

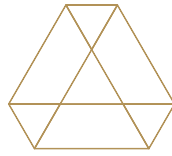
COMPLETING THE CLOSED VALUE CHAIN



LONG GIANG
LAND

ANNUAL REPORT 2019

LONG GIANG INVESTMENT AND URBAN
DEVELOPMENT JOINT STOCK COMPANY



STATEMENT OF THE RESPONSIBILITY FOR THE ACCURACY AND HONESTY OF THE 2019 ANNUAL REPORT

“**Transparency - Professionalism - Humanities**” are the important values that Long Giang Land is pursuing. They are the business philosophy and guidelines for all activities of the company as well as its members. With the goal of bringing honest, timely, complete and transparent information to shareholders, investors and related parties, we are committed to the followings:

1. The contents presented in the Annual Report 2019 fully meet regulators’ disclosure requirements towards higher standards in accordance with international practice.
2. All information and data published in the Annual Report 2019 including the Integrated Sustainable Development Report is taken seriously to ensure honesty and accuracy.
3. All information and data presented in the Annual Report 2019 is guaranteed to be consistent with the Financial Statements 2019 which have been audited by an independent auditor.

Long Giang Land’s executives have been working diligently to improve the content and form of the Annual Report 2019 to accurately, transparently and scientifically provide information about development strategies, corporate governance, business activities, financial position, among others, to ensure the best interests of shareholders, investors and related parties.

Long Giang Land





TABLE OF CONTENTS



10 CHAPTER I - CORPORATE INFORMATION

- 12 Overview of Long Giang Land
- 24 Key financial indicators in 2019
- 26 2019 Awards
- 28 Major events in 2019
- 32 Governance model, business organization, and management apparatus
- 36 Development orientations
- 52 Risks

54 CHAPTER II - BUSINESS OPERATIONS IN 2019

- 56 Situation of production and business activities in 2019
- 64 Organization and personnel
- 72 Investment and project implementation situation
- 86 Financial situation
- 92 Shareholder structure, changes of equity capital

96 CHAPTER III - REPORT AND ASSESSMENT OF BOARD OF DIRECTORS

- 98 Evaluation of production and business activities
- 101 Financial situation
- 106 Report on project development
- 107 Improvements in organizational structure, policies and management
- 110 Activities of subsidiaries - associates
- 115 Contributions to community
- 116 Business plan in 2020



I20 CHAPTER IV - EVALUATION OF THE BOARD OF DIRECTORS ON THE COMPANY' PERFORMANCE

- 122 Evaluation of the company's business management in 2019
- 127 Orientations of the company's business and production activities in 2020

I28 CHAPTER V - CORPORATE GOVERNANCE

- 131 Board of Directors
- 138 Board of Supervisors
- 145 Remuneration transactions and benefits of the Board of Directors and the Board of Supervisors for the term 2017-2021
- 147 Report on corporate governance performance based on ASEAN Regional Corporate Governance Scorecard

I66 CHAPTER VI - SUSTAINABLE DEVELOPMENT REPORT

- 168 Overview of sustainable development report
- 170 Governance structure for sustainable development
- 171 The performance of sustainable development activities in different fields

I82 CHAPTER VII - CONSOLIDATED FINANCIAL STATEMENTS

- 184 Report of the Board of Management
- 188 Independent auditor's report
- 190 Consolidated balance sheet
- 194 Consolidated income statement
- 195 Consolidated cash flow statement
- 197 Notes to the consolidated financial statements

243 CONTACT



MESSAGE OF THE BOARD OF MANAGEMENT CHAIRMAN



Esteemed shareholders, investors, partners, and customers,

2019 was the last year of Long Giang Land's fastest growing period (2016 - 2019) since the company was established nearly 20 years ago. With the completion of the Rivera Park Hanoi project, Long Giang Land has recorded revenue of VND one trillion for the third consecutive year. Long Giang Land has also basically

completed the after-sales work of the Rivera Park Hanoi and Rivera Park Saigon projects including warranty for apartments, applying for apartment ownership certificates, and ensuring effective management and operation of apartment buildings.

Besides completing investment procedures for existing projects, in 2019 Long Giang Land kicked off a new project called Rivera Premier Ha Long with an area of 12,000 m². This project will serve as a steppingstone for Long Giang Land to maintain its growth in the 2021-2025 period.

In 2019, Long Giang Land restructured its operations by launching several associates including Rivera Invest Joint Stock Company (Rivera Invest) which specializes in investment in and exploitation of commercial and tourism properties, and Long Giang Engineering and Construction Joint Stock Company (Long Giang E&C) which specializes in D&B. Together with Rivera Property Management and Exploitation Joint Stock Company (Rivera Homes), these associates will help Long Giang Land complete a closed value chain in the field of real estate.

Esteemed shareholders, investors, partners, and customers,

2020 is forecast to be a difficult year for Vietnam's economy in general and real estate enterprises in particular. While enjoying favorable macroeconomic conditions including the signing of the EU-Vietnam free trade agreement and benefits from the US-China trade war, Vietnam's economy, due to its large openness, faces huge challenges. The national economy depends heavily on the global economy and foreign investment and the economic engine is losing steam because room for the development of traditional sectors is dwindling. Besides, the spread of the COVID-19 epidemic which originated from China in late December 2019 is threatening all economies around the world including Vietnam.

2020 is predicted to be another difficult year for Vietnam's real estate market due to Circular 36 of the State Bank which continues to tighten credit for real estate projects, shortcomings in real estate related policies, delayed implementation of investment procedures as the result of the Government's anti-corruption drive, inadequate supply in the market, among other factors.

2020 is expected to be a difficult year for Long Giang Land. No new projects have been implemented since the completion of the Rivera Park Hanoi and Rivera Park Saigon projects, causing the company's revenue and profit to drop drastically this year.

One of the most important goals of Long Giang Land in 2020 is to complete procedures with the Ho Chi Minh City People's Committee to be paid for the entire value of Lot C of the Thanh Thai project worth an estimated 300 billion VND. Long Giang Land also aims to complete legal procedures to kick start at least two new projects-the Rivera Park Can Tho Project and the Rivera Premier Ha Long Project, creating a solid foundation for the company to increase revenue and profit in 2021 and the following years.

In 2020, Long Giang will also focus on improving its performance by fine-tuning its document management system, applying information technology in management work, and increasing training for managers and executives.

Esteemed shareholders, investors, partners, and customers,

Despite anticipated difficulties, achievements in 2019, thorough preparations, and the enormous efforts of the entire company, I'm confident that Long Giang Land will achieve its set targets for 2020 and continue to grow in the coming years.

On behalf of the Board of Management, I would like to express my deep gratitude to shareholders, investors, partners, and customers who have trusted, accompanied, and cooperated with Long Giang Land. I look forward to continued support from you all in the near future.



Le Ha Giang

Board Chairman



LONG GIANG
LAND





CHAPTER

I

CORPORATE INFORMATION

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and management apparatus
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- 52 Risks

OVERVIEW OF LONG GIANG LAND

GENERAL INFORMATION

Long Giang Land is a member of the group of Long Giang companies involving in various fields. Four major companies are:



Long Giang Investment and Urban Development Joint Stock Company - Long Giang Land: Which specializes in the field of real estate development.



Long Giang Engineering and Construction Joint Stock Company - Long Giang E&C: Which specializes in the field of general contractor of construction and installation.



Rivera Invest Joint Stock Company - Rivera Invest: Which specializes in the field of investment, exploitation of commercial and tourism real estate.



Rivera Homes Real Estate Exploiting and Management Joint Stock Company - Rivera Homes: Which specializes in the field of real estate management.

Vietnamese	Công ty Cổ phần Đầu tư và Phát triển Đô thị Long Giang
English	Long Giang Investment and Urban Development Joint-Stock Company
Abbreviation	Long Giang Land
Logo	
Slogan	Sustainable connectivity
Business code	0101184201 issued by the Hanoi municipal Department of Planning and investment on October 8, 2001.
Charter capital	500,000,000,000 VND (as of 2019)
Stock code	LGL
Legal representative	Mr. Le Ha Giang – Chairman of the Board of Management

Contact:

Address: 25th floor, Tower A, 173 Building, Xuan Thuy Road, Cau Giay District, Hanoi.

Tel: (+84-24) 3795 0595/96/97/98/99

Website: longgiangland.com.vn



ESTABLISHMENT AND DEVELOPMENT

Overview

Established on October 8, 2001, Long Giang Land was initially known as a prestigious contractor specializing in constructing the foundation of high-rise buildings. It was involved in many large projects across Vietnam including The Manor (My Dinh, Hanoi), Cherwood Residence (127 Paster, Ho Chi Minh City), and Rex Hotel (District 1, Ho Chi Minh City).

2004 marked a turning point in Long Giang Land's business strategy after the company signed a contract to build the Xuan Thuy Tower (173 Xuan Thuy, Cau Giay, Hanoi), becoming a real estate investor and developer.



Long Giang Land officially listed 8 million shares on the Ho Chi Minh Stock Exchange with the stock code LGL on **October 10, 2009**, opening a new stage of development and paved the way for the company's successes over the years.

Following the Xuan Thuy Tower project and the Meco Complex project (102 Truong Chinh, Dong Da, Hanoi), Long Giang Land made a giant leap by launching its own Rivera real estate brand: the Rivera Park Hanoi project (69 Vu Trong Phung, Thanh Xuan, Hanoi) and the Rivera Park Saigon project (7/28 Thanh Thai, District 10, Ho Chi Minh City). Rivera Park Hanoi and Rivera Park Saigon have earned high praise for their prime location, design, materials, furnishings, amenities, and services.

The establishment of Rivera Homes in 2017 was another step in the process of developing a Long Giang real estate project: development, construction, sales, and operation and management.

The founding of Rivera Invest in 2019 was the final step in the jigsaw, enabling Long Giang Land to possess a closed value chain and complete its real estate ecosystem. This also serves as the basis for the company to provide the best services and amenities to its customers. Also in 2019, Long Giang E&C was established through the merging of several Long Giang D&B companies. Long Giang E&C aims to become a leading D&B contractor in Vietnam.

Long Giang Land has been accumulating land for new projects across country, from Hanoi, Ho Chi Minh City, Ha Long, Can Tho, Phan Thiet, Nha Trang, to Phu Quoc and other localities.

The impressive achievements it has gained and the effective and comprehensive support from other companies in the Long Giang Group, have made Long Giang Land a top real estate developer in Vietnam. With its potential, experience, solid financial foundation, and extensive network of partners, Long Giang Land will continue to offer high quality real estate products imbued with humanities to meet the increasing demands of customers, bring benefits to shareholders, and contribute to national development.

MILESTONES



2001

- Long Giang Land was established and operated in the field of real estate trading and construction with a charter capital of 30 billion VND.

2006

- Construction of the Xuan Thuy Tower commenced.
- Long Giang Land signed a contract with Vietnam Construction and Electromechanical Joint Stock Company to build an apartment, office, and trade center at 102 Truong Chinh, Hanoi (known as the Meco Complex), covering 21,688 m² of land and more than 74,000 m² of floor area.



2010

- The Xuan Thuy Tower was inaugurated.
- Long Giang Land's charter capital rose to 200 billion VND.

2004

- Long Giang Land officially got involved in real estate trading with the signing of a contract with Trang Thi Trading and Service Company to build an apartment and trade center at 173 Xuan Thuy, Cau Giay, Hanoi. The Xuan Thuy Tower covers more than 9,200 m² of land and 60,000 m² of floor area.

2009

- 8 million Long Giang Land shares were listed on the Ho Chi Minh Stock Exchange with the stock code LGL.





2015

- Construction of an apartment, office, and trade center at 69 Vu Trong Phung, Thanh Xuan District, Hanoi (the Rivera Park Hanoi project) kicked off with an area of 11,234 m2 of land and more than 77,435 m2 of floor area.

2017

- Rivera Park Saigon was put into service.
- Long Giang Land's charter capital jumped to 346 billion VND.
- Rivera Homes, one of Long Giang Land's associates, was established.

2019

- Rivera Invest and Long Giang E&C, two of Long Giang Land's associates, debuted.



2014

- Construction of the Thanh Thai apartment building project in District 10, Ho Chi Minh City (the Rivera Park Saigon project) began, covering nearly 11,000 m2 of land and more than 88,000 m2 of floor area.

2016

- The Rivera Park brand was launched.
- Long Giang Land marked its 15th anniversary.



2018

- Rivera Park Hanoi was put into service.
- Long Giang Land's charter capital increased to 500 billion VND.

BUSINESS LINES AND PLACES OF OPERATION

PRODUCTS AND SERVICES





Real estate products

Rivera Premier



This is Long Giang Land's luxury product line with projects possessing a prime location in big cities, high-end equipment, and full amenities.

Rivera Park



Rivera Park is the brand of Long Giang Land's high-class products. Rivera Park projects possess a relatively favorable location in big cities with high-quality equipment and full amenities.

Rivera Garden



This is a brand of Long Giang Land's mid-range products with an affordable price. Rivera Garden projects boast high-quality equipment and basic amenities, bringing residents a comfortable and convenient living environment.



Real estate rental service

Rivera Invest is an associate of Long Giang Land and is a key member of the group of Long Giang companies. Rivera Invest currently owns and manages a total of 31,500 m² of office floor area and commercial centers for lease at the Xuan Thuy Tower (173 Xuan Thuy, Cau Giay District, Hanoi); Rivera Park Hanoi (69 Vu Trong Phung, Thanh Xuan District, Hanoi) and Rivera Park Saigon (7/28 Thanh Thai, District 10, Ho Chi Minh City).



Rivera Invest's real estate products include commercial centers, offices for lease, hotels/condotels, and resort villas for rent under the Rivera Premier, Rivera Park and Rivera Garden brand. In the near future, Rivera Invest will continue to expand the network of commercial and tourism real estate associated with a series of Rivera-branded real estate projects across the country, mostly in Hanoi, Ho Chi Minh City, and other big cities.





Design and Build

Long Giang E&C is an associate of Long Giang Land and is a key member of the group of Long Giang companies. It operates as a design and build (D&B) contractor thanks to its extensive experience in high-rise building construction.

With its resources, technology, and experience, Long Giang E&C has enjoyed a more solid start and greater advantages than other competitors. In the long run, Long Giang E&C aims to soon become a leading contractor in designing and constructing high-rise buildings.

With the right direction and strong determination, Long Giang E&C will create a new impetus for the development of Long Giang Land in particular and the group of Long Giang companies in general.

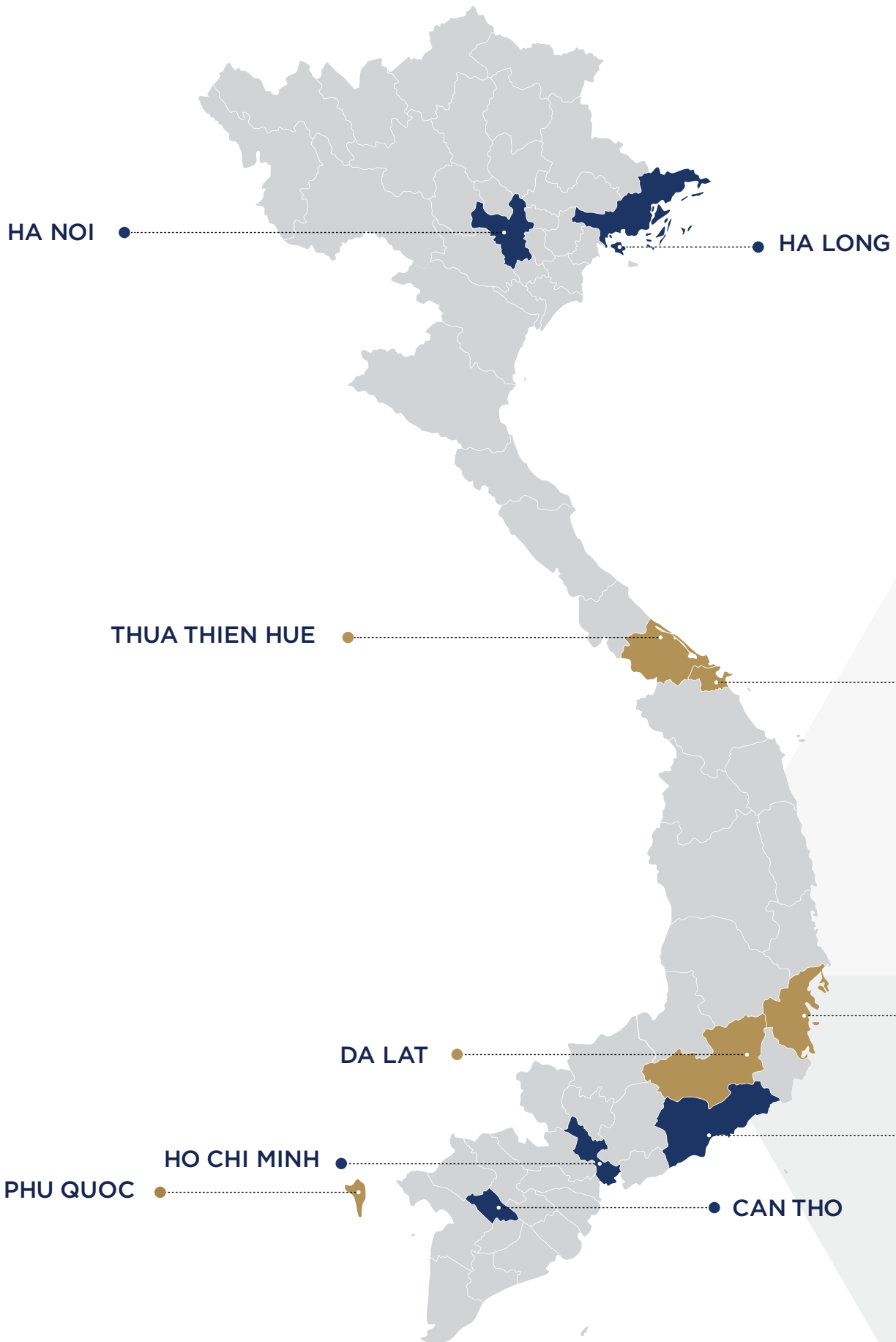


Property management service



Rivera Homes, an associate of Long Giang Land and a key member of the group of Long Giang companies, provides management services for apartments, commercial centers, offices for lease, hotels/condotels, and resort villas in the luxury, high-end, and mid-range categories.

Rivera Homes is an inseparable component of Long Giang Land's real estate ecosystem, helping to ensure the best services for its residents and customers.



- THE PROJECT HAS BEEN IMPLEMENTED
- THE PROJECT IS EXPECTED TO DEPLOY

PLACES OF OPERATION

● DA NANG

With the vision of a leading real estate developer, Long Giang Land aims to develop a chain of real estate projects across Vietnam, focusing on Hanoi, Ho Chi Minh City, and major provinces/cities such as Ha Long (Quang Ninh), Da Nang, Nha Trang (Khanh Hoa), Phan Thiet (Binh Thuan), and Can Tho.

The company has put into service the Rivera Park Hanoi project in Hanoi and the Rivera Park Saigon project in Ho Chi Minh city, which have received an applause from the public.

In 2020, the company's business is expected to be expanded to cover Ha Long City (Quang Ninh) and Can Tho city with the commencement of two new projects.

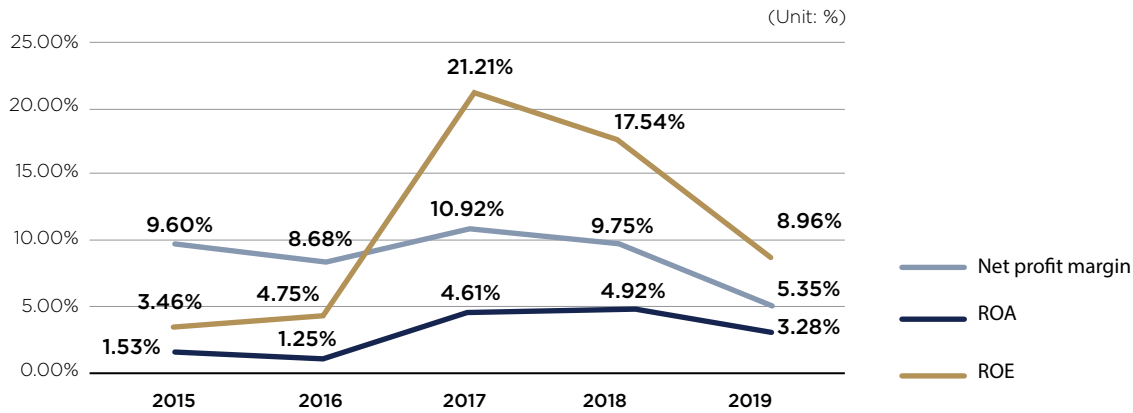
In the next phase, the company will own a series of real estate projects from north to south with new projects in Ha Long (Quang Ninh), Da Nang, Nha Trang (Khanh Hoa), and Phu Quoc (Kien Giang).

● NHA TRANG

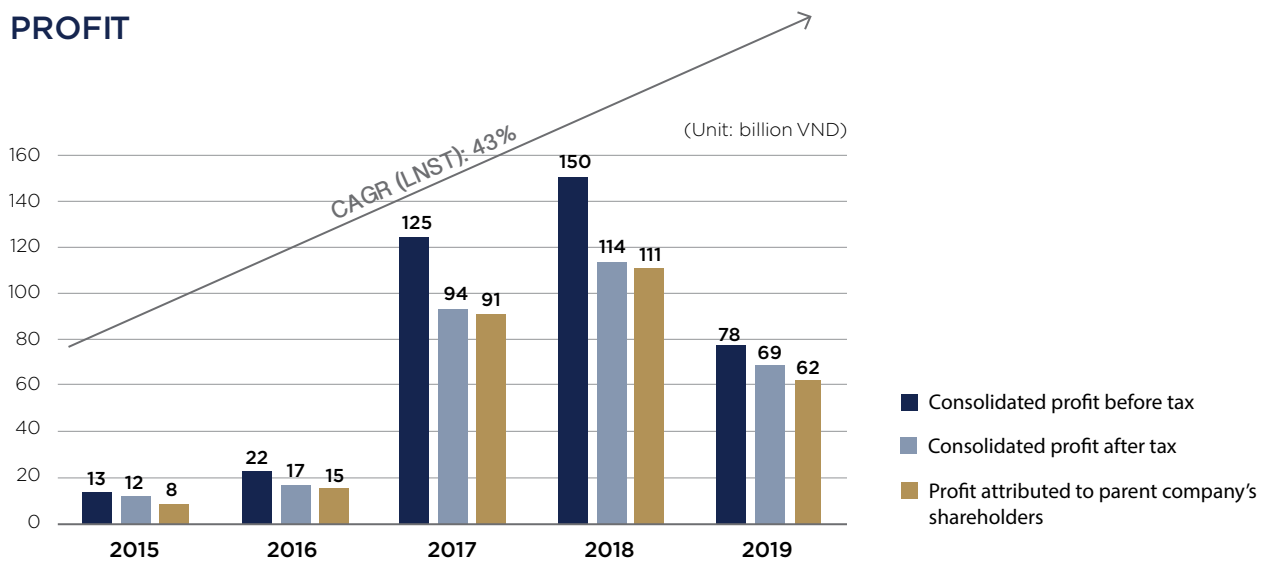
● PHAN THIET

KEY FINANCIAL INDICATORS IN 2019

NET PROFIT MARGIN; ROE; ROA



PROFIT

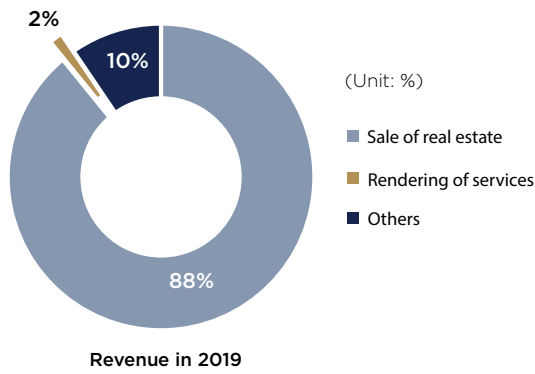
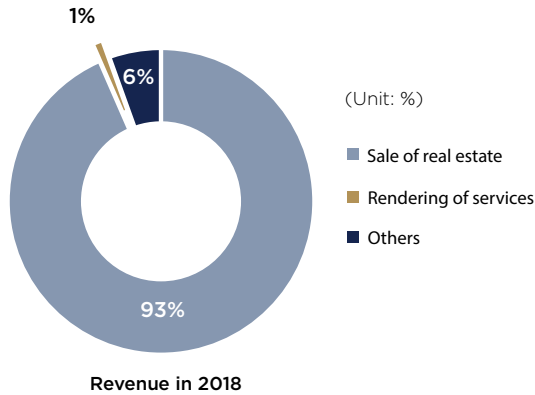


FINANCIAL INDICATORS

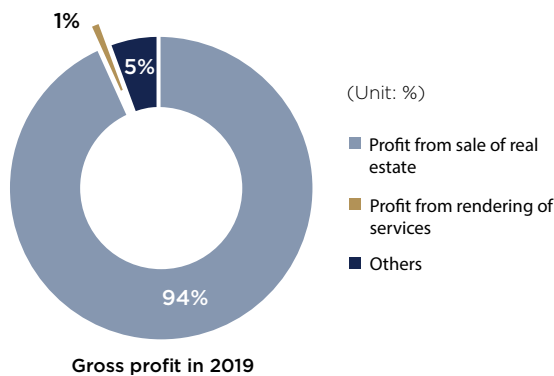
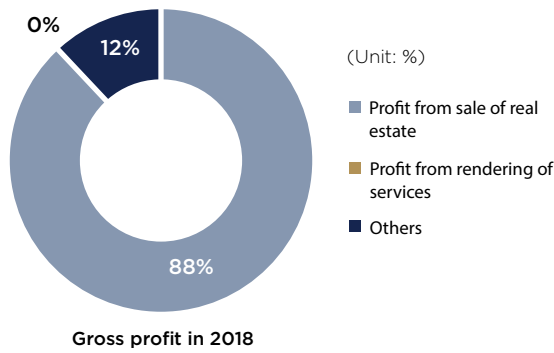
(Unit: million VND)

Indicators	2019	2018
Total assets	1,772,728	1,824,856
Owner's equity	759,525	695,977
Total revenue	1,284,093	1,338,143
Profit before tax	77,802	102,799
Profit after tax	68,748	88,232

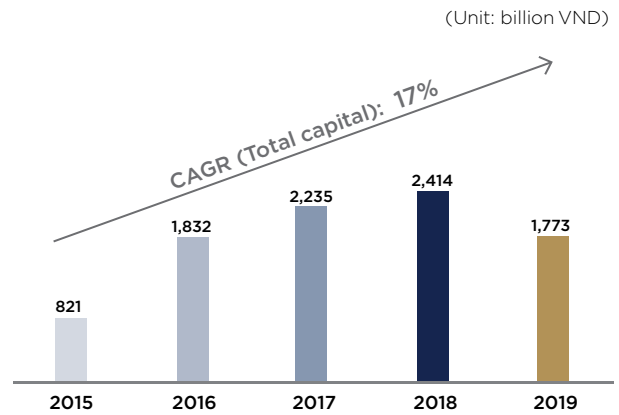
REVENUE FROM SALE OF REAL ESTATE AND RENDERING OF SERVICES IN 2018 AND 2019



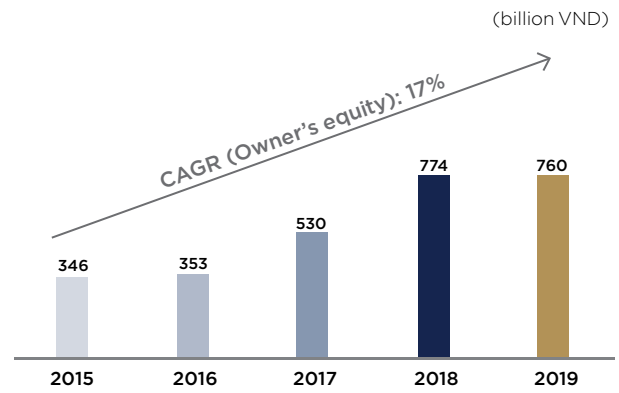
GROSS PROFIT



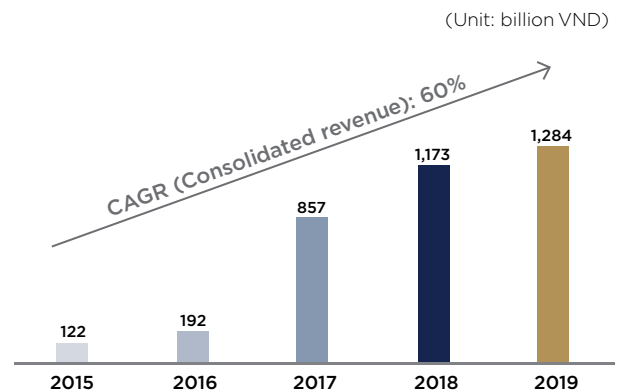
TOTAL CAPITAL



OWNER'S EQUITY



REVENUE



2019 AWARDS



Mr. Nguyen Manh Ha - Acting General Director of Long Giang Land received the Best Annual Report Award 2019



Illustration of Riviera Park Hanoi project

BEST ANNUAL REPORT AWARD 2019

Long Giang Land surpassed more than 200 other businesses to win the 2019 Vietnam Listed Company Awards for the Best Annual Report (in the small-cap business category) co-organized by the Ho Chi Minh Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX) and Vietnam Investment Review. It was the first time Long Giang Land had participated in the Awards, which were in their 12th edition in 2019.

This award demonstrates Long Giang Land's responsibility for the business community and society and partly recognizes its professionalism and transparency of information in the stock market.

RIVIERA PARK HANOI AMONG MOST POPULAR URBAN PROJECTS

Riviera Park Hanoi was voted the second most popular urban project in the "Favorite Real Estate Projects" poll organized by Vietnam Investment Review from November 11, 2019 to December 12, 2019. The project garnered 31,520 votes from VIR readers.

This encouraging result shows the trust and appreciation of VIR readers, including residents, potential and existing customers for Riviera Park Hanoi.

The poll attracted 64 investors with 76 projects and received nearly 945,000 votes.



Award certificate

RIVERA PARK HANOI LISTED AMONG 10 TOP HIGH-END APARTMENT BUILDINGS IN 2019

Rivera Park Hanoi was named one of the 10 best high-end apartment building projects in 2019 following a poll organized by Reatimes, the online magazine of the Vietnam Real Estate Association.

The first round of vote attracted more than 300,000 readers who voted through <http://binhchon.reatimes.vn> and the second round of vote involved 150 journalists specializing in economic, construction, and real estate areas. The selection was based on such categories as investors, locations, design, infrastructure, public spaces, amenities, services, community culture, and residents' satisfaction.



MAJOR EVENTS IN 2019





01

FIRST MEETING OF RIVERA PARK HANOI COMPLEX

The “First Rivera Park Hanoi Apartment Complex Meeting” took place on April 21, 2019, at 69 Vu Trong Phung, Thanh Xuan District. It was attended by 71.94% of apartment owners who agreed to incorporate the building into the apartment complex as well as representatives of local authorities, investors, and the building Board of Management.

The meeting elected a board of apartment owners’ representatives for the 2019-2022 term, picked Rivera Homes as the unit that manages the operation of the Rivera Park Hanoi apartment complex. Participants also approved documents, regulations, and other important issues in accordance with the Ministry of Construction’s guidance.



02

ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019

Long Giang Land's Annual General Meeting of Shareholders 2019 was held on April 27, 2019, at 173 Xuan Thuy, Cau Giay, Hanoi. The meeting was attended by more than 100 shareholders, representing 38,727,806 shares or 77.46% of the total voting shares.

Participants elected Mr. Dang Anh Tam a member of the Board of Management for the 2017-2021 term, approved the report on business operations in 2018 and the business plan for 2019, and agreed on important plans, including increasing charter capital, cash dividend payment in 2018, and setting up



03

CASH DIVIDEND OF 12%

On November 8, 2018, Long Giang Land finalized the list of shareholders who would receive cash dividend of 12% or 1,200 VND per share, a record rate since the company was listed on the stock market.

With nearly 50 million shares in circulation, the company spent nearly 60 billion VND on cash dividends. The payment date was December 5, 2019.



04

INTERNAL GOVERNANCE REGULATION 2019 PROMULGATED

Long Giang Land's internal management regulation version 2019 was issued and came into effect on June 10, 2019. The new regulation aims to build a professional working environment and a civilized code of conduct in Long Giang Land.

A training program on the new regulation was held for all employees in an effort to further improve the company's performance and efficiency.



05

LONG GIANG LAND'S 18TH ANNIVERSARY

Long Giang Land celebrated its 18th anniversary (October 8, 2001 - October 8, 2019) on October 8, 2019 in the north and on October 11, 2019 in the south with the participation of all employees.

Over the past years, Long Giang Land has made enormous progress and proved its leading and indispensable role in Long Giang Group.



06

VOLUNTARY HEALTH INSURANCE FOR EMPLOYEES

Long Giang Land has implemented a voluntary health insurance program for all employees. Every eligible employee would enjoy a health care insurance package which covers medical examination and treatment at leading international hospitals such as Vinmec and Thu Cuc within 1 year. Their relatives are also entitled to buy health insurance at a discount of up to 35%.

Long Giang Land has spent 430 million VND on health insurance for its employees.



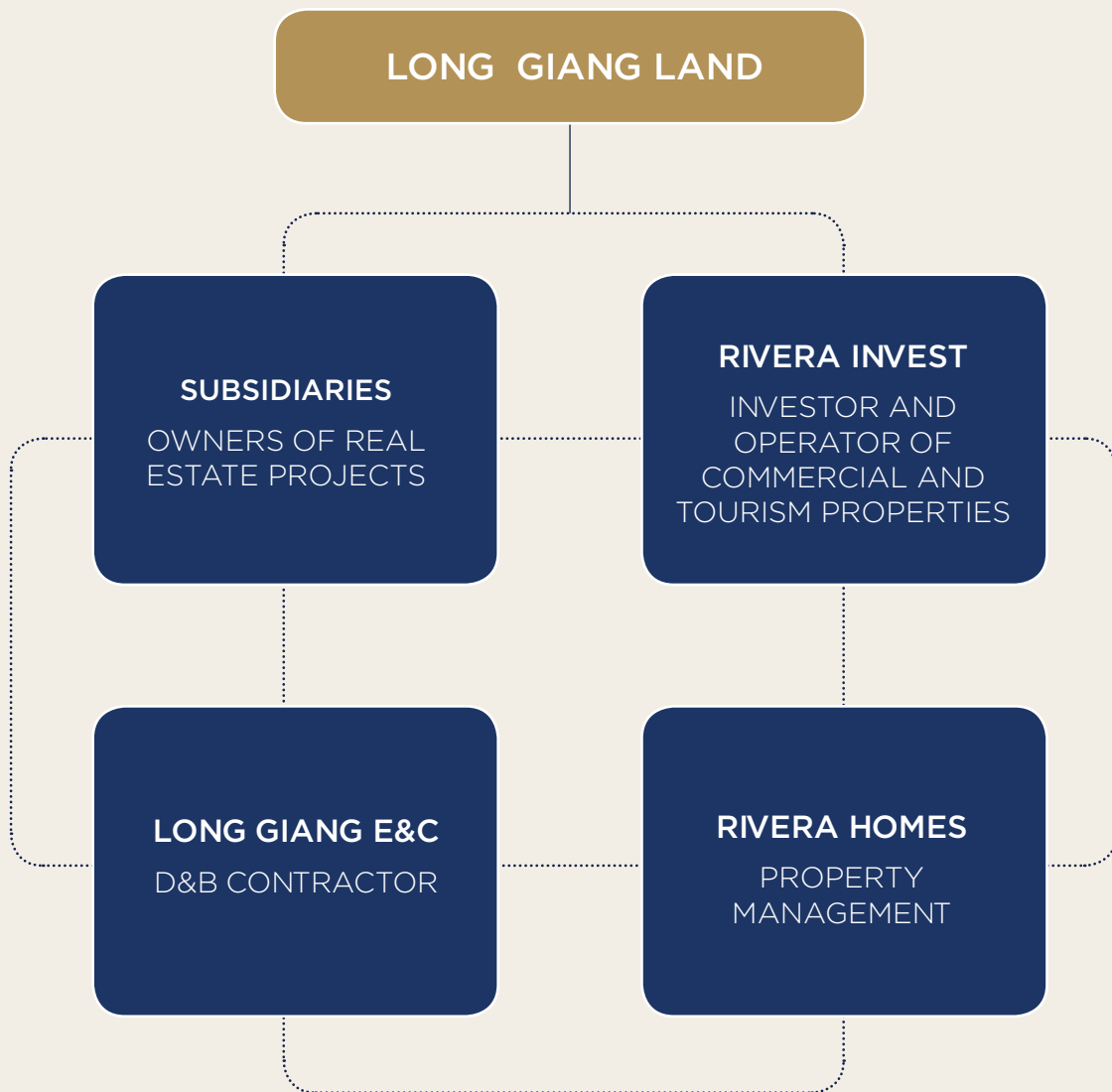
07

1.1 BILLION VND DONATIONS TO CHARITY PROGRAMS

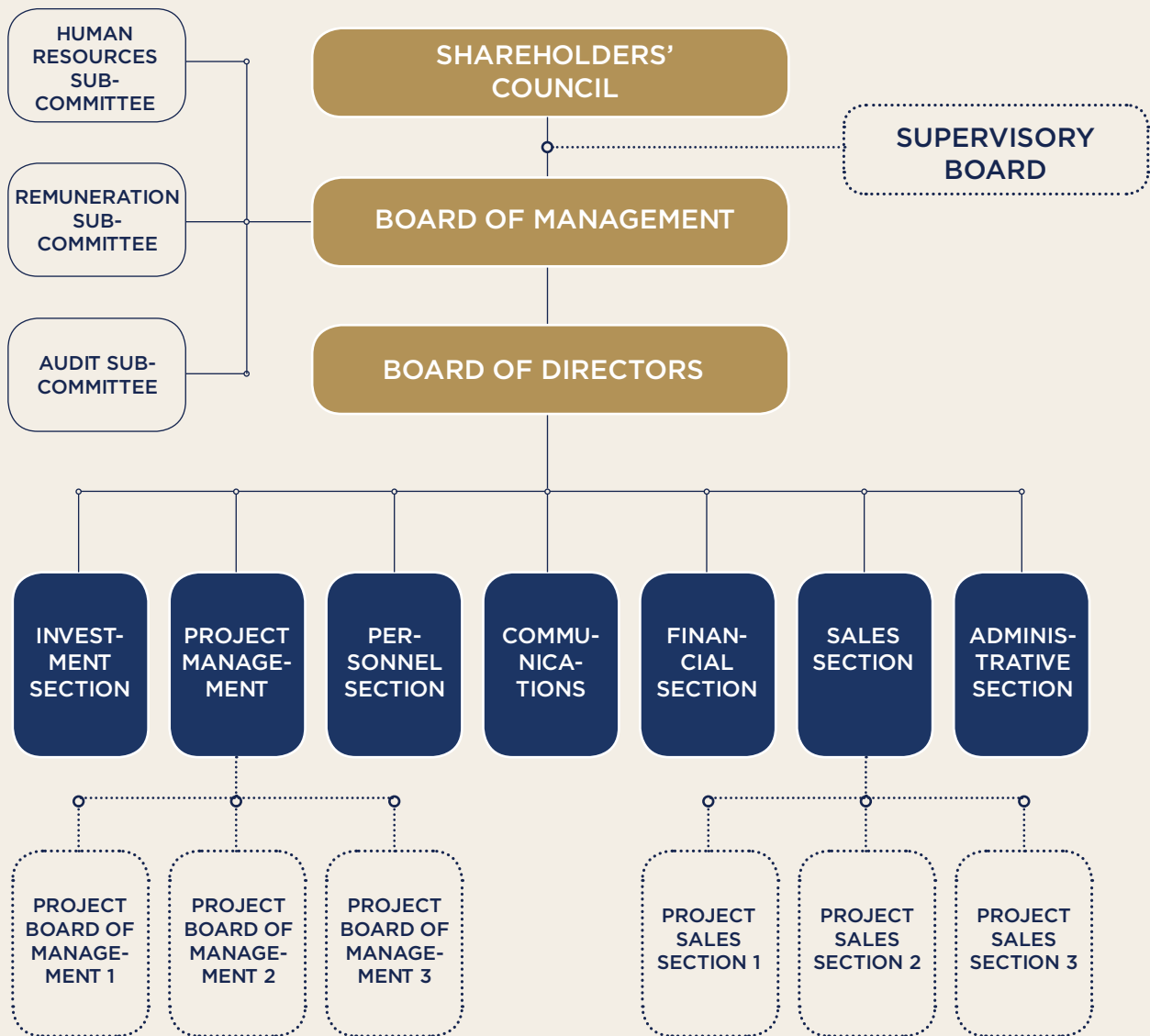
Since the beginning of 2019, Long Giang Land has donated over 1.1 billion VND to charitable activities, including providing free porridge at Duc Giang and Dien Bien hospitals, organizing the Mid-Autumn Festival for children and offering Lunar New Year gifts to people in Pu Dua village, commune Quang Chieu, Muong Lat district, Thanh Hoa province, and implementing a health care program for people in mountainous regions in Ha Tinh and Hoa Binh provinces.

GOVERNANCE MODEL, BUSINESS ORGANIZATION, AND MANAGEMENT APPARATUS

GOVERNANCE MODEL



MANAGEMENT APPARATUS



SUBSIDIARIES AND ASSOCIATES

No	Company	Address	Principle activity	Charter capital (VND)	LGL's ownership
Subsidiaries, associates owners of real estate projects					
1	Viet Hung Real Estate Investment-Garment and Embroidery Joint Stock Company	403/2, alley 355, Nguyen Van Linh Street, Phuc Dong Ward, Long Bien District, Hanoi	Real estate trading	20,000,000,000	51%
2	Minh Phat Joint Stock Company	165 Huynh Thuc Khang Street, Mui Ne Ward, Phan Thiet City, Binh Thuan Province	Real estate trading	276,000,000,000	65%
3	Nghia Do Trading and Service Joint Stock Company	1, Nghia Tan Street, Nghia Tan Ward, Cau Giay District, Hanoi	Real estate trading	20,280,000,000	52.46%
4	Ha Long Construction Joint Stock Company	Apartment and service after Lan Be coastal road - Marker 8 - Dien Bien Phu Street, Hong Ha Ward, Ha Long City, Quang Ninh Province	Real estate trading	180,000,000,000	40%
Associates operate in the field of investment and exploitation of commercial and service areas and offices					
1	Rivera Invest	1 st Floor, Packsimex Building, 52 Dong Du, Ben Nghe Ward, District 1, Ho Chi Minh City	Commercial and tourism property investment and operation	300,000,000,000	48%
Associates operating in the field of construction and installation					
1	Long Giang E&C, formerly known as Long Giang Hanoi Joint Stock Company	24A floor, 173 Xuan Thuy Buiding, Dich Vong Hau Ward, Cau Giay District, Hanoi	Design & Build	100,000,000,000	48%
Associates operating in the field of real estate management					
1	Rivera Homes	3 rd Floor, Lot A and Lot B, Rivera Park Saigon Building, 7/28 Thanh Thai Street, Ward 14, District 10, Ho Chi Minh City	Property management	20,000,000,000	49%



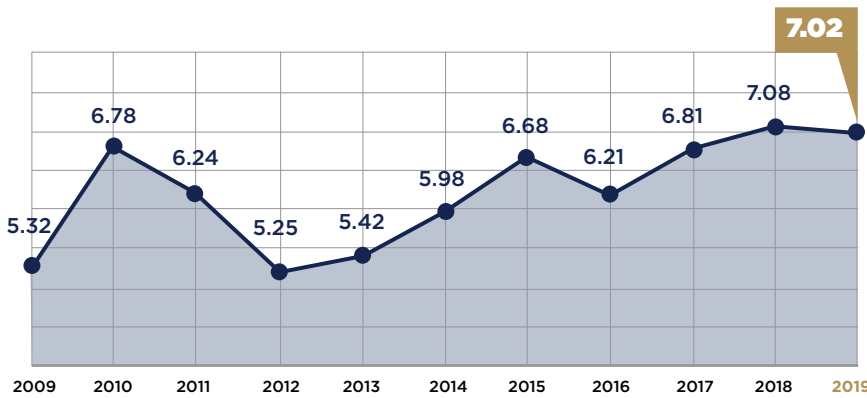
DEVELOPMENT ORIENTATIONS

MACRO-ECONOMIC SITUATION

Vietnam's economy

Vietnam enjoyed macro-economic stability in 2019 driven by impressive 2018 economic growth but faced numerous challenges due to the global economic slowdown.

GDP GROWTH RATE (Unit:%)



Vietnam's GDP expanded 7.02% in 2019, surpassing the target set by the National Assembly (6%-6.8%).




GROWTH BY SECTOR

* Compared to 2018:

 **2.01%**



Agro-forestry and fisheries sectors

 **8.9%**



Industry and construction sectors

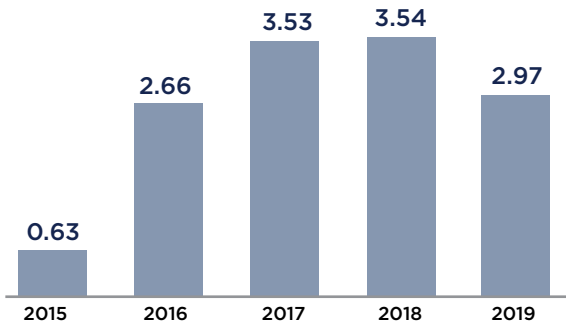
 **7.3%**



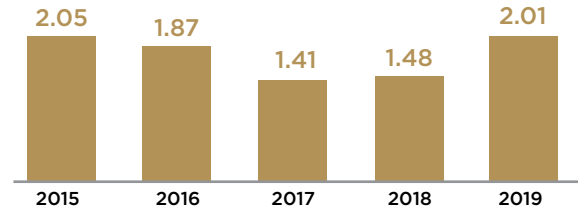
Service sector

Agro-forestry and fisheries sectors grew 2.01%, accounting for 4.6% of overall economic growth; industry and construction sectors grew 8.9%, accounting for 50.4% of overall growth; and the service sector grew 7.3%, accounting for 45% of overall growth.

THE CONSUMER PRICE INDEX (Unit:%)



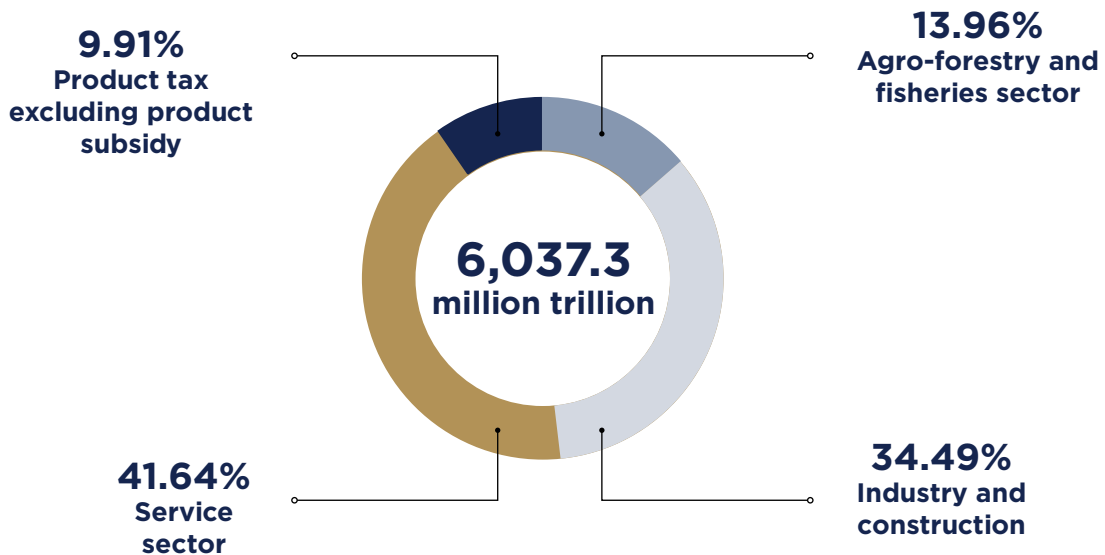
INFLATION (Unit:%)



The Consumer Price Index (CPI) in 2019 rose 2.79% against 2018, below the National Assembly’s target and the lowest in the last 3 years.

Inflation in December 2019 increased 0.68% compared with the previous month and 2.78% against the same period of the previous year. Inflation in 2019 was up 2.01% against 2018.

ECONOMIC STRUCTURE IN 2019



Vietnam’s economy in 2019 was valued at six million trillion VND (262 billion USD) with the service sector making up 41.64%, followed by the industry and construction sector (34.49%), the agro-forestry and fisheries sector 13.96%, and product taxexcluding product subsidy (9.91%.)

Real estate market

Hanoi and Ho Chi Minh city remained Long Giang Land's key markets in 2019.

HANOI

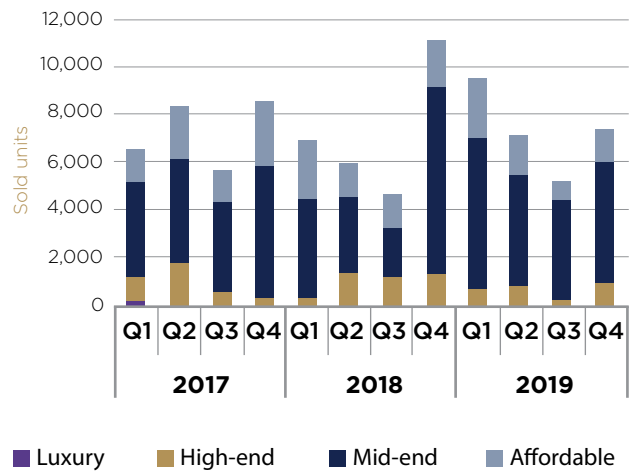
APARTMENTS

Approximately 36,000 new apartments were available for sale in Hanoi in 2019. The annual average figure in the 2015-2019 period was 35,000, doubling that in the 2010-2014 period.

An estimated 29,000 apartments were sold in Hanoi in 2019, up 1% against the previous year. Many buyers were foreigners.

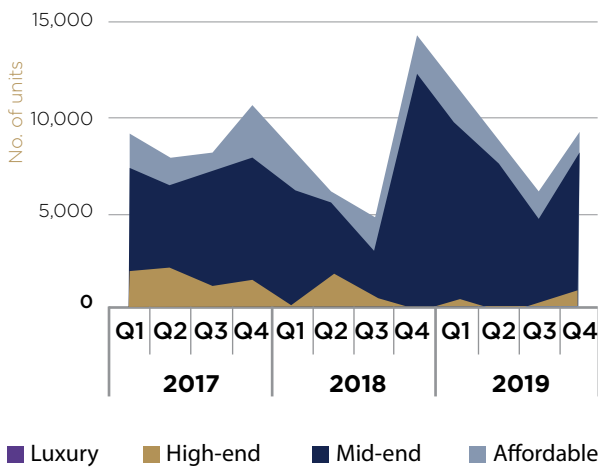
Prices averaged 1,501 USD/m², a slight increase over 2018. The sharpest price increase was recorded in the mid-range segment.

Sold Units



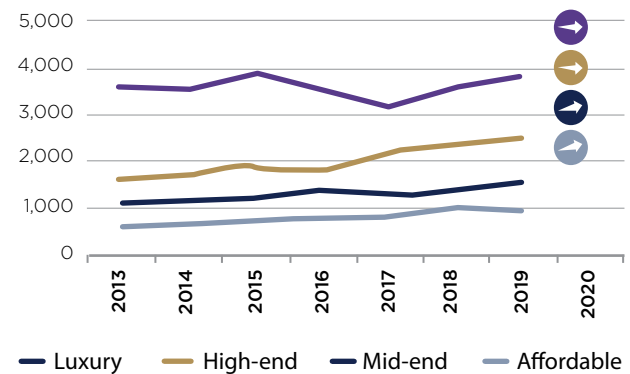
Source: CBRE Research, Q4 2019

Launched Supply



Source: CBRE Research, Q4 2019

Average Primary Prices (USD/sqm)



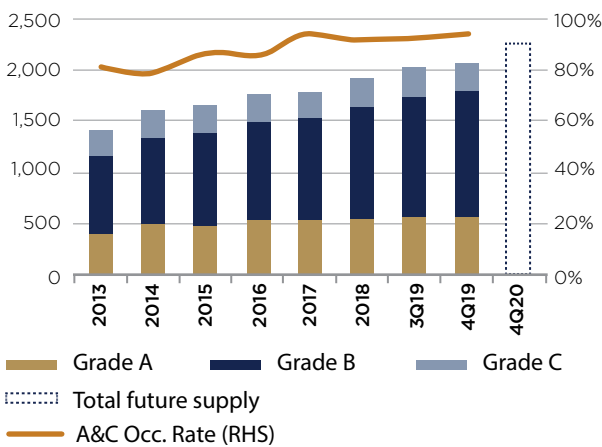
Source: JLL Research, Q4 2019

OFFICES FOR LEASE

With the inauguration of Peak View and Coninco Tower in the 4th quarter of 2019, the office-for-lease market in Hanoi continued to see another year of abundant supply with a total floor area of 1.8 million m².

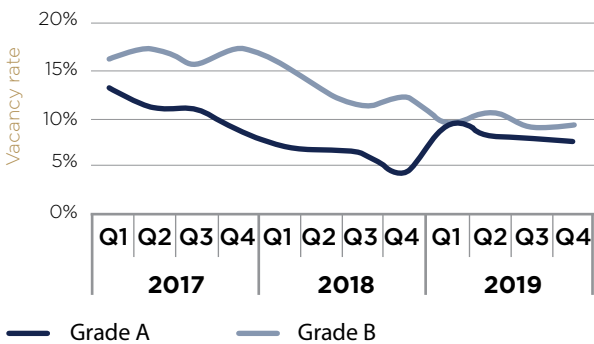
The average occupancy rate reached 93%. Both Grade A and B offices enjoyed an occupancy rate of more than 90% in 2019.

Office Total Stock ('000 sqm NLA)



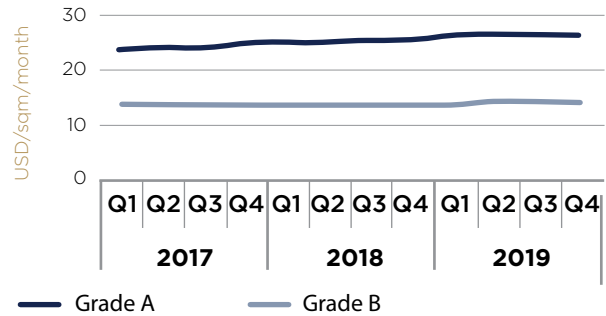
Rent are quoted excluding service change and tax
 Source: CBRE Research, Q4 2019

Vacancy Rate



Source: CBRE Research, Q4 2019

Asking Rent



Rent are quoted excluding service and tax
 Source: CBRE Research, Q4 2019

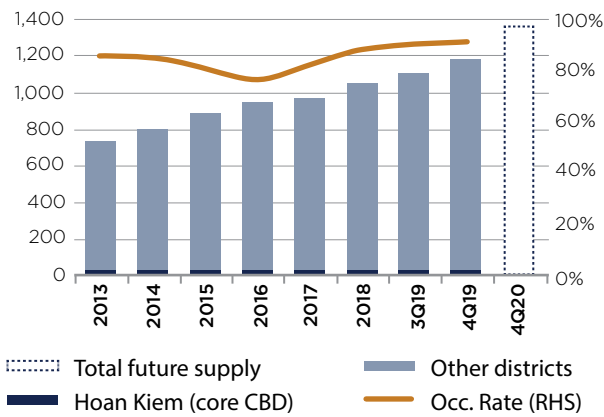
The average rent of Grade A and B offices in Hanoi in the 4th quarter of 2019 was 26.2 USD/m²/month and 14.3 USD/m²/month respectively, up 0.3% against Q3 and 6% over the same period of 2018.



SHOP OFFICES

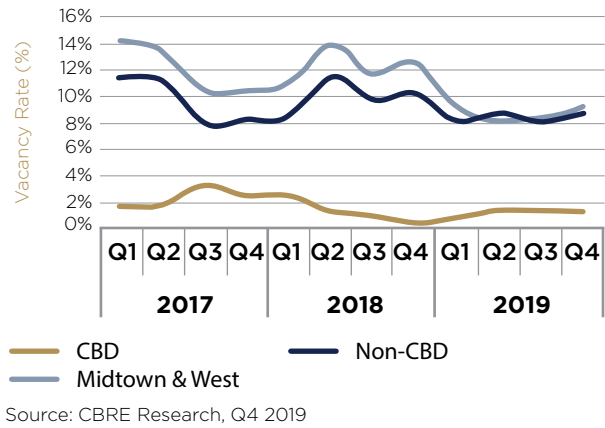
By 2019, the total floor area of shop offices in Hanoi surpassed 1 million m2. 139,000 m2 were rented in 2019, up 2.7 fold against 2018.

Retail Total Stock ('000 sqm GLA)



Source: JLL Research, Q4 2019

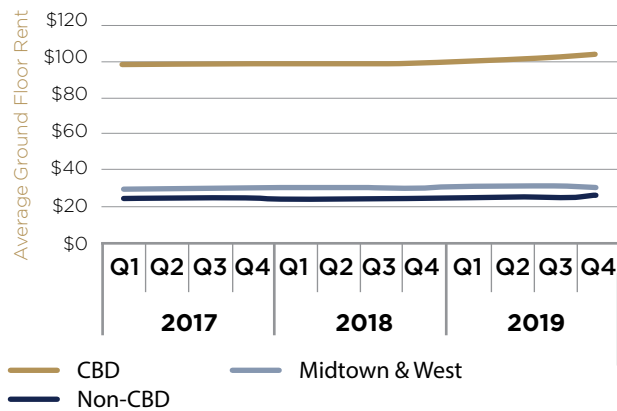
Vacancy Rate



Source: CBRE Research, Q4 2019

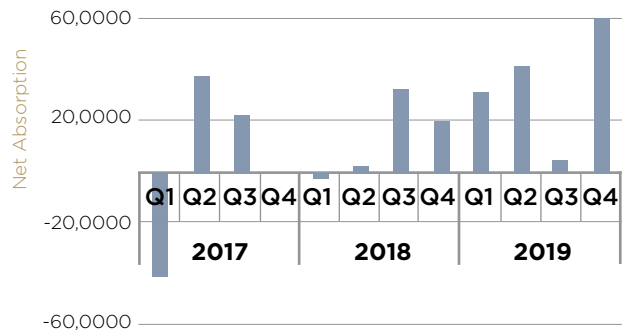
Rent averaged 98.1 USD/m2/month in downtown areas (up 3.6% against 2018) and 24.8USD/m2/month in other areas (up 2% against 2018).

Average Ground Floor Rent



Rent are quoted for inline stores, including serviced charge but excluding taxes

Net Absorption



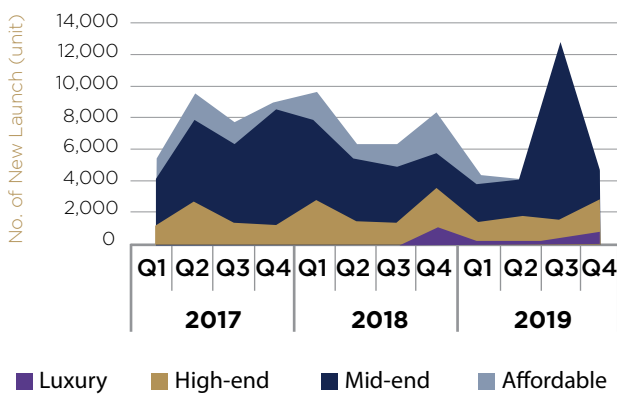
Source: CBRE Research, Q4 2019

HO CHI MINH CITY

APARTMENTS

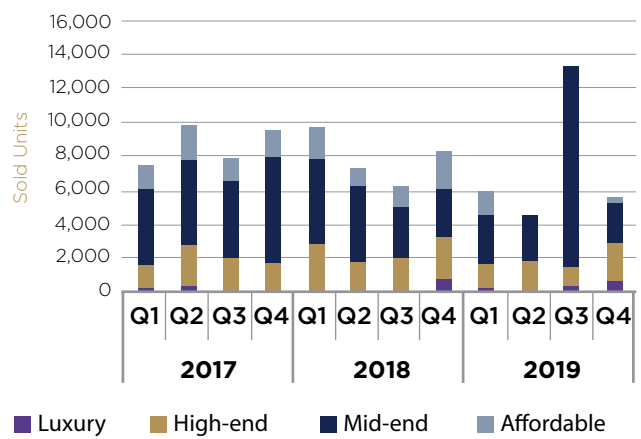
Only 26,692 apartments available for sale in Ho Chi Minh city 2019, a 13% decrease against 2018. 36 new projects offering apartments for sale in 2019 (60 in 2018).

Launched Supply



Source: CBRE Research, Q4 2019

Sold Units

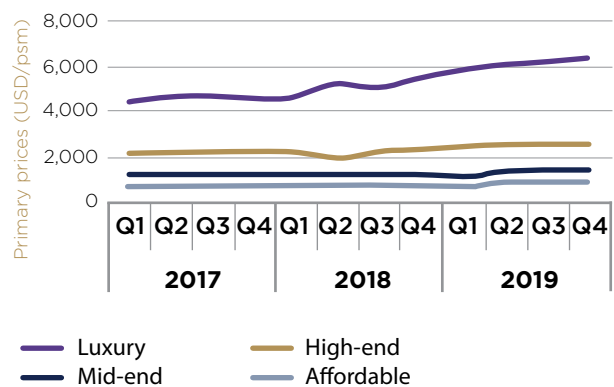


Source: CBRE Research, Q4 2019

Sales dropped by half in Q4 compared to Q3. 800-1000 apartments in inventory were sold every quarter 29,874 apartments were sold in 2019, down 5% on 2018 due to limited supply.

As demand surpassed supply, the apartment price increased 10% against 2018 to reach 1,902 USD/m².

Primary Prices



Source: CBRE Research, Q4 2019



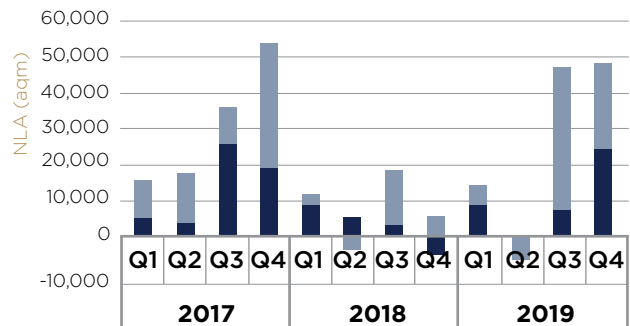
OFFICES FOR LEASE

By 2019, the total for area of Grade A and B offices for lease in Ho Chi Minh city reached 1,357,114 m2. Supply of Grade A and B offices rose 16% and 12% respectively against the same period of 2018.

The non-occupancy rate for Grade A and B segments was kept at below 10%. In downtown areas, the figure was 3% for Grade A offices and less than 1% for most Grade B offices.

Rent of Grade A offices dropped 2.7% against 2018 to 45.15 USD/m2/month due to fierce competition from new buildings in suburban areas whose rent was 50%-60% cheaper. Rent of Grade B offices continued to rise compared to Grade A offices.

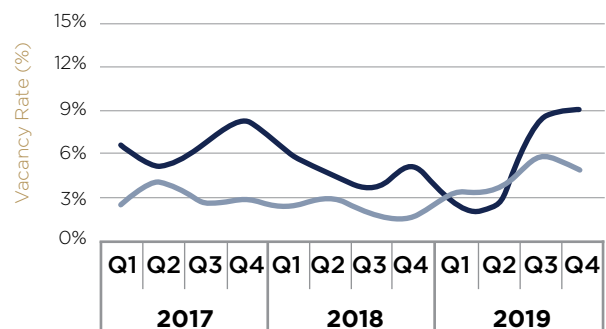
Net absorption



■ Grade A ■ Grade B

Source: CBRE Research, Q4 2019

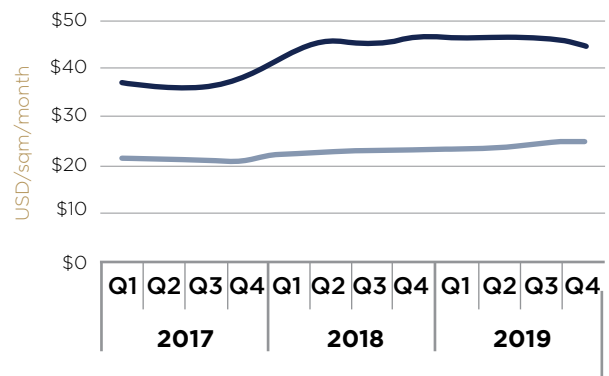
Vacancy Rate



— Grade A — Grade B

Source: CBRE Research, Q4 2019

Asking Rent



— Grade A — Grade B

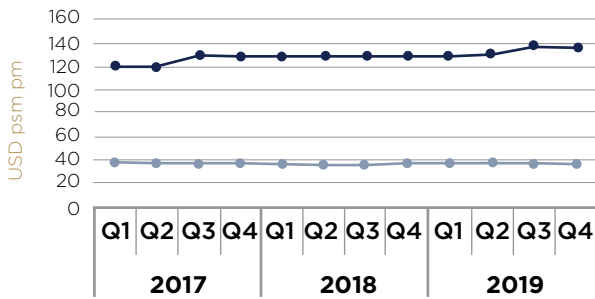
Rent are quoted excluding service charge and tax

Source: CBRE Research, Q4 2019

SHOP OFFICES

The non-occupancy rate in downtown areas, which had been below 4% in 2017 and 2018, fell to 1.6% in 2019, a 1.8% decrease compared with 2018. The non-occupancy rate in suburban areas was recorded at 8.1% in 2019, down 0.9% on 2018 despite increasing supply.

Average Ground and First Floor Rent

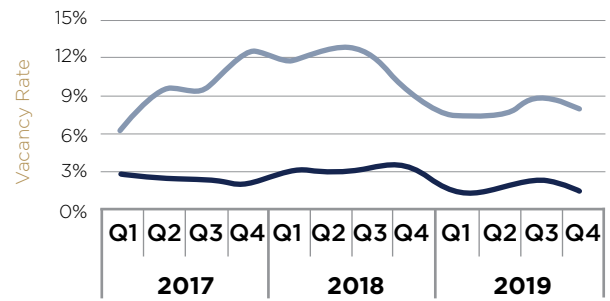


- Asking rent - CBD
- Asking rent - Non - CBD

Rents are quoted for inline stores, excluding service charge and taxes.

Source: CBRE Research, Q4 2019

Vacancy Rate



- Vacancy Rate - CBD
- Vacancy Rate - Non - CBD

Source: CBRE Research, Q4 2019

Rent averaged 135.5 USD/m²/month in downtown areas (up 5.8% against 2018) and 35.7 USD/m²/month in suburban areas.



2020 economic outlook



2020 is expected to be increasingly unstable due to the US-China trade war which has put most major economies in the world at risk, and especially the devastating impact of COVID-19.

As of March 27, the novel coronavirus spread all over the world with half a million infections and 24,000 deaths. The pandemic had put nearly 3 billion people worldwide under lockdown.

In Vietnam, the epidemic had entered the third stage with 153 confirmed cases, 1,600 suspected cases, and 50,000 people put in quarantine. On March 26, 2020, the Government issued a directive on

travel restrictions and suspension of non-essential services, to be effective on March 28. Major cities like Hanoi, Ho Chi Minh city, and Hai Phong are taking drastic measures to prevent the spread of COVID-19.

In the best scenario, if the epidemic is contained in Q2, Vietnam's GDP is forecast to grow no more than 5% in 2020.

The Vietnam Real Estate Association (VNREA) predicts that real estate supply will fall sharply in 2020 as Hanoi, Ho Chi Minh City and many other localities have been very slow in approving new projects. As competition grows, only major businesses survive.

Even if the epidemic is contained in Q2, it will take the Vietnamese economy at least 6 months to recover, which means all sectors will see their revenues dropping. Real estate businesses including Long Giang Land will be badly affected as demand falls.

As 2020 marks a new stage of development of Long Giang Land, the company will focus on finalizing legal procedures and improve its performance and human and financial resources to kick start new projects. As a result, the negative impact of COVID-19 and other factors will be minimized.

SWOT ANALYSIS

STRENGTHS

1. Extensive experience in developing major projects in Hanoi and Ho Chi Minh city;
2. Reputation and trademark recognized by authorities, bankers, business partners, and customers;
3. Future projects will be developed in prime locations across Vietnam. Investment procedures have been cleared for some of these projects;
4. Owner's equity has increased significantly to reach 750 billion VND;
5. The company has been restructured to improve its governance and management for the new period of development;
6. The organization of the group of Long Giang companies has been fine-tuned to create a closed value chain in real estate development;
7. A network of reputable contractors, suppliers, and consultants, particularly in sale management;
8. Products encompass 3 categories with different segments meeting the different needs of customers.

WEAKNESSES

1. Less experience in developing apartment buildings and commercial and tourism properties;
2. Lack of high-quality manpower, particularly middle and senior managers;
3. The existing land bank is not commensurate with the company's development potential;
4. The current capital source fails to meet investment needs as stated in the company's development strategy;
5. Slow application of scientific and technological advances in management and operation reduces the company's efficiency.

OPPORTUNITIES

1. Vietnam's economy continues to grow. Vietnam's real estate market and tourism are drawing an increasing number of foreigners;
2. The real estate market will continue to develop vigorously thanks to many innovative policies, stable interest rates, and continual domestic and foreign capital flows. The real estate market has expanded to other localities other than Hanoi, Ho Chi Minh City, Da Nang and Nha Trang;
3. Vietnam, with its golden population structure, is embracing Industry 4.0 while startups have been mushrooming. As a result, demand for office space will increase in the long term;
4. Growing per capita income in major cities will spur demand for middle and high-end housing and shopping.
5. Limited real estate supply for the time being will benefit the company's new projects;
6. Differentiation in the real estate market is clear, creating opportunities for businesses which operate professionally with appropriate strategies and a strong financial foundation.

THREATS

1. COVID - 19 is spreading all over the world, threatening economic development and real estate businesses including Long Giang Land;
2. Land fund in city centers is shrinking while input costs increase and products face fierce competition;
3. High legal risks in the field of real estate; ambiguous legal framework for tourism real estate products; shortcomings in regulations governing housing and construction management and planning; and cumbersome land pricing and legal procedures;
4. Disputes in apartment buildings have caused potential social instability, eroding customers' trust;
5. More investors are involved in apartment building projects, particularly in the mid-range and high-end segments;
6. The State Bank continues to tighten real estate credits. Interest rates tend to increase.

MAJOR GOALS

Long Giang Land has been pursuing the following goals:



Building and developing the Rivera brand across Vietnam, focusing on Hanoi, Ho Chi Minh City and other major cities such as Da Nang, Nha Trang (Khanh Hoa), Phan Thiet (Binh Thuan), and Ha Long (Quang Ninh).



Constantly improving product quality and taking product quality as a competitive advantage to make Rivera-branded projects a peaceful place of residents and customers.



Constantly improving the material and spiritual life of the company's employees while developing corporate culture imbued with its own identity.



Giving priority to social contributions.



Maintaining and developing relationships with partners, including other Long Giang companies to survive fierce competition.





RA PARK

MID-TERM AND LONG-TERM STRATEGIES

In order to accomplish the set goals, in the coming time, Long Giang Land is oriented to develop with a strategy focusing on 5 main objectives: **Project development; Brand Positioning; Improve financial capacity; Human resource development; Perfecting the management and operation system.** Accomplish the set goals, Long Giang Land is determined to:



In terms of real estate project development

Concentrating resources to develop more land funds in big cities with potential real estate markets, especially Hanoi and Ho Chi Minh City. Ho Chi Minh City, Da Nang, Nha Trang (Khanh Hoa), Phu Quoc (Kien Giang) ... pave the way for growth in the next 5-10 years;

Promoting the strength of Long Giang construction segment, helping the real estate segment optimize investment efficiency and control the quality and construction progress, bringing differentiated products to customers;

Maintain and develop the system of strategic partners of the company, especially in the field of design, marketing and sales management, complete the closed value chain for Long Giang Land.



In terms of finance

Enhancing the financial capacity of the company through increasing capital sources: issuing corporate bonds, issuing shares ...;

Improve the ability of optimizing the company's capital through improving sales capacity to take advantage of customer and bank capital in parallel with equity and optimize cash flow;

Restructuring the company's assets to create better sources for project development;

Collaborate with suitable investment partners to increase financial capacity and the number of projects being implemented.



In terms of the management and operation system

Restructuring Long Giang Land both in the model of ownership and management of parent companies
- Subsidiaries and associated companies to be more efficient and suitable for each project development stage, ensuring the coherence and closed of the real estate product - service chain;

Concentrating on perfecting the system of corporate governance documents, improving the management and operating capacity towards professionalism, meeting the requirements of the new period;

Revise the project development process to balance product liquidity and speed of handling pre-sale jobs (legal, design ...).



In terms of human resources

Focus on improving the attractiveness of the business environment to retain existing and competent personnel and attract new personnel to meet the development requirements of the enterprise;

Improve the quality of existing personnel, especially leading and managerial officials through internal training and training;

Additional recruitment of high-quality personnel who are leading, experienced managers and young competent staff.



In terms of brand positioning

Continue to maintain the current development momentum, constantly consolidate and improve the reputation of Long Giang Land real estate brand as one of the most prestigious real estate developers.

Inherit the success of the two projects Rivera Park Hanoi and Rivera Park Saigon, Long Giang Land continues to develop projects branded Rivera Park in the country, with criteria for product quality: Prime location - Reasonable design - Advanced materials and equipment - Full facilities

Perfect service.

Constantly consolidate and improve the reputation of LGL stock codes in the market as a listed company based on the main criteria: Information transparency - Constantly developing - Prioritizing benefits of the shareholders.



ENVIRONMENTAL, SOCIAL AND COMMUNITY GOALS

In parallel with the sustainable development strategy, besides the goals of economic - governance, Long Giang Land also sets goals towards Environment - Society - Community. These are indispensable content when Long Giang Land is trying to enhance the image, increase its influence and affirm its reputation.

Environment

» Energy saving

- The building design always makes the most of natural light and wind;
- Reduce the amount of heat entering the building by using high-class, heat-resistant materials effectively block UV rays;
- Using advanced air-conditioning system, saving electricity with efficient cooling. Combined with high-class materials system can reduce the energy consumption of the apartment by up to 30%;
- Long Giang Land always prioritizes the use of energy-saving and high-efficiency lighting equipment (LED lamps) instead of low-efficiency, energy-efficient lighting systems (incandescent bulbs, fluorescent lamps with ferromagnetic ballasts).

» Limiting the greenhouse effect

- Develop a design and construction process that meets Green Building standards;
- Long Giang Land uses modern energy-saving air-conditioning systems, thereby contributing to reducing the level of greenhouse gas emissions;
- The buildings of Long Giang Land have many trees, contributing to air conditioning and CO2 absorption, reducing the greenhouse effect.

Use of environmentally friendly materials:

Long Giang Land always prioritizes the use of green materials of natural origin, does not affect the natural

environment and climate, can be recycled but still ensures quality and performance.

Efficient waste treatment: Rivera Park's brand projects are invested in modern waste water and waste treatment systems that meet standards and operate effectively, contributing to keeping the environment green - clean, protect the health of residents.

Community - society

- Investing in a full range of utilities to meet the living needs of the communities and customers: Services and utilities are always concerned, invested and operated effectively; to ensure the best service for residents' life.
- Building civilized and safe Rivera resident communities: Good management of the projects that the company develops, building a system of humane and modern regulations, creating a cultural, civilized and safe community.
- Actively sponsor and participate in volunteer activities:
 - Considering children, helpless elderly and poor patients are the three subjects of the company focused on regular funding;
 - Participating in relief and support to help people in the disaster-hit area;
 - Accompanying with volunteer programs.
- Implement educational development support programs:
 - Accompanying with sponsorship programs to develop quality education in remote areas: School lighting, building schools at the border ...



RISKS

Real estate businesses in general and Long Giang Land in particular have potential risks from risks such as: macroeconomic risk, legal risk, financial risk, market risk, interest rates risk, real estate-specific risks ... In particular, the most significant and dangerous risks for Long Giang Land include:



COVID - 19 RISKS

- The COVID - 19 epidemic has been happening in a very complicated and dangerous manner throughout the world as well as in Vietnam, causing severe impacts on the economy, finance and real estate market. The macroeconomic growth has slowed down, the demand for investment in property ownership has decreased, the health of employees has been threatened, which has affected the normal business and production activities of the Company.

- To minimize the risks posed by the COVID - 19 disease, Long Giang Land's Board of Directors took the initiative in monitoring the disease situation, anticipating challenges and challenges in 2020 to devise an appropriate response plan. well suited. At the same time, the Company has issued a series of rules and regulations on hygiene and safety in the office area to minimize the risk of infection. In addition, Long Giang Land has also actively researched and applied information technology, allowing employees to work remotely, at home while ensuring performance and work results.

MARKET RISKS

- Real estate is an industry that is closely linked to the macroeconomic situation and vulnerable to market changes. Any small change in the economy will have a great impact on the real estate market. In addition, the market is increasingly fierce because customers have gradually seized the market more closely, explored and selected more strictly. The tastes as well as the needs of customers are constantly changing, requiring real estate companies to make efforts to adapt to the market.
- In order to minimize market risks, Long Giang Land's Investment Department always maintains the monitoring and forecasting of general trends of the economy, the stock market in general and the real estate industry in particular plan and advise the Board of Directors an appropriate development strategy.

LEGAL RISKS

- Legal risks arise from compliance and changes to legal policies. Specifically, the policies and regulations on tax, banking, Real Estate Business Law, Housing Law, Investment Law... have a direct impact on all aspects of Long Giang Land's activities: from investment preparation, developing and trading projects to managing buildings, especially the legal corridor related to the type of tourism real estate products.
- In order to ensure compliance when there is a change in the laws and management policies that affect business operations, the Legal Department regularly updates the changes of the relevant legal system, making recommendations, propose, recommend and adjust the processes and regulations of the company accordingly. At the same time, the Legal Department also collaborates with the specialized departments / sections in analyzing specific impacts, helping the Board of Directors build or adjust appropriate business operation strategies. In addition, with nearly 20 years

of operation in the field of real estate, Long Giang Land believes that it will be sufficient experience to identify and manage the risks related to legal changes of the market.

FINANCIAL RISKS

- The types of financial risks that Long Giang Land faces are credit, interest rate and liquidity risks.
- The policy of tightening credit for real estate will cause certain difficulties in accessing capital to implement the project. The procedure for borrowing will also be more complicated, leading to the time and cost of project development, which makes it difficult for the company to mobilize capital from domestic banks. In addition, with most of the investment capital mobilized from credits at banks, the fluctuation of interest rates also poses a lot of risks to the company's operations.
- In addition, the bad debt situation in the real estate sector still contains many risks, the capital issue is still a major challenge, the land price frame increases, the issue of site clearance compensation, administrative procedures. Due to the slow and complicated nature of development, the length of time that project development is likely will cause pressure to increase development costs if not well controlled.
- To ensure financial health, Long Giang Land always strictly controls cash flow, periodically assesses the company's financial situation, proactively adjusts flexible capital structure and balances liquidity. Maintaining credit reputation with domestic and foreign credit institutions is also considered a top priority in financial management activities of Long Giang Land.
- The company has also actively sought experienced potential partners with strong financial capacity to provide technical, technological and medium-term financial support, reducing borrowing pressure. In addition, Long Giang Land will consider other capital raising solutions such as issuing corporate bonds... preparing ample capital for new land funds.

INFORMATION SECURITY RISKS

- Information security risks are those that can affect and affect the confidentiality, integrity and availability of information. For a real estate company on the rise with a series of big projects and ambitious business plans like Long Giang Land, information must always be kept confidential and ready to serve the operation of the Divisions/Board. The loss of information may seriously affect information resources, finance and

reputation of the Group. Increasingly sophisticated and sophisticated methods of network attacks can lead to the risk of information loss and may even cause a complete collapse of the information system.

- Currently, the standard IT system is being researched and invested by the company. Security principles are disseminated to each employee. The Company always focuses on ensuring information security for Customers, Investors and Shareholders.

ENVIRONMENT RISKS

- The projects that the company has been and will be implemented are large-scale projects with short implementation time and not a small amount of work. Therefore, there are always potential dangers affecting the soil - water - surrounding environment. This will affect the quality of the project, the lives of residents as well as the brand and reputation of the company.
- At Long Giang Land, we always carry out a full range of research reports and environmental impact assessments for each project; implement measures to minimize, handle pollution and ensure labor safety in the construction stage, ensure the norms prescribed for environmental protection; always build exhaust treatment systems, waste, domestic wastewater according to advanced technology for each project...; perform periodic environmental monitoring and send full reports to regulatory agencies.

OCCUPATIONAL SAFETY AND HEALTH RISKS

- Associated with environmental risks are risks that affect the occupational safety and health of indirect employees as well as employees and workers directly working at the site. Currently, with the development of the media as well as the awareness of society, human life - health are the highest values and cannot be replaced or compensated if harmed.
- Therefore, awareness of ensuring a safe working environment is a top concern in Long Giang Land. Training courses are organized regularly to ensure that employees and employees understand the workplace safety knowledge, thus ensure safety for themselves and preserve brand reputation. The company also focuses on maintaining the annual health check policy, insurance policy, establishing working hours suitable to the specific characteristics of each job to ensure the health of employees. Effective health and safety policies for employees play an essential role in increasing productivity and improving employee morale and happiness.

CHAPTER **II**

BUSINESS OPERATIONS IN 2019

- 56** Situation of production and business activities in 2019
- 64** Organization and personnel
- 72** Investment and project implementation situation
- 86** Financial situation
- 92** Shareholder structure, changes of equity capital





RIVERA PARK



LONG GIANG
LAND

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2019

OVERVIEW



In 2019, the real estate market is in trouble and declining in most segments. However, despite being affected by the difficult context of the market, Long Giang Land has also recorded many significant results in production and business activities.

The company has completed the sales of Hanoi Rivera Park project. The project continues to be trusted, welcomed and appreciated by customers, confirming a firm foothold in the market. Consolidated revenue and consolidated profit after tax respectively reached VND 1,284 and VND 69 billion, equivalent to 99% and 58% of the plan for 2019. Basic earnings per share (EPS) reached VND 1,095 / share.

To prepare for the next stage of development, Long Giang Land has completed the acquisition of 40% of Ha Long Construction Joint Stock Company, thereby owning a new project with a scale of nearly 12,000 m² of land in Ha Long city. In addition, the Company has also implemented and completed a series of important procedures to be able to start new projects in Ha Noi, Phan Thiet and Can Tho, ensuring the foundation to

build Long Giang Land into among the most prestigious real estate developers with a series of Rivera-branded projects spread across major cities across the country.

In parallel with the business and new project development, the improvement of the management system is also one of the top concerns of the Company. Long Giang Land and other companies in the Long Giang group of companies have basically completed the restructuring process, from companies operating in many areas but still overlapping and lack of close link to model. corporations with closed value chains in the field of real estate.

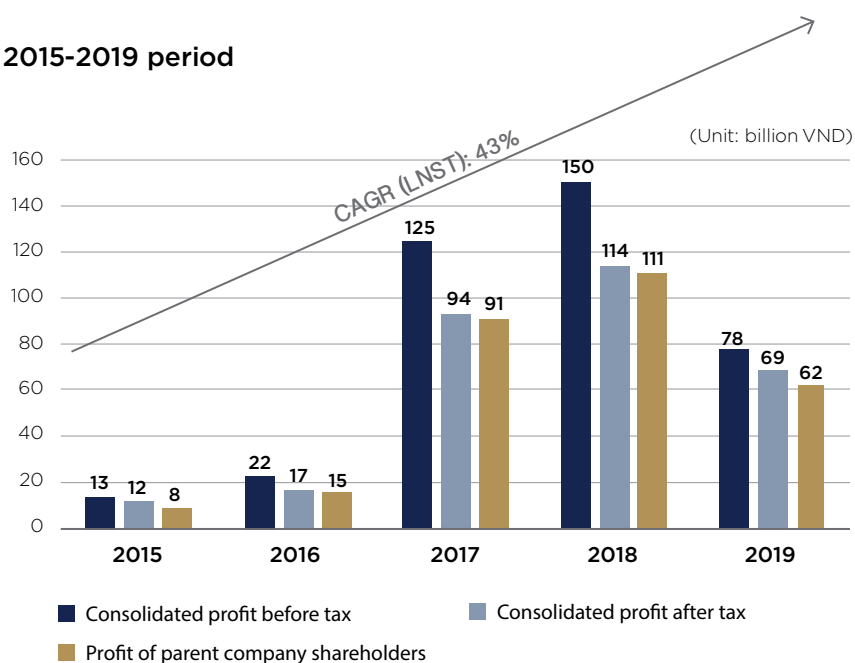
The company has also completed the review and upgrade of the quality of internal management documents system with the introduction of the Internal Management Regulation, Corporate Cultural Handbook... version 2019. With training activities Internal creation is maintained regularly, the quality of human resources has also been upgraded one more level, in line with the development orientation in the new period.

PRODUCTION AND BUSINESS RESULTS OVER THE SAME PERIOD IN 2018 (ACCORDING TO THE CONSOLIDATED FINANCIAL STATEMENTS)

(Unit: billion VND)

No.	Targets	2019	2018	% Done 2019 compared to 2018
1	Net sales	1,284	1,173	109%
2	Consolidated profit before tax	78	150	52%
3	Consolidated profit after tax	69	114	61%
4	Profit of parent company shareholders	62	111	56%
5	EPS (VND/bond)	1,095	2,412	45%

Profit in 2015-2019 period



Compared to 2018:

- » Consolidated net revenue in 2019 increased by 111 billion VND, equivalent to 9% and reached VND 1,284 billion, completing the year plan.
- » Consolidated profit after tax decreased by VND 45 billion, equivalent to 39% and reached VND 69 billion, fulfilling 58% of the year plan.
- » Parent company shareholders' profits dropped by VND 49 billion, equivalent to 44% and reached VND 62 billion.

PARENT COMPANY BUSINESS RESULTS COMPARED TO 2019 PLAN

(Unit: billion VND)

No	Targets	Plan 2019	Implementation 2019	% Done of yearly plan
1	Net sales	1,400	1,338	96%
2	Profit before tax	150	103	69%
3	Profit after tax	125	88	70%

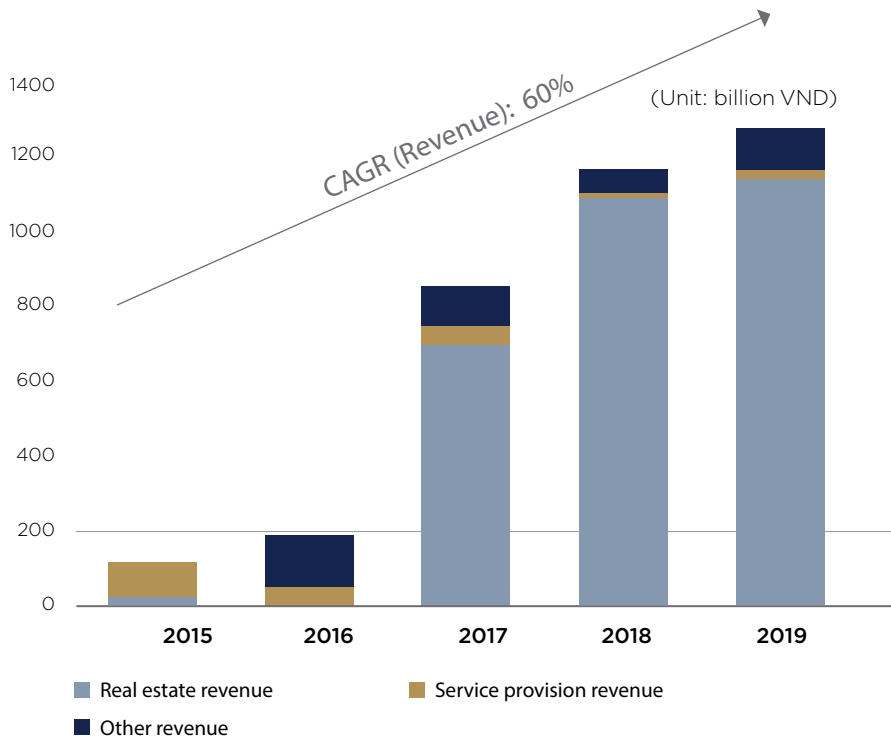
In 2019, the parent company’s net revenue is VND 1,338 billion and fulfilling 96% of the year plan. Of which, revenue from real estate business activities reached VND 1,202 billion, accounting for 87% of total revenue and equivalent compared to 2018. Profit after tax reached VND 88 billion, equivalent to completing 70% of the plan.

During the year, the Company focused resources to complete and hand over the remaining apartments and commercial area of Hanoi Rivera Park Project office to customers, fulfilling the Project’s sales targets. The company has basically completed the set revenue plan, but has not yet achieved the profit target due to the following reasons: The high-end apartment market in the fiercely competitive area, therefore, has pushed up spending. sales fee of Rivera Park Hanoi project increased sharply; Profit margin of the commercial - office area transferred to Rivera Hanoi Joint Stock Company is narrow.

It is expected that in 2020, the Company will complete the debt collection work of 2 projects Rivera Park Hanoi and Rivera Park Saigon, and start 2 new projects in Ha Long and Can Tho, thereby bringing Stable cash flow for next period.



REVENUE STRUCTURE AND GROWTH OVER YEARS (ACCORDING TO THE CONSOLIDATED FINANCIAL STATEMENTS)



Revenue structure and growth of the last two years (according to the consolidated financial statements)

(Unit: billion VND)

No.	Areas	2018	2019	Growth
1	Real estate revenue	1,095	1,137	4%
2	Service provision revenue	12	21	75%
3	Other revenue	66	126	91%
4	Total	1,173	1,284	9%

In 2019, sales of goods and services of Long Giang Land still maintained the growth momentum, reaching 9%, equivalent to 1,284 billion VND. In which, revenue from real estate business increased by 4% to 1,137 billion VND.

The revenue structure in 2019 compared to 2018 still shows that the development strategy focuses mainly on real estate business with the revenue from real estate business accounting for 89% of total sales of goods and supply service level.

In the period from 2015 - 2019, the compounded annual growth rate of consolidated revenue reaches 60%.

ADVANTAGES AND DISADVANTAGES OF MAIN PRODUCTION AND BUSINESS SEGMENTS



Real estate business

ADVANTAGES:

- Favorable sales progress of the Rivera Park Hanoi project in 2019, revenue is recognized during the year;
- The reputation of the company with credit institutions, contractors and suppliers is maintained;
- The company receives effective support from companies in the Long Giang company group;
- Prestige and brand of the company with partners and customers are confirmed after 2 projects Rivera Park Hanoi and Rivera Park Saigon;
- The personnel structure of the company was reorganized towards streamlining from July 1, 2019;
- Long Giang group of companies has completed the organizational structure towards professionalism from July 1, 2019;
- The company's equity has been supplemented and increased sharply in the recent period, reaching over 750 billion VND;
- The real estate market continues to segment in the direction of creating opportunities for businesses to operate professionally;
- Vietnam benefits from the process of shifting investment from China to other emerging markets;
- The heat of the real estate market is spreading to other localities outside Hanoi and Ho Chi Minh City such as Ha Long (Quang Ninh), Can Tho.

DISADVANTAGES:

- The policies in the field of investment are not synchronized, the resolution of investment procedures is very slow;
- The State Bank continues to tighten credit to real estate market, interest rates are increasing;
- The stock market continued to fluctuate around 950 points, affecting capital mobilization from the stock market;
- Disputes in the residences are potential social instability, reducing customer confidence with real estate project investors;
- The corporate governance system is still slowly being completed compared to the development requirements;
- The company's high quality human resources are limited, especially leaders and managers;
- The corporate culture environment of the company is slowly improved, limiting the attraction of high quality personnel;
- The slow application of scientific and technological advances in management and operation reduces the operational efficiency of the company;
- Access to land fund remains difficult, accumulating land fund of the Company is not commensurate with its potential;
- The company has not yet developed a specific development strategy, limiting the potential exploitation;
- The real estate market continues to compete fiercely, especially in the segment of luxury apartments;
- Inadequate investment in shareholder relations affects stock prices and liquidity;
- The company's debt repayment pressure is rising while the advance of Block C of Rivera Park Saigon project is delayed.



Construction and installation: Long Giang E&C Company

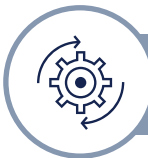
Long Giang Land's associate company

ADVANTAGES:

- Long Giang E&C has completed its organizational structure and started operating in the direction of general design and construction;
- The company has basically completed the preparation for construction of 2 new projects;
- The company has completed construction of the entire remaining items of the Hanoi Rivera Park project, handing over the apartments to customers;
- Auction channels and bidding information for constructions and projects are publicized so that small and medium enterprises can access information sooner.

DISADVANTAGES:

- 2019 is a difficult year for infrastructure construction;
- Real Estate / Construction credit is put on tightening schedule to avoid risks to the economy;
- The company has not applied new technology in design and construction of tall buildings;
- The construction market continues to compete fiercely, diversifying towards professionalism;
- The system of subcontractors and suppliers of the company has not fully met the needs;
- The company's ability to find outside jobs is limited.



Real estate management service: Rivera Homes

Long Giang Land's associate company

ADVANTAGES:

- The quality of construction and design of the building is relatively good and convenient for the specialized inspection;
- The company has a good relationship and relatively good relationship with residents and Board of Management;
- The Company organizes itself recruiting and providing Security - Cleaning services, creating more stability than external providers;
- The company's orientation of providing quality assurance services in line with market tastes;
- Company policies timely support employees to promote efficiency at work;
- A staff of young, enthusiastic, potentials to train and develop their capacity;
- The company built its own highlights in QLTN services: community connection, customer care...;
- Quarterly resident / tenant survey results have achieved good results: > 85% satisfied with Building Management services;
- The company's community-connected programs and events are well received by residents.

DISADVANTAGES:

- Incomplete business management system: Regulations - Standards - Procedures - Job guidance - Forms;
- Lacking managerial positions in the Internal Control Boards: Director of the Department / Head of Technical Department of the building;
- The current quality of human resources is still weak compared to the high requirements of the quality of building management;
- An effective quality control system has not yet been established;
- Technology has not yet been applied to the management of corporate governance, corporate governance;
- The management of human resources and energy costs is limited;
- Organization of security team is still unstable;
- The management of resources of Rivera Park Hanoi is carried out in parallel with the completion of the apartment, affecting service quality;
- The relationship with local authorities has not been well established: Police, fire protection, taxes...;
- Not providing enough utility services to meet the needs of residents: Gym, laundry, cleaning apartments ...



**Investment and exploitation of commercial and tourism real estate:
Riviera Invest - Long Giang Land's associate company**

ADVANTAGES:

- The two buildings of Riviera Park Saigon and Riviera Park Hanoi are located in relatively favorable locations, with high population density and busy, convenient for transportation as well as connecting to other areas of city, quality is appreciated by customers;
- Long Giang group of companies has completed the organizational structure towards professionalization of company activities, good support for the operation of Riviera Invest;
- The company has completed the restructuring in the direction of being a professional commercial real estate company from July 1;
- The company has accumulated experience in managing 2 buildings 173 Xuan Thuy and Riviera Park Saigon;
- The Riviera Park Hanoi project is handed over and put to use to support the business of the Riviera Park Hanoi building;
- Demand for office space in good locations remains high.

DISADVANTAGES:

- The unfinished expansion of Vu Trong Phung Road as planned has affected the business of Hanoi Riviera Park building;
- The company has not established a good relationship with business partners: Real estate consultancy, brokerage company ...;
- The personnel structure of the company is still thin, lacking high, middle and incomplete personnel;
- Relationship with Board of Management of buildings has complicated changes, affecting business operations;
- Some customers have limited business capacity and therefore need to reduce prices or liquidate leases;
- The coordination and management of the operational management unit still have some shortcomings;
- Wide operating area of the company leads to a reduction in the effectiveness of management activities.





ORGANIZATION AND PERSONNEL

BOARD OF MANAGEMENT INTRODUCTION

No	Full name	Position	Start date/no longer BOM member	LGL stock	Note
1	Nguyen Manh Ha	Acting General Director	from 08/07/2019 to 31/12/2019	0.05%	Appointed General Director from 01/01/2020
2	Nguyen Thi Hong Sinh	Deputy General Director	from 08/07/2019 now	0.05%	Dismissed from chief accountant position on 08/07/2019
3	Lo Quoc Trung	Deputy General Director	From 08/07/2019 now	2.62%	
4	Dang Thi Loan	Chief accountant	From 08/07/2019 now	0.016%	





Mr. Nguyen Manh Ha
Acting General Director of
Long Giang Land

Year of birth: 1973

Professional qualifications:

Bachelor of Economics - Banking Academy

Current position:

General Director of Long Giang Investment and Urban Development Joint Stock Company

Experience:

He has more than 15 years working at Long Giang Land including 6 years as the Investment Manager of the company. He used to hold the position of Supervisory Board member for the term of 2011-2016.

Position of work experienced:

- Expert - Hanoi Lighting and Urban Equipment Company
- Specialist of Investment Department - Long Giang Investment and Urban Development Joint Stock Company
- Deputy Head of Investment Department - Long Giang Investment and Urban Development Joint Stock Company
- Investment Manager - Long Giang Investment and Urban Development Joint Stock Company
- Deputy General Director - Long Giang Investment and Urban Development Joint Stock Company
- Acting General Director - Long Giang Investment and Urban Development Joint Stock Company
- General Director - Long Giang Investment and Urban Development Joint Stock Company



Ms. Nguyen Thi Hong Sinh
Deputy General Director of
Long Giang Land

Year of birth: 1982

Professional qualifications:

Bachelor of Economics - National Economics University

Current position:

Deputy General Director of Long Giang Investment and Urban Development Joint Stock Company

Experience:

She has over 15 years of experience in the field of finance and accounting.

Position of work experienced:

- Accountant - Long Giang Investment and Urban Development Joint Stock Company
- General Accountant - Long Giang Investment and Urban Development Joint Stock Company
- Chief Accountant - Long Giang Investment and Urban Development Joint Stock Company
- Deputy General Director of Long Giang Investment and Urban Development Joint Stock Company



Mr. Le Quoc Trung
Deputy General Director of
Long Giang Land

Year of birth: 1981

Professional qualifications:

Construction Engineer - JOSE ANTONIO ECHEVERRIA - CUBA Advanced Technical Interdisciplinary Academy

Current position:

Deputy General Director of Long Giang Investment and Urban Development Joint Stock Company.

Experience:

Mr. Trung has over 7 years working in the field of project management expertise and over 2 years as a Managing Director of a construction company.

Position of work experienced:

- Deputy Manager of Project Management Department - Long Giang Investment and Urban Development Joint Stock Company
- Deputy Director - Long Giang JSC Hanoi
- Director - Long Giang Joint Stock Company in Hanoi
- Deputy General Director - Long Giang Investment and Urban Development Joint Stock Company



Ms. Dang Thi Loan
Chief Accountant of
Long Giang Land

Year of birth: 1982

Professional qualifications:

Bachelor of Finance and Accounting - Hanoi University of Commerce

Current position:

Chief Accountant of Long Giang Investment and Urban Development Joint Stock Company.

Experience:

She has over 15 years of experience in the field of finance and accounting.

Position of work experienced:

- Accountant - Long Giang Investment and Urban Development Joint Stock Company
- General Accountant - Long Giang Investment and Urban Development Joint Stock Company
- Chief Accountant - Long Giang Investment and Urban Development Joint Stock Company

CHANGES IN THE EXECUTIVE BOARD

On July 8, 2019, The Board of Directors of Long Giang Urban Development and Investment Joint Stock Company approves the dismissal and appointment of a number of senior personnel of the company as follows:

- » Dismissed the position of Acting General Director from Ms. Nguyen Thi Thanh Ha from July 8, 2019.

- » Appointed Mr. Nguyen Manh Ha - Deputy General Director of the Company to the position of Acting General Director from July 8, 2019.

- » Appointed Ms. Nguyen Thi Hong Sinh - Chief Accountant of the company as Deputy General Director from July 8, 2019, dismissed from the position of Chief Accountant since July 8, 2019.

- » Appointed Mr. Le Quoc Trung as Deputy General Director from July 8, 2019.

- » Appointed Ms. Dang Thi Loan as Chief Accountant from July 8, 2019.

From January 1, 2020 up to now, the member structure of the Board of Directors includes the following members:

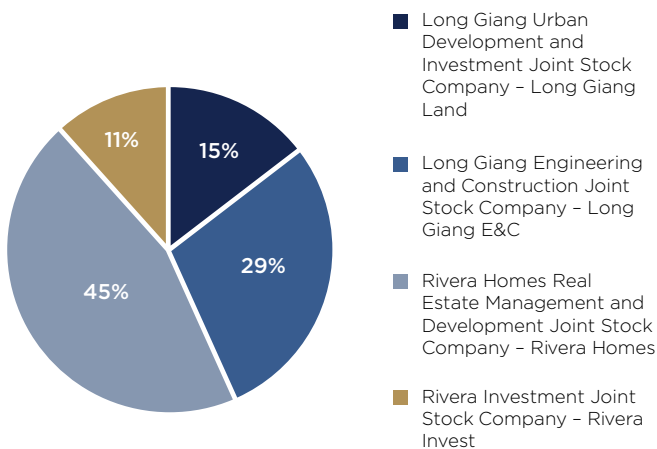
No.	Board of Directors' members	Position	Position in other companies
1	Nguyen Manh Ha	General Director	1. Members of BOD, Director of Nghia Do Service and Trading Joint Stock Company 2. Members of BOD of Minh Phat Joint Stock Company
2	Nguyen Thi Hong Sinh	Deputy General Director	
3	Le Quoc Trung	Deputy General Director	
4	Dang Thi Loan	Chief Accountant	

HUMAN RESOURCES

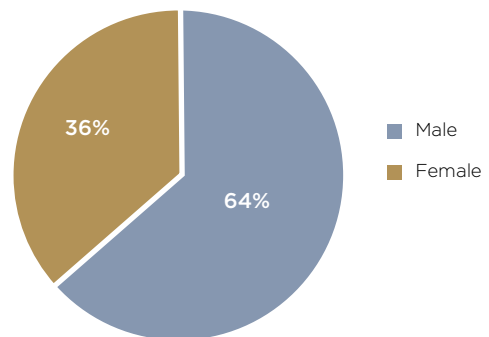
Human resource statistics

The number of employees of Long Giang company group as of December 31, 2019 is **245** people, including:

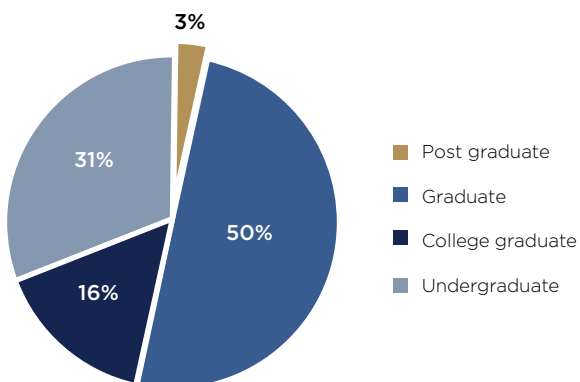
Human resource structure of Long Giang company group (Unit: %)



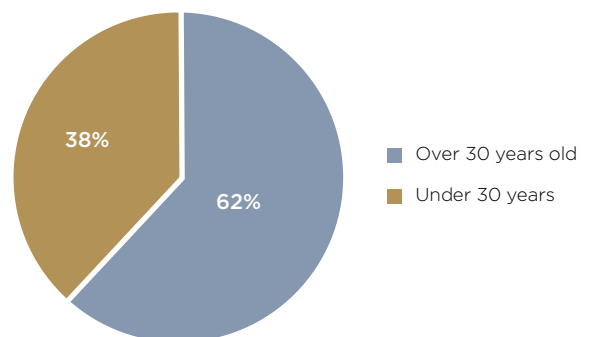
Labor force rate by sex (Unit: %)



Labor force rate by qualification (Unit: %)



Labor force rate by age (Unit: %)





2019 continues to be a year of Long Giang company group in general and Long Giang Land in particular focusing on personnel training and perfecting the management document system to improve the quality of personnel and work efficiency and executive management; at the same time, restructuring and improving the working environment towards professionalism in order to retain existing personnel and attract new employees who are experienced managers and young competent employees. The total number of employees has been reduced compared to 2018. The labor force continues to be restructured in member companies to meet changes in each company's plans and business goals of companies and groups of companies.

The changes shown on the main figures are as follows:

- As of December 31, 2019, the total number of employees of Long Giang company group reached 245 people, down 20% compared to 2018, the structure of personnel was ensured streamlining and compact.
- Employees are most concentrated at Rivera Homes at a rate of 45% - mostly direct employees.
- With specific characteristics operating in the field of real estate and construction, the number of male laborers still accounts for 63.7%.

- In Long Giang Land, 96% of employees have college, university and postgraduate qualifications. In associate companies, the number of unskilled workers and technical workers is relatively high, accounting for 50% - 70% of the total number of employees to suit the characteristics of the construction and installation industry and services. The percentage of highly qualified staff is concentrated mainly in the leading staff, managers and experts in the functional departments.
- The common working age is over 30 years old with 152 people, accounting for 62% of the total staff of Long Giang Company. The rate of capable young employees continues to increase by 8% compared to 2018 - reaching 38%, consistent with the policy and goals of rejuvenating the Company's staff.

▀ Recruitment

- » For Long Giang Land and the Long Giang company group, a strong and competent team is the foundation of the Group. Focusing on developing the quality of human resources in a sustainable manner, attracting high quality human resources in the market, and finding and retraining adjacent human resources is still the goal of Long Giang company group in 2019.



- » Experienced management staff and young competent staff will continue to be the main recruiting targets for Long Giang Land and other Long Giang group companies.
- » The personnel schedule is determined from the beginning of the year based on the production and business plan set out by the Board of Directors, along with the development and implementation of quarterly and monthly recruitment plans to regulate, timely adjustment to market fluctuations.
- » Recruitment is publicly announced throughout the system, on the Company's website, external labor sources, on reputable recruitment sites.
- » Each position, job title has its own recruitment criteria and criteria, specific job descriptions and is implemented in accordance with the recruitment process of the company.

▶ Training

Training, fostering and developing human resources is one of the top tasks of the Company in the current period. With the aim of improving the professional quality and management level, the Company has built and implemented an annual internal training and training plan.

Forms of training at the Company include

- » On-the-job training: Newly recruited people will be trained on rules and policies of the Company and professional guidance. In the process of working, more experienced people will communicate, exchange experiences with less experienced people. This activity is carried out regularly in all working positions.
- » Internal training:
 - Internal training is a key goal of HR in 2019 of Long

Giang Land and other companies in Long Giang group.

- In 2019, 100% of leaders and managers attended the training course of leadership and management skills including 10 sessions. The training course helps leaders and managers can organize and run the work of their units effectively.
- During regular briefings, the Board of Management regularly shares practical experiences with the leaders and managers in order to promote existing internal resources to accomplish the common goal organization's.
- The monthly internal training of managers for employees also takes place regularly, thereby improving professional competence and guiding, helping employees to fulfill individual tasks. and the general task of the department.
- » External training: Every year, the company has sent a number of full-time officials to attend training courses on investment policies, tax policies, salary, insurance policies and important changes. in a number of State policies, in order to timely update changes to help the application of State policies to reality in enterprises in the most correct and accurate manner.



▶ Salary, reward, welfare policies

In 2019, policies on salaries and benefits of Long Giang Land and companies in Long Giang group of companies are completed to increase competitiveness in the market, in order to attract and retain quality personnel. The average premises of employees increased by nearly 18% compared to 2018. This is a great effort of the Company in the context of common difficulties of the economy and real estate market. Many policies are elaborated, supplemented and consolidated in 2019, specifically:

Salary, reward, welfare policies

- » Salary regulations are adjusted according to the actual situation in the company and the law.
- » Develop and issue guidance on staff assessment in 2019, accurately assessing the performance of each individual.
- » Formulate and implement a reward policy such as rewarding individuals and collectives for excellently completing tasks and awarding performance results during the year.
- » In addition to building and maintaining the remuneration policy, the Company has built and maintained other preferential and welfare mechanisms to promptly encourage employees as well as acknowledge the efforts and contributions of individuals and collectives such as:
 - All employees are entitled to regular comprehensive health insurance. In addition, the Company has invested in and issued voluntary health insurance cards for employees, when having health problems, they will be provided free of charge at leading hospitals nationwide.
 - The staffs of Long Giang company group are supported by the company to upgrade costumes, improve image and increase professionalism;
 - Long Giang Land has also implemented the Stock Rewards program for employees including 1,500,000 LGL shares, helping employees improve their lives.
 - The company's project of buying houses at preferential prices is also maintained throughout 2019.
 - Cultural activities and sports at the company's special events are held with the participation of all employees.
 - Employees are provided with gifts, holiday gifts and special occasions, reward their children for their good study and excellent achievements, sickness, pleasure, benefits for disadvantaged individuals, organize year-end parties, conferences, retirement regimes, train employees, maintain cultural, artistic, sports and association movements.
 - The grassroots trade union plays a role in complying with the provisions of law while ensuring the highest benefits for workers. Together with the company, the trade union has organized its activities as well as implemented its own policies concerning workers' life.

Promotion policies

- » In 2018, business rotation activities were regularly implemented in Long Giang Land and companies in Long Giang group of companies to serve the purpose of restructuring the Group of companies as well as meeting the needs of human resources. High quality



of member companies; thereby creating conditions for employees to promote their forte and build a personal career.

- » The company has enhanced the professionalism of the working environment so that employees have the opportunity to maximize their professional competence and at the same time improve the soft skills suitable for each position and position for comprehensive development.
- » Evaluation and succession planning are also paid special attention, an open promotion policy, giving priority to employees in the company if the employees are competent and qualified.

Corporate culture

The company has continued to build and consolidate its own corporate cultural identities. In Long Giang, "humanity" is a highly valued, transparent and clearly reflected in all production and business activities of the company:

- » Building humane people: Long Giang Land's employees always respect the law, have a sense of responsibility to themselves and everyone, always try their best for the common goal of the collective.
- » Creating humane products: Our apartments have reasonable design, good construction quality, adequate utilities, durable product life, thoughtful warranty, environmentally friendly.
- » Building a company into a humanistic community: We are a united group with humanistic people and the leadership team is always conscious of sacrificing personal interests for the common good of the collective.
- » Contribute to building a humane society: We always take people as the center, maximize the capacity of each individual, and contribute to building the community.

INVESTMENT & PROJECT IMPLEMENTATION SITUATION

CAPITAL ACTIVITIES AND M&A ON REAL ESTATE OF LONG GIANG LAND

▸ Capital contribution, transfer activities

» Contributing capital to increase charter capital of Rivera Investment Joint Stock Company

- Rivera Investment Joint Stock Company is the owner of a commercial area, office of about **31,500 m²** in 3 buildings: Xuan Thuy Tower, Rivera Park Hanoi, Rivera Park Saigon.
- In 2019, Long Giang Land has contributed an additional **86,400,000,000 VND** to increase the charter capital of Rivera Investment Joint Stock Company. The current charter capital of Rivera Investment Joint Stock Company is **300,000,000,000 VND**.
- Currently, Long Giang Land holds **48%** of the shares of Rivera Investment Joint Stock Company.

» Contributing capital to increase charter capital of Rivera Hanoi Joint Stock Company

- Rivera Hanoi Joint Stock Company is the owner of a commercial area of **9,863 m²** located at the podium of Rivera Park Hanoi building, at 69 Vu Trong Phung Street, Thanh Xuan District, Hanoi City.
- In 2019, Long Giang Land has contributed **40,000,000,000 VND** to the charter capital of Rivera Hanoi Joint Stock Company. Current charter capital of Rivera Hanoi Joint Stock Company is **100,000,000,000 VND**.
- Currently, Long Giang Land holds **15.2%** of the shares of Rivera Hanoi Joint Stock Company (after transferring **65%**).

» Transferring shares of Rivera Hanoi Joint Stock Company

- Rivera Hanoi Joint Stock Company is the owner of a commercial area of **9,863 m²** located in the podium of Rivera Park Hanoi building at 69 Vu Trong Phung Street, Thanh Xuan District, Hanoi City.
- In 2019, Long Giang Land transferred a **65%** stake of Rivera Hanoi Joint Stock Company.

» Transferring shares of Xuan Thuy Investment Trade Service Joint Stock Company

- Xuan Thuy Investment Trading and Service Joint Stock Company is the owner of Xuan Thuy Tower office and commercial area.
- In 2019, Long Giang Land transferred all **866,400 shares** of the company currently owning, equivalent to **19%** of the charter capital of Xuan Thuy Investment Trading Service Joint Stock Company.



» M&A activities

» Acquisition of shares of Viet Hung Real Estate – Embroidery Investment Joint Stock Company

- Viet Hung Real Estate - Embroidery Investment Real Estate Joint Stock Company has the right to use a land plot of more than **6,000 m²** in Phuc Dong Ward, Long Bien District, Hanoi City.
- In 2019, Long Giang Land has approved the policy of acquiring **48%** of the shares of Viet Hung Real Estate Investment Joint Stock Company, the charter capital of Real Estate Investment Joint Stock Company Viet Hung is **20,000,000,000 VND**.
- Currently, Long Giang Land holds **51%** of Viet Hung Real Estate - Embroidery Investment Real Estate Joint Stock Company and is expected to fulfill the policy of increasing ownership in 2020.

» Acquisition of shares of Ha Long Construction Joint Stock Company

- Ha Long Construction Joint Stock Company has the right to use a land plot of nearly **12,000 m²** at Lan Be beach road - Pole 8, Dien Bien Phu street, Hong Ha ward, Ha Long city, Quang Ninh province.
- In 2019, Long Giang Land acquired **40%** of the shares of Ha Long Construction Joint Stock Company, the charter capital of Ha Long Construction Joint Stock Company is **180,000,000,000 VND**.

» Acquisition of shares of Dong Nai Production Trade Service Joint Stock Company

- Dong Nai Production Trade Service Joint Stock Company operates mainly in the field of trade - service in Dong Nai province.
- In 2019, the company purchased **192,000 shares** of Dong Nai Manufacturing and Trading Joint Stock Company, equivalent to **15.3%** of the charter capital.



MAIN
PROJECTS
INVESTED
RECENTLY



THANH THAI CONSTRUCTION INVESTMENT PROJECT - RIVERA PARK SAIGON

Project location:

No 7/28 Thanh Thai Street, Ward 14, District 10, Ho Chi Minh City.

Investor:

Long Giang Investment and Urban Development Joint Stock Company.

Form of investment:

Long Giang Land is the project investor.

Type of product:

Apartment, commercial and office

Project scale:

+ Total project land area: 10,893 m²
+ The project includes: 2 mixed buildings with 3 25-storey towers with 2 basements, with 708 apartments, approximately 9,187 m² of commercial and office floor area.

The total investment value of the project is about:

1,337,000,000,000 VND

Progress of project implementation:

The project has been completed and has been tested, handed over and put into use since October 2017.



TRADE CENTER, OFFICE, AND HOUSING PROJECT 69 VU TRONG PHUNG - RIVERA PARK HANOI

Project location:

No 69 Vu Trong Phung, Thanh Xuan District, Hanoi City.

Investor:

Long Giang Urban Development and Investment Joint Stock Company and Central Cultural Relics and Equipment Rehabilitation Joint Stock Company (co-investor).

Form of investment:

Long Giang Land cooperates with the Central Monuments and Cultural Restoration Equipment Joint Stock Company.

Type of product:

Apartment, commercial and office

Project scale:

+ Total project land area: 10,627.8 m²

+ The project includes: 2 mixed buildings of 22 floors with 2 basements, with 666 apartments, about 9,863 m² of commercial and service floor area.

The total investment value of the project is about:

1,328,000,000,000 VND

Progress of project implementation:

Currently, the project has completed the construction and has been checked, handed over and put into use since June 2018.



**APARTMENT AND
SERVICE PROJECT
BEHIND LAN
BE BEACH LINE
(EXPECTED TRADE
NAME IS RIVERA
PREMIER HA LONG)**

Project location:

Lan Be beach line- Pillar 8, Dien Bien Phu Street, Hong Ha Ward, Ha Long City, Quang Ninh Province.

Investor:

Ha Long Construction Joint Stock Company.

Form of investment:

Long Giang Land cooperates with Ha Long Construction Joint Stock Company.

Type of product:

Commercial center, hotel and apartment

Project scale:

+ The total land area of the project: 11,833.5 m²
+ The project includes: 3 mixed buildings with height from 35 to 40 floors with 3 basements, with more than 1,000 apartments of all kinds and more than 13,000 m² of commercial and office floor area.

The total investment value of the project is about:

2,500,000,000,000 VND

Progress of project implementation:

+ Completion of approval of 1/500 planning drawing: June 2020
+ Groundbreaking of project and construction of experimental piles: July 2020
+ Completing the procedures for investment preparation and commencement of the project: September 2020
+ Completion of construction and project opening: September 2022



TRADE CENTER, OFFICE, AND HOUSING COMPLEX PROJECT RIVERA PARK CAN THO

Project location:

Tran Quang Khai Street, Cai Khe Ward, Ninh Kieu District, Can Tho City

Investor:

Long Giang Investment and Urban Development Joint Stock Company

Form of investment:

Long Giang Land is the project investor.

Type of product:

Townhouse, commercial center, office and apartment

Project scale:

- + Total project land area: 6,228 m²
- + High-rise building area includes: 01 mixed building with 28 floors, 210 apartments, about 6,000 m² of commercial, office and service floor area.
- + Low-rise housing area: 04 lots of town houses and 6 lots of 5-storey garden houses.

The total investment value of the project is about:

600,000,000,000 VND

Progress of project implementation:

- + Completed approval of planning project 1/500: March 2020
- + Groundbreaking of project and construction of experimental piles: June 2020
- + Completing the procedures for investment preparation and commencement of the project: September 2020
- + Completion of construction and project opening: September 2022



**LONG GIANG
TRADE CENTER,
SERVICE-HOTEL,
OFFICE, AND
HOUSING PROJECT
(EXPECTED TRADE
NAME IS RIVERA
PREMIER HANOI)**

Project location:

Viet Hung New Urban Area, Long Bien District, Hanoi

Investor:

Long Giang Investment Group Joint Stock Company

Form of investment:

Long Giang Land cooperates with Long Giang Investment Group Joint Stock Company.

Type of product:

Villa - commercial center, office and hotel

Project scale:

- + Total project land area: 12,404 m²
- + High-rise building includes: 1 mixed building with 17 floors, 7,522 m² of commercial and service floor area, 17,084 m² of office and hotel floor area.
- + Low-rise building area: 21 lots of 4-storey villas.

The total investment value of the project is about:

800,000,000,000 VND

Progress of project implementation:

- + Complete application for adjustment of project investment policy: August 2020
- + Completing the procedures for preparing the investment and starting the project: June 2021
- + Completion of construction and project opening: June 2023



**RIVERA PARK
VILLA PROJECT**
(EXPECTED TRADE
NAME IS RIVERA
PARK MUI NE)

Project location:
Mui Ne Ward, Phan Thiet City, Binh Thuan Province

Project location:
Minh Phat Joint Stock Company

Form of investment:
Long Giang Urban Development and Investment Joint Stock Company invests through its subsidiary Minh Phat Joint Stock Company.

Type of product:
Resort villas, hotel apartments

Project scale:
+ Total project land area: 116,204 m²
+ High-rise buildings: including hotel apartment buildings from 9 -12 floors high
+ Low-rise buildings: includes more than 150 villas with an area of 250-300 m²

The total investment value of the project is about:
1,400,000,000,000 VND

Progress of project implementation:
+ Completed approval of planning project 1/500: September 2020
+ Completing the procedures for investment preparation and starting the project: March 2021
+ Completion of construction and project opening: March 2023



**NGHIA DO
TRADE CENTER,
OFFICE, AND
HOUSING PROJECT
(EXPECTED TRADE
NAME IS RIVERA
PARK NGHIA DO)**

Project location:

No 1, Nghia Tan Street, Nghia Tan Ward, Cau Giay District, Hanoi City

Project location:

Nghia Do Trading and Service Joint Stock Company

Form of investment:

Long Giang Urban Development and Investment Joint Stock Company invests through its subsidiary, Nghia Do Trading and Service Joint Stock Company.

Type of product:

Commercial center, office and apartment

Project scale:

+ Total project land area: 5,417 m²
+ The project includes a mixed-use building with 02 25-storey towers, 29,600m² of apartment floor area, 23,000 m² of commercial and service floor area, office, 4 basements

The total investment value of the project is about:

800,000,000,000 VND

Progress of project implementation:

+ Completing approval of 1/500 planning drawing: September 2020
+ Approval of project investment policy: December 2020
+ Completing the procedures for investment preparation and starting the project: October 2021
+ Completion of construction and project opening: October 2023

ACTIVITIES OF SUBSIDIARIES AND ASSOCIATES OF WHICH LONG GIANG LAND OWN SHARES

By the end of 2019, Long Giang Land's subsidiaries and associates include:

- 3 subsidiary companies and 1 associate company owning a real estate investment project are Viet Hung Real Estate Investment Joint Stock Company; Minh Phat Joint Stock Company; Nghia Do Trade and Service Joint Stock Company; Ha Long Construction Joint Stock Company with the ownership rate of 51%; 65%; 52.46% and 40%.
- An associate operating in the field of commercial and tourism real estate investment is Rivera - Rivera Invest Investment Joint Stock Company.
- An associate operating in the field of construction and installation is Long Giang - Long Giang Engineering and Construction Joint Stock Company E&C with the ownership rate of 48%.
- An associate operating in the field of Real Estate Management is Rivera Real Estate Management and Exploitation Joint Stock Company - Rivera Homes with 49% ownership.

Long Giang Engineering and Construction Company (Long Giang E&C): An associate of Long Giang Land

(Unit: million VND)

Overview of consolidated financial situation	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
BUSINESS PERFORMANCE					
Net sales	82,905	221,815	292,335	440,816	205,708
Gross profit	2,874	8,609	22,323	30,417	17,835
Net profit from business activities	1,268	4,076	14,689	18,301	9,032
Profit after tax	1,094	2,735	11,259	14,931	7,761
Profit margin					
Gross profit ratio	3%	4%	8%	7%	9%
Net profit margin	2%	2%	5%	4%	4%
BALANCE SHEET					
Short-term assets	96,238	193,872	207,508	249,011	295,072
Total assets	101,884	209,647	248,698	298,184	323,161
Liabilities	84,931	174,960	188,679	208,760	212,116
Short-term debt	83,668	174,296	186,582	203,374	198,595
Equity	16,952	34,686	60,018	89,424	111,045

- Business situation: Business results in 2019, Long Giang E&C reached 206 billion VND in revenue, profit after tax reached 7.7 billion VND. Gross profit margin reached 9% and net profit margin reached 4%.
- Compared to the same period in 2018, Long Giang E&C's revenue decreased by 53%. Profit after tax decreased by 48%. Revenue and profit decline due to the Company has basically completed the construction of 2 projects Rivera Park Hanoi and Rivera Park Saigon, while no new construction projects.

- Profit ratio: In 2019, although revenue and profit decreased, Long Giang E&C's gross profit margin and net profit margin remained stable compared to 2018. Considering the period from 2017 By 2019, Long Giang E&C maintains a relatively stable gross profit margin of 7% or more. Net profit margin in 2019 remained at 4%, an average of 3.4% annually.
- The total assets of Long Giang E&C in 2019 is 323 billion VND, up 8% compared to last year. Mainly due to short-term assets increased by 18% and equity increased by 24%. Liabilities are kept stable.

RiverInvestment Joint Stock Company (Rivera Invest): An associate of Long Giang Land

(Unit: million VND)

Overview of consolidated financial situation	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
BUSINESS PERFORMANCE					
Net sales	131,139	185,349	328,606	251,093	81,424
Gross profit	3,670	8,521	12,027	16,181	20,537
Net profit from business activities	1,255	5,271	7,228	12,174	6,944
Profit after tax	918	4,147	5,562	8,765	12,854
Profit margin					
Gross profit ratio	3%	5%	4%	6%	25%
Net profit margin	1%	3%	2%	5%	9%
BALANCE SHEET					
Short-term assets	123,981	110,982	216,669	194,736	149,938
Total assets	131,266	115,709	222,224	489,694	564,290
Liabilities	100,084	80,380	178,889	350,594	251,212
Short-term debt	99,853	80,249	172,370	235,455	137,562
Equity	31,183	35,328	43,334	139,100	313,078

- Business situation: Rivera Invest's net revenue in 2019 reached 81 billion VND, profit after tax reached approximately 13 billion VND because the Company has consolidated the construction and installation segment with Engineering and Construction Joint Stock Company. Long Giang focuses on investing in commercial and tourism real estate.
- Compared to the same period in 2018, the Company's revenue decreased by 68% but profit after tax increased by 47%, showing the efficiency in production and business activities.
- Profit ratio: In the period of 2015 - 2018, the Company's gross profit margin was only maintained within the range of 3 - 6%. In 2019, thanks to positive business results, the Company's gross profit rate has increased more than 4 times to 25%. Net profit margin also nearly doubled to 9%.
- The Company's total assets increased by 15%, mainly thanks to a sharp increase of 125% in equity. Liabilities decreased by nearly 30%, of which short-term liabilities decreased by 42%, resulting in a safer capital structure.

**Real Estate Management and Development Joint Stock Company
Rivera – Rivera Homes: An associate of Long Giang Land**

(Unit: million VND)

Overview of consolidated financial situation	Year 2018	Year 2019
BUSINESS PERFORMANCE		
Net sales	32,087	27,336
Gross profit	12,720	687
Net profit from business activities	9,835	683
Profit after tax	7,985	366
Profit margin		
Gross profit ratio	40%	3%
Net profit margin	31%	2%
BALANCE SHEET		
Short-term assets	39,915	35,925
Total assets	40,026	36,024
Liabilities	12,030	14,471
Short-term debt	12,040	14,471
Equity	27,985	21,553

- Business situation: Rivera Homes’ net sales in 2019 reached 27 billion VND, profit after tax reached approximately 366 million VND.
- Compared to the same period in 2018, the Company’s revenue was 15%, profit after tax also decreased.
- Profit ratio: Gross profit margin reaches 3%, net profit margin reaches 2%.
- Total assets of the Company decreased by 10%, liabilities increased by 20%.

Other subsidiaries and associates (remaining companies)

Companies:

- **Viet Hung Real Estate - Garment and Embroidery Investment Joint Stock Company**
- **Minh Phat Joint Stock Company**
- **Ha Long Construction Joint Stock Company**
- **Nghia Do Service and Trading Joint Stock Company**

As the project ownership companies, in 2018 mainly proceed to complete the legal procedures to prepare for deployment. Therefore no major business activities arise.



FINANCIAL SITUATION

OVERVIEW OF PARENT COMPANY FINANCIALSITUATION AND MERGER

(Unit: million VND)

Targets	Parent company		Up down	Merger		Up down
	31/12/2018	31/12/2019		31/12/2018	31/12/2019	
Total assets	2,497,029	1,824,856	-27%	2,413,682	1,772,728	-27%
Equity	679,920	695,977	2%	774,309	759,526	-2%
Net sales	1,294,094	1,338,143	3%	1,172,595	1,284,093	10%
Profit from business activities	138,355	98,867	-29%	131,753	73,935	-44%
Other profit	18,702	3,932	-79%	18,689	3,868	-79%
Profit before tax	157,057	102,799	-35%	150,442	77,802	-48%
Profit after tax	118,009	88,232	-25%	114,375	68,748	-40%
Profit after tax of parent company shareholder				110,982	62,190	-44%
Dividend payment ratio				12%	10%	-17%

As of December 31, 2019, total assets as well as profits according to the consolidated financial statements and parent company's financial statements in 2019 decreased compared to the same period in 2018.

Specifically:

- » Parent company total assets decreased by 672 billion VND, equivalent to 27%. Total consolidated assets decreased by 641 billion VND, equivalent to 27%.
- » Net revenue from parent company's business activities increased by 44 billion VND, equivalent to 3%. Consolidated net revenue increased by 111 billion VND, equivalent to 10%.
- » Net profit from parent company's business operation decreased by 39 billion VND, equivalent to a decrease of 29%. Consolidated net profit decreased by 44%, equivalent to 58 billion VND.
- » Parent company's consolidated profit after tax decreases by 30 and 45 billion VND, respectively, down 25% and 40%.

Reason:

In 2019, Long Giang Land focuses on completing and handing over the remaining apartments as well as the commercial area of Rivera Park Hanoi project office, bringing the parent company's net revenue and consolidation higher than with 2018, from there basically completed the annual plan targets. However, the profit margin of the commercial office area transferred to Rivera Hanoi Joint Stock Company is narrow. The condominium market in the fiercely competitive area has led to the high selling cost of the Rivera Park Hanoi Project compared to 2018.

REPORT ON CHARTER CAPITAL, BUSINESS CAPITAL, AND USE OF CHARTER CAPITAL, BUSINESS CAPITAL

Capital structure of parent company as of December 31, 2019

(Unit: million VND)

Targets	Parent company		
	31/12/2018	31/12/2019	Up down
Liabilities	1,817,109	1,128,879	-38%
Short-term debt	1,634,340	1,113,724	-32%
Short-term borrowing and debt	779,553	530,380	-32%
Payables to the seller	238,960	150,002	-37%
Buyer pays first	319,995	88,148	-72%
Taxes and amounts payable to the State	62,265	64,188	3%
Payables to employees	2,506	1,337	-47%
Costs to pay	29,189	15,307	-48%
Other short-term payables	197,072	253,426	29%
Bonus and welfare fund	4,799	10,938	128%
Long-term debt	182,769	15,155	-92%
Equity	679,920	695,977	2%
TOTAL FUNDING	2,497,029	1,824,856	-27%

Structure of consolidated capital sources as of December 31, 2019

(Unit: million VND)

Targets	Merger		
	31/12/2018	31/12/2019	Up down
Liabilities	1,639,373	1,013,203	-38%
Short-term debt	1,454,708	997,900	-31%
Short-term borrowing and debt	641,058	399,072	-38%
Payables to the seller	238,960	150,976	-37%
Buyer pays first	270,178	88,149	-67%
Taxes and amounts payable to the State	62,510	64,446	3%
Payables to employees	2,905	1,640	-44%
Costs to pay	29,293	15,185	-48%
Other short-term payables	193,223	234,529	22%
Bonus and welfare fund	5,209	11,332	118%
Short-term unrealized revenue	11,373	32,571	186%
Long-term debt	184,665	15,302	-92%
Equity	774,309	759,526	-2%
TOTAL FUNDING	2,413,682	1,772,728	-27%

Compared to 2018, the total capital of the parent company and consolidation both decreased by 27%, equivalent to 672 billion VND and 641 billion VND, while the equity was almost unchanged. The reason is that the company's total liabilities have dropped sharply. **Specifically:**

- » Total liabilities of the parent company and consolidation decreased by 688 billion VND and 626 billion VND, respectively by 38%. In particular, the short-term debts of the parent company and consolidated all decreased by 32%, equivalent to 521 billion VND and 457 billion VND respectively. Especially, according to the parent and consolidated financial statements, long-term debt dropped sharply by 168 and 169 billion VND, down by 92% respectively.
- » Short-term borrowings and debts from the parent company and consolidation decreased by 249 billion VND and 242 billion VND, respectively, down by 32% and 38%. The accounts payable to the parent company and the consolidated company decreased by 37% respectively, equivalent to 89 and 88 billion VND. The amount of prepaid buyers also decreased by 232 and 182 billion VND respectively, down 72% and 67%.

Thus, in parallel with the completion and handover of almost all apartments of the two projects of Rivera Park Hanoi and Rivera Park Saigon, the company has actively paid debts to contractors and suppliers as well as liabilities at banks and credit institutions leading to total liabilities, total capital plummeted accordingly.

Asset structure of parent company as of December 31, 2019

(Unit: million VND)

Targets	Parent company		
	31/12/2018	31/12/2019	Up down
Short-term assets	1,859,543	1,003,123	-46%
Cash and cash equivalents	166,356	14,373	-91%
Short-term financial investment	6,141	4,640	-24%
Short-term receivables	440,477	566,273	29%
Inventory	1,246,570	413,588	-67%
Other short-term assets	-	4,248	
Long-term assets	637,486	821,733	29%
Long-term receivables	93,805	54,385	-42%
Fixed assets	22,233	11,658	-48%
Long-term financial investments	487,059	751,219	54%
Other long-term assets	34,389	4,472	-87%
TOTAL ASSETS	2,497,029	1,824,856	-27%

Consolidated asset structure as of December 31, 2019

(Unit: million VND)

Targets	Merger		
	31/12/2018	31/12/2019	Up down
Short-term assets	1,954,360	1,115,687	-43%
Cash and cash equivalents	167,429	15,663	-91%
Short-term financial investment	6,141	4,640	-24%
Short-term receivables	538,417	682,107	27%
Inventory	1,242,216	409,000	-67%
Other short-term assets	158	4,276	2603%
Long-term assets	459,322	657,042	43%
Long-term receivables	93,805	54,385	-42%
Fixed assets	22,958	21,299	-7%
Invested real estate	49	0	
Long-term unfinished assets	42,970	43,168	0%
Long-term financial investments	143,677	399,028	178%
Other long-term assets	155,863	139,161	-11%
TOTAL ASSETS	2,413,682	1,772,728	-27%

Thus, with the focus on completing and handing over apartments of 2 projects Rivera Park Saigon, Rivera Park Hanoi as well as handing over the commercial office area of Hanoi Rivera Park project office; Similar to the total capital, the total assets of the parent company and consolidated all decreased by 27%, equivalent to 672 billion VND and 641 billion VND compared to 2018. In particular, short-term assets of the parent company and consolidated decrease of 856 billion VND and 839 billion VND, respectively, decreased by 46% and 43%. Long-term assets increased by 184 billion VND and 198 billion VND, respectively, 29% and 43%. **Specifically:**

- » Cash and cash equivalents according to the parent company's and consolidated financial statements all reduce 152 billion VND, respectively 91% because the company has actively paid debts to contractors and suppliers. as well as bank debts, credit institutions.
- » Parent company inventories also plummeted from 1,242 billion VND at the beginning of the year to 414 billion VND - down 833 billion VND or 67%, this figure according to the consolidated financial statements is 833 billion VND, equivalent to a decrease of 67%.
- » Short-term receivables increased by 29%, equivalent to 126 billion VND according to the parent company's financial statements and increased 27% or 144 billion VND according to the consolidated financial statements. The short-term receivables are still outstanding mainly due to the contractual receivables due and concentrated in the commercial part of Hanoi Rivera Park project office.
- » Long-term assets increased due to an increase in long-term financial investments, with an increase of 54%, equivalent to 264 billion VND (according to the parent company's financial statements) and 178%, equivalent to 255 billion VND (according to the consolidated financial statements), while other items have hardly changed compared to 2018. The reason is that in parallel with focusing on completing and handing over the remaining goods and products of the project, the company is also promoting investment in subsidiaries and affiliates to expand production and business activities as well as to supplement land, hold new projects to ensure future development.

PAYABLES AS REGULATED

(unit: million VND)

Targets	Parent company		Up down	Merger		Up down
	31/12/2018	Merger		31/12/2018	31/12/2019	
Value added tax	1,501	16,725	1015%	1,532	16,819	998%
Corporate income tax	58,259	43,388	-26%	58,274	43,540	-25%
Personal income tax	2,253	4,029	79%	2,265	4,042	78%
Other fees and charges	208	-		207	-	
Land taxes	-	-		80	-	
Other taxes	45	45	0%	47	45	-5%
TOTAL	62,266	64,187	3%	62,405	64,446	3%

ESTABLISHING STATUTORY FUNDS

(Unit: million VND)

	31/12/2018	31/12/2019	31/12/2018	31/12/2019
Development investment fund	22,775	33,873	23,157	34,255

TOTAL OUTSTANDING LOANS

(Unit: million VND)

Indications	Parent company		Increase decrease	Merge		Increase decrease
	31/12/2018	31/12/2019		31/12/2018	31/12/2019	
Short-term borrowings and liabilities	779,553	530,380	-32%	641,058	399,072	-38%
Short-term bank loans	341,335	112,984	-67%	341,335	112,984	-67%
Long-term borrowings and liabilities	169,808	3,194	-98%	169,808	3,311	-98%
Long-term bank loans	166,075	1,612	-99%	166,075	1,730	-99%

FINANCIAL INDICATIONS

(Unit: million VND)

Indications	Parent company		Increase decrease	Merge		Increase decrease
	31/12/2018	31/12/2019		31/12/2018	31/12/2019	
1. Norms of solvency coefficients						
Short term payment ratio	1.14	0.90	-0.24	1.34	1.12	-0.23
Quick payment ratio	0.38	0.53	0.15	0.49	0.71	0.22
2. Capital structure indications						
Debt /total capital ratio	0.73	0.62	-0.11	0.68	0.57	-0.11
Debt/equity ratio	2.67	1.62	-1.05	2.12	1.33	-0.78
3. Norms of operational capacity						
Inventory turnover	0.96	1.61	0.65	0.87	1.56	0.68
Net revenue / Total assets	54.71%	61.92%	7.22%	50.45%	61.35%	10.89%

(Unit: million VND)

Indications	Parent company		Increase decrease	Merge		Increase decrease
	31/12/2018	31/12/2019		31/12/2018	31/12/2019	
4. Profitability indicators						
Profit after tax / Net revenue coefficient	9.12%	6.59%	-2.53%	9.75%	5.35%	-4.40%
Profit after tax / Return on Equity ratio (ROE)	19.39%	12.83%	-6.56%	17.54%	8.96%	-8.57%
Parent company shareholder return / equity ratio				4.775%	2.971%	-1.80%
Profit after tax/Return on Assets ratio	4.99%	4.08%	-0.91%	4.92%	3.28%	-1.64%
Return on business activities / Net revenue	15.09%	8.91%	6.25%	15.95%	9.50%	5.21%
Earnings per share (EPS - Đ/share)				2,412	1,095	1,317

Overall the financial indicators in 2019 showed the performance of the company remained stable and is kept within the safety limits.

- The short-term payment ratio of the parent company decreased by 0.24 (times) from 1.14 to 0.90, which according to the consolidated financial statements decreased by 0.23 (times) to 1.12. Despite the decline, it still maintained around the safe level (1.0). Quick ratio increased slightly, reaching 0.53 according to the parent company's financial statements and 0.71 according to the consolidated financial statements. Compared to 2018, the quick ratio reached safe level (0.5) while this index in 2018 on both financial statements was not achieved.
- The debt on total equity ratio as well as on equity has decreased because the company's liabilities have plummeted while equity has hardly changed much. In particular, according to the consolidated financial statements, the debt on equity ratio has dropped sharply from 2.12 times at the beginning of the year to only 1.33 times, showing a safer and more reasonable capital structure.
- The indications showing the performance of the company have also improved. Inventory turnover increased sharply to 1.61 (round / year) and 1.56 (round / year) respectively according to the parent company's and consolidated financial statements, compared to 0.96 (round / year) and 0.87 (round / year) in 2018. The reason is that the net revenue recorded an increase compared to the previous year while inventories fell sharply; The ratio of net revenue to total assets also improved slightly.
- Although the indications of profitability showed a decline, it was still within a relatively safe level compared to the industry average.
- The ratio of profit after tax on net revenue decreased by 2.53%, reached 6.59% according to the parent company's financial statements and fell 4.40%, reaching 5.35% according to the consolidated financial statements. This ratio decreased from the previous year but still equivalent to the average of real estate companies in the market (5.42%).
- Although the ratio of profit after tax on returns on equity (ROE) declined (due to the reduction of profit after tax while equity has hardly changed much), it still reached 12.83% (according to Financial statements of parent company) and 8.96% (according to the consolidated financial statements). This ratio is on a par with the industry average of 10.8%.
- The ratio of profit after tax on total assets (Returns on Assets - ROA) reduced relatively sharply, reaching 4.08% according to the parent company's financial statements compared to 4.99% in 2018, and reaching 3.28% according to the consolidated financial statements compared to 4.92% in 2018.
- The Return on Sales (ROS) ratio has decreased slightly compared to 2018, reaches 6.25% according to the parent company's financial statements and 5.21% according to the consolidated financial statements.

SHAREHOLDER STRUCTURE, CHANGES OF EQUITY CAPITAL

(According to list of shareholder dated 08/11/2019)

SHARES

▸ Stock information

COMPANY'S CHARTER CAPITAL

500,000,000,000 VND

NUMBER OF LISTED SHARES

50,000,000 SHARES

TYPES OF SHARES

POPULAR

NUMBER OF OUTSTANDING SHARES

49,997,100 SHARES

NUMBER OF TREASURY SHARES

2,900 SHARES

NUMBER OF FREELY TRANSFERRED SHARES

46,160,098 SHARES

NUMBER OF SHARES OF RESTRICTED TRANSFER

3,839,902 SHARES

SHAREHOLDER STRUCTURE

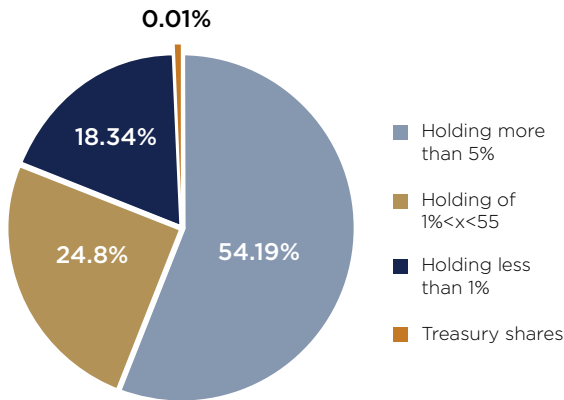
Equity ratio

No	Shareholder structure	Domestic shareholders			Foreign shareholders			Total shares	Ratio/ charter capital (%)
			Number of shares	Ratio/ charter capital (%)	Number of	Number of shares			
1	State shareholders	-	-	-	-	-	-	-	
2	Major shareholders (own 5% and	3	27,094,952	54.19	-	-	-	27,094,952	54.19
3	Shareholders with shares of 1%<X<5%	12	12,397,514	24.8	1	745,310	1.49	13,142,824	26.29
4	Shareholders with less than 1%	1,020	9,169,103	18.34	24	590,221	1.18	9,759,324	19.52
5	Treasury shares	1	2,900	0.01	-	-	-	2,900	0.01
TOTAL		1,036	48,664,469	97	25	1,335,531	3	50,000,000	100

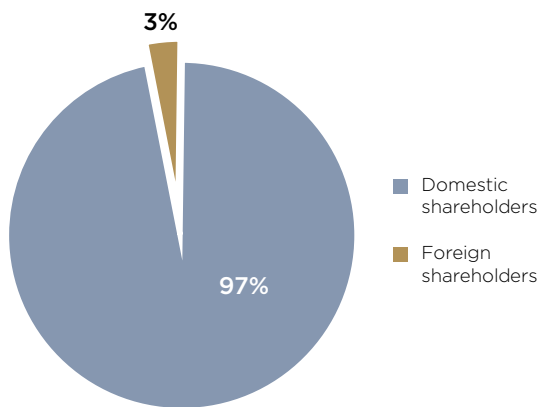
Shareholder structure by individual / organization

No	Shareholder structure	Quantity	Number of shares	% ownership ratio
1	Treasury shares	1	2,900	0.01
2	Domestic shareholders	1,035	48,664,469	97.32
	2.1 Organization	28	16,460,148	32.92
	2.2 Individual	1007	32,204,321	64.4
3	Foreign shareholders	25	1,335,531	2.67
	3.1 Organization	8	968,820	1.94
	3.1 Individual	17	366,711	0.73
TOTAL		1,061	50,000,000	100

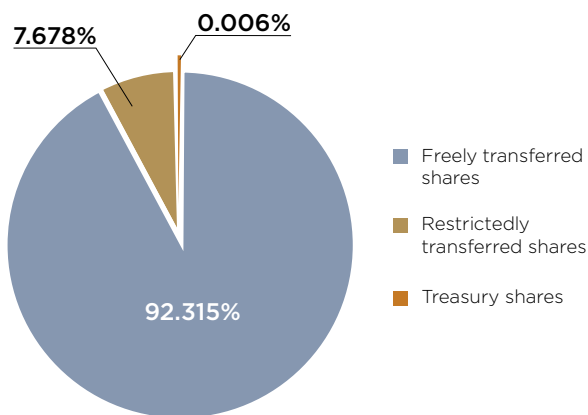
Ownership structure by holding ratio
(unit: %)



Ownership structure of domestic/foreign shareholders (unit: %)



Share structure by transfer condition
(unit: %)



List of major shareholders

No	Name of shareholders	Quantity of shares	Ratio/ charter capital
1	Le Ha Giang	10,685,369	21.37
2	Saigon-Hanoi Securities Joint Stock Company	6,000,000	12
3	Long Giang Group JSC	10,409,583	20.82
TOTAL		27,094,952	54.19

CHANGES OF OWNERS' CAPITAL

Pursuant to Resolution No. 01/2019 / NQ - DHDCĐĐTĐN dated April 27, 2019 of Long Giang Investment and Urban Development Joint Stock Company, the General Meeting of Shareholders approved the policy of increasing charter capital through the issuance of Issue stocks with the following content:

Approve the policy of issuing shares to existing shareholders to increase charter capital:

» Purpose:

- Raising capital to develop the company's 2 projects, including:

- Project of Rivera Park Can Tho commercial, office and housing complex in Cai Khe Ward, Ninh Kieu District, Can Tho City.

- Project of Long Giang hotel, office and housing trade center at Lot C.5 / HH2, Viet Hung urban area, Viet Hung ward, Long Bien district, Hanoi (commercial name is Rivera Park Long Bien).

- Adding to the company's working capital.

However, in 2019, the Board of Directors of the company did not complete issuing shares to existing shareholders to increase its charter capital.

» Reasons:

- At the beginning of 2019, through SWOT analysis, the company had a positive assessment of the company's opportunities and challenges in 2019. Based on the company's foundation, the Board of Directors made a

plan to start 02 projects and the General Meeting of Shareholders approved it.

- **Implementation:** Although the company has well prepared in terms of land, finance and human resources in 2019, the tightened legal framework for construction and licensing of new projects have delayed the completion of legal procedures, directly affecting the company's projects making them fail to go as planned.

- Therefore, based on the reality of the real estate market in 2019 and the company's financial performance, the Board of Directors decided not to issue shares to existing shareholders to increase charter capital.

- In 2019, the Board of Directors carefully and seriously implemented the business development strategies.

Approve the policy of issuing shares under the selection program for employees in the company to increase charter capital, as follows:

• Stock name	Long Giang Urban Development and Investment JSC
• Stock code	LGL
• Type of stock	Popular stock
• Denomination	10,000 dong/share
• Transfer restriction	02 years of transfer restriction
• Number of shares to be issued	1,500,000 shares
• Issuance ratio	3% of current charter capital
• Issuance price	0 dong/share
• Issuance capital	Undistributed earnings by 31/12/2018
• Charter capital is expected to increase	15,000,000,000 dong
• Expected amount to be collected after issuance	0 dong

- Standards and list of employees participating in the program: The AGM authorizes the Board to decide.
- Shares will be issued to employees of the Long Giang Urban Development and Investment Joint Stock Company and its subsidiaries and affiliates.
- In case the employee liquidates the labor contract signed with the company or is terminated by the company in accordance with the terms of the labor contract signed during the period of restricted stock transfer, the number of the shares distributed to the above employees will be recovered by the company trade union (detailed plan according to the decision of the Board of Directors at the time of revocation).
- The General Meeting of Shareholders authorizes the Board of Directors to approve the time of closing the list of employees to allocate the right to buy issued shares to employees...
- Principles for identifying and distributing the number of shares issued to each employee are decided by the Board of Directors after the General Meeting of Shareholders approved the plan to issue this stock.

Implementation: At the end of 2019, in order to implement the tasks authorized by the General Meeting of Shareholders, the Board of Directors prepared the plan and selected the time to issue shares under the selection program for employees to increase chartered capital. It is expected to be completed in the first quarter of 2020.

TREASURY SHARE TRANSACTION

Quantity of treasury shares by 31/12/2019: **2,900 shares**

There were no treasury share transactions **in 2019**



LONG GIANG
LAND

REPORT AND ASSESSMENT OF BOARD OF DIRECTORS

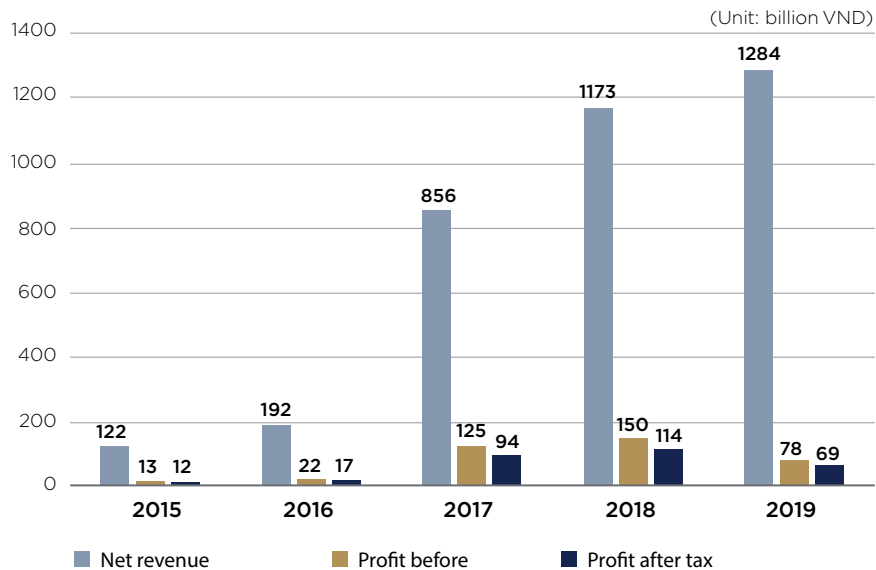
- 98 Evaluation of production and business activities
- 101 Financial situation
- 106 Report on project development
- 107 Improvements in organizational structure, policies and management
- 110 Activities of subsidiaries - associates
- 115 Contributions to community
- 116 Business plan in 2020



EVALUATION OF PRODUCTION AND BUSINESS ACTIVITIES

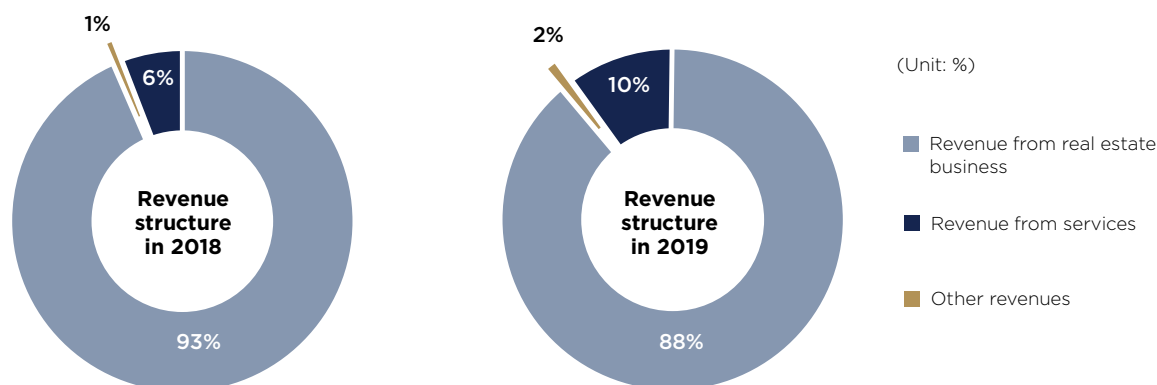


CONSOLIDATED BUSINESS PERFORMANCE IN 2015 – 2019



During the past 5 years from 2015 to 2019, the company’s net revenue from sales of goods and services provided a steady and stable growth, basically completing the yearly plan. However, consolidated profit in 2019 decreased compared to 2018 due to the fierce competition in the real estate market, resulting in higher selling costs compared to 2018.

REVENUE STRUCTURE IN 2018 AND 2019 ACCORDING TO THE CONSOLIDATED FINANCIAL



The revenue structure in 2019 of Long Giang Land shows that the business strategy focused on the real estate sector though the proportion of contribution to the consolidated revenue decreased compared to 2018 but still reached 88%.

CONSOLIDATED BUSINESS RESULTS IN 2019 COMPARED TO THE YEARLY PLAN

(Unit: million VND)

No.	Indications	2019 yearly plan	Implemented in 2019	% of completion of the yearly plan
1	Net revenue	1,300,000	1,284,093	99%
2	Profit after tax	120,000	68,748	58%
3	Charter capital	640,000	500,000	78%

By December 31, 2019, the consolidated net revenue reached 1,284 billion VND, basically completed the target of 1,300 billion VND set at the shareholders' meeting. In particular, revenue from real estate business accounted for 89% of net revenue and increased by 7% over the same period in 2018.

Regarding profit, in 2019, the consolidated profit after tax reached 68.7 billion VND, reaching 58% of the plan and equal to 60% of the consolidated profit after tax in 2018.

Charter capital remains at 500 billion VND, failed to fulfill the plan to increase its charter capital to 640 billion VND.

REASONS

Net sales increased against 2018 and exceeded the 2019 plan after the company handed over the commercial area of the Rivera Park Hanoi project office to the Rivera Hanoi Joint Stock Company. In addition, in 2019, the company sold and handed over the remaining apartments, fulfilling the sales targets of both projects.

However, along with the increase in sales, the cost of sales of apartments in the Rivera Park project in Hanoi increased sharply due to the fierce competition of the market. Besides, the profit margin of the commercial office area transferred to the Rivera Hanoi Joint Stock Company is narrow. Although the company completed its sales targets and net sales increased slightly and exceeded the plan, profit after tax decreased compared to 2018 and only achieved 58% of the year plan.

Vietnam’s economic and financial situation in general and the real estate industry in particular in 2019 were not favorable for the company to issue additional shares to increase its charter capital to 640 billion VND. Therefore, the Board of Directors decided to postpone the plan to issue shares, maintaining the charter capital at 500 billion VND.

ASSESS IMPACT OF EXCHANGE RATES ON THE COMPANY’S OPERATION

Because the company’s business is mainly in the country and imported conventional equipment was already calculated in the project development cost at the beginning, the impact of exchange rates on the company’s operation was inconsiderable.



FINANCIAL SITUATION

ASSETS SITUATION (ACCORDING TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Overview of asset situation in 2019 compared to 2018

No	Indications	2018		2019		Increase/ Decrease 2019/2018
		Value (billion dong)	Proportion	Value (billion dong)	Proportion	
A	Total assets	2,414	100%	1,773	100%	-27%
I	Short-term assets	1,954	81%	1,116	63%	-43%
II	Long-term assets	459	19%	657	37%	43%
B	Total capital	2,414	100%	1,773	100%	-27%
I	Liabilities	1,639	68%	1,013	57%	-38%
1	Short-term liabilities	1,455	60%	998	56%	-31%
2	Long-term liabilities	185	8%	15	1%	-92%
II	Owner's Equity	774	27%	760	43%	-2%

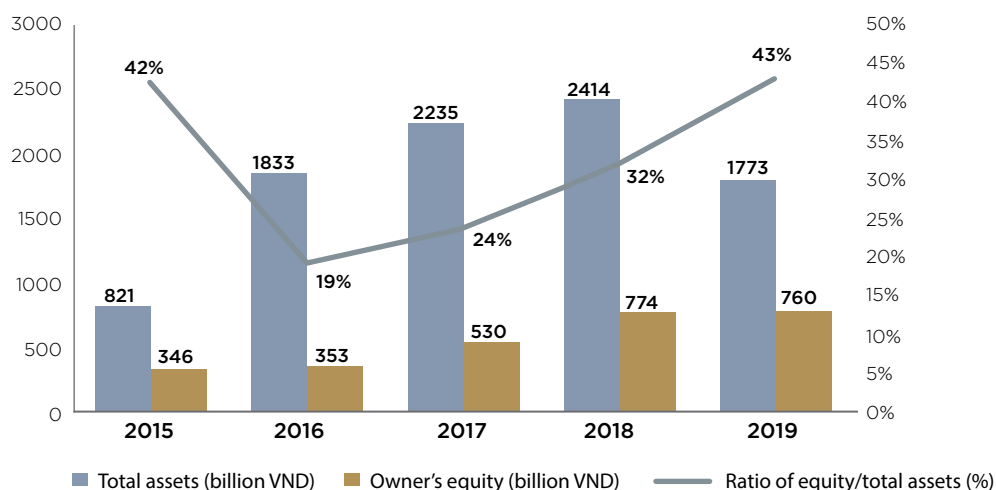
Total assets of the company as of December 31, 2019 reached 1,773 billion VND, down 27% compared to 2018. Short-term assets decreased 43% and accounted for 63% of total assets. Long-term assets increased by 43% and accounted for 37% of total assets.

Short-term assets dropped sharply by 838 billion VND because the company has handed over most of the Rivera Park project in Hanoi, leading to a reduction in inventories (from 1,242 billion VND at the beginning of the year to 414 billion VND) and increased of sales accordingly.

Long-term assets increased by more than 200 billion VND, mainly due to increased investment in subsidiaries and associates in new project development.

Owner's equity did not change much compared to 2018. Liabilities dropped sharply by 38%, equivalent to 626 billion VND. Short-term debt dropped by 457 billion VND, down by 32%, long-term debt dropped by 169 billion VND, down by 92% year on year. Both short-term and long-term debts dropped mainly on loans and finance lease liabilities because the company actively settled all due debts, providing a safer capital structure.

Summary of assets and owner's equity during 2015 - 2019 (According to the Consolidated Financial Statements)

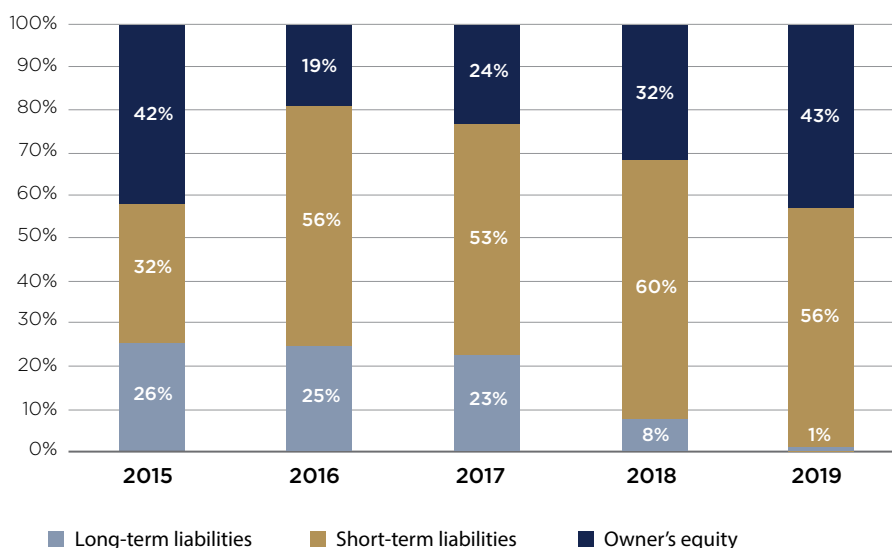


In the period of 2016 - 2018, the company focused its resources to complete two major projects: Rivera Park Hanoi and Rivera Park Saigon, the costs of construction of the two ongoing projects were recorded in the inventory, therefore, the company's total assets soared sharply and the ratio of Equity/Total assets reduced compared to the previous period. In 2017 and 2018, the company issued shares to increase charter capital thus increasing the ratio of Equity/Total assets.

In 2019, the two projects have basically completed the sales and inventory targets and liabilities decreased sharply while equity has not changed much. As a result, the total assets decreased, the ratio of Equity/Total assets increased, the capital structure was stable.

It is expected that in 2020 the company will start 2 new projects, starting the 5-year financial cycle 2021 - 2025 similar to the period of 2015-2019.

SUMMARY OF CAPITAL STRUCTURE IN 2014 - 2018 (ACCORDING TO THE CONSOLIDATED FINANCIAL STATEMENTS)



Regarding the capital structure, liabilities accounted for 57% of the total capital, down 9% compared to 2018: Short-term debt accounted for 56% and long-term debt accounted for 1% of total capital.

Total consolidated liabilities decreased by 626 billion VND, equivalent to a decrease of 38%, the consolidated short-term debt decreased by 32% or 457 billion VND and long-term debt dropped sharply by 169 billion VND, equivalent to 92%.

Short-term borrowings and liabilities decreased 242 billion VND, equivalent to a decrease of 38%. Trade payables decreased by 37%, equivalent to 88 billion VND. The amount of prepaid buyers also decreased 182 billion VND, equivalent to a 67% decrease.

The reason is that the company completed and handed over almost all the apartments of the project, prepaid buyers' amount was recorded into revenue. At the same time, the company paid debts to contractors, suppliers as well as debts at banks and credit institutions. As a result, the total liabilities decreased sharply, leading to a change in the capital structure compared to 2018.

DEBTS AND SOLVENCY

Debts

No	Indications	2018	2019
1	Total debts/Total assets	68%	57%
2	Total debts/Equity	212%	133%
3	Short-term and long-term debts/Total assets	34%	23%
4	Short-term and long term debts/Equity	105%	54%

Due to a sharp decline in loans and finance lease liabilities, as of December 31, 2019, the debt ratios on total assets and equity decreased compared to 2018.

The ratio of Total Liabilities/Total Assets and Total Liabilities/Equity ratio was respectively 57% and 133% - decreasing by 9% and 79% respectively compared to 2018.

The ratio of Short-term debts and long-term debts/Total assets was 23% - lower than the general level of the enterprises in the same industry.

In addition, the ratio of Short-term and long-term debts/Equity decreased from 105% in 2018 to 54%, showing that the company has a safer and more reasonable financial structure.

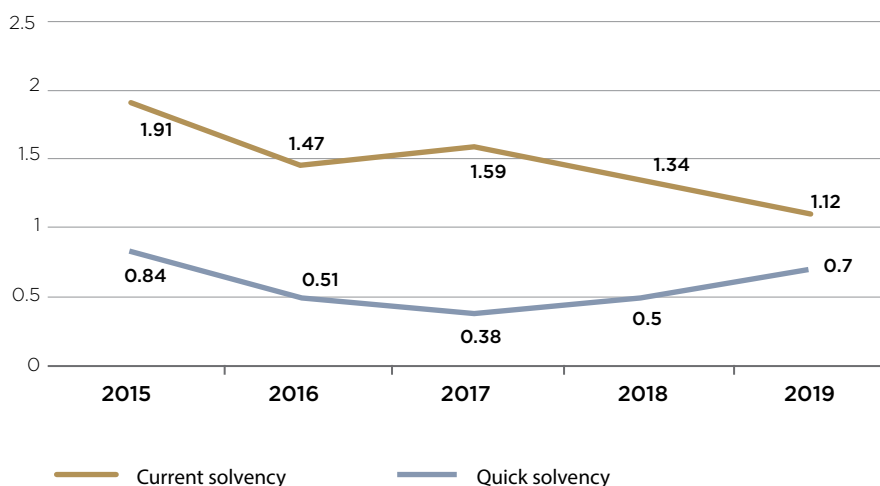
ROE is 8.96% - showing that Long Giang Land is using effective financial leverage.

The above results are due to the following factors:

- » Handed over the commercial office area and apartments of the Rivera Park Hanoi project to customers.
- » Fulfilled tax obligations.
- » Made payment on time to the contractors and main suppliers of the two projects.
- » The company settled all debts and financial lease loans.



Solvency



Current solvency index in 2019 reached 1.12 - a decrease compared to 2018, but still maintained at a safe level (1.0).

Quick solvency index continued to improve, got out of the danger zone and exceeded the safe level (0.5).

Due to the characteristics of Long Giang Land’s business activities in the field of real estate, the current solvency index sometimes has a large gap compared to the quick solvency index, due to inventory accounted for a large proportion in the short-term assets structure, but the Rivera Park Hanoi project achieved outstanding results at the end of 2018 and early 2019, basically helping to release the project’s inventory. By the end of 2019, the company handed over the commercial office area and almost all of the Rivera Park Hanoi project apartments, and paid debts to contractors, suppliers and debts to bank and credit institutions making the current and quick solvency index quite similar.

PROFITABILITY

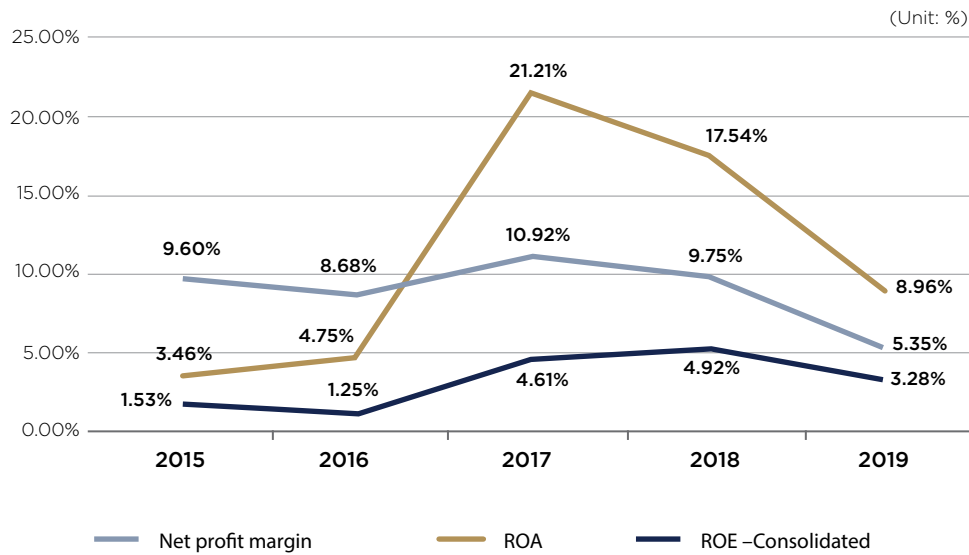
No	Indications	2019	2018
1	Net profit margin	5.86%	9.75%
2	ROE	10.10%	17.54%
3	ROA	3.70%	4.92%

Net profit margin ratio decreased by 4.5% and reached 5.25% according to the consolidated financial statements.

Profit after tax/Equity (ROE) ratio decreased by 8.58% due to a decrease in profit after tax while equity was almost unchanged, reaching 8.96% (according to the consolidated financial statements).

Profit after tax/Total assets (ROA) ratio decreased by 1.64%, reaching 3.28% compared to 4.92% of 2018.

In general, profitability indicators of Long Giang Land in 2019 compared to 2018 decreased because the company's profits still focused on 2 major projects: Rivera Park Hanoi and Rivera Park Saigon, while most apartments of the two projects were completed and handed over in 2018. Entering 2020, with 2 new projects expected to be started in Can Tho and Ha Long, the targets of revenue, profit and profitability are expected to grow again in par with the industry average and grow even further.



REPORT ON PROJECT DEVELOPMENT

In 2019, Long Giang Land completed the development of a new project in Ha Long City - Rivera Premier Ha Long on an area of nearly 12,000 m² of land increasing the company's new projects at prime locations and paving the way for the further growth of the company.

Long Giang Land focused resources to finalize legal investment procedures to be able to start at least 2 projects in 2020: Rivera Premier Ha Long Project and Rivera Park Cai Khe Project.



At the same time, M&A activities in the field of real estate are also effectively implemented. The company has stepped up the search and acquisition of shares, thereby owning as well as increasing the ownership ratio in companies holding a number of real estate projects in prime locations. As a result, the company has:

Contributed an additional 86,400,000,000 VND to increase the charter capital of Rivera Invest Joint Stock Company (Rivera Invest). The current charter capital of Rivera Invest is 300,000,000,000 VND, of which Long Giang Land holds 48% of the shares. Rivera Invest is the owner of a total of 31,500 m² commercial and office space at 3 buildings: Rivera Park Hanoi, Rivera Park Saigon and Xuan Thuy Tower.

Approved the policy of acquiring 48% of the shares of Viet Hung Real Estate Investment Joint Stock Company (Viet Hung Company). Viet Hung Company is the owner of a land plot of more than 6,000 m² in Phuc Dong Ward, Long Bien District, Hanoi. Currently, Long Giang Land holds 51% of Viet Hung Company's total shares.

Acquired 40% of shares of Ha Long Construction Joint Stock Company, turning Ha Long Construction Joint Stock Company into an associate of Long Giang Land. Ha Long Construction Joint Stock Company is the owner of a land plot of nearly 12,000 m² in Hong Ha ward, Ha Long city, Quang Ninh province.

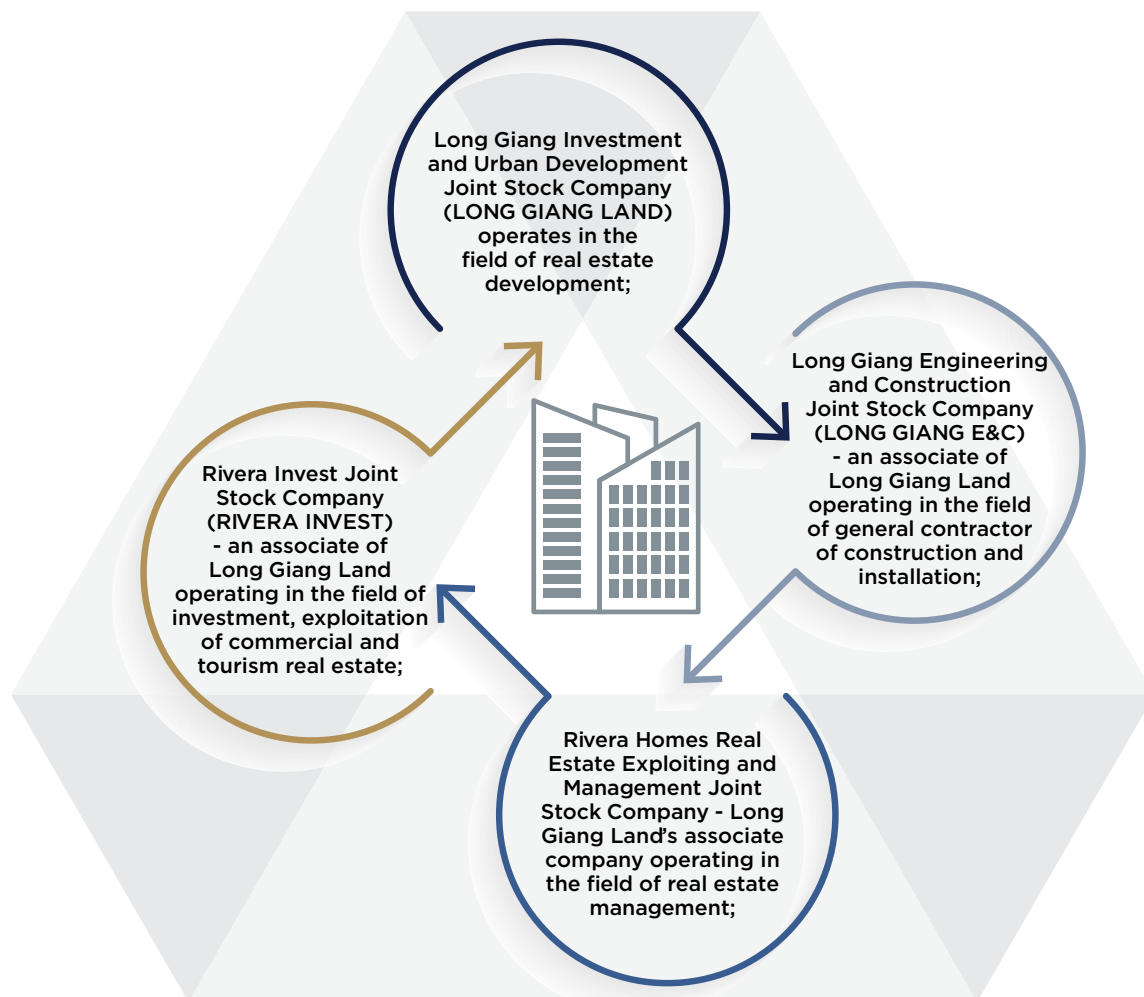
Maintained the ownership rate in Minh Phat Joint Stock Company of 65%. Minh Phat Joint Stock Company owns the right to use a plot of land to build a hotel and resort of about 116,000 m² in Mui Ne Ward, Phan Thiet City, Binh Thuan Province, expected to be deployed under the trade name of Rivera Park Mui Ne.

Maintained the ownership rate in Nghia Do Trading and Service Joint Stock Company of 52.46%. Nghia Do Trading and Service Joint Stock Company is the owner of a larger land area of 5,400 m² at No. 1 Nghia Tan Street, Cau Giay District, Hanoi and is expected to develop the project with the trade name Rivera Park Nghia Do.

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

COMPLETING THE STRUCTURE TOWARDS OPERATIONAL PROFESSIONALIZATION

In 2019, Long Giang Land and other companies in Long Giang group completed the process of restructuring and perfecting the management system in many fields but there are still overlaps and lack of close links to move toward a real estate group with a closed value chain:



The companies in the group with their own areas of activity but always have regular and comprehensive interaction and support with each other, thereby taking advantage of the internal strength of Long Giang group and forming an ecosystem of closed values in the field of real estate thus ensuring sustainable development.

IMPROVEMENT OF INTERNAL DOCUMENT MANAGEMENT SYSTEM

In 2019, Long Giang Land stepped up the review and completion of the internal management documents system to strengthen the management platform and improve the governance. Many important regulations, rules and operational procedures have been supplemented and upgraded. Specifically:

- » Adjusted and promulgated the Internal Management Regulation version 2019 in accordance with the business model, operational scale and actual situation;
- » Completed and issued the 2019 Company Profile with both in content and form being innovated;
- » Completed the draft of new Financial Regulations in accordance with the company's operating model;
- » Issue a Guideline for staff assessment in 2019 based on the actual situation.

PERSONNEL TRAINING

Long Giang Land always considers training as the foundation to build a strong and quality human resource. Therefore, in 2019, internal training and training activities were deployed regularly to all employees, specifically:

- » 100% of the staff members were internally trained on the Internal Management Regulation version 2019 and the organizational transformation process;
- » 100% of leaders and managers have completed internal training courses on management skills;
- » The Executive Board regularly shares management knowledge and experience with the contingent of management staff to improve their qualifications and awareness, thereby accomplishing common goals;
- » Management staff actively participated in supporting training, shared experience with employees in their departments;
- » The group of managers is facilitated to participate in executive management training courses of experts in the field of finance - economics – construction;
- » The company has actively organized and sent full-time officials to attend training courses on financial management, tax training, training on salary policy, social insurance to timely update policy changes related to the operation of the company.

CONTINUE TO IMPROVE THE MATERIAL AND SPIRITUAL LIFE FOR THE COMPANY'S EMPLOYEES

- With the Staff Assessment Guide 2019, the remuneration regime is adjusted to work efficiency, ensuring transparency, fairness and continuous improvement. The average incomes of the company's employees in 2019 increased by nearly 18% compared to 2018.
- Staffs are supported by the company to upgrade costumes, improve images and increase professionalism.
- The company has invested and purchased voluntary health insurance cards for employees, when having

health problems, they will be provided free treatment at leading hospitals across the country.

- Staff also received bonus shares under the Stock Rewards program implemented by Long Giang Land for all employees in Long Giang company group.
- All daily activities of employees in Long Giang Land are oriented toward the core values of corporate culture handbook. Long Giang Land corporate culture has been promoted every day in the company. Since then, the goal of enhancing a humanistic community in Long Giang Land has contributed to building a humanistic society.



ACTIVITIES OF SUBSIDIARIES – ASSOCIATES

GROUP OF COMPANIES OPERATING IN THE FIELD OF REAL ESTATE INVESTMENT



Minh Phat Joint Stock Company: Subsidiary of Long Giang Land

- Minh Phat Joint Stock Company owns the right to use a plot of land with the function of building a hotel and resort of about 116,000 m² in Mui Ne Ward, Phan Thiet City, Binh Thuan Province. The area is expected to be developed with the name Rivera Park Mui Ne.
- In 2018, the People's Committee of Binh Thuan Province issued a document approving the project investment policy.
- It is expected that in 2020, the company will complete the approval of the project's master plan and complete the legal procedures to be able to start construction in the second quarter of 2021.



Nghia Do Service and Trading Joint Stock Company: Subsidiary of Long Giang Land

- Nghia Do Service and Trading Joint Stock Company is the owner of a land area of more than 5,400 m² at No. 1 Nghia Tan Street, Cau Giay District, Hanoi and is expected to develop the project of Rivera Park Nghia Do.
- In parallel with the implementation of investment legal procedures, the company is maintaining leasing activities, bringing stable revenue and profit. The company's annual turnover is about 6 billion VND, dividend of about 7%.
- It is expected that in 2020, the company will complete the approval of planning and investment policy to implement the project, getting ready to start construction.



Viet Hung Real Estate - Garment and Embroidery Investment Joint Stock Company: Subsidiary of Long Giang Land

- Viet Hung Real Estate Investment - Embroidery Garment Joint Stock Company is the owner of a land plot of more than 6,000 m² in Phuc Dong Ward, Long Bien District, Hanoi City.
- In 2019, the company maintained a stable management and exploitation of the above land plot.
- It is expected that in 2020, the company will complete the approval of the project implementation guidelines and master plan and necessary legal procedures to start the project in the second quarter of 2021.



Ha Long Construction Joint Stock Company: Associate of Long Giang Land

- Ha Long Construction Joint Stock Company is the investor of a project with a scale of nearly 12,000 m² located at the coast of Lan Be beach, Hong Ha Ward, Ha Long City.
- It is expected that in 2020, the Company will complete the approval of the master plan to start construction in the third quarter of 2020.

LONG GIANG ENGINEERING AND CONSTRUCTION JOINT STOCK COMPANY (LONG GIANG E&C)

OPERATES IN THE FIELD OF GENERAL CONTRACTOR OF CONSTRUCTION AND INSTALLATION: ASSOCIATE COMPANY OF LONG GIANG LAND

Long Giang Engineering and Construction Joint Stock Company (Long Giang E&C) was established on the basis of merging all personnel involved in construction and installation in Long Giang group of companies. Long Giang E&C is developed toward one of the leading prestigious general contractor (D&B) enterprises in Vietnam.

In 2019, Long Giang E&C earned 206 billion VND in revenue and 7.8 billion VND in after-tax profit. The company has perfected the leadership apparatus and management staff and deployed operation under the new model. At the same time, Long Giang E&C has selected and built a system of capable and highly reputable contractors and suppliers, finalized construction processes, acceptance standards and formats to prepare for construction of new projects.

With experience gained through the construction process of major projects in Hanoi and Ho Chi Minh City, the company has gradually strengthened and enhanced its capacity to become one of the few general D&B contractors to execute prestigious civil construction projects. Long Giang E&C is an important link in the closed value chain of Long Giang Land in the field of real estate.



RIVERA INVEST JOINT STOCK COMPANY (RIVERA INVEST) OPERATES IN THE FIELD OF INVESTMENT AND EXPLOITATION OF COMMERCIAL AND TOURISM REAL ESTATE: ASSOCIATE COMPANY OF LONG GIANG LAND



Rivera Invest Joint Stock Company (Rivera Invest) was established on the basis of merging commercial and tourism real estate companies under the Long Giang group of companies, with a vision to become one of the leading businesses in investment and tourism real estate in Vietnam.

Rivera Invest owns 31,500 m² of commercial office area in 3 buildings: Xuan Thuy Tower (No. 173 Xuan Thuy, Cau Giay, Hanoi); Rivera Park Hanoi (No. 69 Vu Trong Phung, Thanh Xuan, Hanoi) and Rivera Park Saigon (7/28 Thanh Thai Street, District 10, Ho Chi Minh City). Currently, the company has filled 80% of

the commercial-office area of Xuan Thuy Tower, 55% of commercial-office area of Hanoi Rivera Park building and 90% of commercial-office area of Rivera Park Saigon. The company's revenue and profit in 2019 were 81.4 billion VND and 13 billion VND respectively.

It is expected that in 2020, the company will promote marketing-business activities, striving to fill up to 95% of commercial area of Xuan Thuy Tower, 80% of commercial-office area of Rivera Park building in Hanoi and 95% of the commercial-office area of Rivera Park Saigon.

Rivera Invest will also be the partner of investment and exploitation of commercial and tourism real estate in the Rivera-branded projects that Long Giang Land will deploy playing an important role in the real estate ecosystem of the Long Giang Land's real estate.





RIVERA HOMES REAL ESTATE MANAGEMENT AND DEVELOPMENT JSC OPERATES IN THE FIELD OF REAL ESTATE MANAGEMENT: ASSOCIATED COMPANY OF LONG GIANG LAND

Rivera Homes Real Estate Management and Development JSC were established on December 30, 2017, aiming to become a leading real estate management company in Vietnam.

The company is currently managing the commercial-office center and apartments of 2 buildings of Rivera Park Hanoi and Rivera Park Saigon, and the commercial- office center in Xuan Thuy Tower. Rivera Homes will manage Long Giang Land's accomplished and ongoing projects.

Although it has not been in operation for a long time, the company has obtained certain results. In 2019, Rivera Homes' revenue reached 27 billion VND, profit after tax reaches 366 million VND.

CONTRIBUTIONS TO COMMUNITY

Based on a strong and widespread humanitarian foundation - the core of Long Giang Land's corporate culture, in 2019, the company implemented several many meaningful community activities contributing significantly to the sustainable development of society.

Long Giang Land's humanitarian activities focused on children, the elderly, lonely elderly people, and poor patients drawing 100% of the company's staff.

In 2019, Long Giang Land and other companies in the Long Giang Group accompanied local authorities and other charitable organizations donating more than 1.1 billion VND to deploy charity activities helping people in remote areas, where the socio-economic conditions still face many difficulties and people have limited access to quality health services.

In September 2019, the company organized a program providing medical examination, medicines and gifts to people in Ngoc Son Commune, Lac Son District, Hoa Binh Province. The program has benefited nearly 1,000 people becoming one of the largest charitable medical examination programs in Hoa Binh province. Long Giang Land also paid special attention to children of Pu Dua Village, Quang Chieu Border Commune, Muong Lat District, Thanh Hoa Province, presented gifts to disadvantaged families, local teenagers and children on the occasion of Mid-Autumn Festival, Lunar New Year ... In addition, the company has maintained a program to give porridge to poor patients at Duc Giang Hospital, Dien Bien Hospital.

In addition, Long Giang Land contributed 64.4 billion dong to the State budget in 2019.



Long Giang Land and other companies in the Long Giang Group organized a full-moon festival 2019 for children in Pu Dua hamlet (Quang Chieu, Muong Lat, Thanh Hoa)

BUSINESS PLAN IN 2020

MAJOR TARGETS OF THE COMPANY'S 2020 BUSINESS PLAN

▀ Proactively present, mitigate, and overcome impacts of the COVID-19 epidemic

- Closely follow the situation of the epidemic, instruct the company's staff to abide by regulations on disease prevention and control of the State and the Company;
- Change working method and apply IT to allow the company's employees to work from home;
- Develop and implement disease response plans to overcome the impact that the epidemic has on the company's business activities.



▀ Project development activities

- Finalize procedures and prepare to start at least 2 projects in 2020 including the Rivera Premier Ha Long and Rivera Park Can Tho projects;
- Accelerate investment legal procedures to start other projects in 2021 including Rivera Premier Ha Noi, Rivera Park Nghia Do, Rivera Park Mui Ne projects.

▀ Business activities

- Finalize remaining work of 2 projects: Rivera Park Hanoi and Rivera Park Saigon;
- Finalize procedures necessary for the payment of the Lot C of Thanh Thai project with a total value of 300 billion VND;
- Finalize preparations for 2 projects: Rivera Premier Ha Long and Rivera Park Can Tho;
- Develop and implement a communications program to promote the Rivera and Long Giang Land brands.

▀ Financial activities

- Increase the company's charter capital to 565 billion VND;
- Arrange enough capital to maintain normal activities of the company and prepare to start two projects: Rivera Premier Ha Long and Rivera Park Can Tho;
- Maintain and develop relations with investors, tap the potential of a prestigious listed company;
- Finalize and issue Financial Regulations Version 2020, manage the company's financial activities as regulated;
- Boost relations with domestic and foreign credit organizations and financial institutions to diversify the financial structures and arrange resources to meet the company's financial demand;
- Well manage the company's incomes, costs and assets;
- Restructure investment lists; consider the transfer of some investment resources and ineffective investment projects;



▀ Personnel organization and executive management

- Upgrade 100% of the company's management documents;
- Maintain internal and external personnel training to standardize leaders, management staff and all employees;
- Improve quality of human resource by recruiting experienced and young employees with high qualifications;
- Improve the corporate environment to maintain current employees and attract highly qualified human resources.

TARGETS OF 2020 BUSINESS PLAN

(Unit: million VND)

Indications	Results in 2019		Plan of 2020	
	Parent company	Consolidated	Parent company	Consolidated
Revenue	1,338,143	1,284,093	600,000	600,000
Profit after taxes	88,232	68,748	50,000	50,000
Charter capital	500,000		565,000	

- **The targets are decided at the General Meeting of Shareholders**

- **Baseline explanation for the Business Plan 2020:**

Revenue target:

Revenue targets are based on revenue targets expected to be submitted for approval by the Board of Directors and the General Meeting of Shareholders of the parent company and its subsidiaries. These indicators are based on the evaluations and business plans of the Rivera Park Saigon project and the business plan of each company in 2020. **Specifically:**

+ Rivera Park Saigon project: In 2020, it is expected to complete the sale and handover of the remaining apartments and hand over Lot C of the Rivera Park Saigon project to the Ho Chi Minh City People’s Committee with total revenue estimated at 300 billion VND, contributing 50% of the consolidated revenue plan.

+ Other projects: In 2020, the company expects other projects and the transfer of shared capital to generate an estimated revenue of 300 billion VND, contributing 50% to the consolidated revenue plan.

These are the two main sources of revenue in the company’s revenue plan for 2020.

Revenue targets:

The consolidated profit target is based on the business results of the parent company and its subsidiaries depending on the current ownership ratio and M&A plan of the companies in 2020. Compared to 2019, the consolidated profit target and after-tax profit of the parent company’s shareholders are expected to decrease by 27% and 20% respectively.

Revenue distribution plan:

The targets and rates of appropriation for dividends, funds, remuneration of the Board of Directors and the Supervisory Board in 2020 are expected to be submitted to the Company’s General Meeting of Shareholders as follows:

Stock dividend:
110% / Charter capital of VND 500 billion VND

Remuneration for the Board of Directors and the Supervisory Board:
1 billion VND

Deduction of funds:
25%



CHAPTER

IV

EVALUATION OF THE BOARD OF DIRECTORS ON THE COMPANY'S PERFORMANCE

- 122 Evaluation of the company's business management in 2019
- 127 Orientations of the company's business and production activities in 2020





LONG GIANG
LAND

EVALUATION OF THE COMPANY'S BUSINESS MANAGEMENT IN 2019



In 2019, despite difficulties on the real estate market, Long Giang Land recorded remarkable achievements in the company's development.

Long Giang Land accomplished the sales of the Rivera Park Hanoi project which has received high praise of customers to strengthen its foothold in the market.

In addition, together with other companies in the Long Giang group of companies, Long Giang Land has finalized the restructuring of its organization, personnel, and internal document management to increase its professionalism and efficiency. After restructuring, the Long Giang group of companies which comprises of several companies with

overlapping activities and loose connectivity has been transformed into an ecosystem with closed values working in the real estate field. The group comprises of Long Giang Land operates in real estate project development; Long Giang E&C operates as general contractor of construction and installation; Rivera Homes operates in the field of real estate management and Rivera Invest operates in the field of investment, commercial and tourism real estate development.

To prepare for the next development period, the company has completed a new project Rivera Premier Ha Long which covers nearly 12,000 m². At the same time, the company has finalized major legal procedures to start new projects in the coming time.

EVALUATION OF BUSINESS PERFORMANCE IN 2019

Company's business performance in 2019 against the yearly plan (consolidated)

No	Indications	2019 Plan (million VND)	Implemented in 2019 (million VND)	% accomplishment of yearly plan
1	Revenues	1,300,000	1,284,093	99%
2	Profit after tax	120,000	68,748	58%
3	Charter capital	640,000	500,000	78%

By December 31, 2019, the consolidated revenue reached 1,284 billion VND, basically completed the plan of 1,300 billion VND set at the General Meeting of Shareholders. In particular, revenue from real estate business accounted for 89% of total revenue and grew 7% compared to the same period in 2018.

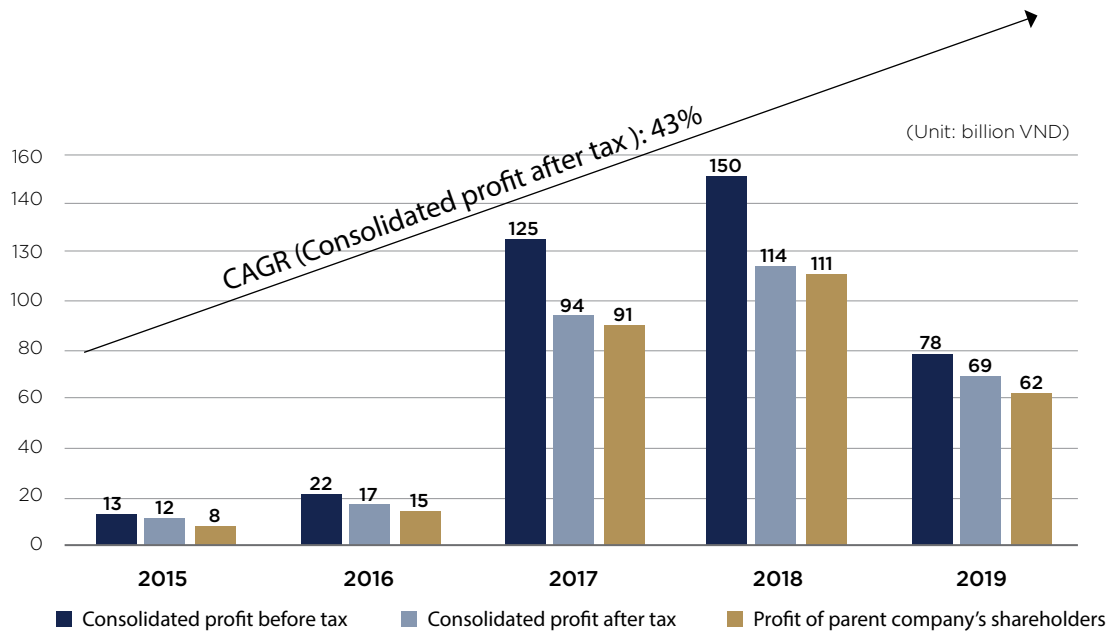
Regarding profit, in 2019, the consolidated profit after tax reached 68.7 billion VND, reached 58% of the plan and equivalent to 60% of the consolidated profit after tax in 2018.

Charter capital remains at 500 billion VND. The company failed to complete the plan to increase its charter capital to 640 billion VND.

Reasons

- » The increase in revenue was thanks to the company's completed transferring and handing over the commercial area of Rivera Park Hanoi project office to Rivera Hanoi Joint Stock Company. In addition, in 2019, the company focused on selling and handing over the remaining apartments, fulfilling the sales targets of both projects.
- » However, the profit margin of commercial office is narrow; the real estate market in 2019 was heavily influenced by negative impacts of the economy and fierce competition in all segments leading to high selling costs. Therefore, the consolidated profit after tax only reached 58% of the plan.
- » Vietnam's economic-finance situation in general and the real estate market in particular in 2019 were not favorable for the company to issue more shares to increase charter capital to 640

► Compare profit of 2019 with those of previous years



Indications of profits in 2019 are lower than in 2018:

- » Consolidated profit after tax reached **69 billion VND**
- » Profit of parent company's shareholders reached **62 billion VND**

EVALUATION OF THE BOARD OF DIRECTORS ON PERFORMANCE OF KEY TASKS IN 2019



In 2019, due to negative impacts of the economy and the real estate market, Long Giang Land failed to fulfill its business targets. But the company implemented all key tasks to prepare for the coming period.

Project development

- Long Giang Land has accelerated and finalized important legal procedures to start at least 2 new projects in 2020 in Ha Long (Rivera Premier Ha Long project) and Can Tho (Rivera Park Can Tho project), and hopes to start 3 new projects in 2021 (Rivera Premier Ha Noi, Rivera Park Nghia Do and Rivera Park Mui Ne projects).
- Long Giang Land has boosted M&A activities to own and increase ownership proportion in the companies with real estate projects in prime locations: Purchased 40% of shares of the Ha Long Construction JSC, approved the policy of acquiring 48% of the shares of Viet Hung Real Estate Investment JSC to increased ownership at the Viet Hung Company from 51% to 99%.

Financial performance

- The company has actively settled all due debts affirming its prestige with banks and credit institutions.
- The company has maintained good relationships with existing credit institutions and developed relationships with new entities.
- Due to objective factors, the company has postponed its share issuance plan to increase its equity to 640 billion VND.

Project management

- The company accelerated its progress to finalize and hand over remaining apartments of the Rivera Park Hanoi project to customers as scheduled.
- In 2019, the company completed the maintenance of apartments of Rivera Park Hanoi and Rivera Park Saigon projects as stipulated in the contracts.

Business performance

- In 2019, the company sold 137 apartments of Rivera Park Hanoi project and 15 apartments of Rivera Park Saigon project, handed over 370 apartments of Rivera Park Hanoi project and 22 apartments of Rivera Park Saigon project, thereby basically fulfilling the sales targets of the 2 projects.
- The company well implemented the customer care service of 2 projects finalizing the maintenance of



apartments and application for certificate of ownership of the apartments...

Improve management capacity

- Long Giang Land completed upgrading and promulgating the internal management documents system version 2019 in accordance with the new development stage, effectively supporting the management and administration.
- The Company maintained periodic internal training and training for 100% of leading officials, managers and staff, and organized external training courses to improve the quality of existing manpower.
- The company focused on developing the corporate culture of Long Giang Land, step by step improving the quality of the business environment to retain existing personnel as well as attract human resources as experienced managers and qualified young staff.

Finalize the restructuring of Long Giang company group towards professionalization

- In order to maximize the available resources and promote the company's capacity, in 2019, Long Giang Land and other companies in the Long Giang group of companies restructured companies with overlapping and loosed links toward professionalism with an ecosystem of closed values in real estate.



SUPERVISION OF THE BOARD OF MANAGEMENT'S PERFORMANCE

The Board of Management is functioned to manage business activities based on Resolutions and Decisions of the Board of Directors.

The Board of Directors supervises and oversees the performance of the Board of Management in realizing BOD's resolutions and decisions as follows:

Supervisory activities

- Supervise the process of making business and production plans in 2019, quarterly, monthly and implement and make necessary adjustment to fulfill production and business targets under the approved plan.
- Review corporate governance activities to effectively control the risks in the company's production and business activities.
- Supervise management activities in subsidiaries and associates through management of personnel appointed by the company to represent the capital contribution and to participate in the Board of Management of companies.
- Supervise the process of capital contribution and M&A in the field of real estate of the company.
- Monitor the dividend payment in 2018 at 12% in cash with a total value of 60 billion VND.

- Supervise the company's compliance with information disclosure obligations as prescribed in Circular 155/2015/TT-BTC concerning information disclosure on the stock market of the Ministry of Finance.
- Monitoring the compliance with laws concerning production and business activities to ensure the interests of shareholders and interests of employees in the company.

Supervisory results

Through the process of monitoring and controlling the company's general operation in 2019, the Board of Directors found that the Board of Management basically fulfilled its role of managing the company's production and business; implemented Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors, although there are some shortcomings:

- Fulfilled the consolidated revenue target for 2019 assigned by the General Meeting of Shareholders, but has not yet fulfilled the profit target.
- Upgraded and issued the Internal Management Regulation of the company version 2019.
- Effectively managed subsidiaries and affiliates through personnel appointed by the company to represent the capital contribution and to the Board of Management of companies.
- Capital contribution and M&A activities in the field of real estate were implemented in accordance with legal regulations, resolutions of the Board of Directors.
- Not yet completed the increase of charter capital to 640 billion VND due to objective factors.
- Completed the cash dividend payment in 2018 at 12% for a total value of 60 billion VND.
- Strictly complied with the disclosure obligations in accordance with Circular 155/2015/TT-BTC on information disclosure on the stock market of the Ministry of Finance.
- Complied with laws in production and business activities thus ensuring the interests of shareholders as well as the interests of employees in the company.

ORIENTATIONS OF THE COMPANY'S BUSINESS AND PRODUCTION ACTIVITIES IN 2020

BUSINESS ACTIVITIES

- Develop and implement solutions to proactively prevent, limit and overcome the effects of COVID - 19.
- Develop and implement a production and business plan in 2020 based on the socio-economic situation and the specific situation of the Company.
- Implement cost control in order to improve the efficiency of production and business of the company: improve the rate of return on equity, profit rate on revenue.
- Accelerate the completion of investment legal procedures to be able to start new projects in 2020 thus creating a premise on the company's revenues and profits in the coming years.
- Maintain the M&A strategy in real estate to increase land reserves and new investment projects.
- Continue to gradually increase the financial capacity of the company to meet the increasing capital needs in the next stage of development.
- Support and control subsidiaries and associates in developing development strategies as well as executive management in order to realize their full potentials and improve production and business efficiency.
- Maintain and develop investor relations.

CORPORATE GOVERNANCE

- Continue to upgrade the system of internal document management: internal management regulations, job description, standard operation procedures, forms, and standards...
- Develop personnel standards, gradually improve the quality of the company's personnel to achieve

standards through internal and external training, and recruit high quality personnel.

- Improve the corporate environment by constantly taking care of the material and spiritual life of the company's employees while professionalizing the management and administration of the company.
- Research and invest in information technology applications in the company's management to meet the increasing requirements of corporate governance in production and business activities.
- Monitor the compliance with the company's regulations and internal regulations to ensure transparency in production and business activities and respect for the rights and legitimate interests of shareholders.





LONG GIANG
LAND



CHAPTER

V

CORPORATE GOVERNANCE

- 131** Board of Directors
- 138** Board of Supervisors
- 145** Remuneration transactions and benefits of the Board of Directors and the Board of Supervisors for the term 2017-2021
- 147** Report on corporate governance performance based on ASEAN Regional Corporate Governance Scorecard



At the beginning of 2019, the Board of Directors (BOD) made accurate analyzes and judgments on difficulties and advantages of the real estate market, legal difficulties, and difficulties in accessing real estate loans which could lead to declines in project supply, housing supply and number of transactions in the real estate market at the end of 2019.

These difficulties affected the company's orientation and plan for the year. Therefore, besides the efforts to complete the legal procedures for investment projects, the Board of Directors also identified that this was a good time to change the company's apparatus. 2019 was a year to summarize experiences, reform and perfect the management system of Long Giang.

BOARD OF DIRECTORS

MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS AS OF 31/12/2019

In early 2019, the Board of Directors (BOD) of Long Giang Land consisted of 4 members, including 2 independent members. On April 27, 2019, the Annual General Meeting of Shareholders voted to add Mr. Dang Anh Tam as a member of the Board of Directors for the term of 2017-2021, increasing the number of Board members to 5 in accordance with the Company Regulation. Of them 01 member participates in the executive, 04 members do not participate in the executive and 03 are independent members:

No	Members	Title	Equity ownership by 31/12/2018	Proportion (%)	Equity ownership by 31/12/2019	Proportion (%)	Reasons for decrease/increase	Positions in other companies
BOARD OF DIRECTORS IN 2017-2021 TERM								
1	Le Ha Giang	Chairman of the Board of Directors, Executive member	10,685,369	21.4	10,685,369	21.4		1. BOD Chairman of Long Giang Engineering and Construction Company 2. BOD Chairman of Long Giang Investment Group JSC 3. BOD Chairman of Rivera Investment JSC 4. BOD Chairman of Ha Long Construction JSC
2	Nguyen Toan Thang	BOD member, Non-Executive member	57,024	0.114	57,024	0.114		1. BOD Chairman of Hanoi Rivera Investment JSC 2. Deputy Director of DHXD Consultancy Company Ltd. 3. Director of Xuan Thuy Service and Trade Investment JSC
3	Mai Thanh Phuong	BOD independent member, Non-executive member			0	0		1. Chairman and Director General of Pha Le Plastic Technology and Manufacturing JSC 2. BOD member of Ha Long Construction JSC
4	Nguyen Dinh Thanh	BOD independent member, Non-executive member			0	0		Director General of Hanoi Urban Architecture Consultancy JSC
5	Dang Anh Tam	BOD independent member, Non-executive member			0	0		BOD member of Hung Tri Refrigeration Industry JSC

INTRODUCTION OF THE BOARD OF DIRECTORS IN 2019



Mr. **Le Ha Giang**
Chairman of the Board of Directors

Year of birth: 1969

Profession:
Construction engineering

Experience:
He has nearly 30 years of experience in construction management and 25 years of experience in business management.



Mr. **Mai Thanh Phuong**
BOD independent member

Year of birth: 1971

Profession:
Engineer of Geology, University of Mining and Geology, Bachelor of Economics in Commercial Business, National Economics University

Experience:
He has more than 20 years of experience in business management.

SUB-COMMITTEES OF THE BOD

In 2019, in order to improve the company's management system, the Board of Directors decided to establish 03 sub-committees, including the Human Resources Sub-Committee, Remuneration Sub-Committee, Audit Sub-Committee which were approved at the General Meeting of Shareholders on April 27, 2019.

Due to the short time of establishment, all activities of the sub-committees are in the initial process of developing operational regulations, governance structures, and regulations. However, the Sub-

Committees have gradually performed their assigned tasks, as follows:

- Human Resources Sub-Committee: With the role of advising and assisting the BOD in human resource management, the Human Resources Sub-Committee has developed development strategies and policies, made personnel recommendations in accordance with the company's apparatus and development orientations. The Sub-Committee has proposed measures to improve the working environment, creating an attractive environment by improving incentive policies for employees.



Mr. **Nguyen Toan Thang**
BOD member

Year of birth: 1969

Profession:

Architect –Lecturer at Construction University

Experience:

He has nearly 30 years of experience in management of design consultancy.



Mr. **Nguyen Dinh Thanh**
BOD independent member

Year of birth: 1967

Profession:

Architect

Experience:

He has nearly 30 years of experience in management of design consultancy.



Mr. **Dang Anh Tam**
BOD independent member

Year of birth: 1967

Profession:

Master degree

Experience:

He has nearly 30 years of experience in business management.

Contents it consulted to the BOD in 2019:

- To support, contribute ideas to change the organizational model of groups of Long Giang company.
 - To consult in the appointment and dismissal of BOD members and implementation process.
 - To get involved in drafting, revising internal management documents in 2019.
- remuneration Sub-Committee: To be in charge of developing remuneration policies for members of the BOD and the Supervisory Board and initially proposing

the BOD to consider and approve the basic salary policy for employees of the company group, proposing standards for employee selection, approving the plan of bonus share issuance and shares under the selected program (ESOP) for employees.

- Audit Sub-Committee: With the task of ensuring the internal auditing system and compliance with the law through internal auditing activities, the Sub-Committee has proposed and developed an annual audit plan, involved in evaluating the company's annual financial statements in 2019 and quarterly financial statements.

BOD OPERATION

Long Giang BOD has always bided by the law and the company's regulations. It has always raised high the interests of shareholders and the company. In 2019 the BOD achieved the following results:

- » The BOD directed the Board of General Director to fine tune the system, complete business indications and plans approved at the General Meeting of Shareholders in Decree No. 01/2019/NQ.ĐHĐCĐ on 27/04/2019.
- » Capital mobilization grew well to meet demand for capital, balance capital source safely and effectively.
- » Business effectivity: After tax consolidated profit reached 68.7 billion VND, or 58% of the plan of the General Meeting of Shareholders.
- » The BOD directly directed the implementation of key projects, adjusted development and orientation plans to suit the market and the company's situation.
- » Besides the implementation of the 2019 business indications, in the past year, the Board of Directors focused on executive management of the organizational model, reformed documents, improved facilities and IT application to create a foundation for stable, sustainable and effective operation.
- » The Board of Directors directed the Personnel Sub-Committee to coordinate with the Board of Management to continue restructuring the labor force. The arrangement and transfer of employees among units have promoted their full capacity and brought the best results to the company. The company has continued to updated and completed internal training materials, regulations, processes, regulations, instructions, forms ... to serve as a basis for evaluating the efficiency of employees and increasing productivity and efficiency.
- » The Board of Directors controls, supervises and ensures the interests of shareholders in accordance with its functions, powers, and duties to achieve set business plan.

In 2019, Long Giang Land's Board of Directors organized quarterly and unusual direct and online meetings to promote its leading role in directing development indications and strategies at meetings related to the company's production and business activities and orientations. In 2019, the Board of Directors attended and decided to approve 28 Minutes/Resolutions related to the company's activities, specifically as follows:

No	Members of BOD	Title	Date begins / not BOD members	Number of meetins attended	Per-centage	Reasons not to attend
1	Mr. Le Ha Giang	BOD Chairman	21/04/2017	28/28	100%	
2	Mr. Mai Thanh Phuong	BOD member	21/04/2017	28/28	100%	
3	Mr. Nguyen Toan Thang	BOD member	21/04/2017	28/28	100%	
4	Mr. Nguyen Dinh Thanh	BOD member	21/04/2017	28/28	100%	
5	Mr. Dang Anh Tam	BOD member	27/4/2019	21/28	75%	Additionally elected at the General Meeting of Shareholders on 27/4/2019

Documents, Resolutions that the BOD issued in 2019:

No	Resolution No	Date	Content
1	01/2019 /NQ-HĐQT	05/01/2019	Approved to guarantee for Long Giang Sai Gon Joint Stock Company to perform the finance lease contract at the Vietnam Liability Commercial Joint Stock Company of the Bank for Industry and Trade to invest in fixed assets for production and business activities.
2	02/2019 /NQ-HĐQT	08/3/2019	Summoned the annual General Meeting of Shareholders in 2019.
3	03/2019 /NQ-HĐQT	19/3/2019	Approved the release of stocks subjected to transfer restrictions.
4	04/2019 NQ-HĐQT	01/4/2019	Approved the property investment plan in the form of financial leasing.
5	05A/2019 /NQ-HĐQT	08/4/2019	Approved business target results of 2018 and the 2019 production plans.
6	05/2019 /NQ-HĐQT	08/4/2019	Approved Program and Documents for the annual General Meeting of Shareholders in 2019.
7	06.1/9/2019 /NQ-HĐQT	12/4/2019	Established the Human Resources Sub-Committee of the BOD.
8	06.2/2019 /NQ-HĐQT	12/4/2019	Established the Remuneration Sub-Committee of the BOD.
9	06.3/2019 /NQ-HĐQT	12/4/2019	Established the Audit Sub-Committee of the BOD.
10	07/2019 /NQ-HĐQT	09/5/2019	Approved the orientation to purchase assets and investment for production and trade.
11	08/2019 /NQ - HĐQT	05/6/2019	Approved the purchase of additional shares for Rivera Ha Noi Joint Stock Company.
12	09/2019 /NQ - HĐQT	03/7/2019	Approved the orientation of purchase 51% of shares of Ha Long Construction Joint Stock Company.
13	10/2019 /NQ - HĐQT	08/07/2019	Approved the discharge and appointment of senior personnel in the company.
14	11/2019 /NQ - HĐQT	08/07/2019	Revised the orientation to buy shares of Ha Long Construction Joint Stock Company.
15	13/2019 /NQ - HĐQT	08/07/2019	Authorized the General Director and Deputy General Director to sign a loan contract with the Agriculture and Rural Development Bank to serve production and business activities.
16	12/2019 /NQ - HĐQT	09/7/2019	Approved guarantee of personal loan contract
17	14/2019 /NQ - HĐQT	25/7/2019	To borrow bank loan for production and trade (Agriculture and Rural Development Bank)
18	15/2019 /NQ - HĐQT	20/9/2019	Approved the policy of increasing Long Giang Land's ownership in Viet Hung Garment and Embroidery and Real Estate Investment Joint Stock Company.
19	16/2019 /NQ - HĐQT	23/9/2019	Approved the policy to sign an economic agreement with Rivera Investment Joint Stock Company and Long Giang Techniques and Construction Joint Stock Company.

No	Resolution No	Date	Content
20	17/2019 /NQ - HĐQT	23/9/2019	Approved the policy of transferring all shares owned by the Company at Xuan Thuy Investment, Service, and Trade Joint Stock Company.
21	18/2019 /NQ-HĐQT	28/10/2019	Mortgage 10,000,000 shares of Long Giang Investment and Development Joint Stock Company owned by Long Giang Investment Group Joint Stock Company to ensure all loans, guarantees and open L/C of Long Giang Investment and Development Joint Stock Company at Vietnam Bank for Agriculture and Rural Development - Dong Ha Noi Branch.
22	19/2019 /NQ-HĐQT	28/10/2019	Paid dividends in cash in 2019.
23	20/2019 NQ-HĐQT	05/11/2019	Approved the policy to increase Long Giang Land's ownership in Viet Hung Garments, Embroidery, Real Estate Investment Joint Stock Company.
24	21A/2019 /NQ - HĐQT	28/10/2019	Borrowed capital and mortgaged assets at the Bank for Agriculture and Rural Development - West Ha Noi Branch.
25	21/2019 /NQ-HĐQT	07/11/2019	Bought more shares at Rivera Ha Noi Joint Stock Company under a program to sell additional shares to current shareholders.
26	22/2019 /NQ - HĐQT	25/11/2019	Agreed to mortgage 10,000,000 shares of Long Giang Investment and Urban Development Joint Stock Company owned by a BOD member to ensure all loans, guarantee, and open L/C of Long Giang Investment and Urban Development Joint Stock Company at the Bank for Agriculture and Rural Development.
27	23/2019 /NQ-HĐQT	29/11/2019	Transferred a part of shareholding in Rivera Hanoi Joint Stock Company
28	24/2019 /NQ-HĐQT	18/12/2019	Approved the policy of signing a contract with Long Giang Investment Group Joint Stock Company to provide office logistics services.
29	25/2019 /NQ-HĐQT	23/12/2019	Approved to withdraw deposit in the Bank.
30	26/2019 /NQ - HĐQT	24/12/2019	Approved a transaction between the company and internal persons and related persons of the company.

ACTIVITIES OF NON-EXECUTIVE, INDEPENDENT BOD MEMBERS

Last year, independent members of the Board of Directors have actively participated in all meetings of the Board of Directors, contributed many opinions and insightful views, and showed high responsibility in building a transparent and strong company and point out potential risks in the company's policies and strategies, contributing to improve the system and prevent risks.

Mr. Mai Thanh Phuong, Head of Human Resources Sub-Committee, Remuneration Sub-Committee under the Board of Directors, involved in drafting and directly voted to promulgate internal regulations on organization, human resources, management, and activities of the company,

contributing to improve the efficiency and capacity of the company's leadership last year. He has made great contributions to review the company's organizational structure and consider policies and principles related to the selection and retention of senior personnel. He has assisted the BOD in policies for high-level personnel development: Training, recruitment, and mobilization of potential capable personnel.

In 2019, he and other members coordinated to implement policies and mechanisms to improve the rights and interests of the company's employees physically and mentally. Employees' health is guaranteed as the company has bought Bao Viet Insurance for them. Employees are working in a modern, green, and environment-friendly space.

Mr. Nguyen Dinh Thanh, Head of the Audit Sub-Committee under the Board of Directors, has initially built regulations, plans and orientations of the Sub-Committee. In addition, the Sub-Committee has well performed its role in risk management and contributed important ideas and plans to the Board of Directors to prevent risks.

In addition to performing its duties and obligations in accordance with the Corporate Law and related legal documents for members of the Board of Directors, independent members of the Board of Directors also perform the following activities:

- » Supervising the company's information announcement in accordance with the law and ensuring the timeliness and accuracy of the published information.
- » Participating in the policy-making of development strategies, goals, and plans, as well as other basic achievements and indicators of the company.
- » Considering the proposals of the Executive General Director on the remuneration for managers and report to the Board of Directors.
- » Participating in vote, promulgation of policies, operation strategies of Long Giang Land under the authority of the Board of Directors.

Being independent in the BOD, the independent members have contributed to improving the objectivity, transparency, and quality of the BOD's decisions.

Although newly established, 03 Sub-Committees under the Board of Directors are directly managed by independent members. They have created initial premise for recruitment and training of for staff to support the Board in communicating and contacting the Executive Board to resolved related issues. To draft documents, make public information, and resolve other issues related to activities of the BOD/ General Meeting of Shareholders.

LIST OF BOD MEMBERS HAVING CERTIFICATES ON COMPANY MANAGEMENT

During the year, members of the Board of Directors of Long Giang Land attended a number of seminars on corporate governance and gained experience in corporate governance.

BOARD OF SUPERVISORS

MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISORS

The current Board of Supervisors (BOS) has 3 members. They are eligible and capable of carrying out their tasks.

Members of the current Board of Supervisors 31/12/2019:

No	Members of the BoS	Title	Level of	Date to begin a member of the BoS	Stock owned	Percentage (%)	Title in other companies
1	Luu Thi Thanh Nga	Head of the Board	Not an employee of the company	21/4/2017	27,849	0.06	Deputy General Director of Long Giang E&C
2	Nguyen Ngoc Hung	Member of the BOS	Not an employee of the company	21/4/2017	7,899	0.02	BOD member, Deputy General Director cum Chief Accountant of Vietnam Electro-mechanics and Construction Company
3	Ho Kim Van	Member of the BOS	An employee of the company	21/4/2017	1,307,900	2.62	Accountant of Financial section of Long Giang Land



Mrs. Luu Thi Thanh Nga
Head of the Board of Supervisors

Year of birth: 1979

Profession:
BA of HCMC University of Economics

Experience:
Mrs. Luu Thi Thanh Nga has more than 17 years of experience in finance and accounting and over 10 years of management experience.



Mr. **Nguyen Ngoc Hung**
Member of the Board of Supervisors

Year of birth: 1977

Profession:
MA of Economics, Finance, Banking

Experience:
Mr. Nguyen Ngoc Hung has more than 19 years of experience in finance, accounting and nearly 15 years of management experience.



Mrs. **Ho Kim Van**
Member of the Board of Supervisors

Year of birth: 1970

Profession:
BA of National Economics University

Experience:
Mrs. Ho Kim Van has 20 years of management experience in finance and accounting.

ACTIVITIES OF THE BOARD OF SUPERVISORS

Performing functions and duties of the Board of Supervisors in accordance with Long Giang Land's regulations, the Board of Supervisors has supervised the compliance with provisions in management and administration of production and business activities in 2019.

In 2019, the Board of Supervisors held 4 meetings with the presence of all members on the following contents:

Meeting	Participants	Major contents
1 st	3/3	1-Assess the Supervisory Board's activities in 2018 2-Assess the compliance with resolutions of the Annual General Meeting of Shareholders, resolutions of the Board of Directors as well as the observance of the State laws in the first quarter of 2019. 3-Check investment activities of subsidiaries, associated companies, and capital contributor companies. 4-Coordinate to organize the General Meeting of Shareholders in 2019. 5-Review the Consolidated Financial Statements for 2018 and approve an action plan of the Board of Supervisors in 2019. 6-Consider and propose Auditing Unit in 2020.
2 nd	3/3	Elect head of the Board of Supervisors.
3 rd	3/3	1-Assess the compliance with resolutions of the Annual General Meeting of Shareholders, Resolutions of the Board of Directors as well as the compliance with the State Laws in the third quarter of 2019. 2-Check investment activities of subsidiaries, associated companies, and capital contributor companies. 3-Examine information disclosure activities. 4-Review Consolidated Financial Statements in the first 6 months of 2019.
4 rd	3/3	1-Assess the compliance with resolutions of the Annual General Meeting of Shareholders, Resolutions of the Board of Directors as well as the compliance with the State Laws in the 4th quarter of 2019. 2-Attend meetings of the BOD. 3-Check investment activities of subsidiaries, associated companies, capital contributor companies. 4-Examine information disclosure activities. 5-Review and evaluate activities of the Board of Supervisors in 2019.

In 2019, the Board of Supervisors has attended all meetings of the Board of Directors to update on production and business activities and investment, contribute opinions and recommendations to the Board of Directors and the Board of General Director within the scope of its responsibility and authority.

EVALUATION RESULTS OF THE COMPANY'S FINANCIAL STATEMENTS

The Board of Supervisors agrees with the contents of the 2019 Financial Statements and the 2019 Consolidated Financial Statements prepared by the Board of Management and the Financial and Accounting Department of the company and audited by the A&C Auditing and Consulting Co., Ltd. The Consolidated Financial Statements reflected honestly and reasonably major financial issues of the company (Long Giang Land and its subsidiaries and associates) on December 31, 2019, as well as the results of consolidated business operations and consolidated cash flows for the fiscal year ended on the same day, in accordance with the current standards and accounting regulations for Vietnamese enterprises and related legal documents.

Some of the basic indications implemented in 2019 according to the Consolidated Financial Statements are as follows:

Results of the company's business indications (according to the Consolidated Financial Statements)

(Unit: million VND)

No	Indications	Implemented in 2018	Implemented in 2019	% implementation compared to 2018
1	Net sales	1,172,595	1,284,093	110%
2	Pre-tax revenue	150,442	77,802	52%
3	Post-tax revenue	114,375	68,748	60%

Company's asset indications (according to the Consolidated Financial Statements)

(Unit: million VND)

No	Indications	Implemented in 2018	Implemented in 2019	% implementation compared to 2018
1	Short-term assets	1,954,360	1,115,687	57%
2	Long-term assets	459,322	657,042	143%
3	Total assets	2,413,682	1,772,728	73%

SUPERVISORY ACTIVITIES OF THE EXECUTIVE BOARD

Compliance with charter, law, implementation of resolutions of the General Meeting of Shareholders

Through inspecting and supervisory activities, the Board of Supervisors assessed that Long Giang Land's production and business activities complied with the provisions of Vietnamese law, the company's charter and regulations for listed companies at the Ho Chi Minh City Stock Exchange. Resolutions of the General Meeting of Shareholders in 2019 were successfully implemented, specifically as follows:

- » Regarding profit distribution in 2018: In the 4th quarter of 2019, the company paid dividends of 2018 in cash for shareholders at the rate of 12%/value of shares (01 share received VND 1,200).
- » In terms of business results in 2019: In 2019, Long Giang Land Company achieved a pre-tax profit of VND 89 billion, after-tax profit of VND 77 billion, not reaching the plan of 2019.
- » Regarding investment activities in 2019:

Capital contribution, transfer activities

- In the second quarter of 2019, the company purchased 960,000 additional shares, equivalent to 16% of the charter capital of Rivera Hanoi Joint Stock Company. By the third quarter of 2019, the Board of Directors approved the purchase of additional shares of Rivera Hanoi Joint Stock Company under a program of offering shares to existing shareholders, increasing its shares in Rivera Hanoi Joint Stock Company to 80.2%. Also in this quarter, the company transferred 65% shares of Rivera Hanoi Joint Stock Company. At the end of the fiscal year, the company owns 15.2% of charter capital, equivalent to VND 15,200,000,000 (at the beginning of the year, the company owns 51% of charter capital, equivalent to VND 30,600,000,000).

- In the third quarter of 2019, the company transferred all 866,400 shares it owned, equivalent to 19% of the charter capital of Xuan Thuy Investment Trading Services Joint Stock Company.
- During the year, the company contributed an additional VND 19,200,000,000 to increase the charter capital of Long Giang Engineering and Construction Joint Stock Company to VND 100,000,000,000. At the end of the financial year, the company owns 48% of charter capital of Long Giang Engineering and Construction Joint Stock Company.
- During the year, the company contributed an additional VND 86,400,000,000 to increase its charter capital in Rivera Investment Joint Stock Company to VND 300,000,000,000. At the end of the financial year, the company owned 48% of the charter capital of Rivera Investment Joint Stock Company.

M&A activities

- In Q2/2019, the company purchased 720,000 shares, equivalent to 40% of charter capital of Ha Long Construction Joint Stock Company.
 - During the year, the company purchased 912,000 shares of Dong Nai Manufacturing, Trading, Service Joint Stock Company, equivalent to 15.3% of the charter capital.
 - During the year, the company purchased 1,020,000 shares, equivalent to 51% of the charter capital of Viet Hung Garment, Embroidery, Real Estate Investment Joint Stock Company.
- » Regarding the selection and evaluation of an independent audit company to audit the company's separate and consolidated Financial Statements in 2019: Long Giang Land selected and signed a contract with A&C Auditing and Consulting Co., Ltd. to make audit the separate and consolidated Financial Statements of 2019.
- » Information disclosure: The Company strictly complied with the obligations of information disclosure in accordance with the provisions of Circular 155/2015/TT-BTC of the Ministry of Finance on information disclosure in the stock market.

Performance of the Board of Directors

- » The annual General Meeting of Shareholders in 2019 elected Mr. Dang Anh Tam as an additional member of the BOD in the 2017-2021 term.
- » Members of the BOD until now:

Mr. Le Ha Giang	Chairman of the BOD
Mr. Mai Thanh Phuong	Member of the BOD
Mr. Nguyen Toan Thang	Member of the BOD
Mr. Nguyen Dinh Thanh	Member of the BOD
Mr. Dang Anh Tam	Member of the BOD

- » The Board of Directors has managed and directed the company's operations in accordance with the law and the company's organizational and operational rules, the Resolutions of the General Meeting of Shareholders, and Resolutions of the Board of Directors.
- » The Board of Directors maintains regular meetings and issues timely resolutions to direct and run the company. Resolutions of the Board of Directors are consistent with its functions and powers specified by law and the company's charter.

- » The Board of Directors has also directed the Board of Management and functional departments to formulate and implement business and production plans; build additional operational processes and regulations of the company to improve the company's trademark.
- » The Board of Supervisors found that in 2019, Long Giang Land's Board of Directors has carried out its functions and tasks in accordance with its authority. The Board of Directors organized regular and irregular meetings in the form of get-together or by collecting written opinions to issue resolutions and decisions to settle matters within its competence according to the company's charter.

Performance of the Board of Management

- » Personnel: On 08/07/2019 The Board of Directors of Long Giang Urban Development and Investment Joint Stock Company approved the dismissal and appointment of senior personnel of the Company as follows:
 - Dismissed the title of Acting General Director and Deputy General Director of Mrs. Nguyen Thi Thanh Ha.
 - Appointed the title of General Director of the Company to Mr. Nguyen Manh Ha.
 - Dismissed the title of Chief Accountant of Mrs. Nguyen Thi Hong Sinh.
 - Appointed the title of Deputy General Director of Mr. Le Quoc Trung and Mrs. Nguyen Thi Hong Sinh.
 - Appointed the title of Chief Accountant for Mrs. Dang Thi Loan.
- » The Board of Management has fully and promptly implemented Decisions and Resolutions of the Board of Directors, always followed Resolutions of the General Meeting of Shareholders, and well performed the production and business plan of the Board of Directors, actively planned production and business management and operation; effectively promoted the company's organizational structure and management.
- » The Board of Management organizes regular meetings to discuss and review the implementation of production and business plans of units, and at the same time provide guidance, rectification and

Evaluating collaboration between the Board of Supervisors and the Board of Management

In 2019, the Board of Supervisors received the collaboration and cooperation of the Board of Directors, the Board of Management and Departments/Boards in the company, being provided with sufficient information of assessed and examined issues. Meetings of the Board of Directors were attended by representatives of the Board of Supervisors, meeting documents and resolutions of the Board of Directors are provided promptly and fully to the Board of Supervisors in accordance with regulations.

RECOMMENDATIONS

- » The company needs to strengthen its apparatus, improve the quality of employees in accordance with the company's production situation. For key personnel, the company needs to train them on management skills (economics, projects) to improve knowledge in accordance with the new situation;
- » There should be specific mechanisms and sanctions in operating the production and business, and plans for debt recovery to ensure effective production and business;
- » The Board of Management needs to improve the management of investment capital in subsidiaries and associates by having Long Giang Land's representatives in these companies;
- » The Company has appropriate plans and roadmaps to withdraw capital from ineffective investment;

OPERATION ORIENTATIONS IN 2020

Based on the company's 2019 Work Plan, the Board of Supervisors maps out orientations for the Company in 2020 as follows:

- » Continue to supervise the executive and managerial activities of the Board of Directors, Board of Management and managers; checking the rationality, legality, honesty and prudence in the management and operation of production and business activities, accounting, statistics and financial statements of the company;
- » Supervise the activities of the Board of Directors, the Board of Management and the company's managers to proactively prevent, limit and overcome the effects of the COVID - 19 pandemic on business and production activities.
- » Periodically and irregularly review books, accounting documents and other documents of the company, and manage the company's operations when necessary or at the request of shareholders (if necessary);
- » Appraise reports on production and business situation, quarterly financial statements, 6-month reports and annual reports of the company to ensure the rationality, legality and honesty; Assessment Report on the management of the Board of Directors;
- » Check the implementation of Resolutions of the Annual General Meeting of Shareholders;
- » Review the company's report on internal management systems before submitting to the BOD for approval and review the results of internal investigations ...;
- » Maintain close coordination between the Board of Supervisors and the Board of Directors, the Board of Management and its units and shareholders;
- » Other tasks (if have).



REMUNERATION TRANSACTIONS AND BENEFITS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE TERM 2017- 2021

SALARY, BONUS, REMUSERATION, AND OTHER BENEFITS OF THE BOD, BOS

Remuneration of members of the BOD and BOS in 2019:

No	Name	Monthly remuneration (pre-tax)	Total income 2019	Bonus
BOARD OF DIRECTORS				
1	Le Ha Giang	15,000,000	180,000,000	-
2	Nguyen Toan Thang	7,500,000	90,000,000	-
3	Nguyen Dinh Thanh	7,500,000	90,000,000	-
4	Mai Thanh Phuong	7,500,000	90,000,000	-
5	Dang Anh Tam	7,500,000	90,000,000	-
TOTAL		45,000,000	540,000,000	
BOARD OF SUPERVISORS				
1	Luu Thi Thanh Nga	2,500,000	30,000,000	
2	Nguyen Ngoc Hung	1,250,000	15,000,000	
3	Ho Kim Van	1,250,000	15,000,000	
TOTAL		5,000,000	60,000,000	

STOCK TRANSACTIONS OF INTERNAL SHAREHOLDERS

In 2019, members of the BOD, BOS, BOM, chief accountant, managers, secretary, major shareholders, and related people made the following transactions:

People conducted transactions	Staff/ having relations with staff	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons of increase, decrease (buy, sell, transform, bonus...)
		Number of shares owned at the beginning of the period	Percentage of shares owned at the beginning of the period	Number of shares owned at the end of the period	Percentage of shares owned at the end of the period	
Long Giang Investment Group JSC	Le Ha Giang	5,095,623	10.19%	10,409,583	20.82%	Investment

Relating to other transactions:

» Take mortgage of 10,000,000 shares of Long Giang Investment and Urban Development Joint Stock Company owned by Long Giang Investment Group Joint Stock Company to guarantee all loans, guarantees, open LC of Long Giang Investment and Urban Development Joint Stock Company at Bank for Agriculture and Rural Development of Vietnam - Dong Ha Noi Branch.

» Take mortgage of 10,000,000 shares of Long Giang Urban Development and Investment Joint Stock Company owned by Mr. Le Ha Giang - Chairman of the Board of Directors - to ensure all loans, guarantees, open LC of Long Giang Investment and Urban Development Joint Stock Company at Bank for Agriculture and Rural Development of Vietnam - Dong Ha Noi Branch.

CONTRACT OR TRANSACTION WITH INTERNAL SHAREHOLDERS

No	Name of organization/ individual	Relations with the company	NSH, issuance date, place	Headquarter address	Transaction time	No. of resolution/ decisions of the GMS, BOD (if have)	Transaction amount	Note
1	Rivera Ha Noi JSC	Subsidiary until 29/11/2019	0108121049 by Hanoi Dept. of Planning and Investment 1st time on 08/01/2018	No. 69, Vu Trong Phung Street, Thanh Xuan District, Ha Noi City.	05/6/2019 07/11/2019	08/2019/NQ.HDQT 21/2019/NQ.HDQT	9,600,000,000 40,000,000,000	LGL increased share ownership to 67% LGL increased share ownership to 80.2%
2	Viet Hung Garment, Embroidery, Property Investment JSC	Subsidiary	0100511590 by Hanoi Dept. of Planning and Investment 1st time on 06/04/1992	Lane 355, Niche 403/2, Nguyen Van Linh Street, Long Bien District, Ha Noi	20/9/2019 05/11/2019	15/2019/NQ.HDQT 20/2019/NQ.HDQT	4,000,000,000 0	LGL increased percentage of shares to 65% LGL increased percentage of shares to 99%
3	Rivera Investment JSC	Affiliate	0310683236 by Hanoi Dept. of Planning and Investment 1st time on 11/03/2011	1st floor, Packsimex Building, No. 52 Dong Du Street, Ben Nghe Ward,	05/01/2019 23/9/2918	01/2019/NQ.HDQT 16/2019/NQ.HDQT	0 9,931,088,567	LGL agreed to offer guarantee Provide machines, equipment, construction materials
4	Long Giang Engineering and Construction JSC	Affiliate	0101689202 by Hanoi Dept. of Planning and Investment 1st time on 15/6/2006	173 Xuan Thuy Street, Cau Gay District, Ha Noi City.	23/9/2918	16/2019/NQ.HDQT	84,121,429,181	Provide machines, equipment, construction materials
5	Long Giang Investment Group JSC	Major shareholder	0100512604 by Hanoi Dept. of Planning and Investment 1st time on 10/9/2007	173 Xuan Thuy Street, Cau Gay District, Ha Noi City.	18/12/2019	24/2019/NQ.HDQT	344,502,994	LGL signed contract to supply office logistic service

REPORT ON CORPORATE GOVERNANCE PERFORMANCE BASED ON ASEAN REGIONAL CORPORATE GOVERNANCE SCORECARD



Corporate governance is an important aspect that investors are interested in before committing to long-term investment in the business. It can be seen as the top concern of professional investors, foreign investors, and organizational investors. Therefore, improving the governance of Long Giang Land is an important goal to enhance investor confidence, thereby attracting stable and sustainable investment resources.

In the 2018 Annual Report, Long Giang Land began to assess the corporate governance situation based on 146 criteria (level 1) built on the corporate governance rules of the Organization for Cooperation and Economic Development (OECD) and best corporate governance practices in the region such as Malaysia, Singapore, Thailand, Indonesia, Philippines and Vietnam. These are basic requirements in compliance with five main principles: The role of the

Board of Directors (planning, monitoring strategic implementation, risk management); structure of the Board of Directors (Board of Supervisors/ Supervisory Sub-Committee, specialized subcommittees of the Board of Directors); ensuring shareholders' rights in the General Meeting of Shareholders; ensuring related party transactions; ensuring the role of key parties.

In 2019, in order to improve the governance apparatus and continue to evaluate the company's corporate governance, Long Giang Land has continued to use the ASEAN regional corporate governance scorecard as a useful tool to emphasize the requirements of legal compliance in corporate governance. And to enhance the goals, Long Giang Land has added 38 criteria including 13 reward criteria and 25 penalty criteria according to level 2 of the ASEAN governance scorecard.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
A. Rights of shareholders					
A1	Basic rights of shareholders				
A1.1	The company pays dividends fairly and promptly within 30 days after the announcement or after the approval of the General Meeting of Shareholders.			x	According to the notice of dividend payment on 27/7/2018 on the company website.
A2	The rights to get involved in decisions related to important changes of the company				
	Shareholders can participate in:				
A.2.1	Revise documents, regulations (charter) of the company.			x	All relevant documents are published fully and promptly on the company's website before the annual GMS is held.
A.2.2	Vote to issue more shares.			x	
A.2.3	Transfer all or part of the company's assets, leading to selling the company.			x	Presented fully at the company's regulations, charter
A3	The right to participate effectively and vote at the General Meeting of Shareholders and must be informed of regulations of the General Meeting of Shareholders, including voting procedures				
A.3.1	Shareholders have the opportunity, specified on the agenda, approve remuneration (fees, remuneration, in-kind benefits and other remuneration) or any increase in remuneration for members/ non-executive members of the BOD.			x	Every shareholder has the right to vote, to contribute ideas to discussion of the General Meeting of Shareholders.
A.3.2	Company allows shareholders with no right to control the nomination of members of the Board of Directors.			x	Specified in company's regulations and charter.
A.3.3	The company allows shareholders to vote for each member of the BOD.			x	Shareholders have full rights to vote and run for candidates/ members of the Board of Directors in accordance with the company's election regulations.
A.3.4	Does the company announce the voting procedures before the meeting?			x	Fully published in the document and the Electoral Committee informed before proceeding.
A.3.5	The latest Minutes of the General Meeting of Shareholders noted that shareholders could ask questions and the questions and answers were acknowledged.			x	Fully presented in the approved Minutes of the General Meeting of Shareholders 2019.
A.3.6	The company announced the voting results, including the number of approval, objection, and abstention votes for each content of the draft at the latest General Meeting of Shareholders.			x	Fully shown in the Report of results of vote count.
A.3.7	The company announced the list of BOD members attending the last General Meeting of Shareholders?			x	Approved report of the General Meeting of Shareholders in 2019.
A.3.8	The company said that all BOD members and General Director attended the last General Meeting of Shareholders.			x	Approved report of the General Meeting of Shareholders in 2019.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
A.3.9	The company allowed abstention vote.			x	Specified in voting and election regulations at General Meeting of Shareholders.
A.3.10	The company used the voting method based on the number of votes of shareholders (not by raising hands) for Resolution at the last General Meeting of Shareholders.			x	Regulations on voting and election at the General Meeting of Shareholders 2019.
A.3.11	The company announced the appointment of an independent party (inspector, supervisor) to participate in the Vote Counting Committee to count and / or appraise votes at the General Meeting of Shareholders.			x	Shareholders voted to approve members of the Vote Counting Committee at the annual GMS.
A.3.12	The Company made public on the next working day the voting results for all resolutions at the last General Meeting of Shareholders.			x	Announced on the company's website and document NQ ĐHĐCĐ 2019.
A.3.13	The company announced of irregular GMS and BOD meeting at least 21 days before.			x	LGL announced on 12/4/2019 15 days before the GMS 2019, LGL will try to apply the criteria
A.3.14	The Company provided the basis, information and explanation for each item in the draft Resolution which needed shareholders to approve in the announcement of the General Meeting of Shareholders / documents of the General Meeting of Shareholders / Draft and / or attached report.			x	The document at the 2019 General Meeting of Shareholders provided sufficient information and background on the issues submitted to the General Meeting of Shareholders for approval.
A.3.15	Shareholders have the opportunity to contribute ideas to the discussion (s) within the GMS agenda.			x	Shareholders could ask questions during discussions of the meeting. Opinions are recorded in GMS report.
A4	The market to acquire companies must be allowed to operate effectively and transparently				
A.4.1	In case of merge, purchase and/or acquisition, which need shareholders' approval, members of the Board of Directors are proposed to appoint an independent party to assess the transaction price of the merge, repurchase.				At Long Giang Land, these transactions have not been conducted. Where it arises, the company is committed to do it transparently and informed investors.
A.5	It is necessary to offer conditions for shareholders to exercise their rights of ownership, including institutional investors				
A.5.1	Does the company publicly announce policies / practices to encourage shareholder participation outside the GMS framework?			x	LGL said on its annual report, announcement, meeting documents of the GMS.
B. Fair treatment for shareholders					
B.1	Shares and the right to vote				
B.1.1	Each common shares of the company has a voting share.			x	

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
B.1.2	In case the company has more than one type of stock, the company has announced the number of voting shares associated with each type of share (Example: via the website / report / Stock Exchange / website of regulatory agencies).			x	Specified in the company's regulations, charter posted on the company's website.
B.2	Inform of the General Meeting of Shareholders				
B.2.1	Each Resolution in the last General Meeting of Shareholders only related to one content of the draft Resolution, which means, do not combine many contents into one Resolution.		x		Long Giang Land had combined contents in one Resolution. It will be improved a thhte next GMS.
B.2.2	Notice of the last General Meeting of Shareholders' documents is fully translated into English and published on the same day as the documents in Vietnamese language.	x			Long Giang Land was unable to make public the documents in Vietnamese and English at the same time. LGL will improve it in the next meeting.
Does the Notice of the General Meeting of Shareholders include the following details:					
B.2.3	Provide a biography of members of the Board of Directors to be elected / re-elected (at least: age, training level, profession, first appointment date, experience, and current BOD position in other listed company).			x	In the GMS documents in 2019 posted on the company's website
B.2.4	Auditors / Auditing companies to be selected / re-elected are clearly identified.			x	In the GMS documents in 2019 posted on the company's website
B.2.5	Authorization letter to attend the General Meeting of Shareholders is provided easily			x	Available for download on the company's website
B.3	Insider trading and abuse of purchase for personal interests must be prohibited				
B.3.1	The company has a policy and / or regulation prohibiting members of the Board of Directors and employees from benefiting from information not to be disclosed to the outside.			x	Stipulated in the Company Charter and regulations.
B.3.2	Members of the BOD are required to report corporate stock transactions within 3 working days			x	Long Giang Land complies with Decree 71/2017/NĐ-CP; Circular 155/2015/TT-Ministry of Finance.
B.4	Transactions with stakeholders of BOD members and Senior Management Officials				
B.4.1	Does the company have a policy that requires members of the Board of Directors to disclose relevant interests in transactions and any conflicts of interest with the company?			x	Long Giang Land stipulates in the company's Charter, corporate governance regulation in compliance with law.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
B.4.2	Does the Company have a policy requiring a subcommittee of independent Board members to review significant / significant related transactions to determine whether those transactions best serve the interests of the company and its shareholders?			x	Audit Subcommittee is in charge of this task.
B.4.3	The Company has a policy of requiring members of the Board of Directors not to participate in the Board of Directors meetings on activities and transactions where such members have conflicts of interest.			x	Long Giang Land stipulates that members of the Board of Directors do not have voting rights but do not regulate that they are not allowed to participate in the meeting. Long Giang land considers supplementing the provisions to the Company's Charter and Regulations
B.4.4	The Company has a loan policy for members of the Board of Directors, which prohibits this activity or ensures that loans are made on the basis of fair transactions at market interest rates.			x	The company complies with laws and clearly stipulates in the Company Charter and Regulations.
B.5	Protect minority shareholders against abusive acts				
B.5.1	The Company discloses that related party transactions are conducted in a way that guarantees that such transactions are reasonable under a market mechanism.			x	All company transactions are publicly and transparently disclosed in accordance with the provisions of Decree 71/2017 / ND-CP and Circular 155/2015 / TT-BTC.
B.5.2	Where related party transactions need shareholders' approval, the approval vote must be voted on by shareholders of unrelated interests.			x	LGL stipulates transactions with related parties at the company's annual report.
C. Roles of stakeholders					
C.1	The rights of stakeholders prescribed by law or under bilateral agreements must be respected				
C.1.1	Disclosure of customer protection policies.			x	Stipulated in Contract.
C.1.2	Disclosure of policies, procedures and steps for selecting suppliers and contractors.			x	Internal management regulations of each section/ Department
C.1.3	Disclosure of policies and practices, describing the company's efforts to ensure the company's value chain is environmentally friendly or in line with sustainable development strategies.			x	Sustainability reporting in the Annual Report
C.1.4	Disclosure of policies and description of the company's efforts to interact with the community in which it operates.			x	LGL reports in the Annual Report.
C.1.5	Disclosure of the company's anti-corruption policy and practices.			x	

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
C.1.6	Disclosures of policies and practices that describe ways to protect the rights of creditors.		x		Stipulated in Model Contract and other Cooperation Contracts.
C.1.7	The company has written a separate report / content describing its efforts on environmental / economic and social issues.			x	Presented in the Annual Report.
C.2	When the interests of the parties with related rights are protected by law, the parties with related rights must have the opportunity to appeal effectively when their rights are violated.				
C.2.1	The company provides contact information on its website or annual reports so that relevant parties (eg customers, suppliers, the public ...) can use it to speak up about concerns and / or claims of possible violations of their rights.			x	Published on the company's website and Annual Report.
C.3	Mechanisms to improve the effectiveness of employees' participation need to be developed				
C.3.1	The Company discloses its policies and practices, efforts on health, safety and welfare for employees.			x	LGL has a fairly good welfare policy and compulsory insurance complied with the State's regulations and also purchases Bao Viet's voluntary health insurance packages for its employees.
C.3.2	The Company discloses of its policies and practices, and efforts to promote employees' training and development programs.			x	The company organizes internal training for managers and employees on a weekly / monthly basis and the company has an external training package worth 2 billion VND for leaders and managers; Regulations on company training are provided in the Regulations on corporate governance.
C.3.3	The company has a policy of rewarding associated with the performance of the company in the long run than in the short term.			x	The company performs Esop for all employees of the company according to the Resolution of the General Meeting of Shareholders in 2019.
C.4	Parties with relevant interests, including workers and organizations representing them, must be free to communicate their concerns about illegal or unethical practices to the Board and this must not affect their rights.				
C.4.1	The company has a whistleblowing policy that includes a complaint process for employees and stakeholders about illegal conduct (including corruption) or inappropriate practices.			x	Stipulated in the company's Corporate Governance Regulations.
C.4.2	The company has a policy or procedure to protect employees / individuals from retaliation for disclosing illegal / unethical conduct.		x		Already stipulated in the Regulation on Internal Control, but not really paid attention. The company will upgrade and build more detailed policies.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
D. Information disclosure and transparency					
D.1	Transparent ownership structure				
D.1.1	Information about shareholders reveals the identities of the owners holding 5% or more of the shares.			x	Comply with the format report of the Ho Chi Minh Stock Exchange and report in the Management Report, Annual Report of the company.
D.1.2	The company discloses direct and (presumably) indirect ownership of major shareholders.			x	
D.1.3	The company discloses direct and (presumably) indirect ownership of the members of the Board of Directors.			x	
D.1.4	The company discloses direct and (presumably) indirect ownership of the Executive Board.			x	
D.1.5	The company discloses details of its parent company, subsidiaries, associates, joint ventures, and special purpose entities/ companies (SPE / SPV).				
D.2	Quality of Annual Report				
D.2.1	Company goal			x	Transparency - Professional - Humanities.
D.2.2	Financial performance indicators			x	In Annual Report.
D.2.3	Non-financial performance indicators			x	
D.2.4	Dividend policy			x	In 2019, the company made dividend payment of 2018 at the rate of 12%.
D.2.5	Biographical details of BOD members (minimum age, qualifications, professionalism, first appointment date, appropriate experience, and any other Board member position held at the listed companies).			x	In Annual Report.
D.2.6	Details of the participation of each member of the Board of Directors in the Board's meetings during the year.			x	In Annual Report.
D.2.7	Total remuneration of each member of the BOD.			x	Transparent disclosure at the General Meeting of Shareholders and in Annual Report.
Affirmative Statement on Corporate Governance:					
D.2.8	The annual report contains statements, statements affirming the full compliance of the company with the corporate governance rules and in the case of non-compliance, clearly identifying and explaining the reasons for each matter.			x	In Annual Report.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
D.3	Disclosure of related party transactions				
D.3.1	The company discloses a policy of reviewing and approving critical / important transactions.			x	Charter, Regulation in the company's Internal Control.
D.3.2	The company discloses the related party's name, relationship, nature and value for each critical / important related party transaction.			x	Transparent disclosure of information under Decree 71/2017 / ND-CP and Circular 155/2015 / TT-BTC.
D.4	Members of the Board of Directors trade shares of the company				
D.4.1	The company discloses share transactions carried out by the company's persons.			x	Transparent disclosure of information under Decree 71/2017 / ND-CP and Circular 155/2015 / TT-BTC.
D.5	Independent auditing and Audit report				
D.5.1	Audit / non-audit service fees are publicly available.		x		The company only disclosed the signing of a contract with the auditing unit as prescribed.
D.5.2	Non-audit fees are higher than audit service charge.			x	Company has no non-audit fees.
D.6	Communications media				
D.6.1	Quarterly report			x	Fully and on time posted on the web, IDS, Stock Exchange, original copy is sent to the competent authorities as prescribed.
D.6.2	Website of the company			x	Covers sufficient, timely information; easily searched and friendly used.
D.6.3	Expert judgment			x	Judgment was conducted in 2019.
D.6.4	Information on mass media/press conference			x	Long Giang Land has advertised businesses on mass media, press releases ...
D.7	Submit / publish annual reports / financial statements on time				
D.7.1	The audited annual financial statement is made public within 120 days as from the end of the fiscal year.			x	The report is published publicly and fully within 90 days as of the end of the fiscal year.
D.7.2	The annual report is publicly available within 120 days as from the end of the financial year.	x			Annual Report 2017 was 10 days behind schedule. In 2018, Long Giang Land announced 100 days in advance.
D.7.3	The honesty and rationality of the annual financial statements are confirmed by the Board members and competent executive members of the company.			x	Confirmed by BOD and BOM.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
D.8	Company website				
	Company website covers update information:				
D.8.1	Financial Statement (of the latest quarter).			x	Provides full information and is regularly updated in the Shareholder Relations section
D.8.2	Document of analysts and media agencies.			x	
D.8.3	Annual Report is downloadable			x	
D.8.4	Notice and documents for the extraordinary General Meeting of Shareholders and / or Shareholders Meeting.			x	
D.8.5	Minutes of Shareholders Meeting/ Extraordinary Shareholders Meeting.			x	
D.8.6	Company Charter is downloadable			x	
D.9	Investor relations				
D.9.1	The company discloses contact information of the officer / division responsible for investor relations (e.g. phone number, fax, email)			x	Available on the company website
E. Responsibilities of BOD					
E.1	Roles and responsibilities of BOD members				
	Responsibilities of the Board of Directors and corporate governance regulations are clearly defined:				
E.1.1	The company discloses corporate governance regulations / operation regulations of the Board of Directors.			x	Available on the company website.
E.1.2	Types of decisions that must be approved by members of the Board of Directors are publicly available.			x	Implemented as provisions available on the website, Annual Report, and Governance Report.
E.1.3	The roles and responsibilities of the members of the BOD are clearly defined and disclosed.			x	Company charter, regulation.
	Vision/Mission of the Company:				
E.1.4	Company discloses its approved, updated vision, mission.			x	Available in Annual Report.
E.1.5	Members of the BOD play a leading role in developing / monitoring the company's strategy for at least one year.			x	The Board of Directors held meetings to review the company's business and production situation.
E.1.6	Members of the BOD have a process to review, supervise and monitor the implementation of the company's strategy.			x	Company Charter, regulation.
E.2	BOD Structure				
	Code of Ethic or Conduct:				
E.2.1	Details of the Code of Ethics or Conduct are publicly available.	x			The company has not published the Code of Conduct. This will be considered by the company in the coming year.
E.2.2	Does the company disclose that all members of the Board of Directors, senior management and employees must comply with the code?	x			
E.2.3	The company discloses how to implement and monitor the compliance with the Code of Ethics or Conduct.	x			

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
BOD Structure and Composition:					
E.2.4	Independent members of the BOD account for at least 50% of the members of the Board.			x	Account for 60%
E.2.5	The company has a term limit of 9 years or less or maximum of 2 terms of office for each independent Board member.			x	The company complies with the Enterprise Law. An independent member is not a person who has been a member of the Board of Directors or the Board of Supervisors of the company for at least 5 previous years.
E.2.6	Does the company have a limit of up to five Board of Directors and an independent / non-executive Board member may hold positions simultaneously at other companies.			x	Stipulated in the Company's Charter, Governance Regulation.
E.2.7	Does company have a BOD member that holds more than 2 positions in the Board of Directors in other listed companies besides the group?			x	No
Human Resource Subcommittee:					
E.2.8	Does the company have Human Resource Subcommittee?			x	Using ASEAN scorecards in 2019, the company has established a Human Resources subcommittee under the Board of Directors.
E.2.9	Is the personnel subcommittee composed of a majority of independent members of the Board of Directors?			x	Yes, at the time of establishment.
E.2.10	Is the Chairman of the Human Resources subcommittee an independent member of the BOD?			x	Yes, he is an independent member of the BOD.
E.2.11	Does the company disclose the operation regulations / governance structure / regulations of the Human Resources subcommittee?		x		The new sub-committee has just been established, the Regulation is in the process of drafting for approval.
E.2.12	Is the participation of members in the personnel subcommittee meetings made public? If yes, does the human resources subcommittee meet at least twice a year?			x	The subcommittee has convened but has not publicly disclosed the meetings.
Subcommittee for Remuneration / Salary/Bonus:					
E.2.13	Does the company have a Subcommittee for Remuneration			x	Using ASEAN scorecards in 2019, the company has established a Subcommittee for Remuneration under the Board of Directors.
E.2.14	Is the Remuneration Sub-Committee composed of a majority of independent Board members?			x	Yes, it's composed of all independent members at the time of establishment.
E.2.15	Is the Chairman of the Remuneration Committee an independent member of the BOD?			x	The Chairman of the Remuneration Committee is an independent member of the BOD.
E.2.16	Does the Company disclose the operation regulations / governance structure / regulations of the Remuneration Sub-Committee?			x	The new Sub-Committee has just been established, the Regulation is in the process of drafting for approval.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
E.2.17	Is the participation of members in the Remuneration subcommittee meetings made public? If yes, does the Remuneration subcommittee meet at least twice a year?			x	The subcommittee has convened but has not publicly disclosed the meetings.
Auditing Subcommittee:					
E.2.18	Does the Company have an Audit Sub-Committee / Supervisory Board?			x	Using ASEAN scorecards in 2019, the company has established an Audit Sub-Committee under the Board of Directors.
E.2.19	Does the Audit Committee consist of all non-executive members of the Board of Directors with the majority of independent members / members of the Board of Directors?			x	Yes, it consisted of everyone at the time of establishment
E.2.20	Is the Chairman of the Audit Sub-Committee / Supervisory Board an independent member of the BOD?			x	Yes, the Chairman of the Audit Sub-Committee / Supervisory Board is an independent member of the BOD.
E.2.21	Does the company disclose the operation regulations / governance structure / charter of the Audit Sub-Committee / Supervisory Board.			x	The new sub-committee has just been established, the Regulation is in the process of drafting for approval.
E.2.22	Does at least one independent member of the audit subcommittee have expertise in accounting (professional level or accounting experience)?			x	The subcommittee has convened but has not publicly disclosed the meetings.
E.2.23	Is the participation of members in the Audit Sub-Committee / Supervisory Board meetings made public? If yes, does the Audit Sub-Committee meet at least four times a year.			x	Informed at the General Meeting of Shareholders, Annual Report, and Governance Report.
E.2.24	The Audit Sub-Committee / Supervisory Board are primarily responsible for making recommendations on the appointment and dismissal of independent auditors.			x	The company performed well and made public at the annual report in 2019.
E.3	Board of Directors Procedures				
E.3.1	Are the Board meetings planned before the start of the financial year?			x	LGL performed well this indication.
E.3.2	Board members meet at least six times a year.			x	LGL conducted 28 meetings in 2019.
E.3.3	Each member of the Board of Directors attends a minimum of 75% of the Board meetings during the year.			x	In 2019, all members of the Board of Directors attend all meetings from the time of appointment.
E.3.4	The company requires a minimum of two thirds of the members of the Board of Directors to attend the meetings that require a decision of the Board of Directors.			x	Complying with the rules and regulations of the company. In 2019, the Board members attended all the meetings.
E.3.5	Non-executive Board of Directors members of the company have separate meetings at least once a year without the presence of executive members.	x			Long Giang Land has not well performed this indication.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
Information access:					
E.3.6	Documents for the Board meetings are provided to the Board at least five working days before the Board meeting.		x		Long Giang Land has well implemented the indication but has not stipulated this indication in the Company's Charter and Regulations. Long Giang Land will specify the indication in the new revision.
E.3.7	The company secretary plays an important role in assisting the Board of Directors in fulfilling its responsibilities.			x	
E.3.8	The company secretary has training in legal, accounting or company secretarial practice and is updated with the above new issues have.			x	Have BA Degree in Economic Law.
Appointment and re-election of BOD members					
E.3.9	The company discloses the criteria select new members of the Board of Directors.			x	Comply with the laws and company regulations and charter.
E.3.10	The company has a description of the process used in appointing new members of the Board of Directors.			x	Regulations on election of members of the Board of Directors.
E.3.11	All members of the Board of Directors may be re-elected at least 3 years or 5 years in listed companies in countries where the law stipulates a 5-year term.			x	The term of office of a Board member at Long Giang Land is 5 years.
Remuneration issues:					
E.3.12	The Company discloses policies / practices on remuneration (fees, remuneration, other benefits in kind or benefits) to members of the Board of Directors and CEO.			x	Available in Annual Report
E.3.13	Is the remuneration for non-executive board members made public?			x	
E.3.14	Do the shareholders or BOD approve the remuneration of the executive board member and / or senior managers?			x	At the General Meetings of Shareholders
E.3.15	Does the Company have measurement policies and standards decide remuneration based on the performance of members of the Board of Directors or the Board of Management toward the company's long-term interests, such as applying refunds, deferred bonus policies.			x	Long Giang Land performed well this indication.
Internal auditing:					
E.3.16	The company has a separate internal audit department.	x			Audit subcommittee performs internal audit tasks.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
E.3.17	Is the head of the internal audit department publicly available or, if outsourced, the name of the outsourced company is publicly available.	x			Audit subcommittee performs internal audit tasks.
E.3.18	The appointment and dismissal of internal auditors must be approved by the Audit Sub-Committee.	x			
Risk supervision:					
E.3.19	The Company discloses internal control procedures / risk management systems and periodically reviews the effectiveness of the systems that the company is implementing.		x		Has developed but has not disclosed.
E.3.20	The Annual Report / Management Report state that members of the Board of Directors have reviewed key corporate governance issues and risk management systems.			x	
E.3.21	The company discloses manners of important risk management.			x	Analyzed in Annual Report.
E.3.22	The Annual Report/Management Statement present the statement of Board of Directors members or Audit Sub-Committee about the company's internal auditing points / risk management system.			x	Analyzed in Annual Report.
E.4	Board of Directors Personnel				
Board of Directors Chairman:					
E.4.1	Two different people assume the chairmanship of the Board of Directors and CEO.			x	Long Giang Land implements this indication.
E.4.2	Is the Chairman an independent member of the Board of Directors?	x			Long Giang land has not implemented this indication.
E.4.3	Was any member of the Board of Directors the former CEO / Manager of the company during the previous 2 years?			x	Long Giang Land implements this indication.
E.4.4	Board of Directors Chairman's roles and responsibilities are publicly available.			x	Company's Charter, Regulations.
Chief Independent Member of Board of Directors:					
E.4.5	If the chairman is not an independent member of the Board of Directors, the Board has elected a Chief Independent Member and the role of this position is clearly defined.			x	Independent members with sufficient experience will be appointed.
E.4.6	The company has at least 1 non-executive Board member with previous work experience in the main field where the company operates.			x	Meets this criterion.
E.5	Board of Directors Performance				
Board of Directors membership development:					
E.5.1	The company has a plan to develop new Board members.			x	Long Giang Land meets this criterion.

Code	Indications	Compliance 2019			Note/ recommendations
		<=30%	31%<x<69%	>=70%	
E.5.2	The company has policies to encourage Board members to participate in continuing training programs or professional training.			x	
Appointment and performance of the CEO / Executive Board:					
E.5.3	Does the company disclose how members of the Board of Directors build succession plans for the CEO / Managing Director?			x	Long Giang Land meets this criterion.
E.5.4	Do Board of Directors members conduct annual performance assessments for the CEO / Managing Director / Key Managers?			x	Conducting evaluation through annual report of the Board of Directors.
Assessment of Board of Directors:					
E.5.5	Does the Company conduct an annual capacity assessment of the Board of Directors and announce the audit process as well as the criteria used in the assessment?			x	Long Giang Land conducted assessment in 2019.
Assessment of Board of Directors members:					
E.5.6	Does the company conduct annual capacity assessments for each member of the Board of Directors and announce the audit process as well as the criteria used in the assessment?		x		Long Giang Land improved the process in 2019, but has not announced.
Assessment of Sub-Committee:					
E.5.7	Does the Company conduct annual capacity assessments of the Board of Directors's subcommittees and announce the audit process as well as the criteria used in the assessment?			x	Long Giang Land conducted the process in 2019, at the Annual Report



Code	Indications	2019 Performance			Notes/Proposals
		<=30%	31%<x<69%	>=70%	
A. Shareholders' rights					
A1	Basic rights of shareholders				
A1.1	Does the company allow guaranteed electronic absentee voting at the general shareholder meeting?		x		The company's rules and regulations on corporate governance include distant voting, but LGL has not applied this model at shareholders' meetings due to failing to meet certain requirements. LGL will consider this matter for future meetings.
B. Equal treatment to shareholders					
B1	Notice for Shareholders' meetings				
B.1.1	Does the company issue a notice of the general shareholder meeting (detailed agenda and explanatory notices) such as a notification to the Exchanges, at least 28 days before the meeting date?		x		The company prepares a notice 15 days in advance.
C. Roles of stakeholders					
C1	Rights of the parties with relevant interests prescribed by law or under bilateral agreements must be respected				
C.1.1	Does the company follow global standards for sustainability reporting (i.e. GRI, Consolidated Reporting of the Sustainability Accounting Standards Board, SASB)?	x			LGL has established a system based on GRI standards but has not implemented it well. The company will improve this in future reports.
D. Information disclosure and Transparency					
D.1	Quality of annual reports				
D.1.1	Are audited annual financial statements publicly available within 60 days from the end of the fiscal year?				
D.1.2	Does the company disclose details of the remuneration of the General Director?			x	Presented in the company's annual financial statements
E. Responsibilities of the Board of Directors					
E.1	Capacity and Diversity of the Board of Directors				
E.1.1	The company has at least 01 female member in the Board of Directors.	x			In the 2017-2021 term, the company has not yet met this condition. This will be fixed in the next term.
E.1.2	The company publishes policies, requirements on the diversity of its board members, and monitor the progress and performance?			x	Presented in the annual report.
E.2	Structure of the Board of Directors				
E.2.1	The Human Resources Subcommittee is fully a member of the Board of Directors?			x	At the time of establishment, the subcommittee is comprised of independent members of the Board of Directors.

Code	Indications	2019 Performance			Notes/Proposals
		<=30%	31%<x<69%	>=70%	
E.2.2	Does the Human Resources Subcommittee follow a process of determining the quality of the Board members in accordance with the company's strategic direction?	x			LGL has not implemented this indication well.
E.3	Appointment and re-election of the Board of Directors				
E.3.1	Does the company use head hunters or other sources of independent candidates when looking for candidates for Board members?			x	
E.4	Structure and members of the Board of Directors				
E.4.1	Non-executive and independent members of the Board of Directors account for more than 50% of Board of Directors members with the Chairman being an independent member.		x		More than 50% of Board of Directors members are independent. However, Chairman of Board of Directors of LGL is not an independent member. LGL will consider this matter in the next term.
E.5	Risk management				
E.5.1	The Board of Directors describes the governance related to IT issues to ensure all major risks are identified, managed and reported to the Board.		x		Represented in the Annual Financial Statement 2018, Report of the Board of Directors. The Audit Committee periodically reports to the Board of Directors about the identified risks.
E.6	Performance of the Board of Directors				
E.6.1	The company has a separate Risk Management Subcommittee.			x	The Subcommittee on Auditing is in charge of Risk Management.

Code	Indications	Compliance situation in 2019			Notes / Proposals
		<=30%	31%<x<69%	>=70%	
A. Rights of shareholders					
A1	Basic rights of shareholders				
A.1.1	The Company does not or negligently does not treat fairly with respect to the repurchase of shares of all shareholders.			x	In the Charter, LGL regulates that it is required to comply with the redemption of shares at the request of shareholders. Currently, the company is applying these rules very well.
A.2	Right to get involved in making decisions related to the company's fundamental changes				
A.2.1	Is there any evidence on preventing shareholders from exchanging information and consulting with other shareholders?			x	LGL has not received any complaints from shareholders. In the company's Charter, regulations on interests of shareholders are clearly defined.
A.3	Right to participate and vote at the General Meeting of Shareholders, rights to be informed of the regulations of the General Meeting of Shareholders, including voting procedures				
A.3.1	The company has included additional contents and that on not being notified on the agenda in advance into notice of annual/extraordinary Shareholders' general meeting.			x	Additional contents, adjustments of the company are always published in full supplementation in the agenda of the annual/extraordinary General Meeting of Shareholders.
A.3.2	The Chairman of the Board of Directors, Head of the Internal Audit Sub-Committee and the General Director all attend the latest General Meeting of Shareholders.			x	Attend in full.
A.4	Capital structure and agreements that allow a number of shareholders to hold control which do not correspond to the percentage of shares they own must be publicly disclosed.				
A.4.1	Does the company not disclose the existence of the shareholder agreement?			x	This agreement does not exist at LGL.
A.4.2	Does the company not disclose the existence of voting cap?			x	In its Charter, the company specifically stipulates programs and voting rules at the general shareholder meeting.
A.4.3	Does the company not disclose the existence of shares with multiple voting rights?			x	LGL does not have shares with multiple voting rights.
A.5	Capital structure and agreements that allow a number of shareholders to hold control which do not correspond to the percentage of shares they own must be publicly announced				
A.5.1	Does pyramid ownership or cross ownership structure exist?			x	LGL does not recognize pyramid ownership structure or cross ownership structure.
B. Equal treatment of shareholders					
B1	Insider trading and abuse of purchase for personal interests must be prohibited				
B.1.1	Has the company been convicted of a breach of insider trading by the Board of Directors, the Board of Management, and the staff over the past 3 years?			x	No.
B.2	Protection of minor shareholders from any behaviors of self-interest				
B.2.1	Is there any case of non-compliance with laws, rules, and regulations relating to any major transactions of related party over the last 3 years?			x	No.
B.2.2	Are there party transactions of related party that provide financial support to entities that are not subsidiaries?			x	Charter, Regulations stipulate that Business abuse behaviors for self-interest are completely prohibited.

Code	Indications	Compliance situation in 2019			Notes / Proposals
		<=30%	31%<x<69%	>=70%	
C. Roles of stakeholders					
C1	The rights of the parties with relevant interests prescribed by law or under bilateral agreements must be respected				
C.1.1	Are there any violations of labor / employment / consumer / bankruptcy / trade / competition issues or environmental issues?			x	No.
C.2	Interests of stakeholders are protected by law, stakeholders have the opportunity to express their opinions if their rights are infringed upon				
C.2.1	Is the company subject to any regulatory penalties related to undue disclosure of essential information?			x	LGL does not violate and has not been admonished by regulatory authorities.
D. Information disclosure and transparency					
D.1	Penalties of the regulator regarding to the financial statements				
D.1.1	Does the company receive an "exceptional opinion" in the independent audit report?			x	Fully accepted audit opinion.
D.1.2	Does the company receive an "adverse opinion" in the independent audit report?			x	
D.1.3	Does the company receive an "exceptional opinion" in the independent audit report?			x	
E. Responsibilities of the Board of Directors					
E.1	Compliance with applicable rules and regulations on listing				
E.1.1	Is there any evidence that the company did not comply with the rules and regulations on listing in the past year other than those on information disclosure?			x	LGL always abides by the rules.
E.1.2	Is there a case in which non-executive board members resigned and raised any concerns regarding governance?			x	LGL has not noticed any cases.
E.2	Structure of the Board of Directors				
E.2.1	Does the company have an independent member of the Board of Directors who has served for more than 9 years or two 5-year terms of the same position?			x	No. This criterion has been ensured well by LGL.
E.2.2	The company did not specify who was a member of the Board of Directors.			x	This is clearly specified and stated by LGL in the company's documents.
E.2.3	Does the company have any non-executive / independent members of the Board of Directors serving more than 5 Boards of listed companies?			x	No.
E.3	Independent Auditing				
E.3.1	In the past 2 years, have any members of the Board of Directors or senior executives been employees or partners of the current independent auditing company?			x	No.
E.4	Composition and structure of the Board of Directors				
E.4.1	Has the Chairman been the CEO of the company in the last 3 years?			x	No. This criterion has been ensured well by LGL.
E.4.2	Are independent non-executive members of the Board of Directors entitled to buy stock and bonus shares?			x	No such a case has been detected in 2019.

CHAPTER

VI

SUSTAINABLE DEVELOPMENT REPORT

- 168** Overview of sustainable development report
- 170** Governance structure for sustainable development
- 171** The performance of sustainable development activities in different fields



LONG GIANG
LAND

OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT





In the current context, businesses are required to become more transparent regarding its environmental, social and governance activities, as well as their contributions to the economy.

As one of the prestigious businesses early listed on the stock market and is reaping more achievements in the real estate market, Long Giang Land acknowledges sustainability reporting as an opportunity for businesses and investors to interact more actively with each other. Long Giang Land also sees a correlation between environmental, social, governance and profitability performance as well as the ability to survive in tough economic times.

Holding a key role in Long Giang Group, Long Giang Land has always been a leading member that strives to integrate sustainable development into the company's activities, joining other members of Long Giang Group to establish common values and realize development goals in the new context. We understand that the company will face many challenges, including rising costs, to apply a sustainable and environmental friendly business model and carry out environmental risk management, due to the fact that it will have to shift to using advanced and environmentally friendly technologies. But in the long run, this approach will ensure sustainable values for customers,

shareholders and stakeholders, contributing to creating new business opportunities. Long Giang Land is determined that investing in sustainable development dynamics and gradually integrating sustainable development into its core business and production tasks is one of the company's key activities in the short, medium and long term.

Key sustainable development topics on specific economic, social and environmental aspects have been identified by Long Giang Land on the basis of engagement and interaction with related parties, ensuring appropriation with the company's development strategy, as well as latest international sustainable development practices and trends. Long Giang Land is committed to investing in sustainable and green development resources, contributing to a sustainable development society through production and business activities to fulfill its social responsibilities with the community as well.

The sustainable development report is made by Long Giang Land and is an integral part of the Annual Report, reflecting the results of sustainable development activities in 2019, and at the same time, somewhat showing the company's perspectives and orientations on sustainable development in the coming years.

GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

Based on a consistent approach towards sustainable development, harmonizing the benefits of economic development with the implementation of social responsibilities, Long Giang Land is gradually developing and implementing a management framework, policies and processes for sustainable development fields, supporting managing authorities at all levels to evaluate the company's performance and improve itself.

Long Giang Land upholds accountability in transparent, timely and reality-based communication on the interests of related parties, considering it a guideline of its actions towards building relationships, cooperation and trust with other parties.

Sustainable management structure of Long Giang Land:



In order to ensure the effective implementation of the company's sustainable development strategy and realize the set goals, Long Giang Land aims to soon establish a Sustainable Development Council with experienced and independent members. The Council has an independent role in: (1) Advising the Board of Directors in reviewing and approving the company's sustainable development goals, policies and action programs; (2) Raising the awareness of employees in the company about the mission of sustainable development; (3) Assessing the effectiveness of the implementation of sustainable development programs, reporting and proposing solutions to improve the effectiveness of sustainable development activities to the Board of Directors.

THE PERFORMANCE OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN DIFFERENT FIELDS

SUSTAINABLE ECONOMIC GROWTH

Long Giang Land has determined that the prerequisite for achieving sustainable development is to ensure a strong financial capacity, create material values for society and maintain a stable business situation. The economic values created will bring direct benefits to the company, its employees, partners and shareholders; become the necessary financial source to reinvest and further invest in technologies and solutions for sustainable development. At the same time, these economic values will also become an important financial source for the company to carry out social charity activities and pay taxes to the State in accordance with regulations, thus contributing to building a prosperous community, aiming to ensure the interests of shareholders and related parties.

Although 2019 was considered a difficult year for the real estate market in general, but with the orientation consistent with the needs of the market, the resolute leadership of the Board of Directors and the efforts of the whole staff, Long Giang Land has maintained a relatively stable development in 2019 with the consolidated revenue of more than 1,317 billion VND and the consolidated profit after tax of 77 billion VND.

Measurement indicators:

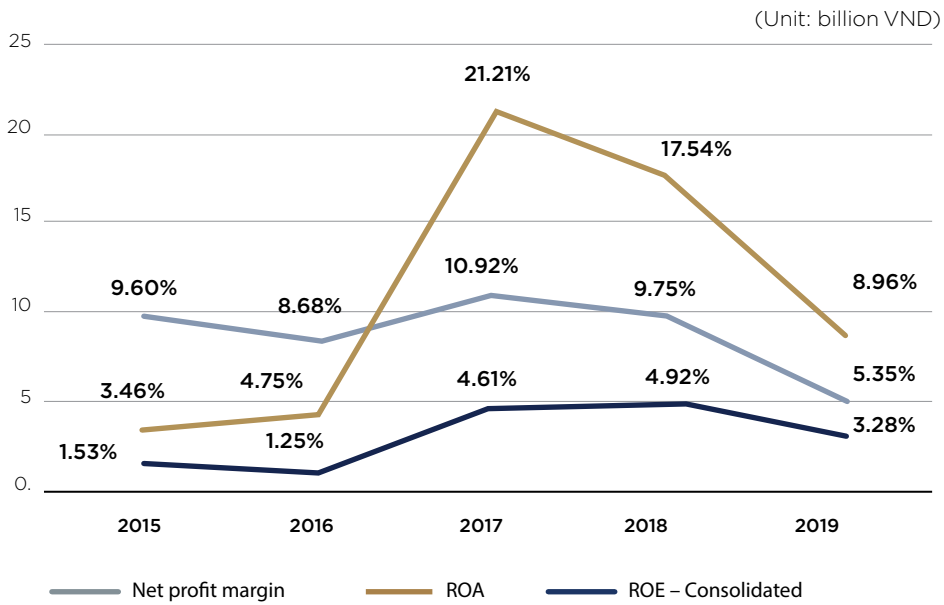
GRI 201-1: Direct economic value created and allocated

GRI 201-2: Financial impacts and other risks & opportunities caused by climate change

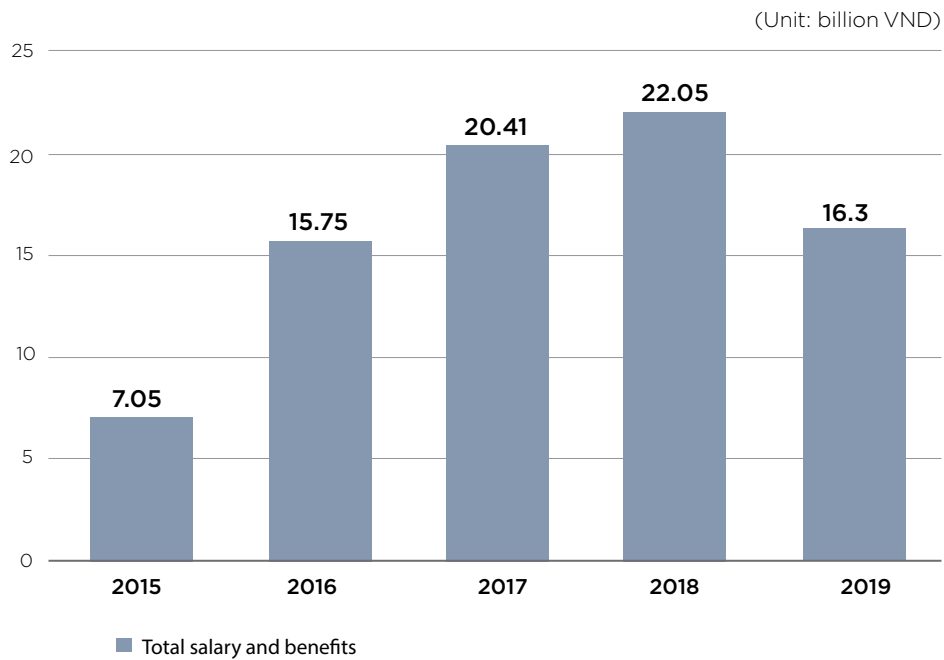
GRI 201-3: Obligations under the specified benefit and pension schemes



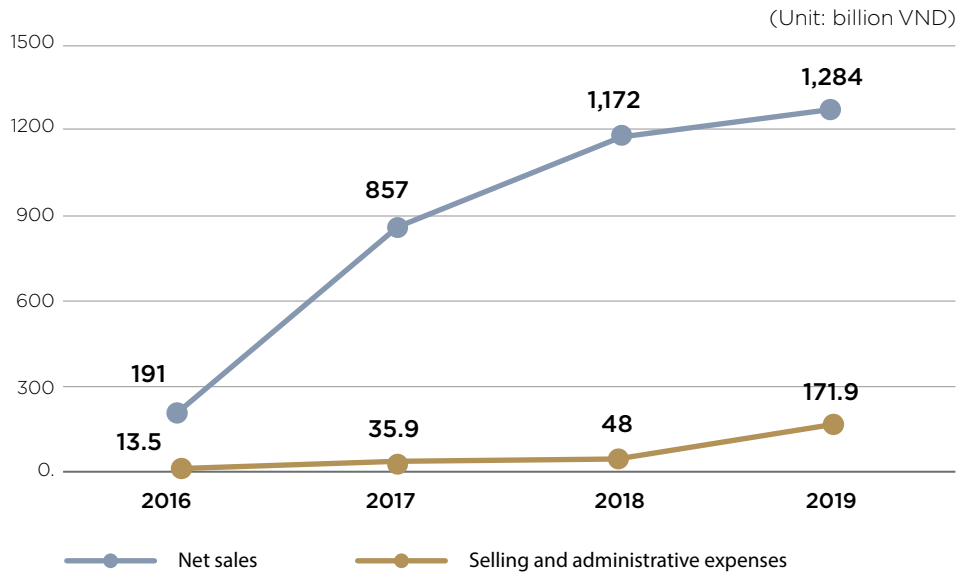
Profit ratio of the company in the period of 2015-2019



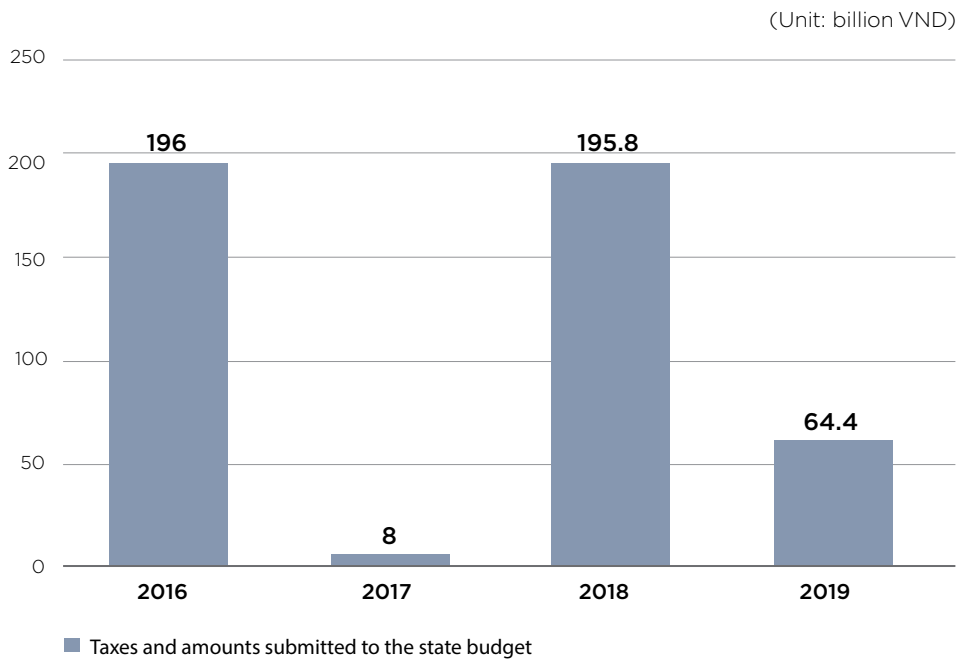
Total salary and benefits for the period 2015-2019



Sales, selling and management expenses for the period 2016-2019



Total taxes and amounts submitted to the state budget by Long Giang Land in the period of 2016-2019



DEVELOPMENT OF HUMAN RESOURCES

Human resource management

Measurement indicators

GRI 102-8: Information of staff and employees

GRI 401-1: Number of new employees and turnover rate

GRI 401-2: Benefits provided to full-time employees, not for temporary or part-time employees

GRI 401-3: Maternity leave



Human resources are assets and a decisive factor in business success and successful implementation of the company's sustainable development strategy. Long Giang Land and other members of Long Giang Group have always focused on human resource development activities to meet development requirements in the new period.

The recruitment policy has been developed and applied effectively by Long Giang Land to attract, develop and retain a qualified and professional workforce to meet the company's development requirements. Long Giang Land always strives to create a good working environment, always maintains a long-term management team that have devoted to the company for a long period of time to constantly improve its strategy to attract talents and develop sustainable human resources.

Long Giang Land maintains a high remuneration policy and reasonable welfare schemes, enabling employees to develop and advance at work. Salary, bonus and welfare policies of Long Giang Land have met diverse beneficiaries, are competitive and constantly updated every year. In 2019, the policies on salaries, bonuses

and welfare of Long Giang Land were also improved with the average income of the company's employees increased nearly 18% compared to that of 2018.

In order to improve the staff's health while creating a common playground for employees after working hours, Long Giang Land has organized and sponsored the operation of art and sports clubs, including: Rivera Band music club, Rivera Yoga club, Rivera Badminton club, attracting the participation of a large number of employees at different age groups from many divisions / departments across the company.

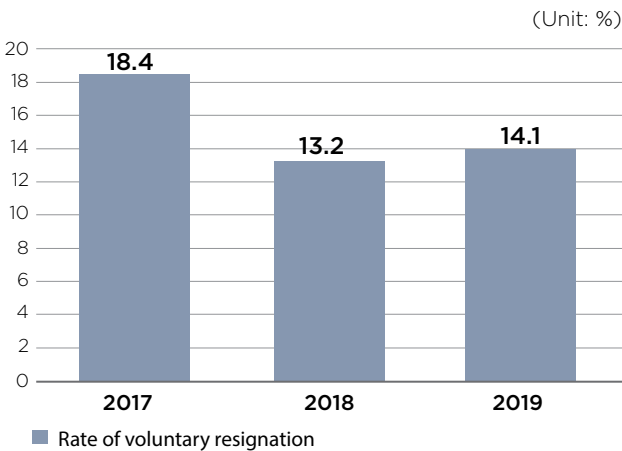
Along with that, basic policies including social insurance, bonuses, periodic health examinations or company's common activities such as festivals, employees' birthday celebrations, vacations have been organized well and on a regular basis to satisfy the demands and aspirations of the company's staff.

Focusing on promoting human values, Long Giang Land has always paid due attention to offering its staff appropriate benefits and remuneration, while proving them with a good working environment with high-quality business culture. From this background,

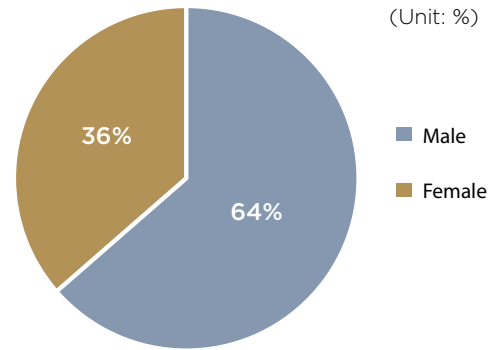


Long Giang Land is creating sustainable values to connect employees and the company, considering this a premise for the company to maintain stable human resources with high-quality staff, to meet the company's development needs in the new period phase.

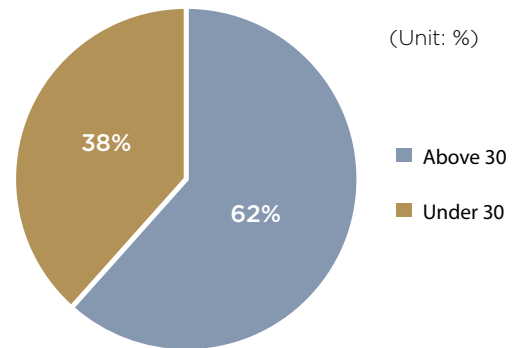
Rate of voluntary resignation in 2017, 2018, 2019



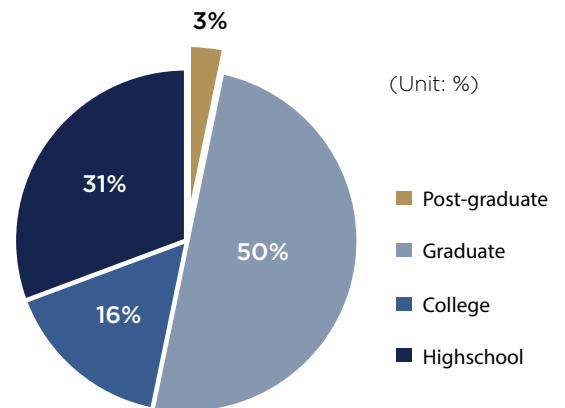
Employment ratio by sex in 2019
(by corporation)



Employment ratio by age in 2019



Employment ratio by qualification in 2019



Education and Training

Measurement indicators

GRI 404-1: Average training hours per year for each employee

GRI 404-2: Skill improvement programs for employees and transitional assistance programs

GRI 404-3: Percentage of employees who are periodically evaluated for job performance and career development

Long Giang Land has pursued a mission of accompanying each staff in their development. The company has strived to provide our employees with opportunities to advance up to their potentials. Long Giang Land always considers training as the foundation to build a strong and quality human resource.

In 2019, training activities to improve the quality of human resources were effectively implemented, creating an attractive working environment at Long Giang Land where employees are enabled to work comfortably at their highest productivity while advancing themselves to the fullest with the company’s support. 2019 was also the year when Long Giang Land strongly boosted the learning spirit among its staff with a campaign entitled “Learning to grow”, which was strongly promoted by the company throughout the year and enthusiastically responded by the staff.

10 training courses on leadership and management skills for 100% of the leaders and managers of Long Giang Land and of other companies in Long Giang Group were organized with the participation of Chairman of the Board of Directors as trainer and content maker. During the regular briefings, the Board of Management has regularly shared management knowledge and experience with the company’s management staff in the hope to make full use of the available resources to accomplish the company’s goals. Every month,

managers directly provided training courses for their co-workers so that each staff could complete the assigned tasks at his/her best while improving their knowledge and experiences. The company also organized and sent full-time officials to attend training courses on financial management, tax, wage policy, and social insurance to timely update any changes in policies regarding the company’s operations.

With 2019 being the year of changes, Long Giang Land renewed itself to constantly improve its competitiveness and timely meet developmental requirements in the new period. Long Giang Land upgraded its publication on Domestic Governance Regulations, creating a framework and a platform for the company to further improve its governance. The publication is also a handbook, guiding employees to ensure professional working standards, contributing to shaping employees’ desire to improve their productivity while encouraging them to further contribute to the company’s development. Together with Long Giang Land, other companies in the group such as Long Giang E&C, Rivera Homes also took turn to issue their own publications on Domestic Governance Regulations in 2019, contributing to a synchronized upgrade in the group’s governance system which has led to encouraging results of whole group.

In 2019, Long Giang Land continued its comprehensive and effective evaluation of staff performance initiated in 2018. The company carried out monthly and annual performance evaluation for 100% of its staff on the basis of highest possible transparency and accuracy. This served as a foundation to help employees realize their capabilities and for the company to decide on appropriate rewards for its staff.



Occupational safety and health

As a real estate company that attaches great importance to promoting human values in its governance, Long Giang Land has always put its employees' safety and health at the forefront.

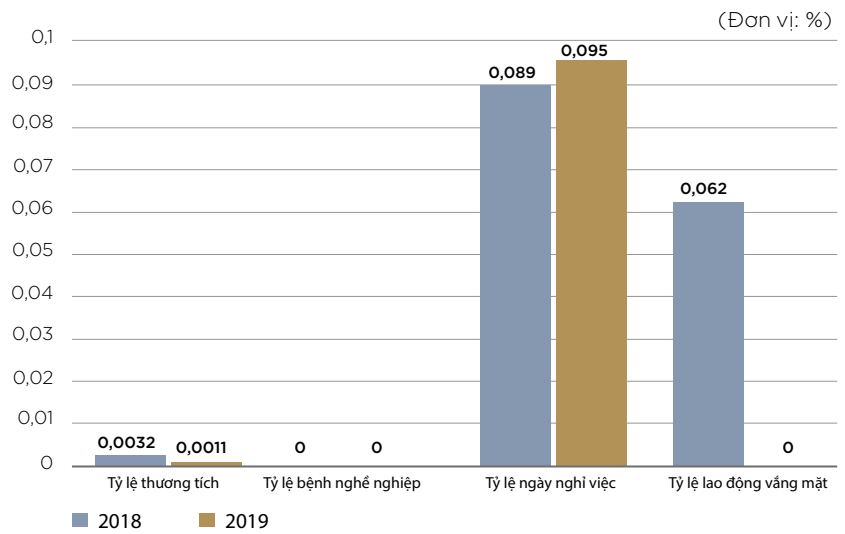
In its 2019 revised Domestic Governance Regulations, Long Giang Land pays much attention to and specifies regulations on "Security, labor safety, fire and explosion prevention, workplace sanitation". These regulations are strictly applied in every activity of the company, considered as guidance for all employees to follow, as well as the foundation for the company's managers to supervise and handle violations. All is aimed at ensuring the highest safety standards for the company's working environment and staff's health.

In terms of healthcare for employees, in 2019, along with other companies in the Long Giang Group, Long Giang Land launched a voluntary health insurance program for employees with more

than 12 months working for the company. Each staff was provided with an insurance card valid for one year medical treatment at prestigious international hospitals such as Vinmec and Thu Cuc with high quality medical services but at reasonable prices. 98% of employees in the company benefited from this program. The company also supported its staff who wanted to buy insurance for relatives at a discount rate of 35%.

Measurement indicators

GRI 403-2: Types and Ratio of injuries, occupational diseases, lost work days, and number of work-related deaths

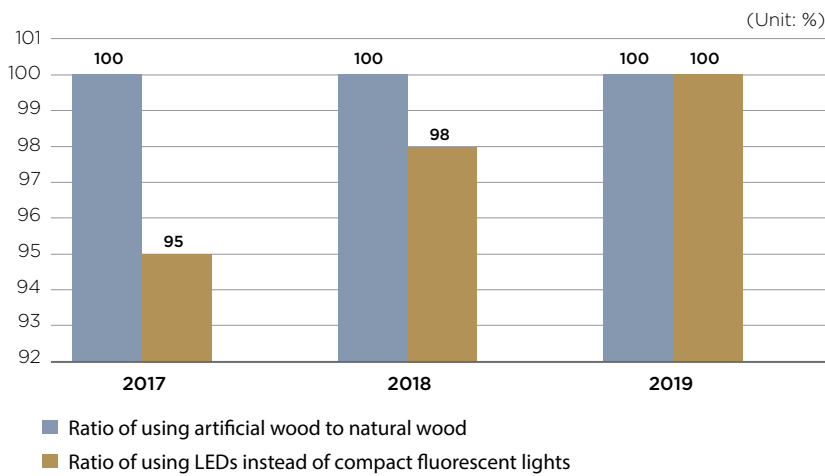


ENVIRONMENTAL

Materials

A group working in the construction industry, Long Giang Group uses a lot of construction materials including raw materials consumed during the construction process and this has caused adverse impacts on the environment. Long Giang Land and other companies of Long Giang group have acknowledged the importance of shifting to more environmentally friendly materials.

We are very cautious conducting bidding and procurement, attaching much importance to choosing materials of bidders that have always fulfilled their social responsibilities or those who have carried out certain activities benefiting sustainable development. We have also done our best to apply advanced solutions in our construction activities to minimize adverse impacts on the environment. The company has used LED bulbs instead of compact fluorescent light bulbs; using artificial wood materials instead of natural wood materials (but still satisfy aesthetic and functional requirements), contributing to reducing the exploitation of forest timber; protect natural resources and the environment.



Ceiling air-con with new technology at Hanoi's Rivera Park



Rivera Park Hanoi use environmentally friendly materials



Energy

Solutions to improve energy efficiency allow us to reduce costs and optimize operational efficiency. Due to the specific nature of construction, energy is mainly consumed by construction, transportation and system operational equipment. Long Giang Land has always closely coordinated closely with other companies in Long Giang Group, especially Long Giang E&C - a company specialized in construction and installation, to ensure operational time, distances, and the application of new devices to help save energy and boost efficiency, kept under control.

Moreover, Long Giang Land also boosted energy efficiency with its design of apartments to make the most of natural light and wind; with the use of high-class, heat-resistant and effective UV-blocking materials to reduce the amount of heat entering the apartment, plus the use of energy-saving and high-efficiency lighting equipment (LED lamps) instead of low-efficiency and high-energy lighting systems (such as incandescent bulbs, fluorescent lights)

Measurement indicators

GRI 302-1: Energy consumption in the organization



Rivera Park Hanoi uses energy-saving lighting system



Water

Long Giang Land works closely with Long Giang E&C, Rivera Homes and Rivera Invest to save water during construction by controlling water supply points in the initial stages of construction and when the building is put into operation. We take turn to monitor these parameters with a specialized taskforce in charge.

Along with minimizing the amount of input water, waste water treatment is also paid much attention to by Long Giang Land before being discharged into the environment with the company's modern treatment systems, contributing to ensuring a safe living environment for the residents. Projects branded Rivera Park are built with high-standard and effective wastewater and waste treatment systems.

Measurement indicators

GRI 307-1: Number of times when the company fails to comply with environmental protection regulations

Compliance to environmental

Environmental safety regulations are complied with at all of our projects at the request of concerned ministries and agencies. Noise is always kept under set limits during construction activities. At projects like Rivera Park Hanoi and Rivera Park Saigon, new technologies are applied for the construction and completion of apartments to reduce dust and noise generated during construction activities.



COMMUNITY DEVELOPMENT

Humanities are the key values and have been affirmed, promoted and spread widely among all members of Long Giang Group's companies. Long Giang Land and other member companies always attach importance to social activities in their strategies, considering this a way to fulfill their responsibilities to the community, contributing to the long-term and sustainable development of society.

Homeless children and elderly people and poor patients are the three targeted groups sponsored by the company. At Long Giang Land, we always show our responsibility to the community through helping people in difficult circumstances, supporting them to overcome aftermaths of natural disasters, while encouraging our staff to get engaged in volunteer activities to help the less fortunate people.



Members of Long Giang Land and Long Giang Group visit and give Tet gifts to people in Pu Dua village, Quang Chieu commune, Muong Lat, Thanh Hoa.

In 2019, Long Giang Land cooperated with other companies in the Long Giang Group to spend more than 1.1 billion Vietnam dong to organize many meaningful community activities, including the gift giving and delivery program and art performances for children and people in Pu Dua village (Quang Chieu commune, Muong Lat, Thanh Hoa) on the occasion of Mid-Autumn Festival, Lunar New Year; sponsored health check-ups for nearly 1,000 people in Ngoc Son commune (Lac Son, Hoa Binh) ... These activities saw the participation and donation of 100% of Long Giang Group's employees. This has fully reflected the sharing spirit of the company's leaders and staff as well as the company's sustainable development goals of harmonizing its social and economic targets.

In its development orientations, Long Giang Land will continue to carry out charitable activities, support those in disaster-stricken areas, and organize more volunteer and educational programs to help raise education quality in remote areas.

Measurement indicators

GRI 413-1: Những hoạt động có sự tham gia của cộng đồng địa phương, đánh giá tác động và các



Long Giang Land presents gifts to disadvantaged people in Ngoc Son commune (Lac Thuy, Hoa Binh)



Nearly 1,000 people were offered health check-ups in Ngoc Son commune as part of a program initiated and sponsored by Long Giang Land.



LONG GIANG
LAND

2019



CHƯƠNG

VII

CONSOLIDATED FINANCIAL STATEMENTS

- 184** Report of the board of management
- 188** Independent auditor's report
- 190** Consolidated balance sheet
- 194** Consolidated income statement
- 195** Consolidated cash flow statement
- 197** Notes to the consolidated financial statements

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Long Giang Investment and Urban Development Joint Stock Company (hereinafter called “the Company”) presents this report together with the consolidated financial statements for the fiscal year ended 31 December 2019 including the financial statements of the Company and its subsidiaries (generally called the Group).

BUSINESS HIGHLIGHTS

The Company operates in accordance with the 1st Business Registration Certificate No. 0101184201 dated 8 October 2001 granted by Hanoi Authority for Planning and Investment.

During the operation course, the Company has been 11 times additionally granted by Hanoi Authority for Planning and Investment with the amended Business Registration Certificates regarding the changes in list of founders, the Company’s address, the supplements of charter capital and operations, in which, the 11th amended Business Registration Certificate was dated 9 May 2019.



» Head office

- **Address:** No. 173 Xuan Thuy Road, Dich Vong Hau Ward, Cau Giay District, Hanoi
- **Tel:** (+84-24) 37 950 595
- **Fax:** (+84-24) 37 950 099

» The Company has affiliates as follows:

Names	Address
Branch of Long Giang Investment and Urban Development Joint Stock Company	No. 35/11, Tran Dinh Xu Road, Cau Kho Ward, District 1, Ho Chi Minh City
Representative office of Long Giang Investment and Urban Development Joint Stock Company in Can Tho City	Lot C, Tran Quang Khai, Cai Khe Ward Residential Quarter, Cai Khe Ward, Ninh Kieu District, Can Tho City

» The Company's general operations include

Real estate investment and construction and installation, services.

BOARD OF MANAGEMENT AND EXECUTIVE OFFICERS

The Board members, the Control Board and the General Directors of the Company during the year and as of the date of this report include:

» The Board of Management

Full name	Position	Appointing date/Re-appointing date
Mr. Le Ha Giang	Chairman	Re-appointed on 21 April 2017
Mr. Mai Thanh Phuong	Member	Appointed on 21 April 2017
Mr. Nguyen Toan Thang	Member	Appointed on 21 April 2017
Mr. Nguyen Dinh Thanh	Member	Appointed on 21 April 2017
Mr. Dang Anh Tam	Member	Appointed on 27 April 2019

» The Control Board

Full name	Position	Appointing date/Resigning date
Ms. Luu Thi Thanh Nga	Manager	Appointed on 16 July 2019
Mr. Nguyen Ngoc Hung	Manager	Resigned on 16 July 2019
	Member	Appointed on 16 July 2019
Ms. Ho Kim Van	Member	Appointed on 21 April 2017

» The General Directors

Full name	Position	Appointing date/Resigning date
Mr. Nguyen Manh Ha	General Director	Appointed on 1 January 2020
	Acting General Director	Appointed on 08 July 2019
	Deputy General Director	Resigned on 08 July 2019
Ms. Nguyen Thi Hong Sinh	Deputy General Director	Appointed on 08 July 2019
Mr. Le Quoc Trung	Deputy General Director	Appointed on 08 July 2019
Ms. Nguyen Thi Thanh Ha	Acting General Director	Resigned on 08 July 2019

» **Legal representative**

The legal representative of the Company during the year and as of the date of this report is Mr. Le Ha Giang – Board Chairman (re-appointed on 21 April 2017).

» **Auditor**

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the consolidated financial statements for the fiscal year ended 31 December 2019 of the Group.

» **Responsibilities of the General Directors**

The General Directors are responsible for the preparation of the consolidated financial statements to give a true and fair view on the consolidated financial position, the consolidated business results and the consolidated cash flows of the Group during the year. In order to prepare these consolidated financial statements, the General Directors must:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates reasonably and prudently;
- Point out whether the accounting standards applied to the Group have been complied or not and all material errors in comparison with these standards have been presented and explained in the consolidated financial statements;
- Prepare the consolidated financial statements of the Group on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the consolidated financial statements are free from material misstatements due to frauds or errors.

The General Directors hereby ensure that all the accounting books have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The General Directors are also responsible for managing the Group’s assets and consequently have taken appropriate measures to prevent and detect frauds and other irregularities.

The General Directors hereby ensure that all the requirements above have been followed when the consolidated financial statements are prepared.

» **Approval to the financial statements**

The Board Chairman hereby approves the accompanying consolidated financial statements, which give a true and fair view of the consolidated financial position as of 31 December 2019, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of consolidated financial statements.

Board Chairman



Le Ha Giang

8 April 2020



INDEPENDENT AUDITOR'S REPORT

No. 2.0349/20/TC-AC

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE GENERAL DIRECTORS LONG GIANG INVESTMENT AND URBAN DEVELOPMENT JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Long Giang Investment and Urban Development Joint Stock Company (hereinafter called "the Company") and its subsidiaries (generally call "the Group"), which were prepared on 8 April 2020, from page 7 to page 63, including the consolidated balance sheet as of 31 December 2019, the consolidated income statement, the consolidated cash flow statement for the fiscal year then ended and the notes to the consolidated financial statements.

The General Directors' Responsibility

The Group's General Directors are responsible for the preparation, true and fair presentation of these consolidated financial statements in accordance with the Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of consolidated financial statements and responsible for such internal control as the General Directors determine is necessary to enable the preparation and presentation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's 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 standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Group's consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true 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 the General Directors, 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.

Auditor's 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 of 31 December 2019, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in accordance with Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of consolidated financial statements.

**A&C AUDITING AND CONSULTING CO., LTD.
BRANCH IN HANOI**



Le Van Khoa - Deputy Director
Audit Practice Registration Certificate:
No. 1794-2018-008-1

Hanoi, 9 April 2020

Tran Anh Tuan - Auditor
Audit Practice Registration Certificate:
No. 1708-2018-008-1

CONSOLIDATED BALANCE SHEET

As of 31 December 2019
For the fiscal year ended 31 December 2019

(Unit: VND)

ASSETS		Code	Note	Ending balance	Beginning balance
A	CURRENT ASSETS	100		1,115,686,708,650	1,954,360,475,632
I.	Cash and cash equivalents	110	V.1	15,663,124,909	167,428,715,233
1.	Cash	111		11,558,572,516	25,749,791,123
2.	Cash equivalents	112		4,104,552,393	141,678,924,110
II.	Short-term financial investments	120		4,640,442,200	6,140,514,800
1.	Trading securities	121	V.2a	4,641,425,325	4,641,425,325
2.	Provisions for devaluation of trading securities	122	V.2a	(983,125)	(910,525)
3.	Investments held to maturity date	123	V.2b	-	1,500,000,000
III.	Short-term accounts receivable	130		682,107,478,877	538,416,800,697
1.	Receivable from customers	131	V.3	374,242,393,538	233,447,261,965
2.	Short-term prepayments to suppliers	132	V.4	14,050,961,428	61,989,506,686
3.	Short-term inter-company receivable	133		-	-
4.	Receivable according to the progress of construction contracts	134		-	-
5.	Receivable on short-term loans	135	V.5		
6.	Other receivable	136	V.6a	240,874,185,575	173,331,605,633
7.	Provision for short-term bad debts	137	V.7	(53,043,612,191)	(40,300,876,526)
8.	Deficient assets to be treated	139	V.8	7,371,136,478	-
IV.	Inventories	140		408,999,702,004	1,242,216,252,870
1.	Inventories	141	V.9	410,290,412,445	1,242,216,252,870
2.	Provisions for devaluation of inventories	149		(1,290,710,441)	-
V.	Other current assets	150		4,275,960,660	158,192,032
1.	Short-term prepaid expenses	151		-	-
2.	VAT deductible	152		4,275,960,660	52,863,109
3.	Taxes and accounts receivable from the State	153		-	105,328,923
4.	Transaction of repurchasing the Government's bonds	154		-	-
5.	Other current assets	155		-	-
B	LONG-TERM ASSETS	200		657,041,620,873	459,321,894,196
I.	Long-term accounts receivable	210		54,385,224,194	93,804,650,501
1.	Long-term accounts receivable from customers	211		-	-
2.	Long-term prepayments to suppliers	212		-	-
3.	Working capital in affiliates	213		-	-
4.	Long-term inter-company receivable	214		-	-

(Unit: VND)

ASSETS		Code	Note	Ending balance	Beginning balance
5.	Receivable on long-term loans	215		-	-
6.	Other long-term receivable	216	V.6b	54,385,224,194	93,804,650,501
7.	Provision for long-term bad debts	219		-	-
II.	Fixed assets	220		21,299,271,685	22,957,909,909
1.	Tangible assets	221	V.11	6,136,217,899	3,252,622,150
	Historical costs	222		15,755,423,572	8,002,103,698
	Accumulated depreciation	223		(9,619,205,673)	(4,749,481,548)
2.	Financial leasehold assets	224	V.12	7,416,887,132	19,614,621,101
	Historical costs	225		19,773,969,866	34,891,962,596
	Accumulated depreciation	226		(12,357,082,734)	(15,277,341,495)
3.	Intangible assets	227	V.13	7,746,166,654	90,666,658
	Historical costs	228		7,847,500,000	160,000,000
	Accumulated depreciation	229		(101,333,346)	(69,333,342)
III.	Investment property	230	V.14	-	48,893,186
	Historical costs	231		2,577,018,894	2,577,018,894
	Accumulated depreciation	232		(2,577,018,894)	(2,528,125,708)
IV.	Long-term assets in progress	240	V.15	43,168,016,264	42,970,483,404
1.	Long-term operating expenses in progress	241		-	-
2.	Construction in progress	242		43,168,016,264	42,970,483,404
V.	Long-term financial investments	250		399,028,274,101	143,676,731,564
1.	Investments in subsidiaries	251		-	-
2.	Investments in associates and joint ventures	252	V.2c	321,302,166,997	107,877,636,960
3.	Investments, capital contribution in other entities	253	V.2d	83,685,796,000	42,758,783,500
4.	Provision for long-term financial investments	254	V.2d	(15,339,688,896)	(15,339,688,896)
5.	Investments held to maturity date	255	V.2b	9,380,000,000	8,380,000,000
VI.	Other long-term assets	260		139,160,834,629	155,863,225,632
1.	Long-term prepaid expenses	261	V.10	5,141,854,774	34,453,562,969
2.	Deferred income tax assets	262		7,269,992,596	3,192,266,756
3.	Long-term equipment, materials, spare parts	263		-	-
4.	Other long-term assets	268		-	-
5.	Trade advantage	269	V.16	126,748,987,259	118,217,395,907
TOTAL ASSETS		270		1,772,728,329,524	2,413,682,369,828

(Unit: VND)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
C	LIABILITIES	300		1,013,202,615,391	1,639,373,095,878
I.	Current liabilities	310		997,900,263,976	1,454,708,103,700
1.	Short-term payable to suppliers	311	V.17	150,975,582,717	238,959,618,228
2.	Short-term prepayments from customers	312	V.18	88,148,800,380	270,177,708,195
3.	Taxes and other obligations to the State Budget	313	V.19	64,446,175,855	62,509,550,461
4.	Payable to employees	314		1,640,372,625	2,904,596,029
5.	Short-term accrued expenses	315	V.20	15,185,293,680	29,293,304,340
6.	Short-term inter-company payable	316		-	-
7.	Payable according to the progress of construction contracts	317		-	-
8.	Short-term unrealized revenue	318	V.21	32,570,959,402	11,373,452,109
9.	Other payable	319	V.22a	234,528,615,342	192,916,804,097
10.	Short-term loans and financial lease debts	320	V.23a	399,072,465,976	641,364,414,305
11.	Provision for current liabilities	321		-	-
12.	Bonus and welfare funds	322	V.24	11,331,997,999	5,208,655,936
13.	Price stabilization fund	323		-	-
14.	Transaction of repurchasing the Government's bonds	324		-	-
II.	Long-term liabilities	330		15,302,351,415	184,664,992,178
1.	Long-term accounts payable to suppliers	331		-	-
2.	Long-term prepayments from customers	332		-	-
3.	Long-term accrued expenses	333		-	-
4.	Inter-company payable on working capital	334		-	-
5.	Long-term inter-company payable	335		-	-
6.	Long-term unrealized revenue	336		-	-
7.	Other long-term payable	337		11,991,133,132	12,961,133,132
8.	Long-term loans and financial lease debts	338		3,311,218,283	169,808,364,498
9.	Transferable bonds	339		-	-
10.	Preferred shares	340		-	-
11.	Deferred income tax payable	341		-	1,895,494,548
12.	Provision for long-term liabilities	342		-	-
13.	Scientific and technological development fund	343		-	-
D	OWNER'S EQUITY	400		759,525,714,133	774,309,273,950
I.	Owner's equity	410	V.25	759,525,714,133	774,309,273,950
1.	Owner's contribution capital	411		500,000,000,000	500,000,000,000
-	Common shares with voting right	411a		500,000,000,000	500,000,000,000
-	Preferred shares	411b		-	-

(Unit: VND)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
2.	Share premiums	412		1,458,992,965	1,458,992,965
3.	Option on converting shares	413		-	-
4.	Owner's other capital	414		-	-
5.	Treasury stocks	415		(43,500,000)	(43,500,000)
6.	Differences on asset revaluation	416		-	-
7.	Foreign exchange rate differences	417		-	-
8.	Business promotion fund	418		34,255,275,688	23,157,102,783
9.	Business reorganization support fund	419		-	-
10.	Other funds	420		16,860,311,743	11,311,225,290
11.	Retained profit after tax	421		90,002,837,742	116,445,565,879
-	Retained profit after tax accumulated to the end of previous period	421a		27,813,265,739	116,445,565,879
-	Retained profit after tax of the current period	421b		62,189,572,003	-
12.	Capital sources for construction	422		-	-
13.	Interest of non-controlling shareholders	429		116,991,795,994	121,979,887,033
II.	Other sources and funds	430		-	-
1.	Sources of expenditure	431		-	-
2.	Fund to form fixed assets	432		-	-
TOTAL CAPITAL SOURCES		440		1,772,728,329,524	2,413,682,369,828

Prepared on 8 April 2020

Prepared by

Pham Thu Trang

Chief Accountant

Dang Thi Loan

Board Chairman

Le Ha Giang

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2019

(Unit: VND)

ITEMS		Code	Note	Current year	Previous year
1.	Sales	1	VI.1	1,284,093,485,769	1,172,595,297,729
2.	Deductions	2		-	-
3.	Net sales	10		1,284,093,485,769	1,172,595,297,729
4.	Costs of goods sold	11	VI.2	997,455,946,795	883,902,384,217
5.	Gross profit	20		286,637,538,974	288,692,913,512
6.	Financial income	21	VI.3	24,220,427,011	6,137,230,549
7.	Financial expenses	22	VI.4	88,693,543,061	126,500,013,606
	In which: Loan interest expenses	23		88,284,285,475	112,585,966,006
8.	Profits or losses in joint ventures, associates	24	V.2b	23,724,529,037	11,477,718,845
9.	Selling expenses	25	VI.5	139,353,501,963	39,025,467,601
10.	Administrative overheads	26	VI.6	32,600,619,135	9,029,702,100
11.	Net operating profit	30		73,934,830,863	131,752,679,598
12.	Other income	31	VI.7	11,226,406,131	25,277,313,202
13.	Other expenses	32	VI.8	7,358,833,312	6,588,099,372
14.	Other profit	40		3,867,572,819	18,689,213,830
15.	Profit before tax	50		77,802,403,682	150,441,893,429
16.	Current corporate income tax	51	V.18	15,027,453,975	39,375,370,250
17.	Deferred corporate income tax	52		(5,973,220,388)	(3,308,539,077)
18.	Profit after tax	60		68,748,170,095	114,375,062,255
19.	Profit after tax of the Holding Company	61		62,189,572,003	110,981,729,052
20.	Profit after tax of non-controlling shareholders	62		6,558,598,092	3,393,333,203
21.	Basic earnings per share	70	VI.9	1,095	2,148
22.	Declined interest per share	71	VI.9	1,095	2,148

Prepared on 8 April 2020

Prepared by



Pham Thu Trang

Chief Accountant



Dang Thi Loan

Board Chairman



Le Ha Giang

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended 31 December 2019

(Unit: VND)

ITEMS		Code	Note	Current year	Previous year
I.	Cash flows from operating activities				
1.	Profit before tax	01		77,802,403,682	150,441,893,429
2.	Adjustments				
-	Depreciation of fixed assets and investment property	02		4,677,750,849	6,430,299,631
-	Provisions	03		14,033,518,706	9,117,502,510
-	Gain/ loss from exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
-	Gain/ loss from investing activities	05		(1,779,941,361)	(6,024,337,652)
-	Loan interest expenses	06	VI.4	88,284,285,475	112,585,966,006
-	Others	07		-	-
3.	Operating profit before changes of working capital	08		183,018,017,351	272,551,323,924
-	Increase/ decrease of accounts receivable	09		(139,104,741,860)	(265,045,450,148)
-	Increase/ decrease of inventories	10		831,925,840,425	207,157,410,563
-	Increase/ decrease of accounts payable	11		(311,079,304,525)	(68,092,056,419)
-	Increase/ decrease of prepaid expenses	12		29,311,708,195	(17,922,643,179)
-	Increase/ decrease of trading securities	13		-	1,300,000,000
-	Loan interests already paid	14		(93,986,247,284)	(137,532,540,882)
-	Corporate income tax already paid	15	V.18	(46,059,362,592)	(29,953,934,179)
-	Other gains	16		(2,300,000)	-
-	Other disbursements	17		(6,091,300,132)	(6,051,685,985)
	Net cash flows from operating activities	20		447,932,309,577	(43,589,576,305)
II.	Cash flows from investing activities				
1.	Purchases and construction of fixed assets and other long-term assets	21		(12,487,797,166)	(970,127,406)
2.	Gains from disposal and liquidation of fixed assets and other long-term assets	22		12,229,090,909	5,636,363,637
3.	Loans given and purchases of debt instruments of other entities	23		(20,716,453,314)	(19,158,907,420)
4.	Recovery of loan given and disposals of debt instruments of other entities	24		105,913,342,204	17,758,191,621
5.	Investments in other entities	25		(212,800,001,000)	(50,000,000,000)
6.	Withdrawals of investments in other entities	26		(1,541,276,239)	3,680,167,502

(Unit: VND)

ITEMS		Code	Note	Current year	Previous year
7.	Receipts of loans given, dividends and profit shared	27		788,437,500	2,024,302,650
	Net cash flows from investing activities	30		(128,614,657,106)	(41,030,009,416)
III.	Cash flows from financial activities				
1.	Gains from stock issuance and capital contributions from shareholders	31		-	84,692,360,000
2.	Repayments of capital contributions to owners and re-purchase of stocks already issued	32		-	-
3.	Receipts from loans	33	V.21	297,223,918,774	625,813,210,260
4.	Payment of loan principal	34	V.21	(700,996,564,483)	(497,070,129,588)
5.	Payment of financial lease debts	35	V.21	(7,314,077,087)	(5,343,820,356)
6.	Dividends and profit shared to the owners	36	V.23	(59,996,520,000)	(52,430,700,000)
	Net cash flows from financial activities	40		(471,083,242,796)	155,660,920,316
	Net cash flows during the year	50		(151,765,590,325)	71,041,334,595
	Beginning cash and cash equivalents	60	V.1	167,428,715,233	96,387,380,638
	Effects of fluctuations in foreign exchange rates	61		-	-
	Ending cash and cash equivalents	70	V.1	15,663,124,909	167,428,715,233

Prepared on 8 April 2020

Prepared by



Pham Thu Trang

Chief Accountant



Dang Thi Loan

Board Chairman



Le Ha Giang

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

OPERATION FEATURES

» Investment form

Long Giang Investment and Urban Development Joint Stock Company (hereinafter called “the Company” or “the Holding Company”) is a joint stock company.

» Operating field

The Company’s operating fields include real estate investment, construction and installation, service.

» Operations

The Company’s main operations include: Trading real estate, construction and installation.

» Ordinary course of business

The Company’s ordinary course of business does not exceed 12 months, except for specific works of real estate business of which the course of business is more than 12 months.

» Effects of the Company’s operation features during the period on the financial statements

During the year, the project of Rivera Park Apartment Building at No. 69 Vu Trong Phung, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi have been completed and had revenue of selling apartments and commercial center floor.

» Structure of the Group

The Group includes the Holding Company and 3 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these consolidated financial statements.

• Information on Group restructuring

> Purchase of the subsidiary

On 3 January 2019, the Group purchased **1,020,000 shares** of Viet Hung Garment Embroidery – Real Estate Investment JSC. equivalent to **51%** with the purchasing price of **VND 32,130,000,000**.

Details of fair value of assets and liabilities of the subsidiary purchased as of the purchasing date and trade advantage were as follows:

(Unit: VND)	
Assets	19,740,760,176
Cash and cash equivalents	9,218,748,545
Receivable from customers	197,606,078
Other receivable	721,664,262
Inventories	3,518,457,349
Taxes and accounts receivable from the State budget	189,009,516

(Unit: VND)

Tangible fixed assets (difference value)	2,157,916,790
Other long-term assets	3,737,357,636
Liabilities	2,063,538,209
Payable to suppliers	886,443,920
Prepayments from customers	271,100,002
Taxes and other obligations to the State budget	267,885,256
Accrued expenses	102,879,537
Other short-term payable	254,669,494
Long-term loans and debts	280,560,000
Fair value of net assets	17,677,221,967
Interest of non-controlling shareholders (49%)	8,661,838,764
Fair value of net assets purchased (a)	9,015,383,203
Business consolidation costs (b)	32,130,000,000
Trade advantage [(b) - (a)]	23,114,616,797

Net payment to purchase the subsidiary:

Payment in cash	32,130,000,000
Cash and cash equivalents of the subsidiary as of the purchasing date	(9,218,748,545)
Net payment	22,911,251,455

> Divestment and loss of control right

During the year, on 29 November 2019 the Group transferred **6,500,000 shares** equivalent to **65%** of charter capital of Rivera Hanoi JSC. to one individual with the transfer price of **VND 71,500,000,000**.

Assets and liabilities of the subsidiary as of the divestment date were as follows:

Total assets	118,696,398,020
Cash and cash equivalents	229,303,187
Short-term receivable from customers	3,197,656
Short-term prepayments to suppliers	105,771,908,566
Other short-term receivable	1,121,800,090
Inventories	1,484,641,758
VAT deductible	3,128,978,364
Fixed assets (difference value)	6,956,568,399

Liabilities	18,570,374,301
Short-term payable to suppliers	1,681,437,828
Short-term prepayments from customers	25,690,639
Taxes and other obligations to the State budget	176,971,922
Payable to employees	89,330,160
Short-term unrealized revenue	9,336,916,810
Other short-term payable	2,960,468,222
Short-term loans and financial lease debts	4,299,558,720
Net assets	100,126,023,719
Rate of interest of non-controlling shareholders	19.80%
Interest of non-controlling shareholders	19,824,952,696
Net assets of the Group (80.02%)	80,301,071,023
Rate of capital transferred	65%
Net assets transferred	65,081,915,417

Gain/(Loss) related to the divestment in the subsidiary is as follows:

Transfer price	71,500,000,000
Value of net transferred assets	65,081,915,417
Gain on divestment	6,418,084,583

Net receipt from divestment in the subsidiary:

Receipt in cash	71,500,000,000
Cash and cash equivalents of the subsidiary as of the transfer date	(1,720,853,778)
Net receipt	69,779,146,222

After the transfer, the Group has only owned **1,520,000 shares**, equivalent to **15.2%** of charter capital of Rivera Hanoi JSC., therefore Rivera Hanoi JSC. has been transformed from the subsidiary to the long-term investment.

• List of subsidiaries consolidated

Name	Address of head office	Main operations	Rate of interest		Rate of voting right	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Minh Phat JSC.	G18, Group 19, Quarter 2, Xuan An Ward, Phan Thiet City, Binh Thuan Province, Vietnam	Trading real estate	65%	65%	65%	65%
Nghia Do Commercial - Service JSC.	No. 1 Nghia Tan Street, Nghia Tan Ward, Cau Giay District, Hanoi City	Trading real estate	52.46%	52.46%	52.46%	52.46%
Viet Hung Garment Embroidery - Real Estate Investment JSC.	No. 335/402/2 Nguyen Van Linh, Phuc Dong Ward, Long Bien District, Hanoi	Trading real estate, producing garment and textile	51%		51%	

• List of associates reflected in the consolidated financial statements in accordance with the owner's equity method

Name	Address of head office	Main operations	Rate of ownership (%)		Rate of voting right (%)	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Long Giang Engineering and Construction JSC. (formerly known as Long Giang Hanoi JSC.)	VP1, Floor 24A, Building No. 173 Xuan Thuy, Dich Vong Hau Ward, Cau Giay District, Hanoi City	Construction, installation	48%	48%	48%	48%
Rivera Investment, JSC. (formerly known as Long Giang Saigon JSC.)	Floor 1, Packsimex Building, 52 Dong Du, Ben Nghe Ward, District 1, Ho Chi Minh City	Trading real estate; Construction, installation	48%	48%	48%	48%
Rivera Homes Property Exploitation and Management JSC.	Floor 3, Lot A and Lot B, Rivera Park Sai Gon Building, 7/28 Thanh Thai, Ward 14, District 10, Ho Chi Minh City	Building management service	49%	48%	49%	48%
Ha Long Construction JSC.	Apartment and service after Lan Be coastal road - Pole 8 - Dien Bien Phu Road, Hong Hai Ward, Ha Long City, Quang Ninh Province	Trading real estate	40%		40%	

» Statement on comparison of information in the consolidated financial statements

The corresponding figures in the previous year can be compared with those in the current year.

» Personnel

As of the balance sheet date, the Group had 70 employees working in the companies in the Group (at the beginning of year, the Group had 76 employees).

FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

» Fiscal year

The fiscal year of the Group is from 1 January to 31 December annually.

» Standard currency unit

The standard currency unit used in accounting is Vietnam Dong (VND) as most of transactions are primarily made in VND.

ACCOUNTING STANDARDS AND SYSTEM APPLIED

» Accounting standards and system

The Group has applied the Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of consolidated financial statements and other Circulars giving guidance on the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of the consolidated financial statements.

» Statement on the compliance with the accounting standards and system

The General Directors ensure to follow all the requirements of the Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars giving guidance on the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of these consolidated financial statements.

ACCOUNTING POLICIES

» Accounting convention

All the consolidated financial statements are prepared on the basis of accrued accounting (except for information related to cash flows).

» Consolidation basis

The consolidated financial statements include the financial statements of the Holding Company and the financial statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control right, the potential voting right that is currently valid arising from call options or debt and equity instruments that can be converted to common shares as of the balance sheet date should also be taken into consideration.

The business results of the subsidiaries which are acquired or disposed during the year are included in the consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The financial statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the financial statements of the subsidiaries before they are used to prepare the consolidated financial statements.

Intra-group balances on the balance sheet and intra-group transactions and unrealized intra-group profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gain or loss and net assets of a subsidiary which is not held by the Group and is presented in a specific item in the consolidated income statement and the consolidated balance sheet (under owner's equity). Interest of non-controlling shareholders includes value of interest of non-controlling shareholders as of the initial business consolidation date and those in the fluctuation of owner's equity commencing from the business consolidation date. Losses in subsidiaries are allocated equivalent to capital of non-controlling shareholders, even when those losses are higher than their capital in net assets of the subsidiary.

» Cash and cash equivalents

Cash includes cash on hand and demand deposits in bank. Cash equivalents include short-term investments of which the due dates cannot exceed 3 months from the dates of investment and the convertibility into cash is easy, and which do not have risks in the conversion into cash as of the reporting date.

» Financial investments

• Trading securities

Investments classified as trading securities are those held by the Group for the trading purpose with the aim of making profit.

Trading securities are recorded in the accounting book in accordance with the historical prices. The historical prices of trading securities shall be determined in accordance with fair value of payments at the time when the transaction arises plus costs related to transaction of purchasing trading securities.

The time of recognizing trading securities is when the Group acquires the ownership, as follows:

- For listed securities: recognized at the time of order-matching (T+0).
- For unlisted securities: recognized at the time of acquiring official ownership as stipulated by law.

Interest, dividends, and profit of the years prior to the acquisition of trading securities are recorded as a decrease in the value of such securities. Interest, dividends and profit of the years after the acquisition of such securities are recorded in the Group's revenues.

Provision for devaluation of trading securities is made for each particular type of securities on the market of which the fair value is lower than their historical costs. Fair value of trading securities is determined as follows:

- For securities listed on the stock market: it is the closing price at the latest date of transaction to the balance sheet date.
- For shares registered for transactions on the transaction market of the unlisted public companies (UPCom): it is the average reference price in the latest 30 transaction days before the balance sheet date disclosed by the Stock Exchange.

For shares listed on the stock market or shares of joint stock companies registered for trading on UPCom market which have no transaction within 30 days prior to the date of provision appropriation, listed shares

which have been delisted, suspended or stopped from trading: provision is made based on the loss of the invested company equal to the difference between the actual investment capital of the owners and the owner's equity as of the balance sheet date multiplied by the Company's ownership ratio of charter capital to the total charter capital actually contributed.

Increases/decreases in provision for devaluation of trading securities which need appropriating as of the balance sheet date are recorded into financial expenses.

Gain on or loss from transfer of trading securities is recognized into financial income or financial expenses. Historical costs are determined in accordance with the mobile weighted average method.

- **Investments held to maturity date**

Investments are classified as investments held to maturity date that the Group intends and is able to hold to maturity. Investments held to maturity date include termed deposits and bonds.

Investments held to maturity date are initially recognized at historical costs including purchasing price and costs related to purchasing transaction of investments. After initial recognition, these investments are recorded at recoverable value. Interest from these investments held to maturity date after acquisition date is recognized in the income statement on the basis of estimated receipt. Interests arising prior to the Group's acquisition of investments held to maturity date are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences proving that a part or whole of the investment may be unrecoverable and the losses can be measured reliably, the losses are recognized as financial expenses during the year while the investment value is derecognized.

- **Loans**

Loans are determined in accordance with the historical costs less provision for bad debts. Their provision for bad debts is made basing on estimated loss.

- **Investments in associates**

An associate is an enterprise in which the Group has significant influence but not control over the financial policies and activities. Significant influence is the right to participate in making decisions about financial policies and business operations of the investee but not control those policies.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the consolidated financial statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the consolidated financial statements as zero unless the Group has an obligation to make the payment instead of associates.

The financial statements of associates are prepared for the same accounting period of the Group. In case the accounting policies of an associate are different from those consistently applied in the Group, the financial statements of that associate will be suitably adjusted before being used to prepare the consolidated financial statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group when the consolidated financial statements are prepared.

- **Investments in equity instruments of other entities**

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on the investees.

Investments in equity instruments of other entities are initially recognized at historical costs, including the cost of purchase plus other directly attributable transaction costs. Dividends and profits arising in the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit arising in the periods after the purchase of investments are recorded into the Group's revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provision for loss of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or fair value of investments is reliably measured, provision is made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by parties in other entities and the actual owner's equity as of the balance sheet date multiplying (x) by the Group's ownership rate of charter capital actually contributed in other entities.

Increases/decreases in provision for loss of investments in equity instruments of other entities which need appropriating as of the balance sheet date are recognized into financial expenses

» Accounts receivable

Accounts receivable are presented in accordance with book values less provisions for bad debts.

The classification of accounts receivable into receivables from customers and other receivables is done as follows:

- Receivables from customers reflect commercial receivables generating from purchase-sale related transactions between the Group and buyers which are independent units against the Group.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

Provision for bad debts is made for each bad debt basing on the estimated loss.

Increases/decreases of balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

» Inventories

Inventories are recorded in accordance with the lower value between the historical costs and the net realizable values.

Historical costs of inventories are determined as follows:

- For materials and merchandises: They include costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For work-in-process: They include costs of main materials, labor and other direct costs. Expenses for work in progress at the end of year are determined for each project as follows:

Ex warehouse prices are determined in accordance with the weighted average method and recorded in line with the perpetual recording method.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Provision for devaluation of inventories is made for each item of inventories which have historical costs higher than net realizable values. Increases/decreases of balance of provision for devaluation of inventories which need appropriating as of the balance sheet date are recorded into costs of goods sold.

» Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Group mainly include expenses for tools, instruments and selling expenses for unhand-over projects. These prepaid expenses are allocated in the prepayment term or the term in which corresponding economic benefit is derived from these expenses.

• Project expenses

Project expenses including expenses for selling project: sample house costs, sale consulting, management and brokerage fees and business freelance expenses are allocated into expenses equivalents to the revenue from selling project apartments.

• Expenses for tools, instruments

Expenses for tools, instruments being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 3 years.

» Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of tangible fixed assets are as follows:

Fixed assets	Years
Machinery and equipment	03 - 10
Vehicles	05 - 06
Office equipment	03 - 05

» Financial leasehold assets

A lease of asset is considered a financial lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessee. Fixed assets under financial lease are determined by their historical costs less accumulated depreciation. Historical cost is the lower between the reasonable value of the asset at the starting date of the lease agreement and the current value of the minimum lease payment. The discount rate used to calculate the current value of the minimum lease payment is the interest rate as agreed by implication or as mentioned in the lease agreement. In case the interest rate as agreed by implication in the lease agreement cannot be determined, the interest rate for loan at the starting date of the lease agreement will be applied.

Fixed assets under financial lease are depreciated in accordance with the straight-line method over their estimated useful lives. In case it is not sure that the Group will have the ownership over the asset upon the expiry date of the financial lease contract, the fixed asset must be depreciated at the shorter between the lease period and the estimated useful life. The depreciation years of the fixed assets under financial lease are as follows:

Fixed assets	Years
Machinery and equipment	08
Vehicles	05 - 06
Office equipment	03 - 05

» **Intangible fixed assets**

Intangible fixed assets are determined by their historical costs less accumulated depreciation.

Historical costs of intangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Costs related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating costs in the period unless these costs are associated with a specific intangible fixed asset and increase economic benefits from these assets.

When an intangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the year.

Intangible fixed assets of the Group include:

- **Computer software**

Computer software for real estate management and trading is depreciated in accordance with the straight-line method within 5 years.

- **Land use right**

Land use right includes all the actual expenses paid by the Group directly related to the land being used such as expenses to obtain the land use right, expenses for compensation, land clearance and ground leveling, registration fees, etc. If the land use right is permanent, it is not amortized.

» **Investment property**

Investment property is infrastructure held by the Group. Investment property for lease is measured at their historical costs less accumulated depreciation. Historical cost of investment property includes all the expenses paid by the Group or the fair value of other consideration given to acquire the investment property at the time of its acquisition or construction.

Subsequent expenditure related to an investment property after initial recognition is recognized into expenses unless it is probable that future economic benefits will be in excess of the originally assessed standard of performance of the investment property, the increase in the cost of the investment property shall be recorded.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are recorded into income or expenses during the year.

The transfer from owner-occupied property or from inventory to investment property shall be made only if the owner finishes using that property and leasing it to other party for operation or at the end of the construction period. The transfer from investment property to owner-occupied property or inventory shall be made only when the owner begins to use this property or begins to sell it. The transfer of use purpose between investment property and owner-occupied property or inventory does not change the historical cost or the net book value of the property at the date of conversion.

Investment property for lease is depreciated in accordance with the straight-line method over their estimated useful lives of 25 years.

» **Construction in progress**

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Group’s accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as

well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their historical costs and not depreciated.

» Business consolidation and trade advantage

The business consolidation is accounted for by applying the purchase method. Costs of business consolidation include the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus any costs directly attributable to the business consolidation. The assets acquired and identifiable liabilities and contingent liabilities in business consolidation are recognized at fair value as of the date of holding control right.

For business consolidation transactions through several phases, the cost of a business consolidation is calculated as the total of the cost of investment at the date of achieving control right on the subsidiary plus the cost of investment of the previous transactions which have been revaluated at fair value at the date of achieving control right on the subsidiary. The difference between revaluation cost and the historical cost of the investment is recognized into the business results if before the date of achieving control right, the Group does not have significant influence on its subsidiary and the investment is presented by historical cost method. If before the date of achieving control right, the Group has significant influence and the investment is presented by the owner's equity method, the difference between the revaluated cost and the value of the investment under the owner's equity method is recognized into the business results and the difference between the value of the investment under the owner's equity method and its historical cost is recognized directly into the item of "Retained profit after tax" on the consolidated balance sheet.

The higher difference of the business consolidation cost compared with the ownership rate of the Group in the net fair value of assets, identifiable and liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary is recognized as trade advantage. If the ownership share of the Group in the net fair value of assets identifiable liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary exceeds the business consolidation cost, the difference is recognized into the business results.

Trade advantage is allocated in accordance with the straight line method in the duration of 5 years. When there is an evidence showing that trade advantage suffers losses more than the allocated amount, the allocated amount during the year is the loss incurred.

Interest of non-controlling shareholders at the date of initial business consolidation is determined on the basis of the rate of non-controlling shareholders in the net fair value of assets, liabilities and contingent liabilities recognized.

» Business cooperation contracts

• Business cooperation contracts with fixed profit share

The Group's business cooperation contracts with its partners, in which: the Group is the party receiving and monitoring the partners' contribution capital; the partners enjoy a fixed profit regardless of the business results of the contract. In this case, although the legal form of the contract is a business cooperation contract, it is essentially a loan contract. The Group recognizes in the consolidated financial statements as follows:

- Recognizing all revenue, expenses and profit after tax of the business cooperation activity in the consolidated income statement of the Group;
- The contribution capital of the partners is reflected as a loan;
- The profit share to the partners (calculated on the bases of the capital contributed, the period of capital contribution and the fixed interest rate) is reflected as financial expenses during the period.

» Liabilities payable and accrued expenses

Liabilities payable and accrued expenses are recognized for the amount payable in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates on the amount payable.

The classification of accounts payable into payables to suppliers, accrued expenses and other payables is done as follows:

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Group.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or accounting documents and payables for employees on leave pay, appropriated operating costs.
- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

Liabilities payable and accrued expenses are classified into short-term and long-term ones on the consolidated balance sheet based on the remaining terms as of the balance sheet date.

» Owner's equity

• Owner's contribution capital

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders of the Company.

• Share premiums

Share premiums are recorded in accordance with the difference between issuance price and face value of shares in the first issuance, additional issuance or the difference between reissuance price and book value of treasury stocks and the equity component of convertible bonds upon maturity. Direct expenses related to the additional issuance of shares and reissuance of treasury stocks are recorded to decrease share premiums.

• Treasury stocks

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury stocks and are recorded as a decrease in owner's equity. When re-issuing, the differences between re-issuance price and book value of treasury stocks are recognized into item of "Share premium".

» Profit distribution

Profit after corporate income tax is distributed to the shareholders after appropriation of funds in accordance with the Company's Charter as well as legal regulations and being approved by the General Meeting of Shareholders.

The profit distribution to the shareholders considers non-monetary items in retained profit after tax which can have impacts on cash flows and possibility of profit payment such as gains from revaluation of assets for capital contribution, revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities payable upon the approval of the General Meeting of Shareholders.

» Recognition of sales and income

• Sales of selling goods

Sales of selling goods shall be recognized when all of the following conditions are satisfied:

- Most of risks and benefits associated with the goods ownership are transferred to customers.
- The Group no longer holds management right of goods as the goods owner or control right on goods.
- Sales are determined reliably. When contracts define that buyers are entitled to return goods

purchased under specific conditions, sales are recognized only when such specific conditions no longer exist and the buyers are not entitled to return goods purchased (except the case that buyers are entitled to return goods, products in the form of exchange for other goods, services).

- The Group has received or will receive economic benefits from the transaction of selling goods.
- Costs related to the transaction of selling goods can be determined.

• Sales of providing services

Sales of providing services shall be recognized when all of the following conditions are satisfied:

- Sales are determined reliably. When contracts define that buyers are entitled to return services provided under specific conditions, sales are recognized only when such specific conditions no longer exist and the buyers are not entitled to return services provided.
- The Group has received or will receive economic benefits from the transaction of providing services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In case the service is carried out in many accounting periods, sales are recognized during the period based on the result of completed work as of the balance sheet date.

• Sales of selling real estate

Sales of selling real estate that invested by the Company shall be recognized when all of the following conditions are satisfied:

- Real estate is fully completed and handed over to buyers, and the Company transfers most of risks and benefits associated with the real estate ownership to buyers.
- The Company no longer holds management right on real estate as the real estate owner or control right on real estate.
- Sales are determined reliably.
- The Company has received or will receive economic benefits from transactions of selling real estate.
- Costs related to transactions of selling real estate can be determined.

In case the customer has the right to complete the interior of the real estate and the Company and its subsidiaries completes the interiors according to the designs, models as requested by customer under a separate contract on interior completion, revenues are recognized upon the completion and handover of the main construction works to customers.

• Interests

Interests are recorded based on the term and the interest rates applied for each period.

• Dividends and profit shared

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Dividends received by shares are only followed by the increasing number of shares but not recognized with the value of shares received.

» Construction contracts

A construction contract is a contract agreement for construction of an asset or a combination of assets which are closely related or depend each other in terms of their design, technology, function or purpose of use.

When the results from the contract implementations can be reliably estimated:

- For the construction contracts stipulating that the contractors are paid according to the planned progress, income and expenses related to these contracts are recognized correspondingly to the works already completed as determined by the Group itself as of the balance sheet date.

- For the construction contracts stipulating that the contractors are paid according to the works actually done, income and expenses related to these contracts are recognized correspondingly to the works already completed as confirmed in the invoices made by the customers.

Increases/decreases of construction volume, compensation receipts and other incomes are only recognized into sales upon the agreement with customers.

When the results from the contract implementations cannot be reliably estimated:

- Income is recognized correspondingly to the expenses incurred, of which the repayment is rather reliably made.
- Expenses are only recognized as actually incurred.

The difference between the accumulated income from the contract already recognized and the accumulated amount in the invoices according to the planned progress of contract implementation is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

» **Borrowing costs**

Borrowing costs include loan interest and other costs directly related to borrowings.

Borrowing costs are recognized into expenses when arising. Borrowing costs are recognized into expenses when arising. In case borrowing costs directly relate to construction investment or producing assets in progress which need a long time enough (over 12 months) to be put into use for intended purposes or to be sold, they are included in value of those assets. For a loan particularly serving construction of fixed assets, investment properties, loan interest is capitalized even though construction duration is less than 12 months. Income incurred from temporary investment in loans is recorded reduce to historical costs of related assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

» **Costs**

Costs are amounts reducing economic benefits, recorded at the time the transaction arises or shall be likely to arise in the future regardless of spending money or not.

Costs and revenues set up by it must be recognized simultaneously on the principle of conformity. In case, conformity principle may conflict with precautionary principle in accounting, costs are recognized based on the nature and regulations of accounting standards to reflect transactions honestly and reasonably.

» **Corporate income tax**

Corporate income tax includes current income tax and deferred income tax.

• **Current income tax**

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses transferred.

• Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet date and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. Deferred income tax assets which have not been recognized are considered at the balance sheet dates and recognized when it is certain to have enough taxable income to use these assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

Deferred income tax assets and liabilities payable are offset when:

- The Group has a legal right to offset current income tax assets and current income tax payable; and
- The deferred income tax assets and deferred income tax payable relate to corporate income tax managed by the same Tax Office:
 - For the same taxable entity; or
 - The Group intends to pay current income tax payable and current income tax assets on the net basis or recover assets simultaneously with payment of liabilities in each future period when material accounts of deferred income tax payable or deferred income tax assets are paid or recovered.

» Related parties

A party is considered a related party of the Group in case one party is able to control the other or to cause considerable effects on the financial decisions as well as the operations of the other. A party is also considered a related party in case of together being controlled or affected significantly.

In the consideration of relations among related parties, the nature of relations is paid more attention than the legal form.

» Segment reporting

A business segment is a distinguishable component that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is prepared and presented in line with the accounting policies applied for preparation and presentation of the Group's consolidated financial statements.

ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET

» Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	3,709,344,208	3,559,453,968
Demand deposits in bank	7,849,228,308	22,190,337,155
Cash equivalents - Bank deposits of which the principal maturity is under 3 months	4,104,552,393	141,678,924,110
Total	15,663,124,909	167,428,715,233

» Financial investments

The Group's financial investments include trading securities, investments held to maturity date, investments in associates and investments, capital contribution in other entities. Information on the Group's financial investments is as follows:

• Trading securities

	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
Sacombank	1,425,325	442,200	(983,125)	1,425,325	514,800	(910,525)
Petrolimex Hanoi Transportation and Trading JSC.	4,640,000,000	16,750,400,000	-	4,640,000,000	4,641,425,325	
Total	4,641,425,325	16,750,842,200	(983,125)	4,641,425,325	4,641,940,125	(910,525)

Situation of fluctuations in provision for devaluation of trading securities is as follows:

	Current year	Previous year
Beginning balance	910,525	859,925
Additional appropriation of provision	72,600	215,600
Refund of provision	-	(165,000)
Ending balance	983,125	910,525

• Investments held to maturity date

All investments held to maturity date have the net book value equal to their historical costs, details are as follows:

	Ending balance	Beginning balance
Short-term	-	1,500,000,000
Termed deposits	-	1,500,000,000
Long-term	9,380,000,000	8,380,000,000
Bonds of BIDV - Transaction Office I (i)	8,380,000,000	8,380,000,000
Bonds of Agribank - Hanoi Branch (ii)	1,000,000,000	-
Total	9,380,000,000	9,880,000,000

(i) The Group has invested in 838 bonds of BIDV – Transaction Office I with the purchasing price of VND 10,000,000/bond, the term of 7 years from 19 December 2018 to 19 December 2025, the interest rate of 7.63%/year. The bond interest is paid later by the bank, periodically on the full-year date compared to the bond issuance date. All bonds of the Group have been used to mortgage for the overdraft loan at BIDV.

(ii) The Group has invested in 1,000 bonds of Agribank – Hanoi Branch with the purchasing price of VND 1,000,000/bond, the term of 7 years from 23 September 2019 to 23 September 2025, the interest rate is equal to 12-month reference interest rate plus 1.2%/year. The bond interest is paid later by the bank, periodically on the full-year date compared to the bond issuance date.

• Investments in associates

	Ending balance			Beginning balance		
	Historical costs	Profit after investment	Total	Historical costs	Profit after investment	Total
Long Giang	48,000,000,000	5,111,309,997	53,111,309,997	28,800,000,000	1,320,502,935	30,120,502,935
Rivera	144,000,000,000	6,165,433,410	150,165,433,410	57,600,000,000	6,444,194,040	64,044,194,040
Rivera Homes Property	9,800,000,000	1,263,800,687	11,063,800,687	9,800,000,000	3,912,939,985	13,712,939,985
Ha Long	107,200,001,000	(238,378,097)	106,961,622,903			
Total	309,000,001,000	12,302,165,997	321,302,166,997	96,200,000,000	11,677,636,960	107,877,636,960

(i) During the year, the Group additionally contributed VND 19,200,000,000, equivalent to 192,000 shares in Long Giang Engineering and Construction JSC. (formerly known as Long Giang Hanoi JSC.). As of the balance sheet date, the Group owned 480,000 shares, equivalent to 48% of charter capital of Long Giang Engineering and Construction JSC. (at the beginning of the year, the Group owned 288,000 shares, equivalent to 48% of charter capital).

(ii) During the year, the Group additionally contributed VND 86,400,000,000 in Rivera Investment., JSC. (formerly known as Long Giang Saigon JSC.). As of the balance sheet date, the Group owned 14,400,000 shares, equivalent to 48% of charter capital of Rivera Investment., JSC. (at the beginning of the year, the Group owned 5,760,000 shares, equivalent to 48% of charter capital).

(iii) As of the balance sheet date, the Group owned 980,000 shares, equivalent to 49% of charter capital Rivera Homes Property Exploitation and Management JSC.

(iv) The Group purchased 720,000 shares of Ha Long Construction JSC. from individuals with the face value of VND 72,000,000,000 (VND 100,000/share), the purchasing price of VND 107,200,001,000, paid in cash. As of the balance sheet date, the Group owned 720,000 shares, equivalent to 40% of charter capital of Ha Long Construction JSC.

The value of the Group's ownership in the associates is as follows:

	Ownership value at the beginning of the year	Gains or losses during the year	Additional investment value during the year	Associates shared dividends	Ownership value at the end of
Long Giang Engineering and Construction JSC.	30,120,502,935	15,310,807,062	19,200,000,000	(11,520,000,000)	53,111,309,997
Rivera Investment., JSC.	64,044,194,040	8,361,239,370	86,400,000,000	(8,640,000,000)	150,165,433,410
Rivera Homes Property Exploitation and Management JSC.	13,712,939,985	290,860,702	-	(2,940,000,000)	11,063,800,687
Ha Long Construction JSC. (*)		(238,378,097)	107,200,001,000		106,961,622,903
Total	107,877,636,960	23,724,529,037	212,800,001,000	(23,100,000,000)	321,302,166,997

(*) The figures in the financial statements of Ha Long Construction JSC., used for consolidation are those from the unaudited financial statements.

> Operation of associates

Except for Ha Long Construction JSC. which has not come into operation and not had any revenue yet, other associates are in their normal operation without major changes compared to the previous year.

> Transactions with associates

The material transactions between the Group and its associates are as follows:

	Current year	Previous year
Long Giang Engineering and Construction JSC. (Associate) (Formerly known as: Long Giang Hanoi JSC.)		
Additional capital contribution in the associate	19,200,000,000	
Dividends shared	11,520,000,000	-
Sales of selling goods and providing services	71,474,026,528	29,552,093,166
Project construction costs	46,347,829,752	322,323,399,091
Income from liquidation of assets	11,956,363,636	5,636,363,637
Capital contribution in Vu Trong Phung project	-	30,000,000,000
Refund of contribution capital in Vu Trong Phung project	30,000,000,000	-
Temporary calculation of result of business cooperation share in Vu Trong Phung project	1,134,246,575	2,536,109,589
Loan from the associate	37,000,000,000	-
Refund of loan to the associate	8,500,000,000	-
Offsetting liabilities	2,564,779,247	-
Rivera Investment., JSC. (Associate) (Formerly known as: Long Giang Saigon JSC.)		
Additional capital contribution in the associate	86,400,000,000	
Dividends shared	8,640,000,000	
Sales of selling goods and providing services	9,028,262,334	41,985,697,437
Sales of selling trade center floor of Thanh Thai project	-	224,252,352,236
Project construction costs	9,462,312,727	64,652,202,167
Expenses for purchasing materials, goods	2,141,897,145	-
Temporary calculation of result of business cooperation share in Vu Trong Phung project	2,090,136,987	2,585,227,397
Long Giang Engineering and Construction Joint Stock Company (Associate) (Formerly known as: Long Giang Hanoi JSC)		
Interest on late payment under agreement on transfer of trade center in Thanh Thai project	-	20,853,749,942
Capital contribution in Vu Trong Phung project	-	30,000,000,000
Refund of contribution capital in Vu Trong Phung project	30,000,000,000	-
Loan given	-	2,000,000,000
Refund of loan	-	10,000,000,000
Rivera Homes Property Exploitation and Management JSC. (Associate)		
Dividends shared	2,940,000,000	-
Sales of selling goods and providing services	-	854,938,376
Real estate brokerage fee	53,368,600	14,454,910,163
Building management service fee	6,241,315,371	5,159,294,124
Deposit for apartment distribution service	12,990,000,000	18,620,000,000

	Current year	Previous year
Interest payable under the exclusive marketing and distribution contract for the Rivera Park Sai Gon project	3,322,028,917	-
Interest already paid	1,640,000,000	-
Loan from the associate	29,910,000,000	-
Refund of loan to the associate	1,500,000,000	-
Loan interest payable to the associate	1,764,480,000	-
Payment penalty interest	1,595,187,806	-
Rivera Hanoi JSC. (Subsidiary - until 29 November 2019/Other related party - Since 30 November 2019)		
Additional capital contribution in the subsidiary		30,600,000,000
Advance to purchase commercial floor in Rivera Park Hanoi project	-	51,360,000,000
Sales of selling commercial floor	204,156,756,003	-
Sales of selling goods and providing services		233,769,021
Purchasing fixed assets	26,338,307,182	
Office rental	67,913,028	-
Interest due to late payment for commercial floor	239,800,010	-

• Investments, capital contribution in other entities

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Van Xuan Investment Urban Development JSC. (i)	7,000,000,000		7,000,000,000	
Long Giang TSQ JSC. (i)	10,000,000,000	(1,493,092,896)	10,000,000,000	(1,493,092,896)
Engineering Solution Supplying JSC. (i)	3,000,000,000		3,000,000,000	
Descon (i)	13,846,596,000	(13,846,596,000)	13,846,596,000	(13,846,596,000)
Dong Nai Producing Trading Services JSC. (Donatraco) (ii)	34,639,200,000		-	
Xuan Thuy Commercial Service Investment JSC. (iii)			8,912,187,500	
Rivera Hanoi JSC. (iv)	15,200,000,000			
Total	83,685,796,000	(15,339,688,896)	42,758,783,500	(15,339,688,896)

(i) Investments without change during the year

Company	Number of shares owned as of 31 Dec. 2019	Rate of ownership
Nghia Do Commercial - Service JSC.	1,063,872 shares	52.46%
Minh Phat JSC.	17,940,000 shares	65%
Rivera Homes Property Exploitation and Management JSC.	980,000 shares	49%
Van Xuan Investment Urban Development JSC.	700,000 shares	5%
Long Giang TSQ JSC.	1,000,000 shares	10%

(ii) The Company purchased 612,000 shares of Donatraco from Vinaneco Construction JSC. with the face value of VND 6,120,000,000 (VND 10,000/share), the purchasing price of VND 34,639,200,000. As of the balance sheet date, the Company owned 612,000 shares, equivalent to 15.3% of charter capital of Donatraco.

(iii) Xuan Thuy Commercial Service Investment JSC.:

During the year, the Company transferred all 866,400 shares, equivalent to 19% of charter capital of Xuan Thuy Commercial Service Investment JSC. to one individual with the transfer price of VND 34,656,000,000 (VND 40,000/share), the transfer interest of VND 25,743,812,500. After the purchase, this individual continued to sign an agreement on transferring the investment to Rivera Investment., JSC. (formerly known as Long Giang Saigon JSC.), which is the Company's associate, with the transfer price equal to the purchasing price from the Company.

(iv) Rivera Hanoi JSC. ("Rivera Hanoi"):

As of 1 January 2019, the Company contributed VND 30,600,000,000 in Rivera Hanoi, owned 51% of charter capital. During the year, the Company 2 times additionally contributed capital in Rivera Hanoi: The 1st time was on 5 June 2019, with the contribution capital of VND 9,600,000,000, equivalent to 960,000 shares; the 2nd time was on 15 November 2019, with the contribution capital of VND 40,000,000,000, equivalent to 4,000,000 shares. As of 15 November 2019, the Company owned 80.2% of charter capital of Rivera Hanoi.

On 29 November 2019, the Company transferred 6,500,000 shares, equivalent to 65% of charter capital of Rivera Hanoi to one individual with the transfer price of VND 71,500,000,000 (VND 11,000/share), the transfer interest of VND 6,500,000,000. After the purchase, this individual continued to sign an agreement on transferring the investment to Rivera Investment., JSC. (formerly known as Long Giang Saigon JSC.), which is the Company's associate, with the transfer price equal to the purchasing price from the Company.

As of the balance sheet, the Company only owned 1,520,000 shares, equivalent to 15.2% of charter capital of Rivera Hanoi, therefore, Rivera Hanoi has transformed from the subsidiary to the other investment.

> **Fair value**

For the investment with listed price, its fair value is determined in accordance with the listed price as of the balance sheet date. The Group has not determined fair value of investments without listed prices as there has not been any detailed guidance on determination of fair value.

Situation of fluctuation in provision for investments, capital contribution in other entities is as follows:

	Current year	Previous year
Beginning balance	15,339,688,896	1,493,092,896
Additional appropriation of provision	-	13,846,596,000
Refund of provision		
Ending balance	15,339,688,896	15,339,688,896

» **Receivable from customers**

	Ending balance	Beginning balance
Receivable from related parties	152,164,347,672	100,402,838,651
Rivera Investment., JSC.	47,134,557	91,703,149,984
Long Giang Engineering and Construction JSC.	2,950,079,675	4,992,551,557
Xuan Thuy Commercial Service Investment JSC.	447,753,648	2,523,362,060
Rivera Homes Property Exploitation and Management JSC.	2,244,194,401	926,676,515
Rivera Hanoi JSC. (*)	144,208,001,225	257,098,535
Individuals which are related parties - Receivable on purchasing apartments	2,267,184,166	-

	Ending balance	Beginning balance
Receivable from other customers	222,078,045,866	133,044,423,314
Receivable on selling apartments in Thanh Thai project	67,202,079,499	77,305,818,898
Receivable on selling apartments in Vu Trong Phung project	95,591,919,708	-
Others	59,284,046,659	55,738,604,416
Total	374,242,393,538	233,447,261,965

(*) Including the receivable from Rivera Hanoi JSC. on the transfer value of commercial floor in Rivera Park Hanoi project in accordance with the Asset Transfer Agreement No. 01/2018/HDCNTS/LGL-RHN dated 16 April 2018, total value of the transfer agreement is VND 204,156,756,003, the finalization value of the transfer agreement is determined upon the finalized value of cost items after audit and the asset area actually handed over. As regulated in the agreement, Rivera Hanoi JSC. would have to pay 90% of estimated value, however Rivera Hanoi JSC. has not made such payment. The official hand-over minutes of this commercial floor was signed on 15 November 2019 by two parties.

» Short-term prepayments to suppliers

	Ending balance	Beginning balance
Prepayments to related parties	8,273,161,332	53,912,505,262
Rivera Investment., JSC.	-	43,895,974,712
Long Giang Investment Group JSC.	8,273,161,332	8,273,161,332
Xuan Thuy Commercial Service Investment JSC.	-	84,028,560
Hung Tri Refrigeration Industrial JSC.	-	1,659,340,658
Prepayments to other suppliers	5,777,800,096	8,077,001,424
Other suppliers	5,777,800,096	8,077,001,424
Total	14,050,961,428	61,989,506,686

» Receivable on short-term loans

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Loans to related parties	17,220,565,424	(4,702,091,814)	94,957,454,314	-
The General Directors, BOM	11,918,473,610		12,655,362,500	
Mr. Nguyen Phan	600,000,000		75,600,000,000	
Rivera Investment, JSC. (i)	-		2,000,000,000	
Long Giang Investment Group JSC. (i)	4,702,091,814	(4,702,091,814)	4,702,091,814	
Loans to other organizations and individuals	81,391,848,625	(2,029,403,426)	14,991,848,625	(613,216,797)
Long Giang Construction JSC. (i)	1,416,186,629	(1,416,186,629)	1,416,186,629	
Long Viet JSC. (i)	-		10,000,000,000	
Nguyen Tan Cuong (ii)				
Nguyen Van Vien (ii)				
Vu Thanh Xuan (ii)				
Other organizations and individuals (i)	4,975,661,996	(613,216,797)	3,575,661,996	(613,216,797)
Total	98,612,414,049	(6,731,495,240)	109,949,302,939	(613,216,797)

(i) These are the loans without guarantee assets, with the term from 1 months to 12 months, the interest rate from 10.3% to 12.1%.

(ii) These are the loans to the individuals with the guarantee assets which are shares of Mr. Nguyen Phan in accordance with the 3-party mortgaging agreement to secure a value equivalent to the loan amount, the term of 12 months, the interest rate of 0%.

» Other short-term/long-term receivable

• Other short-term receivable

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Receivable from related parties	14,706,496,978		13,994,571,510	
BOM – Advance	-		8,686,905	
The General Directors – Advance and loan interest	11,763,180,978		12,097,200,361	
Xuan Thuy Commercial Service Investment JSC. – Dividends shared	-		1,536,000,000	
Rivera Investment., JSC. – Receivable on electricity charge, dividends	-		349,368,244	
Rivera Homes Property Exploitation and Management JSC. – Dividends shared	2,940,000,000			
Long Giang Investment Group JSC.	3,316,000		3,316,000	
Receivable from other organizations and individuals	226,167,688,597		159,337,034,123	
VAT on financial leasehold fixed assets	101,259,457		519,012,121	
Deposits and mortgages	162,355,806		162,355,806	
Advance	154,627,027,032		118,753,512,253	
Phan Thiet project	38,411,223,772		37,166,098,772	
Viet Hung project	10,586,724,735		13,687,619,694	
Vu Trong Phung project	-		10,294,409,650	
Thanh Thai project	-		10,516,611,993	
Other individuals	105,629,078,525		47,088,772,144	
Donatraco – Advance of share purchase	-		17,000,000,000	
Payment to individuals with a part of the contract value on purchasing shares of Viet Hung Garment Embroidery – Real Estate Investment JSC. (i)	4,000,000,000		21,889,000,000	
Ms. Bui Bich Van	500,000,000		2,188,900,000	
Mr. Bui Sy Hung	500,000,000		3,283,350,000	
Ms. Luong Thi Kim Oanh	3,000,000,000		16,416,750,000	
Estimated receipt of deposit and loan interest	1,714,911,174		616,014,823	
Receivable from individuals on transfer of shares of Rivera Hanoi JSC. (ii)	21,884,828,745			
Business cooperation capital contribution in 173 Xuan Thuy project (iii)	43,161,627,000			
Others	515,679,383		397,139,120	
Total	240,874,185,575		173,331,605,633	

(i) Contracts on purchasing 280,000 shares of Viet Hung Garment Embroidery – Real Estate Investment JSC. dated 20 September 2019 with individuals with total purchasing price of VND 8,820,000,000 (the price of VND 31,500,000/share), already paid VND 4,000,000,000 including VND 3,000,000,000 in cash, 2 times by bank deposits with the value of VND 500,000,000 for each. The remaining amount to be paid is VND 4,820,000,000 by offsetting 1 apartment in Rivera Park Hanoi project. As of 31 December 2019, the parties had not completed the procedures for share transfer.

(ii) Share Transfer Agreement No. 2911/2019/HDCNCP/LGL-TTCN dated 29 November 2019, transferring 6,500,000 shares equivalent to 65% of charter capital of Rivera Hanoi JSC. to the individuals with the transfer price of VND 11,000/share, total transfer value is VND 71,500,000,000.

(iii) Business cooperation capital contribution in accordance with the Contract No. 2512/2009/HD-KD dated 25 December 2009 to build the project of service trade center and housing at 173 Xuan Thuy with the Company's contribution capital of VND 45,442,122,000. The capital already contributed is VND 43,161,627,000. Obligations and rights of the parties are as stipulated in the signed Contract, Appendix. The profit of this business cooperation was shared with the amount of VND 4,729,144,090 which was recognized in 2015 by the Company.

• Other long-term receivable

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Receivable from related parties	45,957,820,000		84,214,447,000	
Long Giang Investment Group JSC.				
- Business cooperation capital contribution in Viet Hung New Urban Area Project - Hanoi (i)	45,957,820,000		41,052,820,000	
- Business cooperation capital contribution in 173 Xuan Thuy project			43,161,627,000	
Receivable from other organizations and individuals	8,427,404,194		9,590,203,501	
Deposits and mortgages	8,427,404,194		9,590,203,501	
Rivera Park Can Tho project	8,279,210,000		8,279,210,000	
Deposit for financial lease	148,194,194		1,310,993,501	
Total	54,385,224,194		93,804,650,501	

(i) Business cooperation capital contribution in accordance with the Contract No. 0406/2010/HD/HTKD/LGL-LGL dated 4 June 2010 to implement the high-rise residential building project at the Land lot CC05A - Viet Hung New Urban Area project - Hanoi with the Company's contribution capital of VND 40,930,890,000 equivalent to the rate of 90%. The capital already contributed is VND 45,957,820,000. Obligations and rights of the parties are as stipulated in the signed Contract, Appendix. The project is being implemented, and there has been no profit shared from this business cooperation.

» Bad debts

All bad debts are unrecoverable and for which provision is appropriated at the rate of 100%.

	Ending balance	Beginning balance
Related parties	4,702,091,814	-
Long Giang Investment Group JSC.	4,702,091,814	-
Other organizations and individuals	48,341,520,377	40,300,876,526
Vietnam Mechanization Electrification and Construction JSC.	21,700,610,682	21,700,610,682
Engineering Solution Supplying JSC.	548,772,197	548,772,197
Vietnam Engineering and Construction JSC.	5,586,161,832	5,586,161,832

	Ending balance	Beginning balance
COMA Land JSC.	956,866,074	956,866,074
Dong Duong Technology Construction Corporation	235,628,628	235,628,628
Long Viet JSC.	1,704,662,296	1,704,662,296
Hanoi Construction Joint Stock Company No. 1	2,700,617,731	2,700,617,731
Construction Company No. 1	725,814,494	725,814,494
Delta Group	681,210,289	681,210,289
Lilama Hanoi., JSC.	828,693,477	828,693,477
Bridge Company No. 12	644,405,913	644,405,913
Vinaconex	288,390,391	288,390,391
Long Giang Construction JSC.	8,258,536,004	
Others	3,481,150,369	3,699,042,522
Total	53,043,612,191	40,300,876,526

Situation of fluctuations in provision for bad debts and loans is as follows:

	Current year	Previous year
Beginning balance	40,300,876,526	45,030,020,616
Additional appropriation of provision	12,992,897,818	
Refund of provision	(250,162,153)	(4,729,144,090)
Ending balance	53,043,612,191	40,300,876,526

» Deficient assets to be treated

	Ending balance	Beginning balance
Cash	453,822,388	
Inventories	3,518,457,349	
Other short-term receivable	721,664,262	
Prepaid expenses	2,677,192,479	
Total	7,371,136,478	-

» Inventories

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Work in progress	46,672,131,731		1,240,926,755,024	
Thanh Thai project (i)	-		311,789,596,097	
69 Vu Trong Phung project (ii)	-		883,334,763,991	
Rivera Park Can Tho project	39,448,815,817		38,535,842,152	
Other projects	7,223,315,914		7,266,552,784	

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Merchandises	1,336,645,376	(1,290,710,441)	1,289,497,846	
Real estate goods	362,281,635,339			
Thanh Thai project	281,920,287,271			
69 Vu Trong Phung project	80,361,348,068		-	
Total	410,290,412,445	(1,290,710,441)	1,242,216,252,870	

(i) Investment project in construction of Thanh Thai Apartment Building in accordance with the Business Cooperation Contract (BCC) No. 0104/HTKD/LGL - VIE "Re. Cooperating on implementation of the Investment project in construction of Thanh Thai Apartment Building at the Land area B29 No. 7/28 Thanh Thai Road, Ward 14, District 10, Ho Chi Minh City" dated 1 April 2014 signed between the Company and Vietradico. Total borrowing costs capitalized into the project expenses during the year were VND 10,715,308,186 (those in the previous year was VND 14,459,696,657).

This project has been used as guarantee asset for the loan at SHB - Thang Long Branch.

(ii) Project of construction of office and service block and housing at No. 69 Vu Trong Phung in accordance with BCC No. 396A/HTKD "Re. Cooperating on implementation of the Investment project in construction of office and service block and housing at No. 69 Vu Trong Phung, Thanh Xuan, Hanoi" dated 15 October 2009 signed between the Company and VINAREMON., JSC. The rate of capital contribution of VINAREMON., JSC. under the contract is 38%, the two parties will divide the profit based on the rates of capital contribution in the contract. VINAREMON., JSC. is also entitled to receive and own 01 top floor (4th floor) of the office and service block with the area of about 1,805m² which is a turnkey product used for office as the recovery of contribution capital and ensured with a fixed profit after tax of USD 2,700,000 (at the USD buying exchange rate disclosed by Vietcombank on the payment date). Total borrowing costs capitalized into the project expenses during the year were VND 8,265,859,810 (those in the previous year were VND 45,114,708,390).

This project has been used as guarantee asset for the loan at BIDV - Transaction Office I.

» Long-term prepaid expenses

	Ending balance	Beginning balance
Expenses for tools, instruments	1,536,128,590	764,338,158
Land rental	579,390,880	
Selling expenses of Vu Trong Phung project	2,982,520,718	33,545,807,208
Sale consulting, management and brokerage fees	1,253,463,449	11,154,063,068
Sample house costs	536,423,595	6,738,179,373
Business freelance expenses	350,000,000	6,500,000,000
Others	842,633,674	9,153,564,767
Selling expenses of Thanh Thai project	43,814,587	143,417,603
Total	5,141,854,775	34,453,562,969

» Tangible fixed assets

	Buildings and structures	Machinery & equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	64,324,201	1,847,525,287	5,655,172,000	435,082,210	8,002,103,698
Purchase during the year	-	-	2,657,100,000	-	2,657,100,000
Liquidation, disposal	-	-	(459,900,000)	-	(1,787,234,810)

	Buildings and structures	Machinery & equipment	Vehicles	Office equipment	Total
Increase due to business consolidation		468,542,273	720,909,091	-	6,883,454,684
Ending balance	5,758,327,521	988,732,750	8,573,281,091	435,082,210	15,755,423,572
In which:					
Fully depreciated but being still in use	64,324,201	763,190,476	1,118,995,636	326,647,000	2,273,157,313
To be liquidated					
Depreciation					
Beginning balance	63,737,293	1,800,722,972	2,482,933,704	402,087,579	4,749,481,548
Depreciation during the year	586,908	9,016,540	1,047,909,166	30,815,951	1,088,328,565
Liquidation, disposal	-		(312,477,403)	-	(1,644,859,909)
Increase due to business consolidation	4,739,892,936	440,051,906	246,310,627	-	5,426,255,469
Ending balance	4,804,217,137	917,408,912	3,464,676,094	432,903,530	9,619,205,673
Net book value					
Beginning balance	586,908	46,802,315	3,172,238,296	32,994,631	3,252,622,150
Ending balance	954,110,384	71,323,838	5,108,604,997	2,178,680	6,136,217,899
In which:					
Temporarily unused					
To be liquidated					

Some tangible fixed assets of which the net book value is VND 4,137,247,487 have been mortgaged to secure the loans from Banks.

» Financial leasehold fixed assets

	Machinery & equipment	Vehicles	Office equipment	Total
Historical costs				
Beginning balance	17,500,000,000	10,495,665,455	6,896,297,141	34,891,962,596
Increase during the year	-	2,382,007,270	-	2,382,007,270
Repurchase of financial leasehold fixed assets		-	-	
Ending balance	-	12,877,672,725	6,896,297,141	19,773,969,866
Depreciation				
Beginning balance	5,517,329,525	4,191,002,092	5,569,009,878	15,277,341,495
Depreciation during the year	911,458,330	2,056,626,272	540,444,492	3,508,529,094
Repurchase of financial leasehold fixed assets	(6,428,787,855)			(6,428,787,855)
Ending balance	-	6,247,628,364	6,109,454,370	12,357,082,734
Net book value				
Beginning balance	11,982,670,475	6,304,663,363	1,327,287,263	19,614,621,101
Ending balance	-	6,630,044,361	786,842,771	7,416,887,132

» Intangible fixed assets

	Land use right	Computer software	Total
Historical costs			
Beginning balance	-	160,000,000	160,000,000
Increase during the year due to purchase	7,687,500,000		7,687,500,000
Ending balance	7,687,500,000	160,000,000	7,847,500,000
Depreciation			
Beginning balance	-	69,333,342	69,333,342
Depreciation during the year	-	32,000,004	32,000,004
Ending balance	-	101,333,346	101,333,346
Net book value			
Beginning balance	-	90,666,658	90,666,658
Ending balance	7,687,500,000	58,666,654	7,746,166,654

» Investment property

	Buildings	Commercial floor	Total
Historical costs			
Beginning balance	2,577,018,894		2,577,018,894
Increase due to business consolidation			-
Transfer from inventories		193,513,512,799	193,513,512,799
Liquidation, disposal		(193,513,512,799)	(193,513,512,799)
Ending balance	2,577,018,894	-	2,577,018,894
Depreciation			
Beginning balance	2,528,125,708		2,528,125,708
Depreciation during the year	48,893,186	3,547,747,735	3,596,640,921
Liquidation, disposal		(3,547,747,735)	(3,547,747,735)
Ending balance	2,577,018,894	-	2,577,018,894
Net book value			
Beginning balance	48,893,186	-	48,893,186
Ending balance	-	-	-

» Construction in progress

Including the construction costs of Rivera Park Villa Project in Mui Ne Ward, Phan Thiet City, Binh Thuan Province.

According to the Decision No. 3391/QĐ-UBND dated 7 December 2018 of the People's Committee of Binh Thuan Province approving the investment policy of the investor, Minh Phat JSC. on implementation of project investment with the following contents:

- Project objective: Investing in construction of commercial, service and hotel center in combination with construction of tourist villa area to trade tourist accommodation service in accordance with the project life circle.

- Project implementation location: Mui Ne Ward, Phan Thiet City, Binh Thuan Province, land area used of 116,204 m².

- Total investment capital: VND 1,374.3 billion, the project operation duration: 50 years commencing from 19 September 2007 (in accordance with the Decision No. 2439/QĐ-UBND dated 19 September 2007 of the Provincial People's Committee).
- Project schedule:
 - + From the 4th Quarter of 2018 to the 2nd Quarter of 2019: Completing procedures for land, environment, firefighting and prevention, preparing planning dossiers and applying for project construction license.
 - + 3rd Quarter of 2019: Implementing construction and completing the project at the end of the year 2020.
 - + 1st Quarter of 2021: Putting the project into business operation.

As of 31 December 2019, the project has performed compensation for households in the project area (based on the Minutes of actual land use area survey, the written agreement on compensation for relocation of houses and residential land of households, the Receipt of compensation).

The project construction has not been implemented yet as it is in the process of completing legal procedures for project construction license grant.

» Trade advantage

	Minh Phat JSC.	Nghia Do Commercial - Service JSC.	Viet Hung Real Estate., JSC.	Total
Total				
Beginning balance	53,210,688,978	80,821,588,067	-	134,032,277,045
Increase due to business consolidation			23,114,616,797	23,114,616,797
Other decrease				-
Ending balance	53,210,688,978	80,821,588,067	23,114,616,797	157,146,893,842
Amount allocated				
Beginning balance	10,642,137,796	5,172,743,342	-	15,814,881,138
Allocation during the year	5,321,068,898	6,950,494,868	2,311,461,680	14,583,025,445
Ending balance	15,963,206,694	12,123,238,210	2,311,461,680	30,397,906,583
Net book value				
Beginning balance	42,568,551,182	75,648,844,725	-	118,217,395,907
Ending balance	37,247,482,284	68,698,349,857	20,803,155,117	126,748,987,259

» Short-term payable to suppliers

	Ending balance	Beginning balance
Payable to related parties	84,448,043,735	152,471,331,797
Long Giang Engineering and Construction JSC.	59,743,311,696	47,349,589,269
Long Giang Investment Group JSC.	5,548,256,872	5,531,835,872
Rivera Investment., JSC.	7,781,192,235	75,029,521,953
Rivera Homes Property Exploitation and Management JSC.	241,499,420	15,502,744,778
Xuan Thuy Commercial Service Investment JSC.	2,041,656,293	3,168,882,170
Hung Tri Refrigeration Industrial JSC.	9,092,127,219	5,868,757,755
Hanoi Urban Architect Consulting JSC. - UAC	-	20,000,000
Payable to other suppliers	66,527,538,982	86,488,286,431
Meco Land JSC.	14,906,802,770	14,906,802,770
Others	51,620,736,212	71,581,483,661
Total	150,975,582,717	238,959,618,228

» Prepayments from customers

	Ending balance	Beginning balance
Prepayments from related parties	556,231,312	8,295,752,627
Rivera Investment., JSC.	549,779,644	8,295,752,627
Xuan Thuy Commercial Service Investment JSC.	6,451,668	
Prepayments from other customers	87,592,569,068	261,881,955,568
Prepayment for selling apartments in Vu Trong Phung project	75,148,610,673	259,424,891,125
Prepayment for selling apartments in Thanh Thai project	11,486,031,868	
Others	957,926,527	2,457,064,443
Total	88,148,800,380	270,177,708,195

» Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the year	Increase/decrease due to business	Amount already paid during the year	Decrease due to divestment in subsidiary	Ending balance
VAT on local sales	1,532,404,690	83,665,872,727	(180,314,122)	(68,198,511,303)		16,819,451,992
Corporate income tax (*)	58,273,628,070	31,454,431,636	(8,695,394)	(46,059,362,592)	(120,343,365)	43,539,658,355
Personal income tax	2,265,265,793	4,231,774,389	-	(2,455,314,330)		4,041,725,852
Property tax, land rental	80,016,430	4,734,000,928	267,885,256	(5,081,902,614)		-
Other taxes	45,339,657	431,027,728	-	(431,027,728)		45,339,657
Fees, legal fees and other duties	207,566,898	3,000,000		(3,000,000)	(207,566,898)	-
Total	62,404,221,538	124,520,107,408	78,875,740	(122,229,118,567)	(327,910,263)	64,446,175,855

(*) In which:

CIT paid by the Group	15,027,453,975
CIT paid on behalf of business cooperation parties	16,426,977,661
Total	31,454,431,636

Value added tax (VAT)

The Group has paid VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Group has to pay corporate income tax for taxable income at the tax rate of 20% (that in the same period of the previous year was 20%).

The determination of corporate income tax payable of the companies in the Group is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the consolidated financial statements could change when being examined by the Tax Office.

Other taxes

The Group have declared and paid these taxes in line with the prevailing regulations.

» **Accrued expenses**

	Ending balance	Beginning balance
Payable to related parties	10,987,068,755	11,587,068,755
Xuan Thuy Commercial Service Investment JSC. - Loan interest payable	10,987,068,755	11,587,068,755
Payable to other organizations and individuals	4,198,224,925	17,706,235,585
Loan interest expenses payable	2,492,270,095	2,603,133,451
Thanh Thai project expenses	-	1,669,637,082
Vu Trong Phung project expenses	-	13,188,235,087
Others	1,705,954,830	245,229,965
Total	15,185,293,680	29,293,304,340

» **Short-term unrealized revenue**

	Ending balance	Beginning balance
Unrealized revenue related to transactions with associates	32,304,141,221	11,373,452,109
Unrealized internal interest from transaction of selling commercial floor of Thanh Thai project to Rivera Investment., JSC. (Associate)	10,918,514,025	11,373,452,109
Unrealized internal interest from transaction of selling investments in Rivera Hanoi and Xuan Thuy (*)	15,437,710,600	
Unrealized internal interest from transaction of selling commercial floor of Vu Trong Phung project to Rivera Hanoi JSC. (Subsidiary of the associate)	5,947,916,597	-
Other unrealized revenue	266,818,181	-
Unrealized revenue from leasing investment property	266,818,181	-
Total	32,570,959,402	11,373,452,109

(*) As of 31 December 2019, these investments were owned by Rivera Investment., JSC. (Associate of the Group).

» **Other short-term/long-term payable**

• **Other short-term payable**

	Ending balance	Beginning balance
Payable to related parties	22,854,768,687	31,665,186,186
Long Giang Engineering and Construction JSC.	5,285,806,164	2,543,684,589
Temporary calculation of result of business cooperation share	3,670,356,164	2,536,109,589
Payable on loan interest	1,607,875,000	-
Other short-term payable	7,575,000	7,575,000
Rivera Investment., JSC.	6,054,226,065	2,981,501,597
Temporary calculation of result of business cooperation share	4,675,364,384	2,585,227,397
Payable on electricity charge paid on behalf	1,378,861,681	-
Other short-term payable	306,000,000	396,274,200
Mr. Nguyen Phan	5,000,000,000	5,000,000,000

	Ending balance	Beginning balance
Rivera Homes Property Exploitation and Management JSC.	1,682,028,917	18,620,000,000
Xuan Thuy Commercial Service Investment JSC. - Temporary calculation of result of business cooperation share	4,729,315,068	2,520,000,000
Rivera Hanoi JSC. (money wrongly transferred by customer)	103,392,473	
Payable to other organizations and individuals	211,673,846,655	161,251,617,911
Redundant assets to be treated	155,159,136	52,279,599
Trade Union's expenditure	916,521,692	826,920,778
Social insurance, health insurance, unemployment insurance	189,266,656	140,532,330
Receiving deposits and mortgages for real estate projects	75,015,669,584	17,898,879,714
Project maintenance fee	16,203,088,025	25,773,695,894
Apartment management fee of Thanh Thai project	367,042,332	434,929,931
Apartment management fee of Vu Trong Phung project	107,063,038	1,381,959,848
VINAREMON., JSC. - Temporary calculation of result of business cooperation share	48,403,805,406	18,010,605,405
Bach Viet Land., JSC. - Temporary calculation of result of business cooperation share	10,542,352,455	6,804,579,668
Vietradico - Temporary calculation of result of business cooperation share	58,489,268,088	78,773,986,829
Others	1,284,610,243	11,153,247,915
Total	234,528,615,342	192,916,804,097

- **Other long-term receivable**

	Ending balance	Beginning balance
Payable to related parties	10,232,722,500	10,232,722,500
Mr. Mai Thanh Phuong - Capital contribution in Viet Hung project	10,232,722,500	10,232,722,500
Payable to other organizations and individuals	1,758,410,632	2,728,410,632
Ms. Nguyen Thi Thu Huong - business cooperation in Sai Dong project	-	1,000,000,000
Long Thinh Co., Ltd. contributed capital in Can Tho project	458,599,632	458,599,632
Other individuals contributed capital in Vu Trong Phung project	1,269,811,000	1,269,811,000
Others	30,000,000	-
Total	11,991,133,132	12,961,133,132

- **Outstanding overdue debts**

The Group has not had any other outstanding overdue debts.

» Short-term/Long-term loans and financial lease debts

- **Short-term loans and financial lease debts**

	Ending balance	Beginning balance
Short-term loans from related parties	68,276,000,000	89,306,000,000
Xuan Thuy Commercial Service Investment	16,000,000,000	21,000,000,000
JSC. (i)	16,000,000,000	21,000,000,000
Rivera Investment., JSC. (i)	306,000,000	30,306,000,000

	Ending balance	Beginning balance
River Homes Property Exploitation and Management JSC. (ii)	28,410,000,000	
Other related parties (iii)	7,260,000,000	8,000,000,000
Short-term loans from banks	112,983,998,184	341,335,091,271
Agribank - Eastern Hanoi Branch (iv)	81,040,771,024	33,438,342,379
SHB - Thang Long Branch (v)	23,641,907,160	307,896,748,892
BIDV - Transaction Office I (vi)	8,301,320,000	
Short-term loans from other organizations	110,142,200,533	52,479,506,648
Vietradico., JSC. (vii)		9,734,354,367
Bach Viet Land., JSC. (i)	7,779,220,533	7,779,220,533
Van Xuan Investment Urban Development JSC. (viii)	4,338,990,000	4,338,990,000
Short-term loans from other individuals (iii)	98,023,990,000	30,626,941,748
Due long-term loans (See Note V.23b)	105,355,800,055	152,899,996,030
Due financial lease debts (See Note V.23b)	2,314,467,204	5,343,820,356
Total	399,072,465,976	641,364,414,305

The Group has solvency to pay short-term loans and financial lease debts.

(i) These are receipts of business cooperation capital contribution to implement “the project of trade center, service, office and housing at No. 69 Vu Trong Phung, Thanh Xuan District, Hanoi” signed with the partners, in which, the partners contribute capital which is managed by the Company and enjoy fixed profit, not depending on actual profit of the project. Details are as follows:

- BCC No. 2010/HDHTKD/LGL - XT dated 25 December 2017 signed with Xuan Thuy Commercial Service Investment JSC.
- BCC No. 2903/HDHTKD/LGL-LGSG dated 29 March 2018 signed with Rivera Investment., JSC. (formerly known as Long Giang Saigon JSC.). The contribution capital of Long Giang is VND 301,000,000,000 equivalent to 93.12% and the contribution capital of Rivera Investment., JSC. is VND 30,000,000,000 equivalent to 6.88%.
- BCC No. 3003/HDHTKD/LGL-LGHN dated 30 March 2018 signed with Long Giang Engineering and Construction JSC. (formerly known as Long Giang Hanoi JSC.). The contribution capital of Long Giang is VND 301,000,000,000 equivalent to 93.12% and the contribution capital of Long Giang Engineering and Construction JSC. is VND 30,000,000,000 equivalent to 6.88%.
- BCC No. 1706/HDHTKD/LGL - BVL dated 17 June 2013 and Contribution Capital Transfer Agreement No. 1601/2016/HDCN dated 16 January 2016 with Bach Viet Land., JSC. The rate of contribution capital of Bach Viet Land., JSC. as in the Agreement was 19%, two parties would share profit basing on the rates of contribution capital in the Agreement.

(ii) This is the loan from River Homes Property Exploitation and Management JSC. in accordance with the Loan Agreement No. 0105/HDVT dated 29 April 2019 with the term of 12 months, the interest rate of 12%/year, the loan purpose is to serve business operation.

(iii) These are individual loans in accordance with the Loan Agreements with the term of 12 months, the interest rate of 12%/year without guarantee assets. The purpose loan is to supplement capital for the implementation of the investment in Rivera Park Saigon project and Rivera Park Hanoi project.

(iv) This is the loan in accordance with the Credit Limit Agreement No.1420-LAV-201900335 dated 14 August 2019 with the credit grant limit of VND 100,000,000,000, the loan purpose is to supplement working capital serving business production, the loan term and the interest rate are specified for each debt receipt time. The guarantee assets are land use rights, housing ownership right and other assets associated with land of Mr. Le Ha Giang and Ms. Ngo Thi Thanh Hoa, Mr. Nguyen Quoc Chinh and other 2 individuals.

(v) This is the loan in accordance with the Credit Limit Grant Agreement No. 68/2016/HDHM-PN/SHB.110600 dated 9 March 2016 with the credit grant limit of VND 352,500,000,000, the loan purpose is to finance investment costs of Thanh Thai Apartment Building project, the interest rate is regulated in each debt receipt time, the maximum loan term is 12 months. The guarantee asset is the whole Thanh Thai Apartment Building project at No. 7/28, Thanh Thai Road, Ward 14, District 10, Ho Chi Minh City of which Long Giang Investment and Urban Development JSC. is the investor (see Note V.8).

(vi) This is the overdraft loan from BIDV with the interest rate of 7.36%/year, the maximum loan of VND 8,380,000,000, this loan is mortgaged by the whole bonds of the Company at the bank (see Note V.2b).

(vii) This is the receipt of business cooperation capital contribution in accordance with the BCC No. 0104/HTKD/LGL - VIE “Re-Cooperating on implementation of the Investment project in construction of Thanh Thai Apartment Building at the Land area B29 No. 7/28 Thanh Thai Road, Ward 14, District 10, Ho Chi Minh City” dated 1 April 2014. Vietradico would enjoy fixed profit under BCC not depending on actual profit of the project.

(viii) This is the loan in accordance with the Agreement No. 04/2011/VX dated 9 May 2011 without term, with the interest rate of 0%/month.

Details of increases/decreases of the short-term loans and financial lease debts are as follows:

	Beginning balance	Increases during the year	Transfer from long-term loans and debts	Amount already paid during the year	Other decrease	Ending balance
Short-term loans from related parties	89,306,000,000	43,800,000,000	-	(64,830,000,000)	-	68,276,000,000
Short-term loans from banks	341,335,091,271	131,874,240,213		(360,225,333,300)	-	112,983,998,184
Short-term loans from other	52,479,506,648	109,968,500,000	-	(52,189,594,367)	(116,211,748)	110,142,200,533
Due long-term loans	152,899,996,030	-	105,355,800,055	(152,899,996,030)	-	105,355,800,055
Due financial lease debts	5,343,820,356	-	2,314,467,204	(5,343,820,356)	-	2,314,467,204
Total	641,364,414,305	285,642,740,213	107,670,267,259	(635,488,744,053)	(116,211,748)	399,072,465,976

• Long-term loans and financial lease debts

	Ending balance	Beginning balance
Long-term loans from banks	1,729,604,960	166,075,307,240
BIDV - Transaction Office 1 (i)	-	165,041,964,240
OCB - Hanoi Branch	633,347,000	1,033,343,000
Sacombank - 8/3 Hanoi Branch	117,360,000	
TPBank - Hoan Kiem Branch (ii)	978,897,960	
Financial lease debts	1,581,613,323	3,733,057,258
VCBL (iii)	337,213,323	3,733,057,258
Vietinbank LC (iv)	1,244,400,000	
Total	3,311,218,283	169,808,364,498

The Group has solvency to pay long-term loans and financial lease debts.

(i) This is the loan in accordance with the Credit Agreement No. 01/2016/272693/HDTD dated 12 August 2016 with the limit of VND 500,000,000,000, the loan purpose is to finance valid expenses to invest in the implementation of the project of trade enter, service, office and housing at No. 69 Vu Trong Phung, Thanh Xuan, Hanoi. The loan term is 48 months with the floating interest rate, periodically adjusted every 3 months, the overdue interest rate is 130% of in-due interest rate. The grace period of the loan is 6 months in maximum commencing from the first disbursement date. After the termination of grace period, the loan principal will be periodically paid every 3 months. The debt payment schedule is made within 1 month before the termination of grace period. This loan was first disbursed on 1 September 2016. The guarantee asset is the whole project of trade center, service, office and housing at No. 69 Vu Trong Phung, Thanh Xuan, Hanoi.

(ii) This is the loan in accordance with Agreement No. 238/2019/HDTD/LNH/01 dated 10 May 2019, the loan purpose is to pay for the purchase of Toyota Landcruise VX car with the plate No. 30F - 118.35, the interest rate of 8.9%/year, the term of 48 months commencing from the following date of the first disbursement date. The guarantee asset is the asset formed from the loan capital.

(iii) These are the financial lease debts in accordance with the Financial Lease Agreements in the years 2015 and 2016 with the lease term from 48 months to 60 months, the floating interest rate. The lease assets are machinery, equipment serving business operation. The debt principal and interest are paid monthly.

(iv) These are the financial lease debts in accordance with the Financial Lease Agreement No. 01.020/2019/TSC-CTTC dated 11 April 2019 and the Agreement Appendix No. 01 dated 10 May 2019 with Vietinbank LC with the lease term of 48 months, the interest rate of 9%. The lease assets are two Hyundai Santafe cars. The debt principal and interest are paid monthly.

Payment schedule of the long-term loans and financial lease debts is as follows:

	Total debts	Under 1 year	From 1 year to 5 years	Over 5 years
Ending balance				
Long-term loans from banks		105,355,800,055	1,729,604,960	
Financial lease debts	3,896,080,527	2,314,467,204	1,581,613,323	
Total	110,981,485,542	107,670,267,259	3,311,218,283	-
Beginning balance				
Long-term loans from banks		152,899,996,030	166,075,307,240	
Financial lease debts	9,076,877,614	5,343,820,356	3,733,057,258	
Total	328,052,180,884	158,243,816,386	169,808,364,498	-

Details of increases/decreases of the long-term loans and financial lease debts are as follows:

	Beginning balance	Increase during the year	Increase due to business consolidation	Amount already paid during the year	Transfer to short-term loans and debts	Ending balance
Long-term loans from banks	166,075,307,240	11,581,178,561	280,560,000	(70,851,640,786)	(105,355,800,055)	1,729,604,960
Financial lease debts	3,733,057,258	2,133,280,000	-	(1,970,256,731)	(2,314,467,204)	1,581,613,323
Total	169,808,364,498	13,714,458,561	280,560,000	(72,821,897,517)	(107,670,267,259)	3,311,218,283

• **Outstanding overdue loans and financial lease debts**

The Group has not had any outstanding overdue loans and financial lease debts.

» **Bonus and welfare funds**

	Beginning balance	Increase due to appropriation from profit	Increase due to business consolidation	Disbursement during the year	Ending balance
Bonus and welfare funds	4,615,266,842	11,098,172,905	36,469,290	(5,011,300,132)	10,738,608,905
Bonus fund for the Executive Officers	593,389,094	-		-	593,389,094
Total	5,208,655,936	11,098,172,905	36,469,290	(5,011,300,132)	11,331,997,999

» Owner's equity

• Statement of fluctuations in owner's equity

	Owner's contribution capital	Share premiums	Treasury stocks	Business promotion fund	Owner's other funds	Retained profit after tax	Non-controlling interest	Total
Beginning balance of the previous year	345,966,840,000	46,582,114,165	(43,500,000)	13,637,461,984	6,424,999,651	104,162,269,206	13,098,805,504	
Capital increase from share premiums(*)	44,968,121,200							-
Issuing shares to receive cash (*)	84,847,360,000							84,847,360,000
Capital increase from retained profit (*)	24,217,678,800			(24,217,678,800)				-
Issuance costs to increase capital		(155,000,000)						(155,000,000)
Profit during the year						110,981,729,052	3,393,333,203	114,375,062,255
Appropriation of funds				9,137,695,303	4,568,847,651	(22,970,174,161)		(9,263,631,207)
Increase due to business consolidation				381,945,496	317,377,988	1,473,859,261	105,487,748,326	107,660,931,071
Share of dividends, profit								
Other increase, decrease						366,261,321		366,261,321
Allowances for the BOM, the Control Board						(920,000,000)		(920,000,000)
Ending balance of the previous year	500,000,000,000	1,458,992,965	(43,500,000)	23,157,102,783	11,311,225,290	116,445,565,879	121,979,887,033	
Beginning balance of the current year	500,000,000,000	1,458,992,965	(43,500,000)	23,157,102,783	11,311,225,290	116,445,565,879	121,979,887,033	
Profit during the year	-	-	-	-	-	62,189,572,003	6,558,598,092	68,748,170,095
Appropriation of funds	-	-	-	11,098,172,905	5,549,086,453	(27,745,432,263)		(11,098,172,905)
Share of dividends during the year							(674,889,600)	
Non-controlling shareholders additionally contributed capital in RVR Hanoi							500,000,000	500,000,000
Change in interest rate in RVR Hanoi						(76,127,052)	76,127,052	-
Increase due to business consolidation (Viet Hung)	-	-	-	-	-		8,661,838,764	8,661,838,764
Decrease due to divestment in the subsidiary (RVR Hanoi)								
Adjustment in interest of non-controlling shareholders at the beginning of the period						284,812,649	(284,812,649)	-
Other decrease	-	-	-	-	-	(19,033,475)		(19,033,475)
Allowances for the BOM, the Control Board and other expenses	-	-	-	-	-			
Ending balance of the current year	500,000,000,000	1,458,992,965	(43,500,000)	34,255,275,688	16,860,311,743	90,002,837,742	116,991,795,994	759,525,714,133

• Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	50,000,000	50,000,000
Number of shares already issued	50,000,000	50,000,000
- Common shares	50,000,000	50,000,000
- Preferred shares		
Number of shares repurchased	(2,900)	(2,900)
- Common shares	(2,900)	(2,900)
- Preferred shares		
Number of outstanding shares	49,997,100	49,997,100
- Common shares	49,997,100	49,997,100
- Preferred shares		

Face value per outstanding share: VND 10,000.

• Profit distribution

During the year, the Company has distributed profit in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/2019/NQ-DHDCDTN dated 27 April 2019 as follows:

	VND
Share of dividends to shareholders	59,996,520,000
Appropriation of bonus and welfare funds	11,098,172,905
Appropriation of business promotion fund	11,098,172,905
Appropriation of reserved fund for charter capital supplement	5,549,086,453
Allowances for the BOM, the Control Board	1,080,000,000



ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

» Sales of selling goods and providing services

• Gross sales

	Current year	Previous year
Sales of selling goods, materials	125,995,730,609	65,684,823,329
Sales of providing services	20,623,928,540	11,852,677,761
Sales of selling real estate	933,250,299,006	1,095,057,796,639
Sales of selling investment property	204,156,756,003	
Others	66,771,611	
Total	1,284,093,485,769	1,172,595,297,729

• Sales of selling goods and providing services to related parties

Apart from transactions of selling goods and providing services to the subsidiaries and the associates as presented in Note V.2c, the Company has also had transactions of selling goods and providing services to related parties which are not subsidiaries and associates as follows:

	Current year	Previous year
Board members	3,185,812,281	-
Members of the Control Board	2,248,181,821	-
Key managers' related individuals	15,511,821,449	-

» Costs of goods sold

	Current year	Previous year
Costs of goods already sold	110,271,721,683	31,072,072,863
Costs of services already provided	16,727,269,035	11,032,555,676
Costs of selling real estate	675,652,732,837	841,797,755,678
Depreciation of investment property	3,547,747,735	
Costs of investment property already sold	189,965,765,064	
Provision for devaluation of inventories	1,290,710,441	-
Total	997,455,946,795	883,902,384,217

» Financial income

	Current year	Previous year
Termed deposit interest, loan interest	4,841,173,620	4,033,121,239
Demand deposit interest	174,394,735	78,371,098
Dividends shared	1,828,117,500	2,024,302,650
Gain on liquidation of other investments	13,386,782,500	-
Gain on liquidation of a part of investment in Rivera Hanoi JSC.	3,337,403,983	-
Others	652,554,673	1,435,562
Total	24,220,427,011	6,137,230,549

» Financial expenses

	Current year	Previous year
Loan interest expenses, expenses for share of fixed profit for business cooperation	88,284,285,475	112,585,966,006
Provision/(Refund of provision) for devaluation of trading securities and investment loss	72,600	13,846,646,600
Others	409,184,986	67,401,000
Total	88,693,543,061	126,500,013,606

» Selling expenses

	Current year	Previous year
Expenses for staff	7,181,482,087	-
Interest rate support costs	37,716,457,581	-
Business freelance expenses	68,376,488,504	27,573,199,304
Others	26,079,073,791	11,452,268,297
Total	139,353,501,963	39,025,467,601

» Administrative overheads

	Current year	Previous year
Expenses for staff	3,705,609,966	651,356,148
Expenses for managing materials	60,557,010	13,411,459
Expenses for office stationery	49,546,514	7,831,578
Depreciation of fixed assets	299,579,781	1,591,907,619
Taxes, fees and duties	132,750,809	367,630,551
Provision/(Refund of provision) for bad debts	12,742,735,665	(4,729,144,090)
Allocation of trade advantage	14,583,025,445	10,493,812,240
External services hired	486,342,964	114,706,502
Others	540,470,980	518,190,093
Total	32,600,619,135	9,029,702,100

» Other income

	Current year	Previous year
Gain on disposal, liquidation of fixed assets, investment property	991,503,861	4,000,035,002
Proceeds from liquidation	12,229,090,909	5,636,363,637
Net book value of liquidated fixed assets	(11,237,587,048)	(1,636,328,635)
Penalty due to breach of contracts (late payment for apartment and late payment)	10,115,481,919	21,217,278,200
Others	119,420,351	60,000,000
Total	11,226,406,131	25,277,313,202

» Other expenses

	Current year	Previous year
Interest on late payment	6,850,278,099	6,566,636,538
Others	508,555,213	21,462,834
Total	7,358,833,312	6,588,099,372

» Earnings per share

• Basic earnings/Declined interest per share

	Current year	Previous year
Accounting profit after corporate income tax of the Holding Company's shareholders	62,189,572,003	110,981,729,052
Allowances for the BOM, the Control Board	(1,200,000,000)	(1,080,000,000)
Appropriation of bonus, welfare funds	(6,218,957,200)	(11,098,172,905)
Increase/decrease adjustments of accounting profit to determine profit contributed to the common shareholders:	-	-
Profit for determination of basic earnings per share	54,770,614,803	98,803,556,147
Weighted average number of common shares outstanding during the year	49,997,100	46,007,969
Basic earnings/Declined interest per share	1,095	2,148

• Average common shares outstanding during the year

	Current year	Previous year
Ordinary shares outstanding at the beginning of the year	49,997,100	34,593,784
Effects of capital increase from shares premium	-	4,496,812
Effects of capital increase from profit	-	2,421,768
Effects of issuing shares to increase capital	-	4,495,605
Average ordinary shares outstanding during the year	49,997,100	46,007,969

• Other information

Basic earnings per share in the previous year have been re-calculated due to deduction of appropriation of bonus and welfare funds, allowances for the BOM, the Control Board when determining profit used for calculation of basic earnings per share in accordance with the guidance of the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. This adjustment has made basic earnings per share in the previous year decrease from VND 2,412 down to VND 2,148.

» Operating expenses per element

	Current year	Previous year
Expenses for materials	1,769,964,321	1,662,190,797
Labor costs	22,801,637,373	21,701,340,859
Depreciation of fixed assets	4,628,857,663	1,591,907,619
Contingent expenses	12,742,735,665	5,935,865,396
External services hired	731,385,023,055	731,145,846,070
Others	264,060,106,750	266,868,832,677
Total	1,037,388,324,827	1,028,905,983,418

OTHER INFORMATION

» Transactions and balances with related parties

Related parties of the Group include: the key managers, their related individuals and other related parties.

• Transactions and balances with the key managers and their related individuals

The key managers include: the Board members and the Executive officers (the General Directors). Related individuals with the key managers are their relatives.

> Transactions with the key managers and their related individuals

Transactions of selling goods and providing services to the key managers and their related individuals are presented in Note VI.1b. Other transactions with the key managers and their related individuals are as follows:

	Current year	Previous year
The Executive Officers		
Advance	262,000,000	489,200,000
Refund of advance	854,595,061	240,000,000
Refund of loan principal	740,000,000	-
Loan interest expenses	400,457,777	-
Board members		
Payment of dividends	12,246,328,020	10,685,369,000
Key managers' related individuals		
Loan interest expenses	365,000,000	-

> Guarantee commitment

The Board members and the Executive Officers have used their assets to secure some loans of the Company (See Note V.21a for further information).

> Liabilities with the key managers and their related individuals

Liabilities with the key managers and their related individuals are presented in Notes V.5, V.6a, V.19, V.20a and V.21a.

Liabilities receivable from the key managers and their related individuals are unsecured and will be paid in cash. No provision for bad debts has been prepared for liabilities receivable from the key managers and their related individuals.

> Income of the key managers

	Current year	Previous year
Salary	3,495,386,825	4,254,552,918
Bonus	20,000,000	-
Allowances	1,080,000,000	920,000,000
Total	4,595,386,825	5,174,552,918

• Transactions and balances with other related parties

Other related parties of the Group include:

Other related parties	Relationship
Long Giang Engineering and Construction JSC.	Associate
Rivera Investment., JSC.	Associate
Rivera Homes Property Exploitation and Management JSC.	Associate
Ha Long Construction JSC.	Associate
Long Giang Investment Group JSC.	Large shareholder
Xuan Thuy Commercial Service Investment JSC.	Related party of the Board Chairman
Consultancy Company limited of University of Civil Engineering (CCU)	Related party of the Board member
Hanoi Urban Architect Consulting JSC. (UAC)	Related party of the Board member
Hung Tri Refrigeration Industrial JSC.	Related party of the Board member
Rivera Hanoi JSC.	Other related party since 30 Nov. 2019

> Transactions with other related parties

Apart from transactions with the associates as presented in Note V.2c, the Group has also had other transactions with other related parties as follows:

	Current year	Previous year
Xuan Thuy Commercial Service Investment JSC.		
Sales of selling goods and providing services	572,727,272	1,248,774,544
Expenses for hiring premises, electricity and water charges	677,659,931	2,502,132,149
Temporary calculation of result of business cooperation share of Vu Trong Phung project	2,209,315,068	2,520,000,000
Loan interest expenses	101,342,121	101,342,121
Dividends shared	1,039,680,000	-
Refund of contribution capital in VTP project	5,000,000,000	-
Long Giang Investment Group JSC.		
Transferring contribution capital for construction of high-rise building at Land lot CC-05A under Viet Hung New Urban Area Project, Long Bien District	4,905,000,000	33,161,627,000

	Current year	Previous year
Consultancy Company limited of University of Civil Engineering (CCU)		
Expenses for preparing project architecture dossiers	2,014,400,805	-
Hung Tri Refrigeration Industrial JSC.		
Construction costs of air-conditioner system	25,784,036,227	-
Payment of construction costs	23,525,624,403	-

The prices of goods and services provided for other related parties are the agreement prices. The purchase of goods and services from other related parties is implemented in accordance with the agreement prices.

> **Liabilities with other related parties**

Liabilities with other related parties are presented in Notes V.3, V.4, V.5, V.6a, V.16, V.17, V.19, V.20a and V.21a.

Liabilities receivable from other related parties are unsecured and will be paid in cash. No provision for bad debts has been prepared for liabilities receivable from other related parties.

> **Guarantee commitment**

As of 4 October 2019, the Company's BOM approved to grant the guarantee to Rivera Homes Property Exploitation and Management JSC. for bank capital loan to ensure the business production.

As of 5 January 2019, the Company's BOM approved to grant the guarantee to Rivera Investment., JSC. for financial lease in VietinBank Leasing Company to invest in fixed assets serving business operation.

» **Segment information**

The primary reporting format is presented in accordance with business segments as the Group's operations are organized and managed based on the nature of products and services provided by the Group with each segment which is a business unit providing various products and serving for different markets.

• **Business segments**

The Group has had the major business segments as follows:

- Real estate trading segment
- Financial investment segment
- Other segments

Information on the business results, fixed assets, other long-term assets and non-cash large expenses of business segments of the Group is presented as follows:

	Real estate trading segment	Financial investment segment	Other segments	Total
Current year				
Net sales of selling goods and providing services externally	1,176,697,645,093		146,686,430,760	1,323,384,075,853
Sales of financial investments		47,656,577,566		47,656,577,566
Total net sales of selling goods and providing services	1,176,697,645,093	47,656,577,566	146,686,430,760	1,371,040,653,419
Costs	(914,606,273,094)		(122,140,263,785)	(1,036,746,536,879)
Loan interest expenses and business cooperation share interest	(96,186,858,632)	-	-	(96,186,858,632)
Provision/(Refund of provision) for devaluation of trading securities and investment loss	-	7,902,500,557	-	7,902,500,557
Selling expenses	(139,353,501,963)	-	-	(139,353,501,963)
Other income	10,115,481,919	-	-	10,115,481,919
Current corporate income tax	(13,636,023,964)	-	-	(13,636,023,964)
Segment business results	23,030,469,359	55,559,078,123	24,546,166,975	103,135,714,457
Expenses not allocated for each segment				(32,600,619,135)
Other financial income and demand deposit interest				288,378,482
Other financial expenses				(409,184,986)
Other income				1,110,924,212
Other expenses				(7,358,833,312)
Current corporate income tax				(1,391,430,011)
Deferred corporate income tax				5,973,220,388
Profit after corporate income tax				68,748,170,096
Total expenses arising to purchase fixed assets and other long-term assets				6,400,535,500
Total depreciation expenses and allocation of long-term prepaid expenses				5,362,525,092

	Real estate trading segment	Financial investment segment	Other segments	Total
Previous year				
Net sales of selling goods and providing services externally	1,097,730,312,446		74,864,985,283	1,172,595,297,729
Sales of financial investments		17,020,354,676		17,020,354,676
Total net sales of selling goods and providing services	1,097,730,312,446	17,020,354,676	74,864,985,283	1,189,615,652,405
Costs	(842,931,685,939)		(40,970,698,278)	(883,902,384,217)
Loan interest expenses and business cooperation share interest	(117,755,209,279)			(117,755,209,279)
Provision/(Refund of provision) for devaluation of trading securities and investment loss		(8,677,403,327)		(8,677,403,327)
Selling expenses	(39,025,467,601)			(39,025,467,601)
Other income	21,217,278,200			21,217,278,200
Current corporate income tax	(39,047,536,454)			(39,047,536,454)
Segment business results	80,187,691,373	8,342,951,349	33,894,287,005	122,424,929,727
Expenses not allocated for each segment				(9,029,702,100)
Other financial income and demand deposit interest				594,594,718
Other financial expenses				(67,401,000)
Other income				4,060,035,002
Other expenses				(6,588,099,372)
Current corporate income tax				(327,833,796)
Deferred corporate income tax				3,308,539,077
Profit after corporate income tax				114,375,062,255
Total expenses arising to purchase fixed assets and other long-term assets	34,073,585	568,054,278	6,148,501	608,276,364
Total depreciation expenses and allocation of long-term prepaid expenses	360,203,641	6,005,098,058	64,997,932	6,430,299,631

Assets and liabilities of business segments of the Group are as follows:

	Real estate trading segment	Financial investment segment	Other segments	Total
Ending balance				
Direct assets of segments	912,075,746,050	800,151,214,688	6,578,947,288	1,718,805,908,026
Assets allocated for segments				-
Assets not allocated for each segment				57,369,077,349
Total assets				1,776,174,985,376
Direct payable liabilities of segments	855,006,413,389		19,272,448,040	874,278,861,429
Payable liabilities allocated for segments				-
Payable liabilities not allocated for each segment				142,370,409,816
Total payable liabilities				1,016,649,271,244
Beginning balance				
Direct assets of segments	1,619,238,961,021	558,589,864,425	11,648,527,171	2,189,477,352,617
Assets allocated for segments				
Assets not allocated for each segment				224,205,017,211
Total assets				2,413,682,369,828
Direct payable liabilities of segments		-	31,220,946,234	1,520,063,083,987
Payable liabilities allocated for segments				
Payable liabilities not allocated for each segment				119,310,011,891
Total payable liabilities				1,639,373,095,878

- **Geographical segments**

All the operations of the Group only take place in Vietnamese territory.



» Comparative figures

The Group adjusted, reclassified some items in the consolidated financial statements for the fiscal year ended 31 December 2018 in conformity with the prevailing regulations.

Effects of this adjustment on comparative figures in the financial statements are as follows:

	Code	Figures before adjustment	Adjustment	Adjusted figures
Consolidated balance sheet				
Receivable on short-term loans	135	34,349,302,939	75,600,000,000	109,949,302,939
Other short-term receivable	136	248,931,605,633	(75,600,000,000)	173,331,605,633
Other short-term payable	319	193,222,804,097	(306,000,000)	192,916,804,097
Short-term loans and financial lease	320	641,058,414,305	306,000,000	641,364,414,305
Consolidated cash flow statement				
Loan interest expenses	06	40,879,965,963	71,706,000,043	112,585,966,006
Increase, decrease of accounts payable	11	3,613,943,624	(71,706,000,043)	(68,092,056,419)

» Subsequent events

There have been no material events after the balance sheet date, which need to make adjustments on the figures or the disclosures in the consolidated financial statements.

Prepared on 8 April 2020

Prepared by

Pham Thu Trang

Chief Accountant

Dang Thi Loan

Board Chairman



Le Ha Giang

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