

**KHAI HOAN LAND REAL ESTATE  
JOINT STOCK COMPANY**

**AUDITED FINANCIAL STATEMENTS**  
For the year ended 31 December 2020



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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

Board of General Directors of Khai Hoan Land Real Estate Joint Stock Company (the "Company") presents this report together with the Company's separate financial statements for the year ended 31 December 2020.

**THE BOARD OF MANAGEMENT AND GENERAL DIRECTORS**

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

**Board of Management**

Mr. Nguyen Khai Hoan	Chairman of Board of Management
Mrs. Dinh Thi Nhat Hanh	Vice Chairman of Board of Management (appointed on 01 October 2020)
Mr. Vo Cong Son	Member
Mrs. Vo Thi Hong Mai	Member (appointed on 14 August 2020, dismissed on 29 December 2020)
Mr. Nguyen The Trung	Member (appointed on 14 August 2020)
Ms. Pham Thi Minh Phu	Member (appointed on 20 October 2020)
Mrs. Vu Thi Thanh Tam	Member (appointed on 29 December 2020)

**Board of General Directors**

Mrs. Dinh Thi Nhat Hanh	General Director
Mr. Nguyen The Trung	Deputy General Director (appointed on 01 July 2020)
Ms. Pham Thi Minh Phu	Deputy General Director (appointed on 20 October 2020)

**BOARD OF GENERAL DIRECTORS' RESPONSIBILITY**

Board of General Directors of the Company is responsible for preparing the financial statements for the year ended 31 December 2020, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing these financial statements, Board of General Directors is required to:

- Comply with Vietnamese accounting standards, corporate accounting system and the relevant statutory requirements applicable to the preparation and presentation of the financial statements;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material misstated applications which need to be disclosed and explained in the financial statements;
- Design and implement an effective internal control system for the purpose of properly preparation and presentation of the financial statements so as to minimize errors and frauds; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese accounting standards, corporate accounting system and the relevant statutory requirements applicable to the preparation and presentation of the financial statements. Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Company, 



**Dinh Thi Nhat Hanh**  
**General Director**

Ho Chi Minh City, 20 January 2021

No: 01/2021/BCKT-AVI-TC1

## INDEPENDENT AUDITORS' REPORT

**To: The Board of Management and General Directors  
Khai Hoan Land Real Estate Joint Stock Company**

We have audited the accompanying financial statements (of holding company) of Khai Hoan Land Real Estate Joint Stock Company (the "Company"), prepared on 20 January 2021, as set out from page 04 to page 26, which comprise the balance sheet as at 31 December 2020, the statement of income, and statement of cash flows for the year then ended and the Notes to the financial statements.

### Board of General Directors' Responsibility

Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, corporate accounting system and the relevant statutory requirements applicable to the preparation and presentation of the financial statements and for such internal control as Board of General Directors determines is necessary to enable the preparation of 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 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 standards of professional conduct, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 financial statements.

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

### Auditors' Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2020 and the results of its operations and its cash flows for the year then ended, in accordance with Vietnamese accounting standards, corporate accounting system and the relevant statutory requirements applicable to the preparation and presentation of the financial statements.



**Nguyen Thuong**  
**Deputy General Director**

Certificate of audit practice registration  
0308-2018-055-1

**Doan Thu Hang**  
**Auditor**

Certificate of audit practice registration  
1396-2018-055-1

**For and on behalf of**  
**ANVIET AUDITING COMPANY LIMITED**  
Hanoi, 20 January 2021

**BALANCE SHEET**  
As at 31 December 2020

FORM B01 - DN  
Currency Unit: VND

ITEMS	Codes	Notes	31/12/2020	01/01/2020
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>838,336,983,102</b>	<b>668,966,976,279</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>161,889,486,612</b>	<b>19,291,115,973</b>
1. Cash	111		161,889,486,612	19,291,115,973
<b>II. Short-term receivables</b>	<b>130</b>		<b>675,493,478,583</b>	<b>649,130,332,629</b>
1. Trade accounts receivable	131	6	178,615,945,043	13,162,340,265
2. Short-term advances to suppliers	132	7	261,338,112,986	599,206,686,754
3. Other receivables	136	9	235,539,420,554	36,761,305,610
<b>III. Other current assets</b>	<b>150</b>		<b>954,017,907</b>	<b>545,527,677</b>
1. Short-term prepaid expenses	151	8	954,017,907	545,527,677
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>1,532,183,350,977</b>	<b>730,775,484,255</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>1,316,156,437,000</b>	<b>516,656,437,000</b>
1. Other long-term receivables	216	9	1,316,156,437,000	516,656,437,000
<b>II. Fixed assets</b>	<b>220</b>		<b>-</b>	<b>72,730,052</b>
1. Tangible fixed assets	221	10	-	11,281,302
- Cost	222		2,985,914,820	2,985,914,820
- Accumulated depreciation	223		(2,985,914,820)	(2,974,633,518)
2. Intangible fixed assets	227	11	-	61,448,750
- Cost	228		221,215,500	221,215,500
- Accumulated Amortization	229		(221,215,500)	(159,766,750)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>1,679,143,054</b>	<b>1,726,643,054</b>
1. Long-term work in progress	241		599,989,498	599,989,498
2. Construction in progress	242	12	1,079,153,556	1,126,653,556
<b>IV. Long-term financial investments</b>	<b>410</b>	<b>13</b>	<b>212,000,000,000</b>	<b>212,000,000,000</b>
1. Investments in subsidiaries	411		212,000,000,000	212,000,000,000
<b>V. Other long-term assets</b>	<b>260</b>		<b>2,347,770,923</b>	<b>319,674,149</b>
1. Long-term prepayments	261	8	2,347,770,923	319,674,149
<b>TOTAL ASSETS</b>	<b>270</b>		<b>2,370,520,334,079</b>	<b>1,399,742,460,534</b>

**BALANCE SHEET (Continued)**  
As at 31 December 2020

**FORM B01 - DN**  
Currency Unit: VND

ITEMS	Codes	Notes	31/12/2020	01/01/2020
<b>C - LIABILITIES</b>	<b>300</b>		<b>612,400,110,448</b>	<b>138,335,012,709</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>390,630,745,367</b>	<b>109,135,012,709</b>
1. Trade accounts payable	311	15	146,094,362	406,297,636
2. Short-term advance from customers	312		74,988,091	59,529,948,562
3. Taxes and amounts payable to State Budget	313	14	41,940,819,301	7,132,494,924
4. Payables to employees	314		20,904,811,364	8,728,678,479
5. Short-term accrued expenses	315	16	73,454,104,506	18,711,269,101
6. Other current payables	319	17	103,349,927,743	14,626,324,007
7. Short-term loans and obligations under finance leases	320	18	150,760,000,000	-
<b>II. Long-term Liabilities</b>	<b>330</b>		<b>221,769,365,081</b>	<b>29,200,000,000</b>
1. Other long-term payables	337	17	11,650,000,000	11,000,000,000
2. Long-term loans and obligations under finance leases	338	18	210,119,365,081	18,200,000,000
<b>D - EQUITY</b>	<b>400</b>		<b>1,758,120,223,631</b>	<b>1,261,407,447,825</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>19</b>	<b>1,758,120,223,631</b>	<b>1,261,407,447,825</b>
1. Owners' contributed capital	411		1,600,000,000,000	1,200,000,000,000
- Ordinary shares with voting rights	411a		1,600,000,000,000	1,200,000,000,000
2. Retained earnings	421		158,120,223,631	61,407,447,825
- Undistributed earnings accumulated to the prior year end	421a		61,407,447,825	51,245,655,487
- Undistributed earnings of the current year	421b		96,712,775,806	10,161,792,338
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>2,370,520,334,079</b>	<b>1,399,742,460,534</b>

Ho Chi Minh City, 20 January 2021

Preparer



Khu Viet Nghia

Chief Accountant



Phung Quang Hai

General Director



Dinh Thi Nhat Hanh

**INCOME STATEMENT**  
For the year ended 31 December 2020

**FORM B02 - DN**  
Currency Unit: VND

ITEMS	Codes	Notes	Year 2020	Year 2019
1. Revenue from goods sold and services rendered	01	20	302,970,443,350	136,649,941,164
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered	10		302,970,443,350	136,649,941,164
4. Cost of goods sold and services rendered	11	21	159,868,248,240	89,144,410,598
5. Gross profit from goods sold and services rendered	20		143,102,195,110	47,505,530,566
6. Financial income	21	22	45,594,890,457	25,272,974,494
7. Financial expenses	22	23	23,714,895,481	910,202,719
- Of which: Loan interest charged	23		20,373,530,400	546,202,719
8. Selling expenses	25	24	21,337,839,818	35,141,663,442
9. General and administration expenses	26	25	22,451,880,482	22,377,914,372
10. Operating profit	30		121,192,469,786	14,348,724,527
11. Other income	31	26	640,818,998	20,299,131
12. Other expenses	32	27	623,490,360	982,473,603
13. Profit from other activities	40		17,328,638	(962,174,472)
14. Accounting profit before tax	50		121,209,798,424	13,386,550,055
15. Current corporate income tax expense	51	28	24,497,022,618	3,224,757,717
16. Deferred Tax Expense	52		-	-
17. Net profit after corporate income tax	60		96,712,775,806	10,161,792,338

Ho Chi Minh City, 20 January 2021

Preparer



Khu Viet Nghia

Chief Accountant



Phung Quang Hai

General Director



Dinh Thi Nhat Hanh

## CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2020

FORM B03 - DN

Currency Unit: VND

ITEMS	Codes	Year 2020		Year 2019	
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>					
1. Accounting profit before tax	01	121,209,798,424	13,386,550,055		
2. Adjustment for					
- Depreciation and amortization of fixed assets	02	72,730,052	545,689,278		
- Gain from investing activities	05	(45,594,890,457)	(25,272,974,494)		
- Interest expenses	06	23,292,895,481	546,202,719		
3. Operating profit before movements in working capital	08	98,980,533,500	(10,794,532,442)		
- Increase in receivables	09	19,702,859,525	31,515,478,056		
- Increase, decrease in payables (exclude interest expenses, CIT)	11	116,973,777,930	(39,564,624,745)		
- Increase in prepayments and others	12	(10,469,721,923)	407,408,316		
- Interest paid	14	(29,169,395,304)	(546,202,719)		
- Corporate income tax paid	15	(4,208,568,067)	(6,083,261,525)		
<b>Net cash from operating activities</b>	<b>20</b>	<b>191,809,485,661</b>	<b>(25,065,735,059)</b>		
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>					
1. Acquisition of fixed assets and other long-term assets	21	-	(86,816,200)		
2. Cash outflow for lending, buying debt intrusments of other entities	23	(800,000,000,000)	-		
3. Interest earned, dividend and profit received	27	28,884,978	1,385,474,494		
<b>Net cash from investing activities</b>	<b>30</b>	<b>(799,971,115,022)</b>	<b>1,298,658,294</b>		
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>					
1. Proceeds from issuing stocks, receiving capital from owners	31	400,000,000,000	-		
2. Proceeds from borrowings	33	350,760,000,000	18,200,000,000		
<b>Net cash from financing activities</b>	<b>40</b>	<b>750,760,000,000</b>	<b>18,200,000,000</b>		
<b>Net decrease in cash during the year</b>	<b>50</b>	<b>142,598,370,639</b>	<b>(5,567,076,765)</b>		
<b>Cash and cash equivalents at the beginning of year</b>	<b>60</b>	<b>19,291,115,973</b>	<b>24,858,192,738</b>		
<b>Cash and cash equivalents at the end of year</b>	<b>70</b>	<b>161,889,486,612</b>	<b>19,291,115,973</b>		

Ho Chi Minh City, 20 January 2021

Preparer



Khu Viet Nghia

Chief Accountant



Phung Quang Hai

General Director



Dinh Thi Nhat Hanh



**1. GENERAL INFORMATION**

**Structure of ownership**

Khai Hoan Land Real Estate Joint Stock Company (formerly known as Nguyen Khai Hoan Real Estate Joint Stock Company) ("the Company") was incorporated under the Business Registration Certificate No. 0309139261 dated 24 July 2009 initially issued by the Ho Chi Minh City Department of Planning and Investment, as amended, registration of the 19<sup>th</sup> change on August 14, 2020.

According to the 19th amended Business Registration Certificate, the chartered capital of the Company is VND 1,600 billion divided into 160,000,000 shares, par value is VND 10,000 per share.

The Company has been approved to become a public company by the State Securities Commission in accordance with the Official Letter No. 7658/UBCK-GSDC dated 30 December 2020.

The number of employees of the Company (including collaborators, brokers) as at 31 December 2020 was: 3,377 (as at 31 December 2019: 878).

**Operating industry and principal activities**

Operating industries of the Company are real estate consulting, brokerage and auction of real estate, auction of land use rights; construction of houses of all kinds; prepare surface; hotel service with high quality standard (not operating in the office); travel agent; organization of introduction and promotion of trade; advertisement; construction of other civil engineering works; construction of railways and road projects; restaurants and catering services; tour operating; trading real estate, land use rights of owners, leased or leased by the owners; retailing other new goods in specialized stores; civil design activities; landscape care and maintenance services; wholesale of other household appliances; career education.

The Company's principal activities during the year are consulting and business - brokerage real estate.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months.

**Company's structure**

As at 31 December 2020, the Company has invested in following two (02) subsidiaries. Details of these invested companies are as follows:

	<u>Place of incorporation</u>	<u>Owned %</u>	<u>Voting right</u>	<u>Main activities</u>
An Pha Real Estate Development Investment Co., Ltd	HCM City	100%	100%	Business - Brokerage Real Estate
An Think Phat Real Estate Business Investment Co., Ltd.	HCM City	100%	100%	Business - Brokerage Real Estate

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

In addition, as at 31 December 2020, the Company has following dependent accounting branches:

No	Type	Short name	Address
1.	Branch	My Toan 1	1479 Nguyen Van Linh, My Toan 1 - H3, Tan Phong Ward, District 7, HCM City
2.	Branch	Nguyen Huu Canh 2	11C Nguyen Huu Canh, Ward 19, Binh Thanh District, HCM City
3.	Branch	Kim Son	B8 Nguyen Huu Tho, Tan Phong Ward, District 7, HCM City
4.	Branch	Him Lam	B10-B11 Nguyen Huu Tho, Kim Son Residential Area, Tan Phong Ward, District 7, HCM City
5.	Representative Office	My Toan 3	970 Nguyen Van Linh, My Toan 3 Area, Tan Phong Ward, District 7, HCM City
6.	Representative Office	Dragon 2	218 Ben Van Don, Ward 5, District 4, HCM City
7.	Branch	Lake View 2	Floor 1 - 193 Nguyen Hoang, Ward An Phu, District 2, HCM City
8.	Branch	An Phu 2	Floor 2 - 193 Nguyen Hoang, Ward An Phu, District 2, HCM City
9.	Branch	Thu Thiem 2	Floor 2 SH 5-7, No. 75 Nguyen Co Thach, Ward An Loi Dong, District 2, HCM City
10.	Branch	Sala 2	Floor 1 SH5-7, No. 75 Nguyen Co Thach, Ward An Loi Dong, District 2, HCM City
11.	Branch	Q7	B9 Nguyen Huu Tho, Kim Son Residential Area, Tan Phong Ward, District 7, HCM City
12.	Branch	District 8	55/1 Nguyen Che Nghia, Ward 13, District 8, HCM City
13.	Branch	Tan Phu	90C Go Dau, Tan Phu Ward, Tan Phu District, HCM City
14.	Branch	Song Hanh	127 Street 5, KP5, An Phu Ward, District 2, HCM City
15.	Branch	Nguyen Chi Thanh	908 Nguyen Chi Thanh, Ward 4, District 11, HCM City
16.	Branch	An Dong	97L1 Nguyen Duy Duong, Ward 9, District 5, HCM City

**2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**

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

The currency unit used in accounting period is Vietnamese Dong (VND).

**3. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM APPLIED**

The financial statements are expressed in Vietnamese Dong (VND) and prepared under the accounting principles in conformity with the corporate accounting system issued in pursuance of Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 of Ministry of Finance, Vietnamese Accounting Standards and the statutory requirement relevant to preparation and presentation of financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are principle accounting policies used by the Company in the preparation of financial statements:

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**Basis of preparation of financial statements**

The financial statements are prepared on the accrual basis (except for the information related to cash flows), under the historical cost concept, in accordance with Vietnamese accounting standards, corporate accounting system and the relevant statutory requirements applicable to the preparation and presentation of the financial statements. The accompanying financial statements are the separate financial statements of the Parent Company - Khai Hoan Land Real Estate Joint Stock Company.

**Estimates**

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

**Cash and cash equivalents**

Cash comprises cash on hand, cash at bank and cash in transit of the Company as at the balance sheet date.

Cash equivalents comprises short-term investments with terms less than 03 months since the date of investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at the reporting date and recorded in accordance with Vietnamese Accounting Standard No. 24 - Cash flow statement.

**Investments in subsidiaries**

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provision for impairment of investments in subsidiaries, joint ventures, associates is the excess of cost over the market value of the investment or the ownership of the Company in accordance with prevailing corporate accounting system.

**Receivables and provision for doubtful debts**

Receivables are monitored detailed under their original terms and remaining terms at the reporting date, debtors, original currencies denominated and other factors for the Company's management purpose. The classification of receivables including trade receivables, other receivables shall comply with the following principles:

- Trade receivables include commercial receivables incurred from purchase-sale transactions, including receivables from sale of exported goods under the trust for other entities;
- Other receivables include non-sales receivables, including: receivables from bank and loan interest; amount paid on behalf of another party; receivables which the export trustor must collect from the trustee; receivables from penalties, compensation; advances; pledges, collaterals, deposits, assets lending, etc.

The Company bases on the remaining terms of receivables at the reporting date to classify them as long-term or short-term receivables.

Receivables are recognised not exceeding the recoverable amount. Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in difficulty of solvency due to dissolution, bankruptcy, or similar difficulties in accordance with prevailing corporate accounting system.

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets are recognized under the historical cost. The costs of tangible fixed assets arising from purchases and self-constructions comprise all costs of bringing the tangible fixed assets to their working condition for their intended use.

Costs incurred after initial recognition are recorded as increase in the historical cost of assets if they actually improve the current status in comparison with the initial standard status of the assets, such as:

- Parts of the tangible fixed asset are modified to extend their useful life or to increase their capacity; or
- Parts of the tangible fixed asset are upgraded to significantly increase product quality; or
- New technology process is applied to reduce operation expenses of the assets.

The costs incurred for repairs and maintenance aims to restore or maintain the ability to bring the economic benefits of the assets according to the initial standard status, do not meet one of the above conditions, are recognized in the operation costs during the year.

Tangible fixed assets are depreciated using the straight-line method, depreciation is calculated by dividing the cost over estimated useful lives in conformity with the depreciation frame specified in Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance. The details are as follows:

	<u>Years</u>
Office equipment	03 - 04

**Intangible fixed assets and amortisation**

Intangible fixed assets are stated at cost less accumulated amortisation. Intangible fixed asset of the Company is computer software and amortised using the straight-line method within 3 years.

**Operating leases**

A lease of asset is considered an operating lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessor. The lease expenses are recognized to separate income statement in accordance with the straight-line method over the leasing period. Amounts received or receivable to facilitate the engagement of operating leases are also recognized on the straight-line method over the leasing period.

**Construction in progress**

The construction in progress is recorded at cost, including expenses directly related to (including borrowing costs by the Company's accounting policy) properties in the course of construction for production, equipment installed for the purpose of manufacturing, rental and management as well as related expenses to repairs of fixed assets. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

**Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise costs of small tools, office repairing costs which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the separate income statement using the straight-line method in accordance with the current prevailing accounting regulations.

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**Payables**

The payables are monitored in detail by original terms, the remaining terms at the reporting date, the payable objects, type of payables denominated in foreign currency and other factors according to the Company's management purpose. The classification of payables such as trade payables, other payables shall be implemented the following principles:

- Trade payables include commercial payables incurred from purchase-sale transactions;
- Other payables include non-commercial or non-trading payables, including: payables for loan interest, dividend and earning payables; payables for financial investments; amount paid to the third party; lending assets, payables for penalties, compensation; unidentified surplus assets; payables for social insurance, medical insurance, unemployment insurance, trade union; collaterals, deposits received, etc.

The company bases on the remaining term at the reporting date of payable items to classify as long-term or short-term.

The payables are recorded not less than the payment obligations. In case there is evidence that a loss likely occurs, the Company recognizes immediately a payable under the prudent principle.

**Borrowings and finance lease liabilities**

Borrowings and finance lease liabilities include loans, finance lease liabilities.

The loans are monitored at each loan object, loan agreement and loan asset; for the term of loan and finance lease liabilities and type of foreign currency (if any). The loans with the remaining term more than 12 months from the reporting date are presented as long-term loans. The due loans within the next 12 months from the reporting date are presented as short-term loans and finance lease liabilities.

**Borrowing costs**

Borrowing costs include interests and other costs incurred directly related to the loans.

Borrowing cost is charged to operation expenses during the period when incurred, except for borrowing costs directly attributable to the construction or production of qualifying assets with appropriate time (more than 12 months) to put into use for the intended purposes or sales, which recorded in value of capitalized assets whether it is subject to the fulfilment of certain conditions of Vietnamese Accounting Standard No.16 - Borrowing cost. Borrowing costs directly attributable to the construction of fixed assets, investment properties can be capitalized even though the construction is less than 12 months.

For the general loans using for purposes of the construction or production of qualifying assets, the borrowing costs are capitalized by capitalization percentage of accumulative weighted average expenses for the construction or production of such assets. The capitalization rate is calculated by the weighted average interest rate of outstanding loans during the year, except special loans serving the purpose of a specific asset.

**Accruals**

Accrued expenses are recognized based on reasonable estimates of actual expenses to be incurred, amounts due for services rendered during the year but not yet supported by tax invoice or other accounting documents.

**Owner's equity recognition**

Owner's equity is recognised by actual capital contributions from owners.

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

Principle on recognition of undistributed profit is the profits (or losses) from the performance business of the Corporation minus (-) income tax expense of any existing business and account adjustments due to retroactive application of accounting policy changes and adjustments retroactive fundamental errors of the previous years.

Reserves, funds from profit after tax are provided according to the Charter of the Company and the resolution of the Board of Management approved in shareholders' general meeting.

### **Revenue and other income**

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

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

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

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

**Revenue from financial activities** includes: deposit interest and gains from foreign exchange differences ... Detailed as follows:

- Interest income is recognized reliably on the balances of deposits, loans, and periodic actual interest.
- Foreign exchange differences reflect profit from the actual exchange differences of arising transactions denominated in foreign currencies during the period and profit from the exchange differences due to the translation of monetary items denominated in foreign currencies at the reporting date.

### **Taxation**

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss,

except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

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

**Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Individuals with the direct or indirect voting rights can impact significantly to the Company, including close family members of these individuals (parents, spouses, children, siblings).

Key management personnel have authority and responsibility for planning, managing and controlling the operation of the Company: the directors, the managers of the Company and close family members of these individuals.

The companies managed by these individuals mentioned above with direct or indirect voting rights or through these rights they can have a significant impact on the Company, including the companies owned by the leaders or major shareholders of the Company and the companies have the same key management personnel.

**5. CASH**

	<u>31/12/2020</u>	<u>01/01/2020</u>
	VND	VND
Cash on hand	172,288,814	5,258,789,912
Cash in bank	161,717,197,798	14,032,326,061
<b>Total</b>	<b><u>161,889,486,612</u></b>	<b><u>19,291,115,973</u></b>

**6. SHORT-TERM TRADE RECEIVABLES**

	<u>31/12/2020</u>	<u>01/01/2020</u>
	VND	VND
Riviera Point Co.,Ltd	776,064,300	3,680,924,775
Khai Minh Land Real Estate JSC	164,936,089,481	-
Solution Investment and Development Co., Ltd	7,503,739,525	-
Brokerage Community Co., Ltd	2,019,842,107	58,947,635
Newvision Real Estate Co.,Ltd.	200,070,000	1,942,993,043
Sai Gon Sunshine Group JSC	-	5,801,452,530
Other customers	3,180,139,630	1,678,022,282
<b>Total</b>	<b><u>178,615,945,043</u></b>	<b><u>13,162,340,265</u></b>

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**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	<u>31/12/2020</u>	<u>01/01/2020</u>
	VND	VND
Phu My Construction Technology JSC	822,800,000	822,800,000
Phu Quoc Infrastructure Investment Development JSC	263,700,000	263,700,000
Topazcons Construction Co., Ltd (*)	258,500,000,000	258,500,000,000
Mr. Le Ngoc Chung (**)	-	332,405,328,500
Finko-Ida Co., Ltd.	900,000,000	900,000,000
Khai Minh Land Real Estate JSC	-	5,200,000,000
Others suppliers	851,612,986	1,114,858,254
<b>Total</b>	<b><u>261,338,112,986</u></b>	<b><u>599,206,686,754</u></b>

(\*) An advance payment to Topazcons construction company limited (Formerly Viet Nhat Daiki construction company limited) under the general contractor contract for project "Ecotourism Area at Ong Lang beach, Cua Duong commune, Phu Quoc district" (also known as "Helios Coastal city project"). According to the general contract, Topazcons construction company limited will perform the following tasks: consulting survey, implementing feasibility study report, designing advisory and constructing infrastructure of this project. The project is deployed on an area of about 54.5 hectares with a total estimated investment of about VND 3,000 billion. The project has been received the investment policy decision from the Phu Quoc Economic Zones Authority. Currently, the project has been approved for the detailed project at the scale of 1/2000, the Company is completing legal procedures to get approval for the scale 1/500 detailed project; carry out the compensation and site clearance for this project.

(\*\*) During the year, Mr. Le Ngoc Chung - Head of Project Development Department has returned all the amount advanced by the Company to carry out negotiation, payment and necessary procedures with related parties to develop land reserve according to the Company's business strategy stipulated at the Resolution No.06/NQ-HĐQT on 15 August 2018 issued by the Board of Management.

**8. PREPAYMENTS**

	<u>31/12/2020</u>	<u>01/01/2020</u>
	VND	VND
<b>Short-term</b>	<b>954,017,907</b>	<b>545,527,677</b>
Tools and supplies	954,017,907	485,527,677
Rental fee	-	60,000,000
<b>Long-term</b>	<b>2,347,770,923</b>	<b>319,674,149</b>
Tools and supplies	371,817,132	218,354,639
Office repairing expenses	8,835,611	101,319,510
Other prepaid expenses	1,967,118,180	-
<b>Total</b>	<b><u>3,301,788,830</u></b>	<b><u>865,201,826</u></b>



## 9. OTHER RECEIVABLES

	31/12/2020		01/01/2020	
	Book value	Provision	Book value	Provision
	VND	VND	VND	VND
<b>Short-term</b>	<b>235,539,420,554</b>	-	<b>36,761,305,610</b>	-
Receivables from employees	5,586,209,181	-	10,716,368,041	-
Short-term deposits	2,100,000,000	-	2,050,000,000	-
Loan interest receivables (a)	27,100,000,000	-	23,887,500,000	-
Giao Huong Xanh Co., Ltd (b)	187,144,981,881	-	-	-
Mrs. Tran Thi Le Hai	10,000,000,000	-	-	-
Others	3,608,229,492	-	107,437,569	-
<b>Long-term</b>	<b>1,316,156,437,000</b>	-	<b>516,656,437,000</b>	-
Depositing project implementation (c)	21,500,000,000	-	21,500,000,000	-
Deposit of brokerage contract	2,000,000,000	-	3,100,000,000	-
Deposit of rental office	2,636,437,000	-	2,036,437,000	-
Khai Hoan - Vung Tau Group Co., Ltd (a)	490,000,000,000	-	490,000,000,000	-
Giao Huong Xanh Co., Ltd (d)	800,000,000,000	-	-	-
Others	20,000,000	-	20,000,000	-
<b>Total</b>	<b>1,551,695,857,554</b>	-	<b>553,417,742,610</b>	-

- (a) Khai Hoan - Vung Tau Group Co., Ltd (Khai Hoan - Vung Tau Group - related party) and Khai Hoan Land Real Estate Joint Stock Company (Khai Hoan Land) signed a medium - and long - term loan agreement for the purpose of funding for Go Gang new urban area project - Vung Tau city. Accordingly, the loan amount is VND 490 billion, the loan period is 12 months and will continue to be extended according to the agreement between the two parties. The loan interest rate is agreed upon and applied for each period. The benefits of Khai Hoan Land from this loan are after Khai Hoan - Vung Tau Group completes the prerequisite legal conditions of the Project including: Investment approval letter/Investment certificate; Approving the task of adjusting the zoning plan at the scale of 1/2000, Khai Hoan Land will have the right to decide to participate in investment and development cooperation for two sub-zones of the project with an area of about 170 hectares.
- (b) Receivables of Giao Huong Xanh Co., Ltd includes:
- The amount of VND 106,000,000,000 is under the agreement No. 02/BBTT/GHX-KHL dated 3 February 2020 between Khai Hoan Land Real Estate Joint Stock Company and Giao Huong Xanh Company Limited. Accordingly, Khai Hoan Land Real Estate Joint Stock Company, on behalf of Giao Huong Xanh, transfers money to Thuan Viet Construction - Trading Co., Ltd. with an amount equivalent to 10% of the contract value of design, supervision, construction and Supply and installation of equipment for La Partenza project signed between Giao Huong Xanh Company Limited (Investor) and Thuan Viet Construction and Trading Company Limited (Main Contractor). Contract No. 01/2020/GHX-TV dated 2 March 2020.
  - Receivables of Giao Huong Xanh Co., Ltd amount to VND 81,144,981,881 under the principle contract No.01/HDNT-DV-GHX-KHL-KML dated 2 January 2020 between three parties including Giao Huong Xanh- Khai Minh Land- Khai Hoan Land on the obligation to transfer money to invest of La Partenza project.
- (c) Helios Coastal City Phu Quoc project deposit under term deposit contract No.03-BQLKTPQ.KHL.BIDV/2018/HDTG on 30/05/2018 between BIDV - Phu Quoc Branch, and Phu Quoc Economic Zone management board and Khai Hoan Land Real Estate Joint Stock Company. The contract has 12-month term, interest rate is 6.4%/year, automatically renewed upon maturity.
- (d) Khai Hoan Land Real Estate Joint Stock Company and Giao Huong Xanh Company Limited signed a business cooperation contract No.20/2020/HDHTĐTKD/GHX-KHL dated 1 August 2020 to cooperate in investment and business Project La Partenza, in which Khai Hoan Land

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Real Estate Joint Stock Company contributed VND 800 billion to the project and is expected to receive 450 apartments in this project. The value of the apartment is determined according to the value announced by the investor at the time of sale.

#### 10. TANGIBLE FIXED ASSETS

	Office equipment VND	Total VND
<b>COST</b>		
As at 01/01/2020	2,985,914,820	2,985,914,820
As at 31/12/2020	<u>2,985,914,820</u>	<u>2,985,914,820</u>
<b>ACCUMULATED DEPRECIATION</b>		
As at 01/01/2020	2,974,633,518	2,974,633,518
Charged for the year	11,281,302	11,281,302
As at 31/12/2020	<u>2,985,914,820</u>	<u>2,985,914,820</u>
<b>NET BOOK VALUE</b>		
As at 01/01/2020	<u>11,281,302</u>	<u>11,281,302</u>
As at 31/12/2020	<u>-</u>	<u>-</u>
<i>Cost of tangible fixed assets fully depreciated but still in use</i>	2,985,914,820	2,985,914,820

#### 11. INTANGIBLE FIXED ASSETS

	Accounting software VND	Total VND
<b>COST</b>		
As at 01/01/2020	221,215,500	221,215,500
As at 31/12/2020	<u>221,215,500</u>	<u>221,215,500</u>
<b>ACCUMULATED AMORTIZATION</b>		
As at 01/01/2020	159,766,750	159,766,750
Charged for the year	61,448,750	61,448,750
As at 31/12/2020	<u>221,215,500</u>	<u>221,215,500</u>
<b>NET BOOK VALUE</b>		
As at 01/01/2020	<u>61,448,750</u>	<u>61,448,750</u>
As at 31/12/2020	<u>-</u>	<u>-</u>
<i>Cost of intangible fixed assets fully amortized but still in use</i>	221,215,500	221,215,500

#### 12. CONSTRUCTION IN PROGRESS

	31/12/2020 VND	01/01/2020 VND
Cost of mock-up rooms of La Partenza project	1,079,153,556	1,079,153,556
Cost of design of the Company's website	-	47,500,000
<b>Total</b>	<u>1,079,153,556</u>	<u>1,126,653,556</u>

HAI HOAN LAND REAL ESTATE JOINT STOCK COMPANY

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3. FINANCIAL INVESTMENTS

	31/12/2020		01/01/2020					
	Owned rate %	Cost VND	Fair value VND	Provision VND	Owned rate %	Cost VND	Fair value VND	Provision VND
An Pha Real Estate Development Investment Co., Ltd	100%	120,000,000,000	120,000,000,000	-	100%	120,000,000,000	120,000,000,000	-
An Thinh Phat Real Estate Business Investment Co., Ltd.	100%	92,000,000,000	92,000,000,000	-	100%	92,000,000,000	92,000,000,000	-
<b>Total</b>		<b>212,000,000,000</b>	<b>212,000,000,000</b>	<b>-</b>		<b>212,000,000,000</b>	<b>212,000,000,000</b>	<b>-</b>

The Company owns 100% of the capital in the subsidiaries through the capital transferring agreements from finding shareholders. The operation target of those subsidiaries is to invest and develop real estate projects in Ba Ria - Vung Tau, Phan Thiet, Phu Quoc and Long An province. These investees have just been established and are fulfilling relevant legal procedures related to certificates of land use rights and preparing for projects investment.

TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	01/01/2020		Paid during the year		31/12/2020	
	VND	Payable during the year VND	Other adjustments VND	VND	VND	VND
Value added tax	2,766,251,326	29,173,031,921	(120,217,304)	14,584,241,388	17,234,824,555	
Corporate income tax	3,397,996,067	24,497,022,618	(189,428,000)	4,208,568,067	23,497,022,618	
Personal income tax	956,682,644	11,072,203,379	3,327,291	10,823,241,186	1,208,972,128	
Other taxes and fees	11,564,887	589,653,591	(11,564,887)	589,653,591	-	
<b>Total</b>	<b>7,132,494,924</b>	<b>65,331,911,509</b>	<b>(317,882,900)</b>	<b>30,205,704,232</b>	<b>41,940,819,301</b>	

15. SHORT-TERM TRADE PAYABLE

	31/12/2020		01/01/2020	
	Book value	Amount obligation for payment	Book value	Amount obligation for payment
	VND	VND	VND	VND
Green Model Co., Ltd	-	-	280,000,000	280,000,000
Shiny Investment Trading of Real Estate JSC	86,404,116	86,404,116	86,404,116	86,404,116
Others	59,690,246	59,690,246	39,893,520	39,893,520
<b>Total</b>	<b>146,094,362</b>	<b>146,094,362</b>	<b>406,297,636</b>	<b>406,297,636</b>

16. SHORT-TERM ACCRUED EXPENSES

	31/12/2020	01/01/2020
	VND	VND
Accrual of commission fee	71,249,969,410	18,711,269,101
Bond interests payable	2,204,135,096	-
<b>Total</b>	<b>73,454,104,506</b>	<b>18,711,269,101</b>

17. OTHER PAYABLES

	31/12/2020	01/01/2020
	VND	VND
<b>Short-term</b>	<b>103,349,927,743</b>	<b>14,626,324,007</b>
Deposits received from real estate buyers	16,119,209,387	4,346,701,273
- Vinhomes Grand Park (District 9)	8,212,657,050	292,591,050
- Vinpearl Grand World	4,800,016,500	980,087,575
- GS Metrocity	1,800,014,040	-
- Condotel Hon Tre - Nha Trang Vinpearl	199,989,000	599,989,000
- Sunshine Diamond River District 7	-	1,017,500,000
- Other projects	1,106,532,797	1,456,533,648
Trade Union fee	24,148,100	15,257,400
Khai Minh Land Real Estate JSC (*)	83,059,029,392	-
Other short term payables	4,147,540,864	10,264,365,334
<b>Long-term</b>	<b>11,650,000,000</b>	<b>11,000,000,000</b>
Long-term collaterals and deposits received	11,650,000,000	11,000,000,000
<b>Total</b>	<b>114,999,927,743</b>	<b>25,626,324,007</b>

(\*) The amount that Khai Minh Land Real Estate Joint Stock Company transferred to Khai Hoan Land Real Estate Joint Stock Company under the principle contract for Project Development and Exclusive Distribution Services of La Partenza Project No.01/HDNT-DV/GHX-KHL-KML signed on 02 January 2020. Under the contract, the Investor, Giao Huong Xanh Co., Ltd assigns Khai Minh Land Real Estate Joint Stock Company to collect payments from customers and make payments for expenses, exclusively distribute Project La Partenza and transfer the proceeds, net of related expenses, to the Company after deducting the related costs; the remaining amount will be transferred to Giao Huong Xanh Company Limited when customers and the Investor sign sale and purchase contract.

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**18. LOANS AND FINANCE LIABILITIES**

	31/12/2020		01/01/2020	
	Value	Term	Value	Term
	VND	Year	VND	Year
<b>Short-term bonds</b>	<b>150,760,000,000</b>			
Bond KHLH2021002 at par value	150,760,000,000	1	-	-
<b>Long-term bonds</b>	<b>210,119,365,081</b>		<b>18,200,000,000</b>	
Bond KHL082022-01 at par value	18,200,000,000	3	18,200,000,000	3
Bond BOND.KHL2020 at par value	200,000,000,000	3	-	-
Bond issued fees	(8,080,634,919)	-	-	-
<b>Total</b>	<b>360,879,365,081</b>		<b>18,200,000,000</b>	

**Bonds has been issued up to 31 December 2020 as detail:**

Bond	Type of bond	Number of bonds	Par value	Rate	Term of bond	Collateral Method
			VND	%/year		
<b>Short-term bonds</b>						
Bond KHLH2021002 dated 28 December 2020	Corporate bonds without a conversion right	1,507,600	100 thousand	12	Term of 12 months and interest paid every 3 months	collateral assets
<b>Long-term bonds</b>						
Bond KHL082022-01 dated 30 July 2019	Corporate bonds without a conversion right	147	100 million	11	Term of 36 months and interest paid every 3 months	None
Bond KHL082022-01 dated 30 September 2019	Corporate bonds without a conversion right	35	100 million	11	Term of 36 months and interest paid every 3 months	None
Bond BOND.KHL2020.01 dated 25 February 2020	Corporate bonds without a conversion right	800	100 million	The bond's interest rate for the first 4 periods is 11.5%, then floats	Term of 36 months and interest paid every 3 months	collateral assets
Bond BOND.KHL2020.01 dated 25 May 2020	Corporate bonds without a conversion right	1,200	100 million	The bond's interest rate for the first 4 periods is 11.5%, then floats	Term of 36 months and interest paid every 3 months	collateral assets

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

## 19. OWNER'S EQUITY

*Movement in owner's equity*

	Chartered Capital	Retained Earnings	Total
	VND	VND	VND
As at 01/01/2019	1,200,000,000,000	51,245,655,487	1,251,245,655,487
Profit for the year	-	10,161,792,338	10,161,792,338
As at 01/01/2020	<u>1,200,000,000,000</u>	<u>61,407,447,825</u>	<u>1,261,407,447,825</u>
Increase capital in the year	400,000,000,000	-	400,000,000,000
Profit for the year	-	96,712,775,806	96,712,775,806
As at 31/12/2020	<u>1,600,000,000,000</u>	<u>158,120,223,631</u>	<u>1,758,120,223,631</u>

*Detail of the owner's equity*

	31/12/2020		01/01/2020	
	Value VND	Rate %	Value VND	Rate %
Khai Hoan - Vung Tau Group Co.,Ltd	-	-	396,480,000,000	33.04%
Mr. Nguyen Khai Hoan	576,000,000,000	36.00%	709,520,000,000	59.13%
Mrs. Tran Thi Thu Huong	256,000,000,000	16.00%	54,000,000,000	4.50%
Mr. Phan Tuan Nghia	396,040,000,000	24.75%	-	-
Other shareholders	371,960,000,000	23.25%	40,000,000,000	3.33%
<b>Total</b>	<u>1,600,000,000,000</u>	<u>100%</u>	<u>1,200,000,000,000</u>	<u>100%</u>

In the year 2020, the major share-holder of the Company as Khai Hoan - Vung Tau Group Co., Ltd has transferred all shares to other individual share-holders with a number of 39,648,000 shares, equivalent to a par value of VND 396,480,000,000. As at 31/12/2020, Khai Hoan - Vung Tau Group Co., Ltd was no longer a share-holder but still a related party of the Company.

*Shares*

	31/12/2020	01/01/2020
Number of share authorized to be issued	160,000,000	120,000,000
- Ordinary share	160,000,000	120,000,000
Number of outstanding shares in circulation	160,000,000	120,000,000
- Ordinary share	160,000,000	120,000,000
Par value per share (VND/share)	10,000	10,000

## 20. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Year 2020 VND	Year 2019 VND
Sales of real estate brokerage service	302,970,443,350	136,649,941,164
<b>Total</b>	<u>302,970,443,350</u>	<u>136,649,941,164</u>

**21. COST OF SALES**

	Year 2020	Year 2019
	VND	VND
Costs of real estate brokerage service	159,868,248,240	89,144,410,598
<b>Total</b>	<b>159,868,248,240</b>	<b>89,144,410,598</b>

**Cost categorized by its nature**

	Year 2020	Year 2019
	VND	VND
Commission for staffs	158,650,993,008	82,288,364,257
Commission for customers	245,212,420	3,434,405,736
Commission for collaborators	973,439,829	1,097,932,764
Commission for suppliers	(1,397,017)	2,323,707,841
<b>Total</b>	<b>159,868,248,240</b>	<b>89,144,410,598</b>

Some items of cost price in this period were negative because the Company reimbursed the accrued expenses in the previous year.

**22. FINANCIAL INCOME**

	Year 2020	Year 2019
	VND	VND
Bank interests	28,884,978	9,474,494
Interest from deposits	1,466,005,479	1,376,000,000
Loan interests	44,100,000,000	23,887,500,000
<b>Total</b>	<b>45,594,890,457</b>	<b>25,272,974,494</b>

**Financial income from related parties**

	Year 2020	Year 2019
	VND	VND
Khai Hoan - Vung Tau Group Co., Ltd	44,100,000,000	23,887,500,000

**23. FINANCIAL EXPENSES**

	Year 2020	Year 2019
	VND	VND
Bond interest expenses	20,373,530,400	546,202,719
Bond issuance consultancy fee	2,919,365,081	364,000,000
Other financial expenses	422,000,000	-
<b>Total</b>	<b>23,714,895,481</b>	<b>910,202,719</b>

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

**24. SELLING EXPENSES**

	Year 2020	Year 2019
	VND	VND
Labour costs	11,949,173,962	18,322,135,538
Tools and stationery expenses	239,189,229	904,252,124
Office rental fees	4,986,059,500	9,283,118,210
Outsourced services expenses	3,444,542,922	4,583,217,591
Other cash expenses	718,874,205	2,048,939,979
<b>Total</b>	<b>21,337,839,818</b>	<b>35,141,663,442</b>

**25. GENERAL AND ADMINISTRATION EXPENSES**

	Year 2020	Year 2019
	VND	VND
Labour costs	15,426,541,517	16,883,514,901
Tools expense for administration	1,494,124,353	656,964,734
Depreciation expenses	73,040,052	545,689,278
Taxes and fees	18,500,000	19,000,000
Outsourced services expenses	4,830,680,649	3,260,727,678
Other cash expenses	608,993,911	1,012,017,781
<b>Total</b>	<b>22,451,880,482</b>	<b>22,377,914,372</b>

**26. OTHER INCOME**

	Year 2020	Year 2019
	VND	VND
Gain on disposal of tools	-	16,700,000
Settlement of debt balance	639,227,744	-
Others	1,591,254	3,599,131
<b>Total</b>	<b>640,818,998</b>	<b>20,299,131</b>

**27. OTHER EXPENSES**

	Year 2020	Year 2019
	VND	VND
Tax penalty and fine	571,153,591	316,476,333
Penalties caused by contract violation	50,000,000	279,900,000
Settlement of debt balance	2,336,769	386,097,270
<b>Total</b>	<b>623,490,360</b>	<b>982,473,603</b>



These notes are an integral part of and should be read in conjunction with the accompanying financial statements

## 28. CURRENT CORPORATE INCOME TAX EXPENSE

	Year 2020	Year 2019
	VND	VND
Accounting Profit before CIT	121,209,798,424	13,386,550,055
Add: Undeductible expense	1,275,314,667	2,737,238,530
<b>Taxable income</b>	<b>122,485,113,091</b>	<b>16,123,788,585</b>
Tax rate	20%	20%
<b>Total current corporate income tax expenses</b>	<b>24,497,022,618</b>	<b>3,224,757,717</b>

## 29. OPERATING LEASE COMMITMENTS

	Year 2020	Year 2019
	VND	VND
Minimum lease payments under operating leases recognised in the income statement for the year	4,986,059,500	9,283,118,210

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

	31/12/2020	01/01/2020
	VND	VND
Within one year	5,313,449,292	6,018,903,250
In the second to fifth year inclusive	13,800,082,415	15,188,513,077
After five years	156,900,000	156,900,000
<b>Total</b>	<b>19,270,431,707</b>	<b>21,364,316,327</b>

The above operating leases represent the amount of space rentals. Details of the rental period are as follows:

- Office lease at Block B10 in Tan Phong residential area, Tan Phong ward, district 7, Ho Chi Minh city effective for 7 years commencing on 15 May 2018.
- Office lease at Block B11 in Tan Phong residential area, Tan Phong ward, district 7, Ho Chi Minh city effective for 7 years commencing on 15 May 2018.
- Office lease at Block B8, B9 in Tan Phong residential area, Tan Phong ward, district 7, Ho Chi Minh city effective for 10 years commencing on 01 May 2015.
- Office lease at 1479 My Toan 1-H3 Quarter, Tan Phong Ward, District 7, Ho Chi Minh City effective for 8 years commencing on 01 August 2015.
- Office lease at 970 Nguyen Van Linh, My Toan 3 area, Tan Phong ward, District 7, Ho Chi Minh city effective for a period of 10 years commencing on 01 April 2016.
- Office lease at 11C Nguyen Huu Canh, Ward 19, Binh Thanh District, Ho Chi Minh City effective for 7 years from 15 November 2014 to 15 December 2021.
- Office lease at SH5-7, No. 75 Nguyen Co Thach, An Loi Dong Ward, District 2, Ho Chi Minh City effective from 18 August 2018 to 12 February 2022.
- Office lease at DP-03 Dragon Parc 2, Nguyen Huu Tho Street, Phuoc Kien, Nha Be District, Ho Chi Minh City effective for a period of 5 years commencing on 10 July 2018.
- Office lease at 193 Nguyen Hoang, An Phu Ward, District 2, Ho Chi Minh City effective from 10 July 2020 to 30 June 2023.

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

### 30. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties are as follows:

Related parties	Relationship
Khai Hoan - Vung Tau Group Co., Ltd	The Chairman of Board of Management has a significant influence on this company
Mr. Nguyen Khai Hoan	Major Shareholder, Chairman of Board of Management
Mrs. Tran Thi Thu Huong	Mr. Nguyen Khai Hoan's wife
Mrs. Nguyen Thi Le Thuy	Mr. Nguyen Khai Hoan's sister

Significant related party balances as at the balance sheet date were as follows:

	31/12/2020 VND	01/01/2020 VND
<b>Receivables from employees</b>		
Ms. Nguyen Thi Le Thuy	731,525,657	8,013,954,857
Ms. Tran Thi Thu Huong	998,137,303	418,137,303
<b>Other short-term payables</b>		
Ms. Tran Thi Thu Huong	6,070,698	6,070,698

Remuneration paid to the Board of General Directors and the Board of Management during the year:

	Year 2020 VND	Year 2019 VND
Salary and bonus	1,458,600,000	668,136,239

### 31. INVESTMENT COMMITMENT

Khai Hoan Land Real Estate Joint Stock Company is cooperating with Khai Hoan Group Company Limited - Vung Tau (related party) to develop large-scale investment projects in Vung Tau City, Phu Quoc, South Ho Chi Minh City. Therefore, Khai Hoan Land Real Estate Joint Stock Company will be given priority to buy wholesale and exclusive distribution of projects invested by Khai Hoan - Vung Tau Group Company Limited. Preliminary information of some projects jointly developed by Khai Hoan Land Real Estate JSC and Khai Hoan Group Co., Ltd-Vung Tau are working together and developing as follows:

- Go Gang New Urban Area Project - Vung Tau City: Project sizes 1,509 hectares, the investment period is divided into many phases from 2018 to 2034. The total investment of the project is expected to be VND 145,000 billion. The project's products include the product of a resort combining marine economy. The project has been licensed and approved the task of adjusting the zoning planning of 1/2000 scale and is in the stage of continuing to complete legal procedures.
- Phu Quoc - Khai Hoan Urban Resort Project (Helios Phu Quoc): Project of developing the company's resort chains with a scale of 54.5 hectares, total estimated investment of about VND 3,000 billion. Investment will be started from 2019 to 2024 and put into operation. This is an ecotourism development project with a full range of marine tourism services to high-end and modern resorts, but integrating with the wild nature and classy services. This product is located at Ganh Gio, Ong Lang beach, Cua Duong commune, Phu Quoc district. The project has received the investment policy decision from the Phu Quoc Economic Zones Authority. Currently, Bai Ong Lang has been approved the detailed project of 1/2000 scale, the company is completing legal procedures to get approval for the 1/500 detailed project; carry out the compensation and site clearance for this project.

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

- Apartment building project in Nhon Duc commune, Nha Be district (Trade name is La Partenza - formerly Sky Symphony): Project scale is about 2 hectares including more than 1,200 apartments with a total investment of VND 1,750 billion, project implementation period from 2015 to 2023. La Partenza Project is a luxury apartment project with reasonable price in the Southern Ho Chi Minh City. Currently, the project has nearly completed the legal procedures (there was a decision to change the land use purpose and approval of the detailed plan at the scale of 1/500).

As at 31 December 2020, Khai Hoan Land Real Estate Joint Stock Company was using the majority of capital contributed by shareholders to join Khai Hoan Group Company Limited - Vung Tau to cooperate and invest, develop into the real estate projects in the form of loans and investments in companies within the Group. Currently, the projects are in the stage of completing necessary legal procedures according to the set schedule. The Board of Management and the Board of General Directors of Khai Hoan Land Real Estate Joint Stock Company and Khai Hoan Group Co., Ltd. pledged to soon complete legal procedures to deploy the other projects successfully, whereby the supply of real estate products to the market would be ensured in the coming time. Therefore, the Board of General Directors believe that the capital contribution investments, investment cooperation and lending of the company with related parties as at 31 December 2020 are safe and effective for the business.

**32. SUBSEQUENT EVENTS**

There are no extraordinary event occurring after balance sheet date that requires adjustments or disclosures on the financial statements for the fiscal year ended 31/12/2020.

**33. COMPARATIVE FIGURES**

Comparative figures are the financial statements for the year ended 31/12/2019 which was audited.

Ho Chi Minh City, 20 January 2021

Preparer



Khu Viet Nghia

Chief Accountant



Phung Quang Hai

General Director



Dinh Thi Nhat Hanh

