital of Hai Phat Real Estate Investment & Trading JSC to a corporate counterparty for a consideration of VND312.4 billion. Accordingly, the ownership of the Group in this company decreased from 95.78% to 75.78%.

Gain/(loss) arising from these transactions is recognized in undistributed earnings and non-controlling interests on the consolidation balance sheet.

4.3 Other significant events

In February 2020, the Prime Minister of the Socialist Republic of Vietnam officially announced the epidemic of acute respiratory infections caused by Coronavirus 2019 ("COVID-19"). Since then, the complicated developments of Covid-19 have greatly affected the Group's operation and business activities. The Group has been undertaking initiatives to reduce costs, re-organize business operations during the pandemic, as well as developing and adjusting business plans that are suitable with the current situation and for the next fiscal year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

5. CASH AND CASH EQUIVALENTS

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	24,979,744,046	26,392,197,255
Cash at banks (*)	378,117,790,101	317,755,444,968
Cash equivalents (**)	200,000,000,000	58,797,014,322
TOTAL	603,097,534,147	402,944,656,545

(*) As at 31 December 2020, cash at bank of the Group included VND150 billion is being blocked at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Hoan Kiem Branch to fulfill future payment obligations of a subsidiary.

(**) Cash equivalents as at 31 December 2020 are deposits in VND at commercial banks, with a term of 1 month at an interest rate of 3% per annum (as at 31 December 2019: from 5% to 5.5% per annum).

Non-cash transactions which affect the cash flow statement:

	Currency: VND	
	Current year	Previous year
Stock dividend during the year	644,982,770,000	-

6. HELD-TO-MATURITY INVESTMENTS

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Term deposits	263,019,803,286	263,019,803,286	198,860,589,235	198,860,589,235
TOTAL	263,019,803,286	263,019,803,286	198,860,589,235	198,860,589,235

Term deposit as at 31 December 2020 includes bank deposits at commercial banks in VND with terms from six months to one year, earns interest at the rates ranging from 4% to 6.3% per annum (31 December 2019: from 6.4% to 7.4% per annum).

As at 31 December 2020, time deposits with amount of VND240.4 billion are being used as collateral for the Group's loans at Bao Viet Joint Stock Commercial Bank – Transaction Center under the loan contract No.0907-2020-HDTC1-BVB005 (Note 24).

The term deposit of VND17 billion is being used as collateral for Mai Pha new urban area project, Lang Son city, Lang Son province at Vietnam Joint Stock Commercial Bank for Industry and Trade - Do Thanh Branch.

The term deposit of VND5.1 billion is being used as collateral for loans to purchase social houses in Phu Lam social housing urban area project, Phu Lam ward, Ha Dong district, Hanoi city under the agreement between the Group and Joint Stock Commercial Bank for Foreign Trade of Vietnam - Do Thanh Branch.

The term deposit of VND550 million is being used as collateral the providing of management services at Helios Tower 75 Tam Trinh Project at Viet A Commercial Joint Stock Bank - Head Office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. SHORT-TERM TRADE RECEIVABLES AND SHORT-TERM ADVANCES TO SUPPLIERS

7.1 Short-term trade receivables

	Currency: VND	
	Ending balance	Beginning balance
Receivables from sale of inventory properties	114,568,285,102	242,997,431,329
Receivables from transferring shares	30,000,000,000	150,984,755,342
Receivables from real estate brokerage	108,087,729,275	84,551,669,439
Receivables from leasing activities and other activities	19,022,433,273	37,646,735,974
TOTAL	271,678,447,650	516,180,592,084

In which:

Short-term trade receivables	233,430,310,446	333,088,060,663
Short-term trade receivables from related parties (Note 35)	38,248,137,204	183,092,531,421

Details for each customer whose balance is more than 10% ending balance:

Private Construction Enterprise No. 1	30,000,000,000	30,000,000,000
Hai Phat Thu Do Investment JSC ("Hai Phat Thu Do JSC")	29,157,269,777	11,928,082,123
HP Land Real JSC ("HP Land JSC")	5,191,798,732	65,431,967,416
An Thinh Investment JSC	-	100,000,000,000

Provision for doubtful short-term trade receivables (Note 10)	(31,358,985,508)	(30,508,901,264)
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On 31 December 2020, receivables from the transfer of real estate under Hai Phat Plaza project, Dai Mo ward, Nam Tu Liem district, Hanoi are being used as collateral for the loans of the Group (Note 24).

7.2 Short-term advances to suppliers

	Currency: VND	
	Ending balance	Beginning balance
Samcons Vietnam Construction and Investment JSC	14,555,795,307	23,251,747,615
Thien An Industry Construction Investment JSC	1,856,218,744	16,031,001,600
Other suppliers	24,057,468,231	54,444,540,175
TOTAL	40,469,482,282	93,727,289,390
Provision for doubtful short-term trade receivables (Note 10)	(8,494,680,001)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

8. SHORT-TERM LOANS RECEIVABLES

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Loan receivables from individuals (*)	68,400,000,000	17,000,000,000
Loan receivables from related parties (Note 35)	179,300,000,000	8,000,000,000
TOTAL	247,700,000,000	25,000,000,000

(*) This is an unsecured loan to an individual, with term from 3 to 12 months and earning interest from 5% to 11% per annum.

9. OTHER RECEIVABLES

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Receivables under business co-operation contracts and other agreement (i)	370,149,362,338	360,000,000,000
Receivables under the liquidated investment cooperation deposit agreements (ii)	829,300,000,000	-
Deposits for real estate sale and brokerage services	134,988,526,135	108,936,696,480
Advances to employees (iii)	94,081,418,610	39,584,222,468
Other short-term receivables	20,780,042,767	20,370,573,606
TOTAL	1,449,299,349,850	528,891,492,554

In which:

Other short-term receivables from corporate counterparties	1,447,445,083,183	503,071,855,423
Other short-term receivables from related parties (Note 35)	1,854,266,667	25,819,637,131

Provision for doubtful other short-term receivables	-	-
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Long-term

Receivables under business co-operation contracts (iv)	197,000,000,000	740,362,336,278
Deposits for project implementation (v)	98,346,015,364	29,431,729,000
Other long-term receivables	5,000,000	-

TOTAL	295,351,015,364	769,794,065,278
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In which:

Other long-term receivables from corporate counterparties	98,351,015,364	319,794,065,278
Other long-term receivables from related parties (Note 35)	197,000,000,000	450,000,000,000

Provision for doubtful other long-term receivables	-	-
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

9. OTHER RECEIVABLES (continued)

- (i) Balance as at 31 December 2020 includes:
 - ▶ A deposit of VND320 billion under a cooperation contract between the Group and a corporate counterparty for the transfer of land for real estate development; and
 - ▶ Capital contribution of VND29.8 billion according to the agreement between the Group and a corporate counterparty to implement a potential real estate project
 - ▶ A deposit of VND20.3 billion according to the trust investment between the Group and a corporate counterparty for potential real estate project.
- (ii) These are receivables from the liquidation of a cooperation contracts between the Group and certain corporate counterparties for investing real.
- (iii) These are advances to employees for the purpose of executing projects of the Group.
- (iv) This is a deposit for a related party for the Development of My Hung – Cienco 5 Urban Area project, My Hung commune, Tam Hung commune, Cu Khe commune and Binh Minh commune, Thanh Oai district, Hanoi.
- (v) Balance as at 31 December 2020 includes:
 - ▶ Deposits under the Agreement No.07 and 08 dated 8 May 2019 with Can Tho Department of Planning and Investment to guarantee the implementation of the An Binh new urban area project in Ninh Kieu district, Can Tho city, Can Tho province;
 - ▶ Deposits under the Agreement No.2312 dated 27 May 2020 with Binh Thuan Department of Planning and Investment to guarantee the implementation of the Ham Tien - Mui Ne Tourism Service Center project, Phan Thiet city, Binh Thuan province; and
 - ▶ Receivables under the investment cooperation contract of the Group with an individual and a corporate counterparty related to the School and Sports area of the Phu Lam social housing urban project.

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

10. BAD DEBTS

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of bad debts				
- Private Construction Enterprise No. 1	30,000,000,000	-	30,000,000,000	-
- Others	1,358,985,508	-	727,001,806	218,100,542
Total value of non-recoverable advances				
- A corporate counterparty	1,750,000,000	-	1,750,000,000	1,750,000,000
- A corporate counterparty	1,639,000,000	-	1,639,000,000	1,639,000,000
- A corporate counterparty	1,530,000,000	-	1,530,000,000	1,530,000,000
- Other overdue advances	3,575,680,001	-	3,575,680,001	3,575,680,001
TOTAL	39,853,665,509	-	39,221,681,807	8,712,780,543

11. INVENTORIES

	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
Inventory properties under construction	1,324,684,628,341	-	994,571,850,813	-
Completed inventory properties	941,630,566,506	-	1,155,666,513,800	-
Brokerage inventories	21,456,139,710	-	8,343,233,724	-
Other inventories	605,781,499	-	1,606,062,356	-
TOTAL	2,288,377,116,056	-	2,160,187,660,693	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

11. INVENTORIES (continued)

As at 31 December 2020, inventories of Tuy Hoa - Phu Yen project, Phu Yen province, Hai Phat Plaza project, at Dai Mo ward, Nam Tu Liem district, Hanoi city, Commercial service public and housing Cam Binh project, Cam Binh ward, Cam Pha city, Quang Ninh province, and Ha Phong - Khe Ca Quang Ninh project, Quang Ninh province are being used as collaterals for loans of the Group at joint stock commercial banks and corporate bonds (Note 24).

As at 31 December 2020, the land use rights of the Phu Hai project, Phan Thiet province are being used as collaterals for a loan of a related party.

12. PREPAID EXPENSES

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Provisional CIT on down payments from customers	2,782,826,890	3,519,138,886
Selling expenses related to inventory properties not yet handed over	1,733,045,609	12,000,258,782
Tools and suppliers	1,961,199,529	2,254,166,735
TOTAL	6,477,072,028	17,773,564,403
Long – term		
Tools and supplies	9,524,849,372	8,639,416,518
Major overhaul costs	7,050,694,637	10,480,288,993
Prepaid software maintenance fees	957,499,996	2,234,166,665
TOTAL	17,533,044,005	21,353,872,176

13. OTHER NON-CURRENT ASSETS

	Currency: VND	
	Ending balance	Beginning balance
Deposits for the investment purposes	334,000,000,000	486,150,000,000
TOTAL	334,000,000,000	486,150,000,000
In which		
Deposits with a corporate counterparty	334,000,000,000	486,150,000,000

Balance as at 31 December 2020 includes deposit to a corporate counterparty to invest in Ham Tien – Mui Ne Tourism Service Center project in Phan Thiet city, Binh Thuan province.

Hai Phat Investment JSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended (continued)

14. TANGIBLE FIXED ASSETS

	Currency: VND			
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment
	Total			
Cost:				
Beginning balance	102,240,660,788	16,752,799,958	19,915,386,011	3,441,517,010
- Newly purchased	-	231,763,637	-	126,753,182
- Disposal	-	-	(3,070,978,182)	(995,904,232)
- Reclassified from investment properties (Note 15)	13,198,198,377	2,152,016,104	-	-
Ending balance	115,438,859,165	19,136,579,699	16,844,407,829	2,572,365,960
In which:				
Fully depreciated	-	469,918,182	-	488,191,828
Accumulated depreciation:				
Beginning balance	(4,318,226,686)	(2,112,893,237)	(10,951,393,282)	(2,084,038,384)
- Depreciation for the year	(3,473,151,066)	(1,426,034,690)	(2,630,484,408)	(633,840,522)
- Disposal	-	-	3,070,978,183	995,904,232
- Reclassified from investment properties (Note 15)	(1,032,682,864)	(489,748,017)	-	-
Other decreases	(8,824,060,616)	(4,028,675,944)	(10,510,899,507)	(1,721,974,674)
Ending balance	(17,644,060,228)	(8,046,751,888)	(14,501,798,106)	(4,742,947,288)
Net carrying amount:				
Beginning balance	97,922,434,102	14,639,906,721	8,963,992,729	1,357,478,626
Ending balance	106,614,798,949	15,107,903,755	6,333,508,322	850,391,286
In which:				
Collaterals (*)	-	-	726,665,989	-

(*) On 31 December 2020, certain tangible fixed assets, which are means of transportation with the carrying value of VND727 million, are being used as collaterals for loans of the Group at Tien Phong Commercial Bank (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2020 and for the year then ended (continued)

15. INVESTMENT PROPERTIES

	Land use rights	Buildings and structures	Machinery and equipment	Currency: VND	
				Total	
Cost:					
Beginning balance	63,008,320,914	703,923,773,449	117,061,385,052	883,993,479,415	
Increase	17,506,192,743	153,591,299,785	9,244,897,216	180,342,389,744	
Other decrease	(631,687,219)	(7,473,721,537)	(700,318,416)	(8,805,727,172)	
Reclassified to tangible fixed assets	(622,848,355)	(12,575,350,022)	(2,152,016,104)	(15,350,214,481)	
Reclassification	(5,432,929,197)	7,111,298,409	(1,678,369,212)	-	
Ending balance	73,827,048,886	844,577,300,084	121,775,578,536	1,040,179,927,506	
<i>In which:</i>					
Fully depreciated	-	-	-	-	
Accumulated depreciation:					
Beginning balance	(1,838,274,377)	(27,161,434,543)	(13,984,408,489)	(42,984,117,409)	
Depreciation for the year	(1,321,860,276)	(17,291,158,137)	(5,968,012,582)	(24,581,030,995)	
Reclassified to tangible fixed assets	48,734,297	983,948,567	489,748,017	1,522,430,881	
Reclassification	233,921,304	1,770,129,512	(2,004,050,816)	-	
Other decrease	261,044,454	633,420,673	361,476,390	1,255,941,517	
Ending balance	(2,616,434,598)	(41,065,093,928)	(21,105,247,480)	(64,786,776,006)	
Net carrying amount:					
Beginning balance	61,170,046,537	676,762,338,906	103,076,976,563	841,009,362,006	
Ending balance	71,210,614,288	803,512,206,156	100,670,331,056	975,393,151,500	

Investment properties as at 31 December 2020 mainly include commercial floors of the Group's real estate projects. In which, certain investment properties are being used as collaterals for loans and bonds of the Group at commercial banks (Note 24).

As at 31 December 2020, the Group has not determined the fair values of these investment properties due to insufficient information required for valuation purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

16. CAPITALISED BORROWING COSTS

During the year, the Group capitalised borrowing costs amounting to VND14,1 billion (2019: VND123 billion).

These costs relate to general and specific borrowings taken to finance the development of Tuy Hoa – Phu Yen project, De Tham - Cao Bang project and Khe Ca - Quang Ninh project of the Group.

The capitalised borrowing costs of general borrowings are determined by applying a capitalisation rate of 11.6% per annum (2019: 11.6% per annum) on the accumulated weighted average expenditure on the real estate projects of the Group. The capitalisation rate used is the weighted average of the borrowings of the Group that are outstanding during the year.

17. CONSTRUCTION IN PROGRESS

	Currency: VND	
	Ending balance	Beginning balance
Tay Tan Do project (i)	46,406,081,630	45,822,480,000
Ha Phong – Khe Ca Quang Ninh project (i)	14,353,190,302	-
Phu Hai office construction	5,923,304,545	5,760,000,000
An Binh – Can Tho project	4,495,952,524	3,193,282,328
Tay Nam An Khanh project	2,710,530,145	2,710,530,145
Software construction	513,920,000	-
Other projects	1,900,931,052	1,380,742,594
TOTAL	76,303,910,198	58,867,035,067

(i) As at 31 December 2020, construction in progress in these projects are being used as collateral for loans and bonds of the Group at commercial banks (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

18. LONG-TERM INVESTMENTS (continued)

18.1 Investments in jointly controlled entities, associates (continued)

Details of the investments in jointly controlled entities and associates are as follows:

	Cienco 5	Dai Dong A JSC	BT Ha Dong LLC	Total
Cost of investment:				
Beginning balance	300,245,220,000	55,750,000,000	46,076,278,930	402,071,498,930
Additional contribution	-	-	5,826,607,167	5,826,607,167
Disposal	(300,245,220,000)	(55,750,000,000)	-	(355,995,220,000)
Ending balance	-	-	51,902,886,097	51,902,886,097
Accumulated share in post-acquisition profit of the associates:				
Beginning balance	3,845,513,605	(1,875,005,102)	-	1,970,508,503
Loss during the year	-	(889,206,465)	-	(889,206,465)
Disposal	(3,845,513,605)	2,764,211,567	-	(1,081,302,038)
Ending balance	-	-	-	-
Net carrying value:				
Beginning balance	304,090,733,605	53,874,994,898	46,076,278,930	404,042,007,433
Ending balance	-	-	51,902,886,097	51,902,886,097

18.2 Investments in other entities

Name of entity	Number of shares		Ownership and voting right (%)	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Hai Phat Thu Do JSC (i)	16,008,000	11,008,000	17.79	13.76
Cienco 5	6,804,520	-	15.50	-
Railways Real Estate JSC (ii)	-	500,000	-	10.00

(i) According to the Resolution No.23/NQ-HDQT dated 24 July 2020 of the Board of Directors, the Group has completed the additional capital contribution in Hai Phat Thu Do JSC with the amount of VND50 billion, equivalent to 5,000,000 shares. Because some other shareholders did not contribute capital according to their ownership ratio, the Group's ownership in Hai Phat Thu Do JSC increased from 13.76% to 17.79%.

(ii) On 25 March 2020, the Group completed the transfer of all shares in the Railway Real Estate JSC to a related party for a total of consideration of VND5 billion, no profit/(loss) arising from this transaction.

As at 31 December 2020, all other investments are being used by the Group as collaterals for the related party's loan.

Due to insufficiency unavailability of necessary information, the Group has not yet been able to determine the fair value of these investments as at 31 December 2020.

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

19. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

19.1 Short-term trade payables

	Ending balance		Beginning balance		Currency: VND
	Amount	Payable amount	Amount	Payable amount	
Short-term trade payables	501,330,423,572	501,330,423,572	391,448,804,599	391,448,804,599	
- Ms Nguyen Hong Nhung	163,701,726,450	163,701,726,450	-	-	
- No.1 Song Hong Construction JSC	23,493,115,910	23,493,115,910	23,493,115,910	23,493,115,910	
- TSQ Techco JSC	3,277,221,492	3,277,221,492	14,332,163,010	14,332,163,010	
- Joint venture of Sacoform Construction Equipment JSC and TSQ Techco JSC	-	-	24,350,671,310	24,350,671,310	
- Other suppliers	310,858,359,720	310,858,359,720	329,272,854,369	329,272,854,369	
Short-term payables to related parties (Note 35)	3,718,981,070	3,718,981,070	12,619,879,723	12,619,879,723	
TOTAL	505,049,404,642	505,049,404,642	404,068,684,322	404,068,684,322	

19.2 Short-term advances from customers

These are mainly balance of down payments from customers who signed contracts to purchase real estate properties at Hai Phat Plaza high-rise project, Phu Lam social housing urban area project, Phu Luong new urban area project and other projects of the Group.

20. STATUTORY OBLIGATIONS

	Beginning balance		Payment made/Offsetting during the year		Ending balance		Currency: VND
	Beginning balance	Payables for the year	Beginning balance	Ending balance	Beginning balance	Ending balance	
Payables							
Corporate income tax	155,728,079,475	100,191,273,665	151,894,163,137	104,025,190,003			
Value added tax	50,948,274,756	126,559,975,319	150,932,597,714	26,575,652,361			
Personal income tax	5,459,373,332	24,672,150,052	20,048,630,391	10,082,892,993			
Land fees payable to the State	-	317,671,309,400	317,671,309,400	-			
Others	-	10,141,980,397	7,337,997,775	2,803,982,622			
TOTAL	212,135,727,563	579,236,688,834	647,884,698,418	143,487,717,979			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

20. STATUTORY OBLIGATIONS (continued)

	Currency: VND			
	Beginning balance	Receivables for the year	Offsetting during the year	Ending balance
Receivables				
Value added tax	90,602,311,391	4,351,446,421	6,434,491,951	88,519,265,861
Corporate income tax	-	609,582,469	-	609,582,469
TOTAL	90,602,311,391	4,961,028,890	6,434,491,951	89,128,848,330

21. SHORT-TERM ACCRUED EXPENSES

	Currency: VND	
	Ending balance	Beginning balance
Accrued future costs of inventory properties sold	46,208,431,283	231,684,347,100
Accrued construction costs	44,985,312,885	13,882,138,188
Accrued interest supporting cost	20,456,475,133	24,513,036,062
Accrued loan interests	16,146,685,821	34,185,316,964
Accrued advertising and commission fees	13,942,006,393	8,001,902,543
Other accrued expenses	15,576,736,578	4,928,303,201
TOTAL	157,315,648,093	317,195,044,058
<i>In which:</i>		
Short-term accrued expenses for other parties	157,315,648,093	317,195,044,058

22. UNEARNED REVENUE

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Unearned revenue from leasing activities	13,823,465,534	9,748,964,415
TOTAL	13,823,465,534	9,748,964,415
Long-term		
Unearned revenue from leasing activities	4,342,659,144	-
TOTAL	4,342,659,144	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

23. OTHER PAYABLES

	Currency: VND	
	Ending balance	Beginning balance
Short-term		
Maintenance fund (i)	67,998,246,879	76,150,812,973
Payment and collection on behalf	31,512,076,223	30,328,275,000
Payables under business co-operation contracts	16,842,956,202	-
Deposits, borrowings and other agreements related to real estate projects	15,556,933,875	9,895,443,166
Other short-term payables	14,519,761,111	38,067,611,144
TOTAL	146,429,974,290	154,442,142,283
<i>In which:</i>		
Other short-term payables to customers	145,141,931,906	153,952,081,364
Other short-term payables to related parties (Note 35)	1,288,042,384	490,060,919
Long-term		
Payables under trust investment contracts (ii)	-	202,200,220,000
Deposits from long-term lease contracts (iii)	178,199,761,578	149,275,754,677
Payables under business co-operation contracts	45,242,848,602	40,358,600,000
TOTAL	223,442,610,180	391,834,574,677
<i>In which:</i>		
Other long-term payables to other parties	223,442,610,180	189,634,354,677
Other long-term payables to related parties (Note 35)	-	202,200,220,000

(i) These are maintenance funds for handed over apartment units sold at the Group's real estate projects. These maintenance funds will be transferred to the building management boards.

(ii) Balance as at 31 December 2019 is the payable to a related party under the contract No.342/2015/HĐ-UQ regarding the investment trust to acquire share capital in another entity. This trust investment has been terminated in 2020 (Note 18.2)

(iii) Balance as at 31 December 2020 includes long-term deposits from customers under the leases contracts of social housing apartments at Phu Lam social housing project, Phu Lam ward, Ha Dong district, Hanoi and under leasing contracts for commercial floor of The Pride building, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi.

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOAN

	Note	Beginning balance		Movement during the year		Ending balance		Currency: VND
		Balance	Payable amount	Increase	Decrease	Balance	Payable amount	
Short-term loans								
Loans from banks	24.1	183,570,992,059	183,570,992,059	357,247,934,630	257,475,811,663	283,343,115,026	283,343,115,026	
Current portion of long-term loans from banks	24.1	92,745,768,255	92,745,768,255	51,277,222,271	89,700,827,144	54,322,163,382	54,322,163,382	
Loan from individual		-	-	111,773,850,000	111,773,850,000	-	-	
Loan from business partner	24.2	-	-	71,000,000,000	-	71,000,000,000	71,000,000,000	
Loan from related parties	35	-	-	50,000,000,000	-	50,000,000,000	50,000,000,000	
Current portion bonds	24.3	592,628,666,041	592,628,666,041	1,156,192,874,722	735,316,600,000	1,013,504,940,763	1,013,504,940,763	
TOTAL		868,945,426,355	868,945,426,355	1,797,491,881,623	1,194,267,088,807	1,472,170,219,171	1,472,170,219,171	
Long-term loans								
Loans from banks	24.1	45,980,122,221	45,980,122,221	279,950,277,915	52,887,262,271	273,043,137,865	273,043,137,865	
Corporate bonds	24.3	1,096,719,525,604	1,096,719,525,604	753,918,987,403	1,155,627,554,103	695,010,958,904	695,010,958,904	
TOTAL		1,142,699,647,825	1,142,699,647,825	1,033,869,265,318	1,208,514,816,374	968,054,096,769	968,054,096,769	

45

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOANS (continued)

24.1 Loans from banks

Details of short-term loans from banks are presented as below:

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate	Collaterals
Bao Viet Joint Stock Commercial Bank – Head Office	229,975,162,652	The term for the debt acknowledgment contract is 12 months with the last one maturing on 2 December 2021. Interest is payable monthly.	The overdraft rate is the saving deposit rate of the term deposit placed at Bao Viet Joint Stock Commercial Bank (which is used as loan collateral) plus 0.7% per annum.	(i)
Vietnam Bank for Agriculture and Rural Development – Ha Noi I Branch	39,407,852,374	The term for the debt acknowledgment contract is 8 months with the final contract maturing on 16 August 2021.	The interest rate is 8.5%/year, adjusted every 3 months.	(ii)
Vietnam Prosperity Joint Stock Commercial Bank - Head Office	13,960,100,000	The term for the debt acknowledgment contract is 12 months with the last one maturing on 17 April 2021. Interest is payable monthly.	The interest rate is 12%/year, adjusted every 3 months.	(iii)
TOTAL	283,343,115,026			

(i) The collateral for this loan is a term deposit, of VND240.4 billion, placed at Bao Viet Joint Stock Commercial Bank – Head Office Branch, with terms of one year and interest rate of 5.4% per annum (Note 6).

(ii) The collateral for this loan is the land use right of the commercial floor of an indirect subsidiary at The Pride project, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi.

(iii) The collateral for this loan is the property right arising from certain apartments of Hai Phat Plaza project, in Dai Mo ward, Nam Tu Liem district, Hanoi, real estate in Phu Hai project, Phu Hai ward, Phan Thiet city and shares in Hai Phat Thu Do JSC of other individuals.

46

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOANS (continued)

24.1 Loans from banks (continued)

Details of long-term loans from banks are presented as below:

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate	Currency: VND Collaterals
Vietnam Joint Stock Commercial Bank for Industry and Trade - Do Thanh Branch <i>In which: Current portion</i>	87,759,676,315 43,879,838,158	The term for each debt acknowledgment contract is up to 36 months with the last one maturing on 19 December 2022. Interest is payable monthly.	The interest rate as at 31 December 2020 is 8.76% - 10.96%/year.	(iv)
Vietnam Bank for Agriculture and Rural Development – Ha Noi I Branch <i>In which: Current portion</i>	54,502,700,000	The term for each debt acknowledgment contract is up to 60 months with the last one maturing on 22 December 2025. Interest is payable every 3 months.	Interest rate at the time of borrowing is 9.5%. The variable interest rate is determined by the ceiling interest rate ceiling for more than 12 months with interest payment in VND (taking into account the payment reserve, compulsory reserve) according to the current regulations of the bank plus minimum 3.5%, but not lower than the loan interest rate regulated by the bank from time to time.	(v)
Vietnam Bank for Agriculture and Rural Development – Cao Bang Branch <i>In which: Current portion</i>	23,358,300,000			
Tien Phong Commercial Bank – Thanh Do Branch <i>In which: Current portion</i>	500,833,332 85,857,144	The term for each debt acknowledgment contract is up to 12 months with the last one maturing on 28 October 2026. Interest is payable monthly.	9.4% per annum and revised in every 3 months with the base of interest of a 3 month-term plus the margin of 5.15%.	(vi)
Vietnam Prosperity Joint Stock Commercial Bank – Dong Do Branch <i>In which: Current portion</i>	2,415,030,000 2,415,030,000	The term for each debt acknowledgment contract is up to 18 months with the last one maturing on 9 September 2021. Interest is payable monthly.	11.5% per annum and revised monthly based on the capital selling interest rate applied by Head Office with disbursement with term over 1 to 2 years at the adjustment point plus a margin of 3.5% per year.	(vii)

47

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOANS (continued)

24.1 Loans from banks (continued)

Details of long-term loans from banks are presented as below:

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate	Collaterals
Military Commercial Joint Stock Bank <i>In which: Current portion</i>	158,828,761,600 7,941,438,080	The term for each debt acknowledgment contract is up to 12 months with the last one maturing on 16 December 2025. Interest is payable every 3 months.	Interest rate at disbursement date is 10.4% per annum, floating rate, revised every 3 months. The interest rate is determined by the loan interest rate of SME customers with loans over 12 months announced by MB Bank plus a margin of 3.9% per year.	(viii)
TOTAL	327,365,301,247			
<i>In which:</i> Long-term loan Current portion	273,043,137,865 54,322,163,382			
(iv)				The collateral for this loan is land use rights under Certificate of right of use of land and assets attached with the land of Tuy Hoa - Phu Yen project, Phu Yen province.
(v)				The collateral for this loan is certain commercial floors and apartments of Hai Phat Plaza project, Dai Mo ward, Nam Tu Liem district, Hanoi, owned by the Group and a related party.
(vi)				The collateral for this loan is a car with the carrying amount of VND727 million owned by the Group.
(vii)				The collateral for this loan is an apartment building at CT2, The Pride building, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi owned by the Group.
(viii)				The collateral for this loan is the property rights arising from the Khe Ca resort combined commercial services and housing project at Ha Phong ward, Ha Long city, Quang Ninh province and a certain amount of capital contribution of the Group in a company.

24.2 Loans from business partner

This is a loan of the Group from a business partner under a short-term loan contract signed on 21 December 2020, due on 21 June 2021, interest rate of 10% per year, principal and interest paid on maturity date and no collateral.

48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOANS (continued)	Ending balance (VND)	Principal and interest repayment term	Interest rate	Collaterals
24.3 Corporate bonds				
Details of long-term corporate bonds are presented as below:				
<i>Writer</i>	<i>Ending balance (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate</i>	<i>Collaterals</i>
Indovina bank Ltd.,	500,000,000,000	Principal is payable in lump sum on the maturity date for each disbursement on 1 December 2021 and 1 December 2022. Interest is payable every 6 months.	8.8%	(ix)
<i>In which:</i>				
<i>Current portion</i>	200,000,000,000			
MB Securities Joint Stock Company	4,683,400,000	Principal is payable in lump sum on the maturity date which is 26 January 2021. Interest is payable every 6 months.	10.1-	(x)
<i>In which:</i>				
<i>Current portion</i>	4,683,400,000		10.83%	
SmartInvest Securities Joint Stock Company	298,678,796,719	Principal is payable in lump sum on the maturity date which is 31 December 2021. Interest is payable every 6 months.	10.5%	(xi)
<i>In which:</i>				
<i>Current portion</i>	298,678,796,719			
Petro Securities Joint Stock Company	163,385,148,307	Principal is payable in lump sum on the maturity date which is 28 May 2021. Interest is payable every 6 months.	11%	(xii)
<i>In which:</i>				
<i>Current portion</i>	163,385,148,307			
MB Securities Joint Stock Company	198,157,396,484	Principal is payable in lump sum on the maturity date which is 26 December 2021. Interest is payable every 6 months.	11%	(xiii)
<i>In which:</i>				
<i>Current portion</i>	198,157,396,484			
Vietinbank Securities Joint Stock Company	148,600,199,253	Principal is payable in lump sum on the maturity date which is 16 December 2021. Interest is payable every 3 months.	10%	(xiv)
<i>In which:</i>				
<i>Current portion</i>	148,600,199,253			
Vietinbank Securities Joint Stock Company	177,754,931,507	Principal is payable in lump sum on the maturity date which is 31 August 2022. Interest is payable every 6 months.	10%	(xv)
Vietinbank Securities Joint Stock Company	98,452,739,726	Principal is payable in lump sum on the maturity date which is 31 August 2022. Interest is payable every 6 months.	10%	(xvi)
Vietinbank Securities Joint Stock Company	118,803,287,671	Principal is payable in lump sum on the maturity date which is 31 August 2022. Interest is payable every 6 months.	10%	(xvii)
TOTAL	1,708,515,899,667			
<i>In which:</i>				
<i>Long-term corporate bonds</i>	695,010,958,904			
<i>Current portion of long-term corporate bonds</i>	1,013,504,940,763			
<i>Principal</i>	1,721,000,000,000			
<i>Bond issuance fee</i>	12,484,100,333			

49

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

24. LOANS (continued)	Ending balance	Beginning balance	Currency: VND
24.2 Corporate bonds (continued)			
(ix) The collaterals of this bond are shares of the Group owned by an individual and the value of the commercial floor area at The Pride Project, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi of a subsidiary, commercial area of The Pride project, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi and certain apartments and commercial floors at the Tan Tay Do project, Tan Lap commune, Dan Phuong district, Hanoi.			
(x) The collaterals of this bond are shares of individuals.			
(xi) The collaterals of this bond are villas of individuals at Hai Phat Plaza project, Dai Mo ward, Nam Tu Liem district, Hanoi and certain commercial floors of an indirect subsidiary at The Pride building, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi.			
(xii) The collaterals of this bond are certain commercial floors of an indirect subsidiary at The Pride Project, An Hung new urban area, La Khe ward, Ha Dong district, Hanoi and villas of an individual at Hai Phat Plaza project, Dai Mo ward, Nam Tu Liem district, Hanoi.			
(xiii) The collaterals of this bond are the commercial floor of The Pride project, An Hung New Urban Area, La Khe Ward, Ha Dong District, Hanoi; the commercial floor of the Roman Plaza project, Dai Mo ward, Nam Tu Liem district, Hanoi which are owned by an indirect subsidiary; shares of the Group owned by individuals; property rights arising from sale and purchase contracts signed by Roman and Phu Luong; property rights arising from unsold assets owned by the Group.			
(xiv) The collaterals of this bond are all land use rights and the value of assets attached to the land owned by the Group at the Cam Binh commercial, public and residential services project, Cam Binh ward, Cam Pha city, Quang Ninh province.			
(xv) The collaterals of this bond are shares of individuals.			
(xvi) The collaterals of this bond are shares of individuals.			
(xvii) The collaterals of this bond are shares of individuals.			
25. BONUS AND WELFARE FUND			
Beginning balance	21,118,164,835	11,556,448,704	
Increase from undistributed earnings (Note 26)	19,748,623,225	11,941,116,131	
Utilised during the year	(9,659,380,500)	(2,379,400,000)	
Ending balance	31,207,407,560	21,118,164,835	

50

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

26. OWNERS' EQUITY	Currency: VND					
	Contributed share capital	Share premium	Other funds	Undistributed earnings	Non-controlling interest	Total
26.1 Increase and decrease in owners' equity						
Previous year						
Beginning balance	1,999,963,050,000	60,986,800,000	-	502,414,878,523	14,211,057,001	2,577,575,785,524
- Increase equity interest in subsidiaries	-	-	-	(35,519,534,370)	-	(35,519,534,370)
- Acquisition of new subsidiaries	-	-	-	-	1,797,335,898	1,797,335,898
- Capital contribution of minority shareholders to subsidiaries	-	-	-	-	30,000,000,000	30,000,000,000
- Transfer subsidiaries	-	-	-	-	(14,211,057,001)	(14,211,057,001)
- Net profit for the year	-	-	-	446,702,265,689	6,264,992,043	452,967,257,732
- Appropriation to welfare fund	-	-	-	(11,941,116,131)	-	(11,941,116,131)
- Remuneration of the Board of Directors	-	-	-	(7,868,905,000)	-	(7,868,905,000)
Ending balance	1,999,963,050,000	60,986,800,000	-	893,787,588,711	38,062,327,941	2,992,799,766,652
Current year						
Beginning balance	1,999,963,050,000	60,986,800,000	-	893,787,588,711	38,062,327,941	2,992,799,766,652
- Stock dividend (Note 26.4)	644,982,770,000	-	-	(644,982,770,000)	-	-
- Dividend distribution (*)	-	-	-	-	(7,391,433,189)	(7,391,433,189)
- Net profit for the year	-	-	-	92,293,322,388	5,318,156,823	97,611,479,211
- Appropriation to welfare fund (**)	-	-	-	(19,748,623,225)	-	(19,748,623,225)
- Appropriation to other funds	-	-	580,012,025	(446,609,259)	-	-
- Remuneration of the Board of Directors (**)	-	-	-	(6,402,905,575)	(124,912,882)	(6,527,818,457)
- Increase equity interest in subsidiaries	-	-	-	8,535,690,655	(7,155,690,655)	1,380,000,000
- Transfer a portion of ownership in subsidiaries without losing controlling interest (***)	-	-	-	-	369,425,385,192	369,425,385,192
Ending balance	2,644,945,820,000	60,986,800,000	580,012,025	516,430,308,503	398,000,430,464	3,620,943,370,992

51

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

26. OWNERS' EQUITY (continued)	Currency: VND				
	Ending balance	Preference shares	Ordinary shares	Total	Beginning balance
26.1 Increase and decrease in owners' equity					
Capital contribution by shareholders	2,644,945,820,000	-	1,999,963,050,000	1,999,963,050,000	-
TOTAL	2,644,945,820,000	-	1,999,963,050,000	1,999,963,050,000	-
26.2 Contributed charter capital					
Capital contribution by shareholders	2,644,945,820,000	-	1,999,963,050,000	1,999,963,050,000	-
TOTAL	2,644,945,820,000	-	1,999,963,050,000	1,999,963,050,000	-
26.3 Capital transactions with owners and distribution of dividends, profits					
Share capital/					
Beginning balance					1,999,963,050,000
Increase from stock dividends					644,982,770,000
Ending balance					2,644,945,820,000
Stock dividends declared					644,982,770,000

26.3 Capital transactions with owners and distribution of dividends, profits	Currency: VND	
	Current year	Previous year
Share capital/		
Beginning balance	1,999,963,050,000	1,999,963,050,000
Increase from stock dividends	644,982,770,000	-
Ending balance	2,644,945,820,000	1,999,963,050,000
Stock dividends declared	644,982,770,000	-

52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

26. OWNERS' EQUITY (continued)

26.4 Dividends

	Current year	Previous year
Stock dividends declared and settled during the year		
<i>Dividends on ordinary shares</i>		
Dividends by shares for 2018: 29,999,201 shares per 199,996,305 existing shares (2017: 0 share per 199,996,305 existing shares)	644,982,770,000	-
Dividends by shares for 2019: 34,499,076 shares per 229,995,506 existing shares (2018: 29,999,201 shares per 199,996,305 existing shares)	299,992,010,000	-
<i>Dividends on preference shares</i>	344,990,760,000	-

Dividends declared after the date of reporting period and not yet recognised as liability as at 31 December 2020

Dividends on ordinary shares
Dividends on preference shares

According to the Resolution of the General Meeting of shareholders No.02/NQ-DHDCD.2019 dated 29 March 2019, the General Meeting of shareholders of the Company approved the stock dividends plans, whereby the dividend distributed is at least 15% of charter capital which is equivalent to VND299.99 billion. The Company issued 29,999,201 additional shares at par value of VND10,000 per share to pay the above dividend. On 17 April 2020, the Company received Decision No.184/QĐ-SGDHCM of the Ho Chi Minh Stock Exchange about the change of listed registration and the Company also completed the capital increase procedures according to the 15th Amended Enterprise Registration Certificate issued on 20 April 2020.

According to the Resolution of the General Meeting of shareholders dated 27 June 2020, the General Meeting of shareholders of the Company approved the stock dividends plan for 2019, whereby the dividend distributed is at least 15% of charter capital which is equivalent to VND344.99 billion. The Company issued 34,499,325 additional shares at par value of VND10,000 per share to pay the above dividend. On 20 October 2020, the Company received Decision No. 630/QĐ-SGDHCM of the Ho Chi Minh Stock Exchange about the change of listed registration and the Company also completed the capital increase procedures according to 16th Amended Enterprise Registration Certificate issued on 20 October 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

26. OWNERS' EQUITY (continued)

26.5 Ordinary shares

	Number of shares	
	Ending balance	Beginning balance
Authorised shares	264,494,582	199,996,305
Issued shares	264,494,582	199,996,305
<i>Ordinary shares</i>	264,494,582	199,996,305

Par value of outstanding share: VND 10,000 per share (31 December 2019: VND10,000 per share).

27. NON-CONTROLLING INTERESTS

	Currency: VND	
	Ending balance	Beginning balance
Beginning balance	38,062,327,941	14,211,057,001
Increase from acquisition of subsidiaries	-	1,797,335,898
Increase from establishment of a subsidiary	-	30,000,000,000
Decrease from increase of ownership in subsidiary	(7,155,690,655)	(14,211,057,001)
Increase from transfer of subsidiary without losing control	369,425,385,192	-
Appropriation of funds and remuneration of the Board of Directors	(258,315,648)	-
Accumulated dividends	(7,391,433,189)	-
Undistributed earnings	5,318,156,823	6,264,992,043
Ending balance	398,000,430,464	38,062,327,941

28. REVENUES

28.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	1,329,627,915,814	3,431,936,907,385
<i>In which:</i>		
Revenue from sales of inventory properties	837,170,327,303	3,007,988,271,881
Revenue from real estate brokerage services	361,375,730,661	333,461,726,181
Revenue from managing and operating services	65,444,389,296	11,902,353,766
Revenue from leasing activities and rendering other services	65,637,468,554	78,584,555,557
Sales deductions	-	-
Net revenue	1,329,627,915,814	3,431,936,907,385
<i>In which:</i>		
Revenue from other parties	1,263,139,727,458	3,216,585,364,370
Revenue from related parties (Note 35)	66,488,188,356	215,351,543,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

28. REVENUES (continued)

28.2 Finance income

	Currency: VND	
	Current year	Previous year
Gain from disposal of financial investments (i)	127,463,411,567	466,922,473,812
Interest income	20,522,810,933	9,023,907,286
TOTAL	147,986,222,500	475,946,381,098

(i) Gain from disposal of financial investments includes:

- Gain of VND65.45 billion arising from the transfer of contributed capital for investment co-operation in the Southwest Ba Ria - Vung Tau eco-urban project to a corporate counterparty under the agreement No.35/2020/BBTT dated 26 March 2020.
- Gain of VND59.2 billion arising from the transfer of all shares in Dai Dong A JSC to a corporate counterparty under the contract No.36/2020/HDCN dated 25 March 2020.

29. COST OF GOODS SOLD AND SERVICES RENDERED

	Currency: VND	
	Current year	Previous year
Cost of inventory properties sold	629,684,561,804	2,674,554,857,066
Cost of real estate brokerage services	229,172,573,794	155,696,460,714
Cost of managing and operating services	57,844,833,676	12,251,768,299
Cost of leasing activities and rendering other services	73,428,963,177	78,043,864,944
TOTAL	990,130,932,451	2,920,546,951,023

30. FINANCE EXPENSES

	Currency: VND	
	Current year	Previous year
Interest expenses	194,625,426,154	114,252,650,136
Bond issue costs	16,263,489,840	16,614,390,307
Loss from transfer of shares	3,845,513,605	-
TOTAL	214,734,429,599	130,867,040,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	Currency: VND	
	Current year	Previous year
Selling expenses		
- Commission fees	15,858,796,163	76,421,388,287
- External services expenses	4,639,534,028	-
- Labor costs	4,243,326,169	3,573,245,550
- Advertising, promotions expenses	1,141,617,338	4,470,164,088
- Others	58,948,050	104,984,238
	25,942,221,748	84,569,782,163
General and administrative expenses		
- Labor costs	55,305,745,340	58,556,834,215
- External services expenses	37,684,465,450	33,286,111,595
- Provisions	9,076,033,942	30,000,000,000
- Others	15,707,054,620	22,730,044,459
	117,773,299,352	144,572,990,269
TOTAL	143,715,521,100	229,142,772,432

32. OTHER INCOME AND EXPENSES

	Currency: VND	
	Current year	Previous year
Other income	29,262,106,318	8,251,284,731
Gain from bargain purchase	-	4,477,168,004
Income from compensation, contract penalty	3,875,272,189	2,164,715,768
Income from interest sharing agreement	15,606,589,635	1,156,497,660
Payable written-off	9,327,805,985	-
Other income	452,438,509	452,903,299
Other expenses	12,740,508,007	4,063,341,564
Penalty of Tax late payment	9,232,987,063	2,735,147,773
Contract penalty	1,819,143,978	-
Other expenses	1,688,376,966	1,328,193,791
NET OTHER PROFIT	16,521,598,311	4,187,943,167

33. PRODUCTION AND OPERATING COSTS

	Currency: VND	
	Current year	Previous year
Development costs of inventory properties	1,104,324,654,161	570,616,864,433
External services expenses	167,303,477,344	108,877,907,287
Labor costs	290,573,938,877	272,710,871,781
Depreciation and amortisation	31,921,721,041	23,358,005,271
Raw materials expenses	1,825,457,585	5,335,290,960
Others	24,937,501,168	64,852,791,089
TOTAL	1,620,886,750,176	1,045,751,730,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

34. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group in the current year is 20% of taxable profit (2019: 20%), except for profit from Phu Lam social housing urban area project, which is subject to incentive corporate income tax rate of 10% applicable for social housing project.

The tax returns filed by the Company and its subsidiaries 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.

34.1 CIT expenses

	Currency: VND	
	Current year	Previous year
Current tax expenses	44,384,173,361	185,206,531,271
Adjustment for under accrual of tax from prior year	1,286,695,438	-
Deferred tax expenses/(income)	1,383,299,000	(5,655,119,289)
TOTAL	47,054,167,799	179,551,411,982

The reconciliation between CIT expenses and the accounting profit before tax multiplied by CIT rate is presented below:

	Currency: VND	
	Current year	Previous year
Accounting profit before tax	144,665,647,010	632,518,669,714
At CIT rate applicable to the Group	28,933,129,402	126,503,733,943
<i>Impacts of adjustments:</i>		
Non-deductible land development and construction expenses	16,653,402,261	49,588,005,355
Impact of Decree 132/2020/ND-CP	2,591,567,116	-
Penalties	1,869,244,276	574,397,643
Under accrual of CIT from prior year	1,286,695,438	-
Non-deductible depreciation expenses	306,904,265	496,389,778
Impact of business combination or disposal of financial investments in the consolidated financial statement	216,260,408	(991,334,374)
Share of loss/(profit) from associates	177,841,293	(200,840,392)
Other non-deductible expenses	4,926,227	132,779,577
Profit for current year taxed in previous year	(2,853,712,794)	-
Impact of difference in corporate income tax rates	(1,397,068,586)	3,214,843,939
Tax reduction (*)	(541,180,045)	-
Unrecognised deferred tax assets related to tax losses in the year	(193,841,462)	233,436,513
CIT expenses	47,054,167,799	179,551,411,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

34. CORPORATE INCOME TAX (continued)

34.1 CIT expenses (continued)

(*) According to the Resolution No. 116/2020/QH14 dated 19 June 2020 issued by the National Assembly, some Company's subsidiaries are entitled to a 30% reduction of the payable CIT amount of 2020 because their total revenue in 2020 is not larger than VND200 billion.

The current tax payable is based on taxable profit for the current period. The taxable incomes of the Company and subsidiaries are different from that reported in the consolidated income statement because taxable income does not include taxable income or deductible expenses for taxation purposes in other periods and also excludes non-taxable or non-deductible items for taxation purposes. The current CIT payables of the Company and subsidiaries is calculated using tax rates that have been enacted by the balance sheet date.

34.2 Deferred tax

The following are the deferred tax assets recognised by the Group, and the movements thereon, during the current and previous year:

	Currency: VND			
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Temporary difference related to unrealised profit of internal transactions within the Group	5,732,800,026	6,652,237,706	-919,437,680	6,118,980,608
Deferred tax liabilities				
Temporary difference related to unrealised profit of internal transactions within the Group	(3,990,444,510)	(3,526,583,190)	(463,861,320)	(463,861,319)
Net deferred tax assets	1,742,355,516	3,125,654,516		
Deferred tax (expense)/income			(1,383,299,000)	5,655,119,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

34. CORPORATE INCOME TAX (continued)

34.3 Tax losses carried forward

The Group is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had aggregated accumulated tax losses of VND1,035,452,501 available for offset against future taxable income. Details are as follows:

Originating year	Can be utilized up to	Tax loss amount (*)	Utilized up to 31 December 2020	Forfeited	Currency: VND	
					Unutilized at 31 December 2020	
2017	2022	232,555,427	(232,555,427)	-	-	-
2018	2023	1,056,688,700	(975,577,291)	-	81,111,409	-
2019	2024	858,728,185	-	-	858,728,185	-
2020	2025	95,612,907	-	-	95,612,907	-
TOTAL		2,243,585,219	(1,208,132,718)	-	1,035,452,501	-

(*) All tax losses are based on the annual tax finalisation that has not been inspected by the local tax authority at the date of financial statements.

No deferred tax assets were recognised in respect of the above tax loss amount because future taxable income cannot be ascertained at this stage.

(*) Interest expenses over cap in accordance with Decree 132/2020/ND-CP:

In addition, according to Decree 132/2020/ND-CP, the Group is allowed to carry forward the interest expenses exceeding deductible cap in the fiscal year 2020 to the following years to offset against profits within 5 years from the year the expense is incurred. As at 31 December 2020, the Group has accumulated interest expenses exceeding deductible cap of VND12,957,835,585 which can be used to offset against future profits. As at 31 December 2020, the Group has not recognised deferred tax assets on these carried forward interest expenses because the Group cannot reliably determine the deductibility of these expenses in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the current year and previous year are as below:

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
HP Thang Long Construction JSC (formerly known as Hai Phat Construction JSC)	Related party of a family member of the Board of Directors until 1 November 2019	Construction cost paid by off-setting between receivables and payables Construction cost paid Construction costs payables	- - -	34,319,097,510 53,304,901,366 115,391,984,989
Phuc Thanh Concrete Construction and Trading JSC	Under common control	Construction costs payables Construction cost paid	1,930,909,897 977,220,000	7,224,163,817 7,224,163,817
Bea Leasing one-member Limited Liability Company	Under common key personnel	Revenue from sales of inventory properties	-	93,980,291,567
Dai Dong A JSC	Under common control	Refund of deposit for purchasing commercial floors Deposit for real estate brokerage Service fee receivables Receipt from service fee Deposit off-setting according to agreement contract	- - 19,863,981,777 13,872,976,368 3,228,653,334	20,000,000,000 8,111,346,666 - - -
HP Land JSC	Under common member of the management with a subsidiary	Receipts from deposit Transferring cash to deposit Receipts from transferring inventory properties Receivable from brokerage service Payables for goods purchased, services used Advance for goods purchased, services used Brokerage service receivables Receipts from rental fee Receipts from brokerage fee Receipts from service fee Car rental payables Car rental paid Debt off-setting	215,000,000,000 215,000,000,000 - - 159,876,968 - 12,790,857,367 14,629,606,315 42,366,827,305 569,104,704 356,400,000 356,400,000 4,089,044,787	605,000,000,000 - 254,816,534,714 103,367,481,068 9,109,653,131 41,000,000,000 - - - - - - -
Hai Phong Development Limited Liability Company	Under common key personnel	Capital contributed	-	17,750,000,000
BT Ha Dong LLC	Associate	Capital contributed	5,826,607,167	18,688,322,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year are as follows (continued):

Related parties	Relationship	Transactions	Currency: VND			
			Current year	Previous year		
Hai Phat Thu Do JSC	Under common member of the Board of Directors	Receivables from brokerage service	20,274,129,586	16,718,465,235		
		Receipts from brokerage service	5,400,521,430	13,755,697,977		
		Receivables from leasing services	-	1,285,305,145		
		Receivables from loans	-	8,000,000,000		
		Receipts from agreement contract	16,355,465,698	-		
		Receivables from transferring contract	202,200,220,000	-		
		Debt off-setting	202,200,220,000	-		
		Receivables from management and service fee	19,194,504,015	-		
		Receipts from management and service fee	16,863,006,451	-		
		Collection on behalf fee payables	13,532,798,047	-		
		Collection on behalf fee paid	12,733,583,582	-		
		Rental fee payables	1,281,769,340	-		
		Receivables from loan interest	854,000,000	-		
		Thanh Nhan Commercial and Construction Investment JSC	Under common member of the management with a subsidiary until 27 March 2020	Construction payables	4,170,127,936	36,758,537,034
				Construction paid	697,020,357	50,240,878,885
Advance	6,707,623,361			-		
Payment of advance	-			50,000,000,000		
Mrs. Tran Thuy Anh	Related party of key member until 20 April 2020	Payment by off-setting receivables	-	10,999,192,270		
		Receivables under business co-operation contract	-	250,000,000,000		
Mr. Le Viet Dung	Member	Transferring contributed capital	5,000,000,000	-		
		Receipts from transferring contributed capital	5,000,000,000	-		
Mr. Do Quy Hai	Chairman	Assets purchasing payables	6,500,000,000	-		
		Assets purchasing paid	6,500,000,000	-		
Mrs. Tran Thi Thai Binh	Related party of key member	Receipts from loan	50,000,000,000	-		
Mrs. Nguyen Thi Thu Huong	Related party of key member	Receivables from transferring shares	20,000,000,000	-		
		Receipts from transferring shares	20,000,000,000	-		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the current year and previous year are as below (continued):

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
An Think Investment JSC	Related party of a member of the Board of Directors of a subsidiary until 17 April 2020	Receivables from transferring shares	-	450,000,000,000
		Receipts from transferring shares	100,000,000,000	350,000,000,000
		Receivables from investment co-operation contract	-	200,000,000,000
Hai Phat Global Real Estate JSC	Under common member of the management with a subsidiary	Brokerage fee payables	1,279,915,689	-
		Brokerage fee paid	2,071,576,632	-

Terms and conditions of transactions with related parties

During the year, the Group has purchased, provided, and acquired, goods and services, and has also been involved in payment on behalf from and to related parties at mutually agreed price.

Outstanding receivable, payable balances at 31 December 2020 are unsecured, interest free and will be settled in cash. During the year, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2019: nil). This assessment is undertaken each financial year through the examination of the financial position of the related parties and the market in which the related parties operate.

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the consolidated balance sheet dates were as follows:

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Currency: VND				
Short-term trade receivables (Note 7.1)				
Hai Phat Thu Do JSC	Related company of member of the Board of Directors	Receivables from brokerage services	19,543,221,938	4,669,613,782
		Receivables from building management fee	2,778,150,288	5,921,136,821
		Receivables from leasing services	6,811,815,617	1,337,331,520
		Receivables from utility fee and parking fee	24,081,934	-
An Think Investment JSC	Related company of member of the Board of Directors of a subsidiary until 17 April 2020	Receivables from the disposal of investment	-	100,000,000,000
HP Land JSC	Under common key member of the management with a subsidiary	Receivables from brokerage services	5,191,798,732	34,767,768,670
		Receivables from leasing services	-	18,495,175,703
		Receivables from inventory properties	-	12,169,023,043
Dai Dong A JSC	Associate	Receivables from brokerage services	3,320,934,537	270,000,000
		Receivables from leasing services	-	288,582,462
Bea Leasing One-member Limited Liability Company	Under common key personnel until 16 April 2020	Receivables from inventory properties	-	4,731,956,266
Other companies	Related parties	Receivables from rendering services	578,134,158	441,943,154
TOTAL			38,248,137,204	183,092,531,421

63

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the consolidated balance sheet dates were as follows (continued):

Related parties	Relationship	Interest rate/annum	Collaterals	Due date	Ending balance	Beginning balance
Currency: VND						
Short-term loan receivables (Note 8)						
Hai Phat Thu Do JSC	Related company of a Board Director	10.5%	None	8 May 2021	8,000,000,000	8,000,000,000
Mr. Dinh The Quynh	Key management member of a subsidiary	11%	None	25 March 2021	35,000,000,000	35,000,000,000
Mr. Lai Quoc Thang	Key management member of a subsidiary	11%	None	25 March 2021	35,000,000,000	35,000,000,000
Mr. Le Thanh Hai	Key management member of a subsidiary	10%	Guaranteee by Mr. Do Quy Hai	26 June 2021	101,300,000,000	101,300,000,000
TOTAL					179,300,000,000	179,300,000,000
Other short-term receivables (Note 9)						
Hai Phat Thu Do JSC	Related company of a Board Director				-	16,355,465,698
Dai Dong A JSC	Related company of a Board Director				949,666,667	95,666,667
HP Land JSC	Under common member of the management with a subsidiary				-	8,111,346,666
Other companies and individuals	Related parties				-	57,156,100
TOTAL					904,600,000	1,200,000,000
					1,854,266,667	25,819,637,131

64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the consolidated balance sheet dates were as follows (continued):

Related parties	Relationship	Transactions	Ending balance	Beginning balance
<i>Currency: VND</i>				
Long-term receivables (Note 9)				
An Think Investment JSC	Related company of member of the Board of Directors of a subsidiary until 17 April 2020	Receivables under the business co-operation contract	-	200,000,000,000
Thanh Nhan Commercial and Construction Investment JSC	Under common member of the management with a subsidiary until 27 March 2020	Receivables under the business co-operation contract	-	250,000,000,000
Cienco 5	Owned by a member of the Board of Directors	Receivables under the business co-operation contract	197,000,000,000	-
TOTAL			197,000,000,000	450,000,000,000
Short-term payables (Note 19.1)				
An Quy Hung Limited Liability Company	Related company until 1 September 2020	Construction materials payables	-	8,626,002,544
Hai Phat Thu Do JSC	Related company of a member of Board of Director	Electricity and parking fee payables	2,533,887,608	714,827,185
Thanh Nhan Commercial and Construction Investment JSC	Under common member of the management with a subsidiary until 27 March 2020	Construction payables	-	3,269,149,994
Other companies	Related parties	Other payables	1,185,093,462	9,900,000
TOTAL			3,718,981,070	12,619,879,723

Hai Phat Investment JSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the consolidated balance sheet dates were as follows (continued):

Related parties	Relationship	Transactions	Ending balance	Beginning balance	
<i>Currency: VND</i>					
Short-term other payables (Note 23)					
Hai Phat Thu Do JSC	Related company of a member of Board of Director	Service fee payments on behalf	1,288,042,384	490,060,919	
TOTAL			1,288,042,384	490,060,919	
Long-term other payables (Note 23)					
Hai Phat Thu Do JSC	Related company of a member of Board of Director	Payables of deposit	-	202,200,220,000	
TOTAL			-	202,200,220,000	
Details of short-term loans as at 31 December 2020: (Note 24)					
Related parties	Relationship	Balance VND	Interest % per annum	Maturity date	Collaterals
Mrs. Tran Thi Thai Binh	Related party of a key member	50,000,000,000	5	11 November 2021	None
		50,000,000,000			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

35. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors, the Management and Audit Committee:

Position	Currency: VND	
	Current year	Previous year
Chairman	2,760,000,000	2,627,920,000
Standing Vice Chairman	834,782,609	1,712,731,000
Vice Chairman	690,000,000	725,340,000
Member	1,185,750,000	862,947,000
Independent member	306,000,000	411,107,000
Deputy General Director until 27 June 2020 and a member of the Board of Directors from 27 June 2020	942,224,205	988,308,933
Independent member	208,695,652	411,107,000
Independent member cum Chairman of the Audit Committee	247,219,000	-
Independent member	72,734,694	-
General Director	2,040,126,999	1,570,604,980
Deputy General Director	406,651,911	971,972,675
Deputy General Director	406,872,376	987,878,419
Deputy General Director	938,902,005	500,628,736
Deputy General Director	641,165,883	-
Deputy General Director	504,159,250	-
Deputy General Director	801,673,478	-
Deputy General Director	591,250,181	-
TOTAL	13,578,208,243	10,907,598,743

36. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders 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 (after adjusting for interest on the convertible preference shares) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

36. EARNINGS PER SHARE (continued)

The Group used the following information to calculate earnings per share and diluted earnings per share:

	Currency: VND	
	Currency	Previous year (Restated)
Net profit after tax attributable to ordinary shareholders	92,293,322,388	446,702,265,689
Adjustment for remuneration of Board of Directors (*)	(6,398,285,575)	(6,936,669,723)
Adjustment for appropriation to bonus and welfare fund (*)	-	(19,748,623,225)
Net profit attributable to ordinary shareholders adjusted for the effect of dilution	85,895,036,813	420,016,972,741
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	264,494,582	199,996,305
Effect of stock dividend paid in 2020 (**)	-	64,498,277
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share, after adjustment	264,494,582	264,494,582
Effect of dilution	-	-
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	264,494,582	264,494,582
Basic earnings per share	325	1,588
Diluted earnings per share	325	1,588

(*) Net profit used to compute earnings per share for the year ended 31 December 2019 was restated from the previously reported figures in the current year's consolidated financial statements to reflect the actual allocation to bonus and welfare funds and remuneration of the Board of Directors from 2019 retained earnings as approved in the Shareholders Meeting's Resolution No.02/2020/NQ-DHDCD dated 27 June 2020.

Net profit used to compute earnings per share for the year ended 31 December 2020 was adjusted to reflect the remuneration of the Board of Directors from 2020 profit as per the Annual Shareholders Meeting's Resolution No.02/2020/NQ-DHDCD dated 27 June 2020 and the Extraordinary Shareholders Meeting's Resolution No.03/2020/NQ-DHDCD dated 21 November 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year end then ended

36. EARNINGS PER SHARE (continued)

(**) The number of ordinary shares used to calculate basic earnings per share includes the change in the number of shares issued from the decision to pay dividends in 2018 and 2019 (Note 26.4).

Other than the above, there have been no ordinary shares or potential ordinary shares transactions between the reporting date and the date of completion of these consolidated financial statements.

37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. The operating businesses are organised and managed according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- ▶ Real estate activities includes sales of real properties at the Group's real estate projects as well as other real estate investment activities.
- ▶ Real estate brokerage activities includes providing brokerage services and other related services.
- ▶ Leasing service and other activities includes providing leasing office, shopping mall and other related services of the Group's real estate projects.

Hai Phat Investment JSC

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

37. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segments

As at 31 December 2020 and for the year ended:

	Currency: VND				
	Real estate activities	Real estate brokerage activities	Leasing services and other related activities	Adjustment and elimination	Total
Revenue					
Sales to external customers	837,170,327,303	361,375,730,661	131,081,857,850	-	1,329,627,915,814
Sales to internal customers	-	13,912,336,538	49,876,367,264	(63,788,703,802)	-
Total revenue	837,170,327,303	375,288,067,199	180,958,225,114	(63,788,703,802)	1,329,627,915,814
Results:					
Segment net profit before tax	125,299,374,469	85,694,767,948	351,548,922	-	211,345,691,339
Unallocated income/(expenses) (*)	-	-	-	-	(66,680,044,329)
Net profit before corporate income tax	-	-	-	-	144,665,647,010
Corporate income tax expense	-	-	-	-	(47,054,167,799)
Net profit for the year	-	-	-	-	97,611,479,211
Assets and liabilities					
Segment assets	4,459,858,831,501	283,932,994,215	1,060,875,397,808	-	5,804,667,223,524
Unallocated assets (**)	-	-	-	1,573,859,862,411	1,573,859,862,411
Total assets	4,459,858,831,501	283,932,994,215	1,060,875,397,808	1,573,859,862,411	7,378,527,085,935
Segment liabilities	806,465,027,100	93,924,228,032	205,143,528,920	-	1,105,532,784,052
Unallocated liabilities (***)	-	-	-	2,652,050,930,891	2,652,050,930,891
Total liabilities	806,465,027,100	93,924,228,032	205,143,528,920	2,652,050,930,891	3,757,583,714,943
Other segment information					
Costs of fixed assets	-	-	6,545,200,000	358,516,819	6,903,716,819
Tangible fixed assets	-	-	-	128,906,601,912	128,906,601,912
Depreciation	-	-	23,758,210,355	8,163,510,686	31,921,721,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

37. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segments

As at 31 December 2019 and for the year ended:

	Real estate activities	Real estate brokerage activities	Real estate activities	Leasing services and other related activities	Adjustment and elimination	Total
Revenue						
Sales to external customers	3,007,988,271,881	333,461,726,181	90,486,909,323	-	-	3,431,936,907,385
Sales to internal customers	447,739,164,223	30,816,198,580	33,966,051,900	(512,521,414,703)	-	-
Total revenue	3,455,727,436,104	364,277,924,761	124,452,961,223	(512,521,414,703)	-	3,431,936,907,385
Results:						
Segment net profit before tax	250,212,482,596	177,744,367,871	(132,474,305)	-	-	427,824,376,162
Unallocated income/(expenses) (*)	-	-	-	-	-	204,694,293,552
Net profit before corporate income tax	-	-	-	-	-	632,518,669,714
Corporate income tax expense	-	-	-	-	-	(179,551,411,982)
Net profit for the year	-	-	-	-	-	452,967,257,732
Assets and liabilities						
Segment assets	4,544,298,675,505	221,927,023,086	924,335,263,625	-	-	5,690,560,962,216
Unallocated assets (**)	-	-	-	-	1,139,080,497,159	1,139,080,497,159
Total assets	4,544,298,675,505	221,927,023,086	924,335,263,625	-	1,139,080,497,159	6,829,641,459,375
Segment liabilities	1,100,377,970,062	50,579,615,093	175,107,976,710	-	-	1,326,065,561,865
Unallocated liabilities (***)	-	-	-	-	2,510,776,130,858	2,510,776,130,858
Total liabilities	1,100,377,970,062	50,579,615,093	175,107,976,710	-	2,510,776,130,858	3,836,841,692,723
Other segment information						
Costs of fixed assets	-	-	-	-	5,395,707,346	5,395,707,346
Tangible fixed assets	-	-	-	-	122,883,812,178	122,883,812,178
Depreciation	-	-	-	-	10,284,781,165	10,284,781,165

71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

37. SEGMENT INFORMATION (continued)

- (*) Unallocated income/(expenses) mainly comprise finance income, finance expenses, general and administrative expenses, other income and other expenses.
- (**) Unallocated assets comprise cash and cash equivalent, short-term investments, other receivables, tangible fixed assets and intangible fixed assets, short-term loan receivables and deferred tax assets.
- (***) Unallocated liabilities comprise statutory obligations, payables to employees, bonus and welfare fund, deferred tax liabilities, loans, certain other payables and accruals.

38. COMMITMENTS AND CONTINGENCIES

Commitments on capital contribution

		Currency: VND		
		Capital contribution commitment of the Group		
No	Name of investee	Registered charter capital	Amount	%
1	BT Ha Dong Limited Liability Company	350,000,000,000	175,000,000,000	50
TOTAL			175,000,000,000	
				123,097,113,903

Commitments related to development of real estate projects

The Group has signed contracts related to the development of the Group's real estate projects. The total commitment under these contracts as at 31 December 2020 is estimated at VND72.3 billion.

Commitments under operating leases where the Group is a lessee

The Group, as the lessee, has signed a number of office rental, vehicle rental under operating lease agreements. The minimum lease commitment as at the balance sheet dates under the operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	14,548,809,340	8,560,249,661
From 1- 5 years	30,977,235,046	11,588,047,289
More than 5 years	39,789,392,090	37,612,026,868
TOTAL	85,315,436,476	57,760,323,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

38. COMMITMENTS AND CONTINGENCIES (continued)

Commitments under operating leases where the Group is a lessor

The Group, as the lessor, has signed a number of lease contracts of apartments and commercial floor under operating lease agreements. The future minimum rental receivables as at the balance sheet dates under the operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	33,100,948,458	33,011,310,143
From 1- 5 years	114,825,179,028	96,247,376,576
More than 5 years	42,426,347,559	86,679,314,549
TOTAL	190,352,475,045	215,938,001,268

Other commitments

Commitment to investment contract/principle agreements

According to the contract No.215/HĐHTĐT/ 2018/HQC-HP dated 29 May 2018 between the Group and a corporate counterparty, the Group commits to co-operate with this party to develop Ham Tien – Mui Ne Tourism service Center project. According to which, the Group commit to transfer to this party an amount of VND388 billion. As at 31 December 2020, the remaining commitment is VND54 billion.

According to the contract No.203/2019/TTHT/HP-PA signed on 23 December 2019 between the Group and Phuc Anh Limited Liability Company regarding the co-operation to develop 11,409.6 m2 of urban land under Fidel Park project at Ward 1, Ward 3, Dong Ha city, Quang Tri province. The Group will contribute 50% of the expected investment of VND239 billion. As at 31 December 2020, the remaining commitment is VND90.5 billion.

According to the contract No.159/2020/HDHTDT signed on 31 December 2020 between the Group and a corporate counterparty on the investment co-operation, construction, implementation, business exploitation and operation for short-term projects in 2021, the Group will contribute VND200 billion. As at 31 December 2020, the remaining commitment is VND3 billion.

According to the contract No.196/TTHTDT/HP-TV signed on 27 November 2015 and No.491/TTHTDT/HP-TV signed on 11 December 2018 between the Group and a corporate counterparty on capital contribution to receive the co-operative land with infrastructure with an area of 6,220.48 m2 including 37 adjacent land lots and villas, the total value of capital contribution that the Group will contribute is VND108.8 billion. As at 31 December 2020, the remaining commitment is VND1 billion.

Commitment according to the project implementation guarantee

According to the agreement to guarantee the implementation of project No.07 and 08 dated 8 May 2019 between the Group and Can Tho Department of Planning and Investment for An Binh New Urban Area project, Ninh Kieu district, Can Tho city, the remaining commitment for this deposit is VND30 billion.

According to the agreement No.2312/SKHDT-HTDT dated 27 May 2020 between the Group and the Phan Thiet Department of Planning and Investment to ensure the implementation of the Ham Tien - Mui Ne tourist service center project in Phan Thiet city, the remaining commitment is VND95 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

39. EVENTS AFTER THE BALANCE SHEET DATE

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

In the first quarter of 2021, the COVID-19 epidemic continued to spread to many countries, causing widespread effects, creating many challenges for many industries as well as society. The Group assessed the overall impact of the epidemic on its entire operations and took all possible measures to mitigate the negative impact of the pandemic on the Group's employees and operations. The Group is constantly monitoring the development of COVID-19 in order to respond proactively, promptly and appropriately. The widespread of COVID-19 is expected to have a negative impact on the global economy as well as the Group's revenue and profitability in 2021, however, the Group cannot quantify the impact of this problem as at the date of this consolidated financial statements.


 Ta Thi Hoan
Preparer


 Le Hong Son
Chief Accountant


 Pham Huy Thong
Deputy General Director


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Hanoi, Vietnam

31 March 2021