



ANNUAL REPORT

2019

Embracing Challenge,
Sustainable Growth





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CENLAND 2019 & MESSAGE FROM CHAIRMAN

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Message from Chairman

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Five-year Achievements (2014 – 2019)

01 MESSAGE FROM CHAIRMAN



“

Professional realtors are essential for real estate developers in the most difficult contexts. Everything we do with desire to solve the problems of the real estate market, thereby solving life's problems.. The entire Cen team hold strong belief in working to help people having a better and happier life.

As the market leader in real estate brokerage and secondary investment in Vietnam, CenLand has been constantly changing to adapt itself to the booming of 4.0 revolution. CenHomes proptech platform which is methodically and professionally invested by CenLand with the highest technology, combined with STDA , the elite and skilled sales force of CenLand, will provide the best services in the safest and most reliable way to investors, clients and partners.

CenLand Chairman **Nguyen Trung Vu**

02 VISION – MISSION – CORE VALUES



VISION

- ❖ The leading real estate distributor in Vietnam
- ❖ The most professional secondary investor in Vietnam
- ❖ The trusted partner of domestic and foreign real estate developers

MISSION

- ❖ To provide real estate services conveniently, safely and transparently
- ❖ To make Vietnam brokerage professional and recognized internationally
- ❖ To accompany real estate developers, investors and clients in the real estate value chain

CORE VALUES

CenLand always maintains the market leadership position in real estate marketing and brokerage with the motto of bringing **“the real property, the real value”** to investors, clients and employees.

On that basis, the Company expand its real estate ecosystem in real estate secondary investment and other services.

PHILOSOPHY OF BUSINESS

We serve and solve society's problems, thereby making value to community and businesses.



03 CenLand 2019 Highlights

▶ **2.325** BILLION-VND
REVENUE

▶ **393** BILLION-VND
PROFIT AFTER TAX

▶ **11.800**
TRANSACTIONS

▶ **1.898** BILLION-VND
OWNER'S EQUITY

▶ **1.984** BILLION-VND
MARKET CAPITALIZATION

▶ **17** REPRESENTATIVE
OFFICES

▶ **800** BILLION-VND
CHARTER CAPITAL

▶ **2.682** BILLION-VND
TOTAL ASSETS

▶ **4.860** VND
EARNINGS PER SHARE (EPS)

▶ ABOUT **3.000**
EMPLOYEES

04

10 Notble
Events
2019



01

OFFICIAL DEBUT OF CENHOMES.VN PLATFORM – MAY 10, 2019

On May 10 2019, CenHomes made its official debut in Vietnam through an exhibition of real estate technologies at My Dinh Athletics Complex, Hanoi. The event is live broadcast on VTC3 channel and livestreamed on many Facebook pages of KOLs. At the show, customers are not only updated with the latest trends of real estate market, but they can also directly experience new innovations in real estate transactions from CenHomes.



CenHomes is a pioneering proptech platform invested and developed by CenLand. By integrating smart technologies into real estate transactions, CenHomes is well expected to help change the mindset of local customers and investors, then they can switch from traditional passive real estate transactions to easier and more active ones. In order to create new experiences and optimize searching process for users at CenHomes, the website is integrated with the key technologies of Industrial Revolution 4.0 such as AI and Big data, to help exploit information, record market trends, and give 24/7 support to valued customers.



02

LAUNCHING CEN X SPACE CO-WORKING SPACE – APRIL 2019

In April 2019, Cen X Space co-working space model is put into operation at Level 3, Dolphin Plaza, 6 Nguyen Hoang Street, My Dinh Ward, Hanoi. In the next five years, Cen X Space is expected to become the largest co-working space in Vietnam and the region, supporting startups, organizations and individuals with “The real property, the real services”.



03

The cooperation signing ceremony to develop Vuon Sen Township between CenLand and Dabaco Group - APRIL 2019

On April 4 2019, “The cooperation signing ceremony to develop Vuon Sen Township between CenLand and Dabaco Group” was held at Dabaco Group’s headquarters, 35 Ly Thai To Street, Bac Ninh City. In the prime location in Tu Son Town where many engineers and experts from Japan and South Korea are working in factories such as Canon Que Vo, Honda, Toyota Thang Long, Samsung, etc, Vuon Sen Township is synchronously developed with holistic amenities including sports area, community area, hospital, school, services and residential area. Spanning an area of 17 ha, CenLand only allocates 28.8% to build precincts with more than 400 shophouses and terraced houses (100m2 - 120m2/ house).



04

CENLAND EXCLUSIVELY DISTRIBUTES GOLDEN HILLS PROJECT- JANUARY 2019

On January 27 2019 at Tam Villa (Golden Hills Township, Lien Chieu District, Da Nang), Trung Nam Land, Kita Land and CenLand signed investment cooperation agreement to distribute Golden Hills project exclusively by CenLand.

Under the cooperation agreement between the Parties, Trung Nam Land is the developer, Kita Land plays a role as a co-developer; CenLand is the exclusive sales agency of Golden Hills project. This cooperation will maximize Trung Nam Land’s financial potential and enthusiasm; Kita Land’s vision and CenLand’s market awareness.

Golden Hills is the first-scale project in the Central spanning about 400 ha, including 6 precincts (A, B, C, D, E) and the island with synchronous amenities such as the shopping center, entertainment, school, etc.

Golden Hills is designed and planned by S.O.M (Skidmore, Owings & Merrill LLP), a well-known brand of hotel design for US President Donald Trump in Chicago, designing the world’s tallest building at Dubai and Phu My Hung project in Vietnam.



05

The signing ceremony of the cooperation agreement to develop EUROWINDOW RIVER PARK project - September 2019

On September 19 2019, Eurowindow Holding and Century Land Joint Stock Company (CenLand) signed the cooperation agreement to develop Eurowindow River Park project at Hanoi Daewoo Hotel.

Eurowindow River Park is located in Dong Hoi Commune, Dong Tru, Dong Anh, Hanoi; near Dong Tru Bridge and the intersection of the Red River and Duong River. From the project, residents can easily get access to Hanoi Old Quarter via Long Bien Bridge; Noi Bai International Airport via Truong Sa Boulevard, etc. Eurowindow River Park promises to become the most livable township in the Northeast of Hanoi. The project has a series of luxurious and modern facilities and amenities such as: 1,700 m2 supermarket, school, gym, spa, swimming pool, park, Japanese garden, etc.



06

CENLAND EXCLUSIVELY DISTRIBUTES THE MANOR CENTRAL PARK PROJECT – NOVEMBER 2019

In the last “golden” location in the Southwest of Hanoi, The Manor Central Park is designed by internationally renowned architects, engineers and master planners such as Japanese architectural firm KumeSekkei; EE&K a Perkins Eastman company which is internationally recognized for integrating the design of Battery Park City and Qibao Town Center; Carlos Zapata American architect who is known for his work on the Bitexco Financial Tower and JW Marriott Hanoi Hotel.

The Manor Central Park promises a happy life, a welcoming community, and a home surrounded by more green spaces than any other urban townships. Bitexco Group trusts in CenLand as the exclusive sales agency of The Manor Central Park project.



07

CENLAND TO BE PRAISED FOR COMPLIANCE WITH TAX OBLIGATIONS AND POLICIES IN 2018 BY HANOI TAX DEPARTMENT AND DONG DA DISTRICT PEOPLE’S COMMITTEE.

- On March 15, 2019 CenLand was awarded the Certificate of Merit by the Chairman of Dong Da District People’s Committee for fulfilling the tax obligations in 2018 at the conference on “Solutions and Commendation of Taxpayers in 2018”

- On October 11, 2019 at La Thanh Guesthouse, Ba Dinh District, Hanoi, Hanoi Tax Department held the Conference on “Commendation of Taxpayers in 2018”.

CenLand has been recognized and praised for compliance with tax obligations and policies for many years. This is not only obligation but also the responsibility to society.



08

CENLAND - TOP 500 MOST PROFITABLE COMPANIES IN VIETNAM IN 2019

On November 6, 2019, at Vietnam National Convention Center, CenLand was honored in Top 500 Most Profitable Companies in Vietnam in 2019. The Company was ranked 193/500 in the PROFIT500 ranking chart.

This is the third consecutive year the PROFIT500 ranking is published by Vietnam Report with VietnamNet collaboration. The ranking aimed to honor enterprises that are profitable, have potential to become key pillars of the Vietnamese economy and contribute to the introduction of Vietnamese brands to the international business community.



09

CENLAND - VIETNAM’S BEST REAL ESTATE AGENCIES 2019

Century Land Joint Stock Company (Cenland) was honored in Vietnam’s Best Real Estate Agencies 2019 at the announcement and awarding ceremony of Dot Property Vietnam Awards 2019.

The Dot Property Vietnam Awards recognizes the country’s best developers, projects and companies that contribute to the local real estate sector. This is the most anticipated event in 2019 in Vietnam real estate with 36 categories to 22 winners.



10

THE SUMMARIZING AND AWARDING CEREMONY OF MENTOR AND AUTHORIZED AGENT TRAINING COURSE

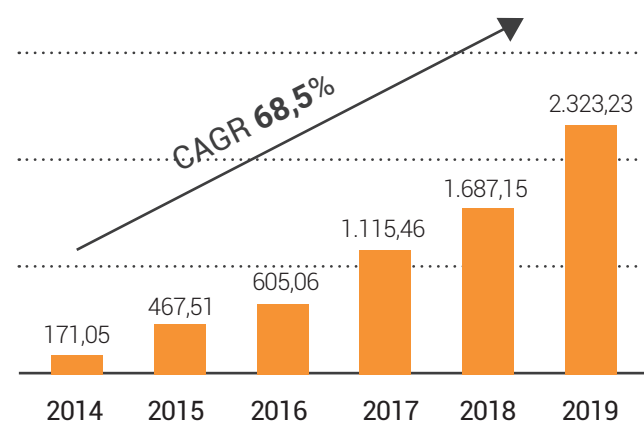
On March 1 2019, the summarizing and awarding ceremony of Mentor and Authorized Agent Training Course was organized by CenLand. Over 80 students of Mentor Training Course - Level 2 and more than 120 students of the Authorized Agent Training Course were awarded the international training certificate by Institute of Estate Agents, Singapore (IEA).

At these courses, students are trained to become professional mentors and authorized agents, improve communication, persuasion and negotiation skills; appraise real estate products, etc. Mentors can master management tools and how to train authorized agents while authorized agents can achieve the highest business efficiency.

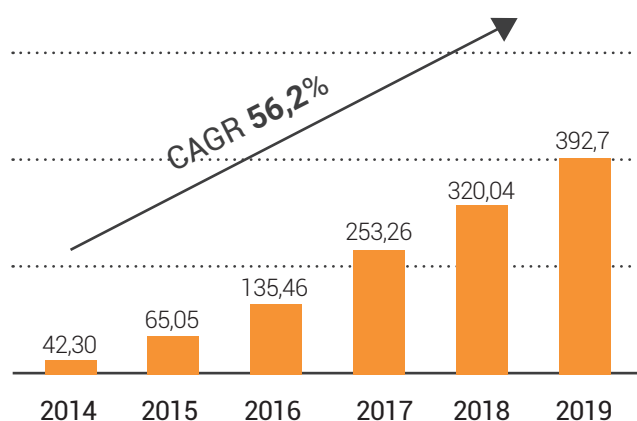
05 Five-year Achievements (2014 – 2019)

BASIC BUSINESS INDEX FOR THE PERIOD 2014 TO 2019

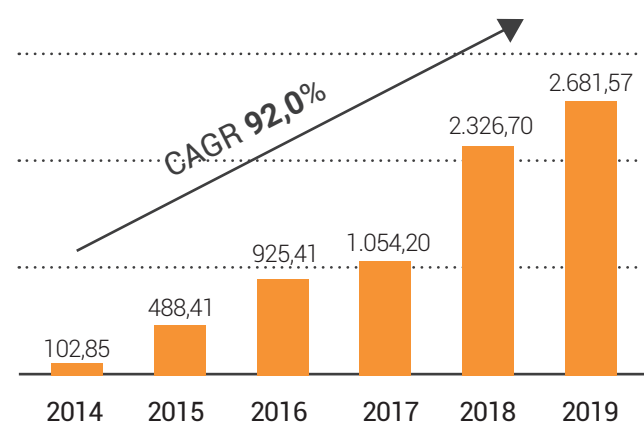
REVENUE (VND billion)



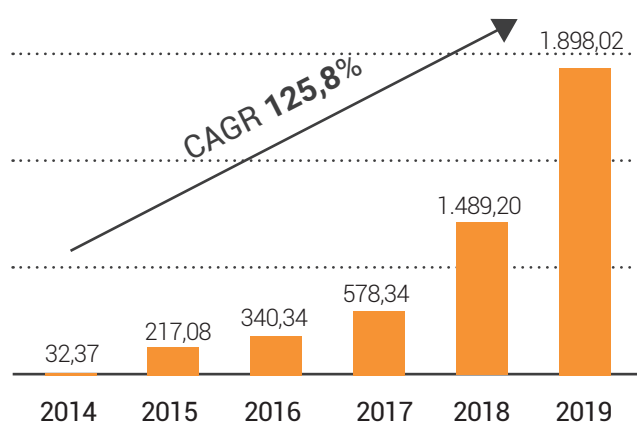
PROFIT AFTER TAX (VND billion)



TOTAL ASSETS (VND billion)



OWNER'S EQUITY (VND billion)



TITLES AND AWARDS

2013 -2014

- Merit of Tax Department of Dong Da District for practice of tax policy in 2013 and 2014
- Top 30 valuation companies to be granted certificates of eligibility for appraisal services by the Ministry of Finance
- Merit of the Minister of Construction in 2014

2017

- Typical Brand, Product, Quality and Service in Asia in 2017 (STDA)
- Quality Assurance System (QAS) in 2017 (CenLand and CenValue)
- Prestigious Brand - Quality Product – Trusted Service in 2017 (nghemoigoi.vn)
- Top 500 Most Profitable Companies in Vietnam in 2017 by Vietnam Report
- CenLand Chairman Nguyen Trung Vu is honored in Top 10 Best Entrepreneurs in Red Star Awards in 2017.
- CenLand Vice Chairman Pham Thanh Hung is honored in Top 100 Outstanding Young Vietnamese Businessmen in Red Star Awards in 2017.

2015

- Trusted Brand 2015 (STDA and CenValue)
- Top 10 Typical Real Estate Agencies in 2015
- Real estate agency with the highest revenue in 2015 by Vietnam National Real Estate Association
- Merit of Vietnam National Real Estate Association for outstanding contributions in 2015
- Top 10 Typical Brands in 2015
- Merit of Hanoi Tax Department for compliance with tax obligations in 2015
- Merit of Hanoi People's Committee for well completing tasks in 2015

2018

- Best Real Estate Trading Floors at Vietnam National Property Awards in 2018
- Top 5 Most Reputable Real Estate Agencies in 2018
- Top 10 Vietnam Gold Stars
- Merit of Tax Department of Dong Da District for compliance with tax obligations in 2018
- Merit of Hanoi Tax Department in the practice of tax policy in 2018

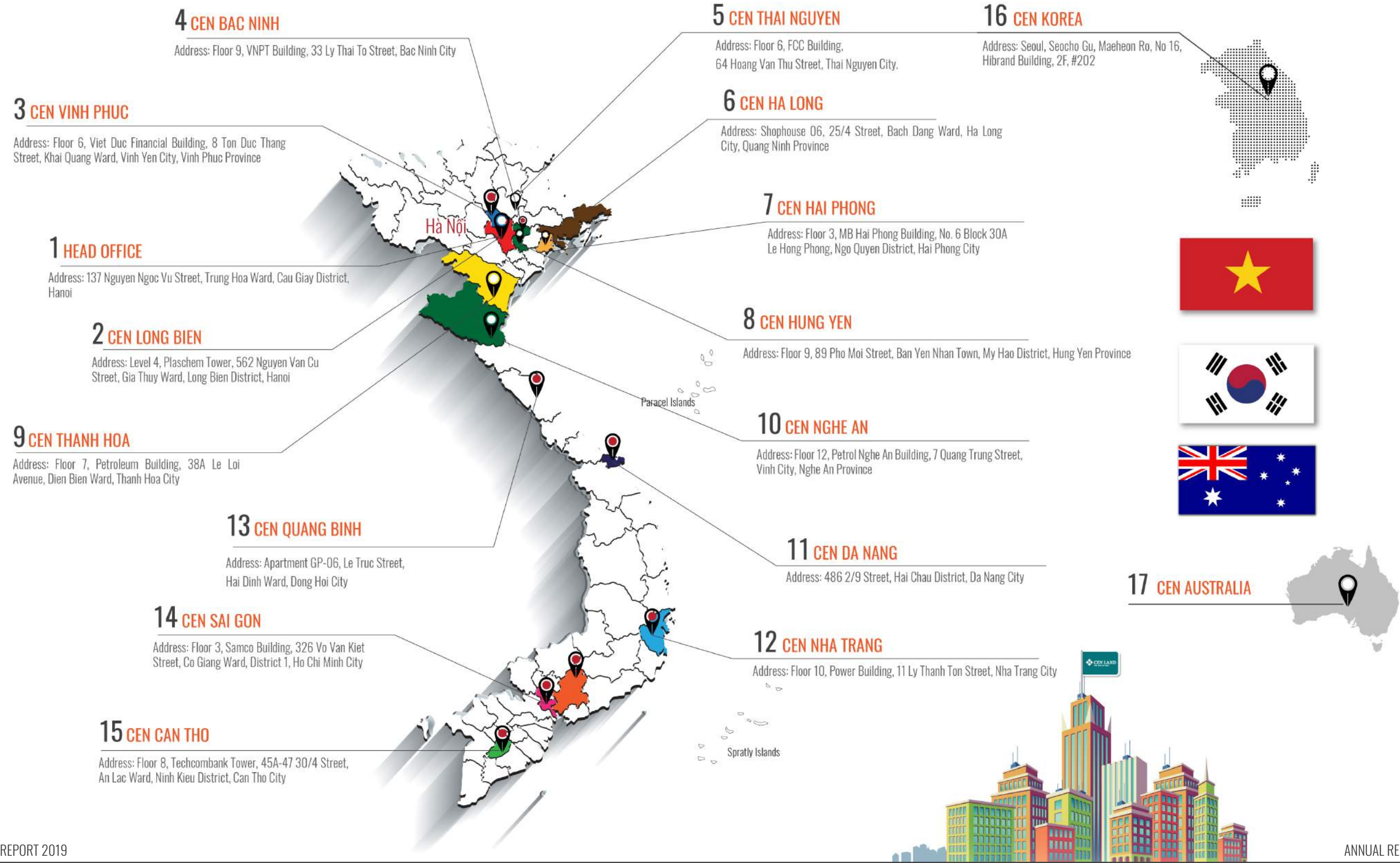
2016

- Merit of Minister of Construction in 2016
- Top 10 Best Real Estate Agencies in 2016
- Merit of Hanoi Tax Department in the practice of tax policy in 2016

2019

- Top 500 Most Profitable Companies in Vietnam in 2019 by Vietnam Report
- Vietnam's Best Real Estate Sales Agency in 2019 by Dot Property Awards
- Top 10 Best Sales Agencies in 2019 by Vietnam Real Estate Times (Reatimes.vn).

CENLAND IN MAJOR CITIES & PROVINCES IN VIETNAM AND ABROAD



CHAPTER

02



About CENLAND

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About CenLand

02 ▶
Subsidiaries

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Corporate Milestones

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Corporate Structure

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Board of Directors

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The Management

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Internal Audit Division

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Development Strategy

01. TỔNG QUAN CENLAND

| | |
|--------------------------------------|--|
| COMPANY NAME | CENTURY LAND JOINT STOCK COMPANY (CENLAND) |
| TICKER | CRE |
| CHARTER CAPITAL | VND 800 billion (as of 31 December 2019) |
| CERTIFICATE OF BUSINESS EGIISTRATION | 0101160306 issued by Hanoi Department of Planning and Investment on 20 August 2001 |
| WEBSITE | www.cenland.vn |
| HEADQUARTERS | Level 1, Tower B Sky City, 88 Lang Ha Street, Lang Ha Ward, Dong Da District, Hanoi. |
| TRANSACTION OFFICE | + Hanoi: Level 1, 137 Nguyen Ngoc Vu Street, Trung Hoa Street, Cau Giay District, Hanoi. + Ho Chi Minh City: Level 3, Samco Building – 326 Vo Van Kiet Street, Co Giang Ward, District 1, Ho Chi Minh City. |
| TEL | (024) 626 36 688 - (038) 3925 6963 |
| EMAIL | info@cenland.vn |



CENLAND – PROFESSIONAL REAL ESTATE AGENCY AND SECONDARY INVESTOR IN VIETNAM

02. SUBSIDIARIES



Authorized capital: VND **800 billion**
Business activities: Sale and Distribution of Real estate products through project supermarkets, Secondary Investment.

80%

CEN SAIGON JSC

Authorized capital: VND **20 billion**
Business activities: Sale and distribution of real estate products in the South of Vietnam



51%

WORLD STAR LAND JSC

Authorized capital: VND **50 billion**
Business activities: Sale and distribution of real estate products through CenHomes.vn



80%

RISING STAR MEDIA & ENTERTAINMENT JSC

Authorized capital: VND **10 billion**
Business activities: Marketing solutions (Advertising, direct marketing, event planning, etc.) for real estate companies.



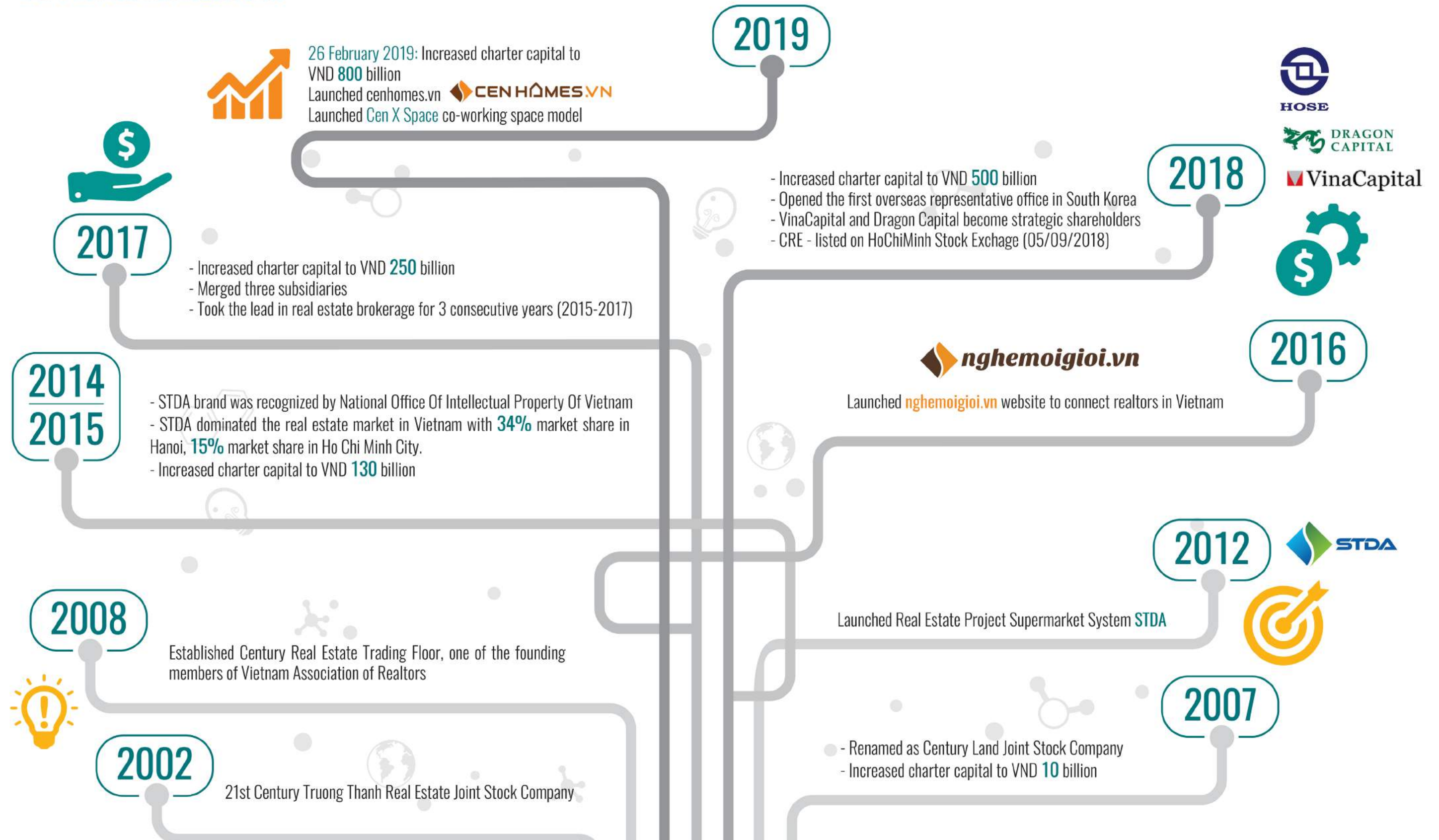
51%

CEN M&I JSC

Charter capital: VND **2 billion**
Businesses: Investment consultancy and international cooperation



03. CORPORATE MILESTONES



04. LINES OF BUSINESS



REAL ESTATE BROKERAGE

Over **400** projects on sales

Over **10.000** agents

Over **120.000** successful transactions

About **3.000** employees

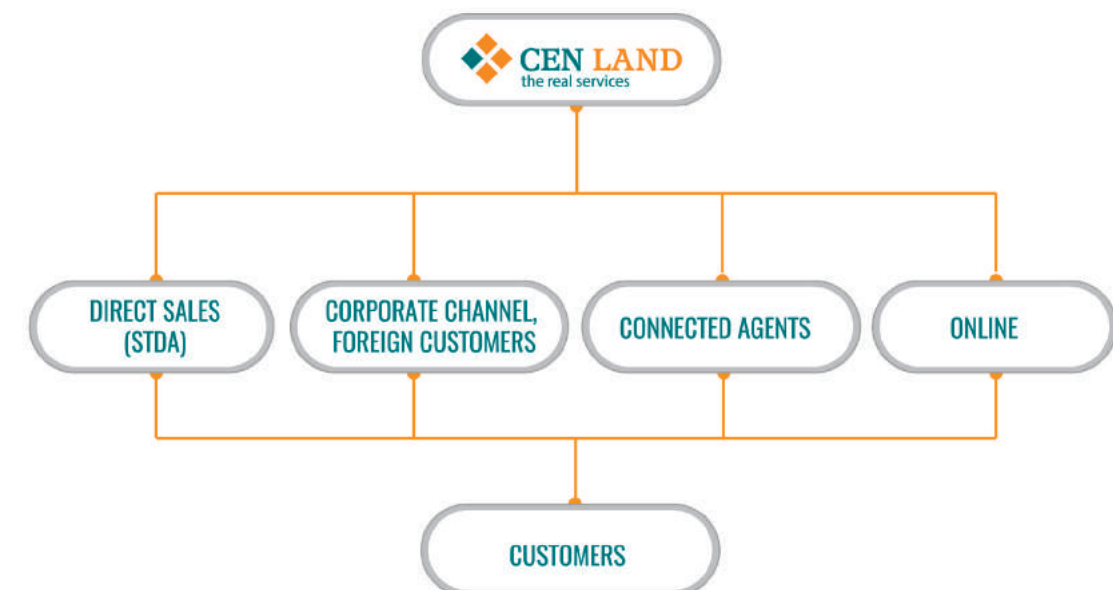
CenLand is the leading real estate distributor with diverse services in Vietnam. The Company has a strong sales force in both traditional and modern forms with 4 distribution channels including: STDA project supermarkets, Cenhomes.vn proptech platform, representative offices, more than 700 connected agencies and 10,000 agents. This is considered as a great advantage of CenLand over other competitors.

Pioneering in investing and adopting technology in real estate business, CenHomes proptech platform (a product of CenLand) connects buyers and sellers more easily and conveniently. CenHomes changes customers' mindset and helps them switch from traditional passive transactions to easier and more active ones. Authorized agents and well-trained mentors best support customers in communication, advertising, legal procedures, real estate valuation and their benefits at Cenhomes.vn.

Traditional sales channel with STDA project supermarkets provides real estate brokerage services with diverse carts in many segments. The real estate products distributed by STDA are checked and appraised in terms of projects' qualities, profitability, price and validity, and then customers carry out legal, quick, and transparent realty transactions in Vietnam. STDA has about 3,000 full- and part-time realtors, all of whom are regularly trained and updated on the fluctuation of the real estate market. STDA is well-known in the major cities such as Hanoi, Ho Chi Minh City, Da Nang, Ha Long, etc. Many other competitors follow this traditional sales model.

With strong capacity and diversified distribution channels, CenLand is the leading real estate distributor in the North and the second in Vietnam in the market share, the trusted partner of domestic and foreign developers with over 400 projects for sale and more than 120,000 successful brokerage transactions.

DISTRIBUTION CHANNELS



SECONDARY INVESTMENT



With many years of experience in real estate brokerage and investment in Vietnam, CenLand has been affirming its position as a prestigious secondary investor and achieving high business performance thanks to its market analysis, management capabilities, efficient brokerage and strong finance .

Experts in legal, finance, real estate, investment, investment management, and the diverse ecosystem effectively support CenLand's investment and introduce real estate products that meet the needs and tastes of customers and investors.

Domestic and foreign partners and investors feel peace of mind when they cooperate with CenLand. With the vision of globalization, CenLand is willing to share the profits of investment projects with partners and investors.



TYPICAL SECONDARY INVESTMENT PROJECTS

INTERNATIONAL OVERSEAS VIETNAMESE VILLAGE

TOTAL LAND AREA
9,2 HA

LOCATION
Vinh Niem, Le Chan, Hai Phong



DONG SON TOWNSHIP

SCALE: **73** terraced houses

TOTAL LAND AREA: **1,1 HA**

LOCATION:
An Hoach, Thanh Hoa City



VUON SEN TOWNSHIP

TOTAL LAND AREA: **3,9 HA**

SCALE: **273** detached house

LOCATION:
Dong Ky Ward, Tu Son Commune, Bac Ninh Province

MARKETING STRATEGY CONSULTING

In marketing, communications and advertising strategy consulting, CenLand has a member company - Rising Star Media and Entertainment Joint Stock Company (RSM). RSM is the trusted partner of hundreds of domestic and foreign real estate developers. Up to present, RSM has consulted on marketing, communications and advertising strategy for about 200 projects.

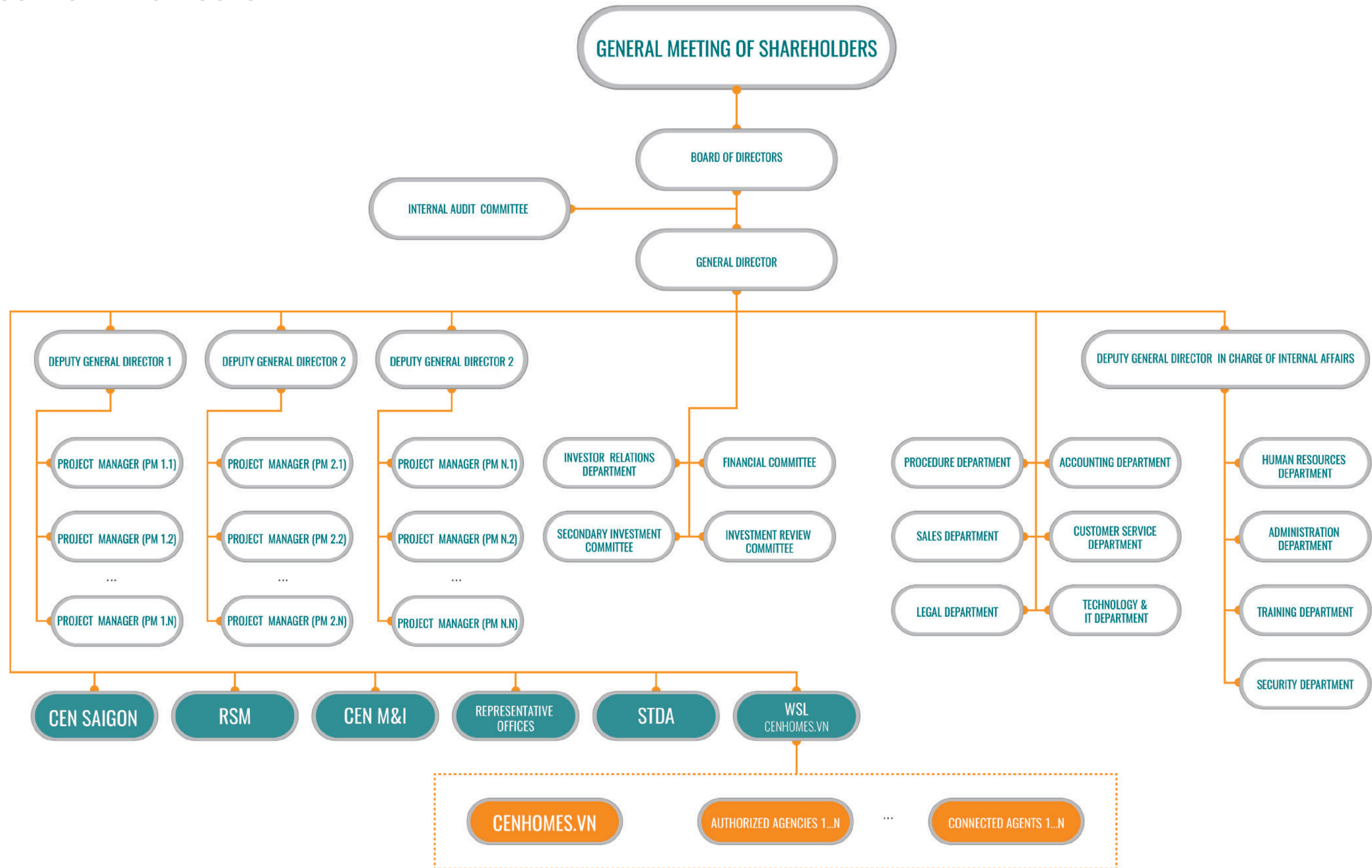
With professional services, RSM introduces real estate products to customers more easily and helps them find their dream home.

Marketing activities are divided into two main areas:

- Branding through diverse channels: TV, radio, news, Internet advertising, events, etc. In which, content is the strong point of CenLand. Real estate developers, investors and clients highly appreciate articles, interviews, comments and expert opinions from CenLand.
- Direct marketing: CenLand's direct customers are real estate developers, so RSM keeps in close touch with developers. That is the best direct marketing tool.









05. CORPORATE STRUCTURE



06. BOARD OF DIRECTORS

Board of Directors consists of 6 members including 1 Chairman, 1 Vice Chairman, 2 Independent Members and 2 other Members (resigned).

| | |
|---|---|
|  Mr. Nguyen Trung Vu | Chairman of the Board |
|  Mr. Pham Thanh Hung | Vice Chairman of the Board |
|  Mr. Nguyen Duc Vui | Independent Board Member |
|  Ms. Nguyen Thi Hoang Oanh | Independent Board Member |
|  Mr. Nguyen Tho Tuyen | Board Member (Resigned from March 2 2020) |
|  Mr. Le Xuan Nga | Board Member (Resigned from July 18 2019) |



Mr. Nguyen Trung Vu
Chairman of the Board

With over 30 years of experience in real estate, Mr. Vu is the founder of CenLand. He is also the Chairman of CenGroup and Cen Saigon.



Mr. Pham Thanh Hung
Vice Chairman of the Board

Mr. Hung has joined CenLand since 2008 as Vice Chairman. He has extensive expertise in real estate and management. Mr. Hung is currently the Chairman of CenInvest and the CEO of CenValue.



Mr. Nguyen Duc Vui
Independent Board Member

Mr. Vui became the Board Member of CenLand in April 2018. With work experience in finance, accounting and audit, Mr. Vui takes the role of Head of Internal Audit Division.



Ms. Nguyen Thi Hoang Oanh
Independent Board Member

With professional experience in management and investment, Ms. Oanh became the Board Member of CenLand in April 2018.

07. THE MANAGEMENT



Mr. Chu Huu Chien
CEO

According to the Decision No. 09/2020/QĐ-HĐQT dated on March 2, 2020 of the Board of Directors



Ms. Nguyen Quynh Mai
Standing Deputy CEO in charge of Sales

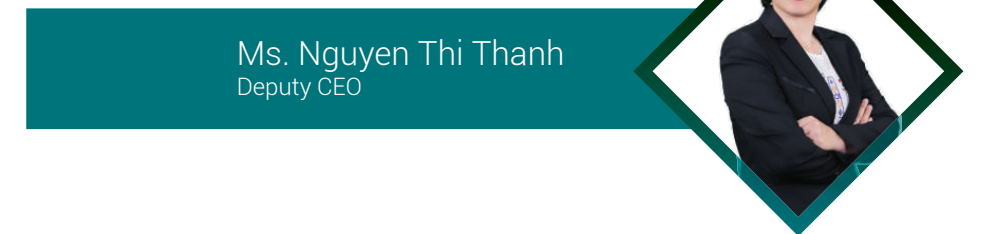
According to the Decision No. 10/2020/QĐ-HĐQT dated on March 2, 2020 of the Board of Directors



Mr. Nguyen Anh Hung
Deputy CEO



Ms. Nguyen Minh Hoi
Deputy CEO



Ms. Nguyen Thi Thanh
Deputy CEO

08. INTERNAL AUDIT DIVISION



Mr. Nguyen Duc Vui
Head of Internal Audit Division



Ms. Tran Thi Nhung
Member of Internal Audit Division



Ms. Doan Thi Thu Huong
Member of Internal Audit Division

09. DEVELOPMENT STRATEGY

- ❖ CenLand is customer-centric real estate service company. We always get the real estate brokerage and consultancy services as its core business, thereby expanding the real estate ecosystem with others services to serve customers and investors.
- ❖ Based on customer data and market awareness of the market leader, CenLand seeks suitable investment opportunities in potential projects to improve the efficiency of investment and the growth of the Company.
- ❖ Applying advanced technology in order to expand its network, increase labor productivity and meet changing market demands, CenHomes is expected to become the pioneering proptech platform in Vietnam. Thanks to CenHomes, the real estate brokerage transactions are more transparent in the most convenient and easy way.



CHAPTER

03



MANAGEMENT REPORT ON 2019 BUSINESS PERFORMANCE AND 2020 ACTION PLAN

01 ▶

2019 Macroeconomic Outlook and Prospects in 2020

02 ▶

2019 Business Performance

03 ▶

2020 Action Plan

01. 2019 Macroeconomic Outlook and Prospects in 2020

MACROECONOMIC OUTLOOK

2019 is a fluctuating year to the growth of the global economy with average GDP of only 2.6% compared to 3.2% in 2018. The main causes as follows:

- Complicated geopolitical situation in the Middle East, Brexit issues in Europe, economic sanctions, etc result in fluctuation in oil and gold prices, beyond the control.
- Potential risks from the US-China trade war cause the growth of major economies in the world to decrease from 0.5% - 1% compared to the forecast.
- Climate change, terrorism and epidemics affect global production, trade, exports and consumption; all decrease compared to 2018.

In the context of increasing global uncertainty, Vietnam is among the fastest growing economies in the world, with a GDP growth rate of 7.02 percent. This rate is almost three times faster than the world average (2.6 percent) and 1.2 percentage points higher than the average in East Asia and Pacific. GDP growth rate in 2019 is considered its highest level for the last nine years. In which, exports grew at 8.4% (three times higher than the world average), Consumer Price Index (CPI) is at the lowest level in the last three years with about 3 percent. Vietnam has remained an attractive destination for foreign investors, with foreign direct investment (FDI) averaging US\$3 billion per month.

However, many domestic companies are still facing major obstacles for the operation and growth of their business. One of the main problems is the lack of access to credit.

VIETNAM REAL ESTATE MARKET

Vietnam's real estate market in 2019 is in the cycle of recovery, growth and stability. 2019 did not appear with a "bubble" phenomenon but saw a serious decrease in project and housing supply as well as number of transactions. This resulted from tightening licensing restrictions for real estate projects; tightening credit of the State Bank of Vietnam and the shift of FDI.

However, Vietnam's real estate market recorded shift from investment to housing demand for mid-end and affordable segment.

About 1,200 companies, mainly real estate agencies dissolved due to the shortage of supply in 2019.

In 2019, there was also a shocking incident when homebuyers complained because a real estate company "tricked" to sell many "ghost projects" to buyers at "exorbitant prices". In addition to "dancing" prices, and the fact that buyers are blatantly deceived, there was the turmoil of condotel products at the end of 2019, leaving some secondary investors at risk of losing their properties.

PROSPECTS IN 2020

The economy in 2020 is considered to be a more difficult year than that in 2019. Issues from 2019 have not been solved by 2020: US – China trade negotiations, conflicts in the Middle East, the Covid-19 outbreak from epidemic to pandemic, Britain leaving the E.U., etc. Major economies simultaneously lower the growth target from 0.1% - 1%.

This is expected to decrease the world average growth rate in 2020 to 2.4%.

Vietnam's real estate market in 2020 is expected to continue to face challenges: limited supply and moderate demand. The highlight of the market will focus on the segment of offices for lease, industrial real estate and real housing needs. The trend of tourism real estate development also has the potential to grow again in localities thanks to the issuance of guidelines and licensing for "tourist apartments".

The Covid-19 pandemic has affected the real estate market in Vietnam in positive and negative ways. The hospitality industry is facing the most difficulties due to the rapid spread of coronavirus, followed by office and industrial real estate. The housing market slowdown is expected to recover from the third quarter. However, this is likely to promote M&A deals in resort real estate faster when buyers and sellers are willing to negotiate on a more appropriate price.

Real estate companies will use advanced technology in the operation, management, consulting and brokerage. Online real estate trading applications quickly access users and grow at a high speed. However, real estate brokerage transactions on the apps still have legal issues and apprehension of customers. It takes time to win trust of first-time users.



02. 2019 BUSINESS PERFORMANCE

In challenging real estate market in 2019, the stock market is not conducive to CenLand's capital mobilization. With the great effort of the Management and guidance of the Board of Directors, CenLand business results in 2019 maintain a high growth rate with revenue of VND **2,325** billion, **38%** growth and profit before tax of VND **491** billion, up **23%** compared to 2018. Compared to the plan 2019, revenue and profit before tax reached **91%** and **87%** respectively.

KEY FINANCIAL INDICATORS

| INDICATORS | 2018 (VND Billion) | 2019 (VND Billion) | UP/DOWN |
|--|--------------------|--------------------|---------|
| Current assets | 1.678,4 | 1.773,5 | 5,7% |
| Non-current assets | 649,9 | 908,1 | 39,7% |
| Total assets | 2.328,3 | 2.681,6 | 15,2% |
| Total liabilities | 839,1 | 783,6 | -6,6% |
| <i>Of which, total debt (short-term and long-term)</i> | 170,0 | 82,7 | -51,3% |
| Owner's equity | 1.489,2 | 1.898,0 | 27,4% |
| Net revenue | 1.687,2 | 2.312,4 | 37,1% |
| Cost of goods sold | 1.131,6 | 1.560,3 | 37,9% |
| Operating profit | 403,0 | 493,1 | 22,4% |
| Other profit | -2,4 | -1,9 | -18,3% |
| Profit before tax | 400,7 | 491,2 | 22,6% |
| Profit after tax | 320,0 | 392,7 | 22,7% |
| EPS (VND/share) | 3.659 | 4.860 | 32,8% |

BUSINESS PERFORMANCE

Real Estate Brokerage

The real estate brokerage market in 2019 is challenging due to the falling supply, the low absorption rate of the market and the bankrupt of many real estate agencies. That is an opportunity for CenLand, a prestigious and experienced brokerage company to promote its capabilities and strengths. In this context, large developers trust to assign CenLand as the sales agency such as Gamuda Land, Bitexco Group, Eurowindow Holding, FLC Group, Alphanam, Sunshine Group, Dabaco Group, Quoc Cuong, Khang Dien, etc.



CenLand is selling more than 100 projects in mid- to high-end segments. With long experience and market awareness, CenLand has helped developers to earn tens of thousands of billion dong of investment despite pending projects. CenLand's brokerage transaction volume in 2019 is over **11,800**, revenue of VND **1,277** billion, up **10%** over the same period last year and achieving **95%** of the plan.



This is the first year the Company sells real estate projects in Australia - a potential market for Vietnamese investors but requiring a lot of skills and procedures in the sales process. Australia 108, the tallest building in Melbourne, is the typical project that CenLand is assigned as the sales agency by a foreign developer.

Secondary Investment

In 2019, CenLand invested projects such as The Central Thanh Hoa, Vuon Sen, International Overseas Vietnamese Village, Dolphin 2, etc. Landed houses and terraced houses are considered as investment trends in 2019. About 80% of real estate products in these projects have been sold. Revenue from real estate transfer in 2019 is VND **1,000** billion, reaching **91%** of the plan, **116%** growth, accounting for 42% of the Company's total revenue. This reflects the Company's orientation that secondary investment is a core business since 2018.



Marketing Consulting Services



Advertising and event organizing activities are highly dependent on CenLand's brokerage. In 2019, the Company has consulted and marketed hundreds of projects. Due to dramatic decrease in the marketing budget of real estate projects, the revenue of advertising and marketing activities only reached VND **27.4** billion, accounting for **1.2%** of total revenue of the Company.

Other Services

In April 2019, CenLand launches Cen X Space co-working space model in Dolphin Plaza with an area of 2,270 m², 334 seats, two 100-seat conference rooms and a 50-seat conference center. About 80% of office space has been regularly rented. In 2019, CenLand's office leasing revenue in 2019 is VND **20** billion, 47 times higher than 2018, reaching **202%** of the plan.

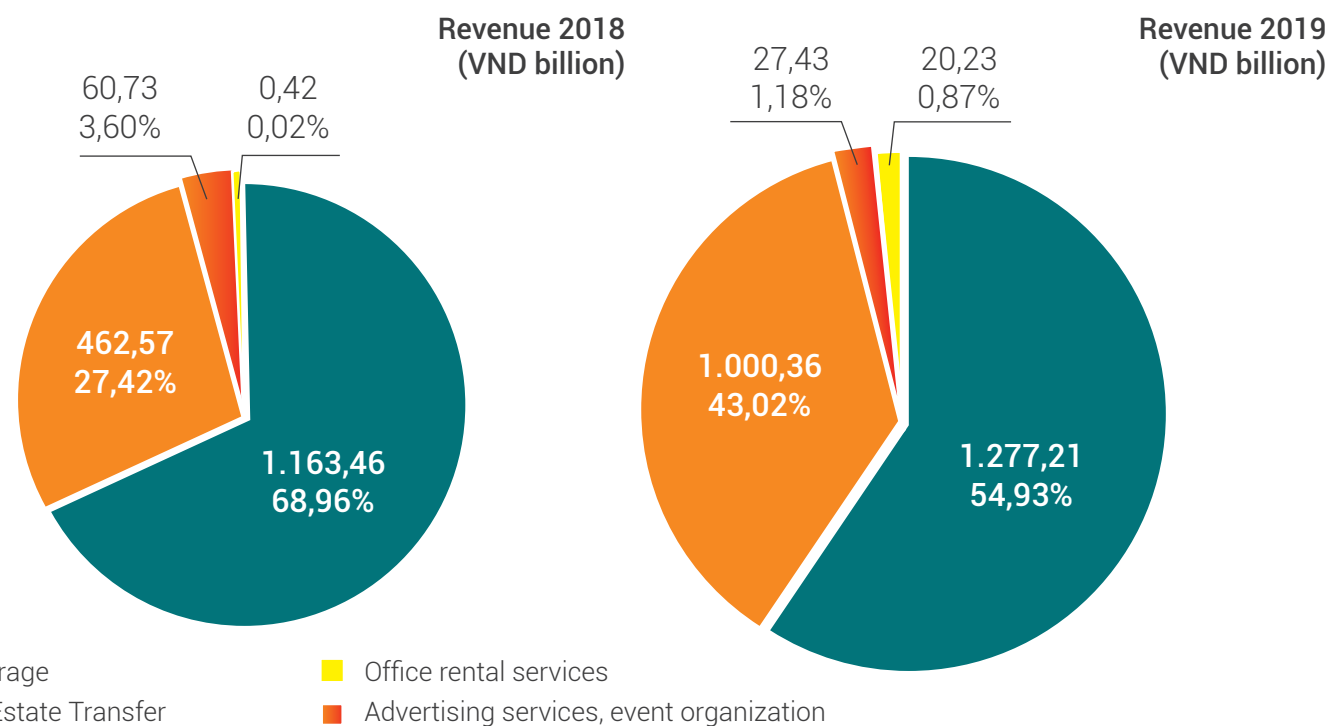




REVENUE STRUCTURE

Compared to 2018, CenLand's revenue structure has significantly changed. The proportion of revenue from real estate transfer accounts for a large proportion of the total revenue of the Company. The revenue of real estate transfer accounts for **43%** of total revenue in 2019, up from **27.4%** in 2018, while brokerage revenue rate in 2019 decreases to **55%** from **69%** in 2018,

but the absolute figure is up 12%. Total value of real estate products that CenLand sells in 2019 reaches over **VND 30 trillion**.



LIABILITIES

Decreases by VND 56 billion from VND 839 billion to VND **783** billion because debt reduces from VND 170 billion to VND 82.7 billion and the reduction of capital contribution from investment cooperation. As a real estate brokerage company, the liability demand and limit of CenLand always keep low level compared to the total assets of the Company. The Company has no long-term debts.

OWNER'S EQUITY

Increases by VND 409 billion from VND 1,489 billion to VND **1,898** billion, up 27% mainly due to the increase in undistributed after-tax profit and investment from uncontrolled shareholders.

| INDICATORS | 2018 | | 2019 | | UP/DOWN % |
|---------------------------|---------------------|------------|---------------------|------------|-----------|
| | VALUE (VND million) | PERCENTAGE | VALUE (VND million) | PERCENTAGE | |
| Liabilities | 839.066 | 36% | 783.550 | 29,2% | -6,6% |
| Current liabilities | 836.906 | 35,9% | 779.501 | 29,1% | -6,9% |
| Long-term liabilities | 2.160 | 0,1% | 4.050 | 0,2% | 87,5% |
| Owner's equity | 1.489.244 | 64% | 1.898.020 | 70,08% | 27,4% |
| Owner's equity | 1.489.244 | 64% | 1.898.020 | 70,08% | 27,4% |
| Other resources and funds | 0 | 0% | - | 0% | - |
| Total Resources | 2.328.310 | 100% | 2.681.570 | 100% | 15,2% |

ASSETS

Total assets of the Company increase by VND 353 billion from VND 2,328 billion to VND **2,682** billion due to the increase in long-term assets, mainly from the rise of deposits as the general agency for sale of projects by VND 182.4 billion from VND

482 billion to VND 664,4 billion, Plaschem project business collaboration and from the rise of the fixed assets of the corporate office. Construction in progress - CIP records an increase of VND 23 billion.

| INDICATORS | 2018 | | 2019 | | UP/DOWN |
|--------------------------------|------------------------|------------|------------------------|------------|----------|
| | VALUE (VND million) | PERCENTAGE | VALUE (VND million) | PERCENTAGE | |
| Current Assets | 1.678.372 | 72,1% | 1.773.513 | 66,1% | 5,7% |
| Cash | 322.785 | 13,9% | 167.520 | 6,2% | -48,1% |
| Short - term receivables | 894.504 | 38,4% | 1.439.223 | 53,7% | 60,9% |
| Inventories | 459.867 | 19,8% | 141.710 | 5,3% | -69,2% |
| Other short - term assets | 1.216 | 0,1% | 25.061 | 0,9% | 1.961,8% |
| Non - Current Assets | 649.938 | 27,9% | 908.057 | 33,9% | 39,7% |
| Long - term receivables | 482.052 | 20,7% | 654.409 | 24,4% | 35,8% |
| Fixed Assets | 141.157 | 6,1% | 187.998 | 7,0% | 33,2% |
| Long - term Assets in progress | 19.721 | 0,8% | 42.447 | 1,6% | 115,2% |
| Other Long - term Assets | 7.008 | 0,3% | 23.203 | 0,9% | 231,1% |
| Total Assets | 2.328.310 | 100% | 2.681.570 | 100% | 15% |

In 2019, CenLand was honored in **Top 500 Best Profitable Companies in Vietnam** and **Vietnam's Best Real Estate Agencies 2019** by Dot Property Vietnam Awards.

KEY FINANCIAL INDICATORS

| INDICATORS | 2018 | 2019 | Up/Down |
|---|-------|-------|---------|
| Liquidity ratio (times) | | | |
| Current liquidity ratio | 2,01 | 2,28 | 13,5% |
| Quick liquidity ratio | 1,46 | 2,09 | 43,8% |
| Capital structure (times) | | | |
| Total liabilities/ Total assets | 0,4 | 0,3 | -18,9% |
| Total liabilities/ Owner's equity | 0,6 | 0,4 | -26,7% |
| Total assets/ Owner's equity | 1,6 | 1,4 | -9,6% |
| Debt ratio (times) | | | |
| Total debt (short-term and long-term)/ Total assets | 0,07 | 0,03 | -57,7% |
| Total debt/ Owner's equity | 0,11 | 0,04 | -61,8% |
| Interest cover ratio | - | 23,1 | - |
| Operating capacity (times) | | | |
| Asset turnover | 1,00 | 0,92 | -7,5% |
| Inventory turnover | 4,9 | 5,2 | 5,8% |
| Receivable turnover | 1,4 | 1,3 | -7,6% |
| Profitability (%) | | | |
| Profit after tax/ Net revenue | 19,0% | 17,0% | -10,5% |
| Profit after tax/ Owner's equity | 21,5% | 20,7% | -3,7% |
| Profit after tax/ Total assets | 13,7% | 14,6% | 6,6% |
| Operating income/ Net revenue | 23,9% | 21,3% | -10,7% |
| Operating income/ Total assets | 17,3% | 18,4% | 6,2% |

The solvency of CenLand is always at a high level and tends to rise in 2019 due to an increase in short-term assets while short-term debt decreases because of fall in debt and other short-term payables. Current ratio increases from **2.0** to **2.3**, the quick ratio rises sharply from **1.4** to **2.1** because inventories tend to decrease. On the other hand, due to the reduction of debt, the Company's debt ratio drops sharply and interest cover ratio maintains at a high level.

Owner's Equity in 2019 increases sharply due to retained earnings, increase in capital stock from Owner's Equity, stock dividends, along with the falling of liabilities, so the capital structure indicators in 2019 tend to decrease over 2018.

Operating capacity of the Company is at a high level when the Company is generating 1 dong of sales for every dong invested in assets. Inventory turnover and receivable turnover also remain high, reflecting the business performance.

Because revenue from real estate transfer accounts for a large proportion of total revenue while the profit margin is not as high as that of brokerage, resulting in downward trend in profit/revenue ratio. However, the operating income/total assets ratio keeps increasing, showing the profitability and effective use of assets.

03. 2020 ACTION PLAN

The goal of CenLand in 2020 is to maintain stable operation in the pandemic, strengthen the capacity of system, make innovation in business models and prepare for the post-pandemic acceleration.

01

In 2020, CenLand will continue to restructure and apply advanced technology to increase labor productivity and expand scale. Reviewing the entire personnel system and business processes to streamline the apparatus, adjust the process to suit the actual situation and improve work efficiency, along with attracting talents to key or missing positions..

02

CenLand keeps in close touch with real estate developers to consult solutions suitable to the new situation of the market. The Company pays attention to key projects, quickly solves inventories and seeks additional projects of prestigious developers to ensure a abundant and quality source despite market challenges.

03

In 2020, the Company will go on investing in CenHomes, with big data base on real estate market , AI technology application for Chatbox, list more real estate products and projects on the platform, improve the features to bring the best experience to customers, launch the online valuation application and a new version of mobile app.

04

Real estate market is facing many difficulties in 2020 but this is a good condition for M&A activities. The Company will seek opportunities to invest in acquisition of potential real estate projects at affordable cost.

05

New offices for Cen X Space co-working space model are deployed to serve the needs of startups and connected agencies of CenHomes.

06

The network of connected agencies are expanded to many provinces and cities nationwide; CenHomes could provide free workspaces for its authorized & connected agencies and appropriate KPIs are applied.



CHAPTER

04



CORPORATE GOVERNANCE

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CenLand
Governance Structure

02 ▶

Report of Board of
Directors

03 ▶

Internal Audit Report

04 ▶

Risk management

05 ▶

Stock Information and Investor Relations

01. CENLAND GOVERNANCE STRUCTURE

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) has the highest level of authority within CenLand and includes all shareholders with voting rights. A general meeting can be ordinary or extraordinary, at least once a year. The GMS determines key governance structures prescribed by law and the Charter of the Company. GMS approves the annual financial statements of the Company and the financial budget of the next year, the development orientation of the Company and has power to appoint or dismiss members of the Board of Directors.

INTERNAL AUDIT DIVISION

Internal Audit Division is responsible for activities related to (i) Auditing; (ii) Compliance audit and (iii) Audit of financial statements, management accounting reports of CenLand member companies. Internal Audit Division consists of three members and all of them have experience in management, finance and auditing. The Head of the Internal Audit Division is the independent member of the Board of Directors, monitoring the corporate operations and protecting the shareholders' interests.

FUNCTION DEPARTMENTS

Function Departments include planning, development and sales departments, direct and indirect support departments under the management of the CEO and Deputy CEOs.

The member companies are responsible for implementing corporate decisions, resolving issues not reserved under the jurisdiction of the Management and Corporate Office, running the day-to-day operations of the business units, and reporting to the Board of Directors as required and requested. The member companies are also responsible for escalating issues to the Parent Company and work together on the development orientation of the Board of Directors.

BOARD OF DIRECTORS

The Board of Directors is the management body of the Company, with full power to make important decisions related to the aim and benefit of the Company, except for matters under the authority of the General Meeting of Shareholders. The Board of Directors regularly supervises the Company's business operations, controls the internal and risk management activities. The Board of Directors of the Company consists of 06 (six) members including two independent members and two resigning members; each member's maximum term is 05 (five) years in accordance with Vietnamese regulations and international practices. The Chairman of the Board is elected by the Board of Directors.

THE MANAGEMENT

The Management includes 01 CEO and 04 Deputy CEOs. The CEO, who is appointed by the Board of Directors, is responsible to the General Meeting of Shareholders and the Board of Directors. The CEO is the legal representative of the Company and has the highest authority in managing the daily operations of the Company. Deputy CEOs are appointed by the Board of Directors. The Management includes experienced directors in management and administration in finance and real estate.

MEMBER COMPANIES

The member companies are responsible for implementing corporate decisions, resolving issues not reserved under the jurisdiction of the Management and Corporate Office, running the day-to-day operations of the business units, and reporting to the Board of Directors as required and requested. The member companies are also responsible for escalating issues to the Parent Company and work together on the development orientation of the Board of Directors.



02. REPORT OF BOARD OF DIRECTORS

ASSESSMENT OF BOARD OF DIRECTORS ON THE CORPORATE OPERATIONS

In 2019, the Company has seriously and drastically carried out the corporate governance, human resources strategy, business development, etc in compliance with the provisions of the Charter and regulations of the Company.

The market in 2019 has many challenges due to the serious decrease in the supply and the unfavorable stock market for capital mobilization, the Board of Directors has implemented the appropriate business strategies to have quick & timely adjustment, effectively solve the problems of developers, improve operational efficiency and enhance brand.

The Board of Directors highly appreciates the Management's efforts in organizing the implementation of business activities, following orientation of the Board of Directors, and performing internal governance to ensure an abundant source of projects and win the trust of prestigious developers.

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE MANAGEMENT

The Board of Directors assigns 2019 Business Plan to the Management and closely monitors operation and proposals for timely direction, creating favorable conditions for the Management keeps right orientation and gets high efficiency.

CEO has also responsibly implemented the resolutions and decisions of the General Meeting of Shareholders and the

In the context that many real estate agencies go bankrupt, the Company's business results still maintain a high growth rate, 38% with revenue and 23% with profit before tax over the same period last year although it has just completed 91% of the revenue plan and 87% of the profit plan set by the 2019 Annual General Meeting. Secondary investment has a remarkable growth of 116% while brokerage growth is 10%. This shows the great efforts of all directors, managers and employees.

In 2019, the Company completed the issuance and listing of 30 million shares to increase its charter capital from VND 500 billion to VND 800 billion in the form of dividends and bonus shares.

In addition, the Board of Directors focuses on strengthening leadership, management and its member companies. Streamlining the apparatus and optimizing operational efficiency in management is an inevitable trend for CenLand's sustainable development.

Board of Directors, promptly directed and reorganized in accordance with the changes of the market and the problems arise, seriously abide by regulations of the State and the Charter of the Company.

The results of 2019 Business Plan:

| Items | 2019 Plan (VND billion) | 2019 Actual (VND billion) | Actual/Plan |
|--|----------------------------|------------------------------|-------------|
| Total revenue | 2.562 | 2.325 | 91% |
| Revenue of real estate sales & brokerage | 1.347 | 1.277 | 95% |
| Revenue of real estate transferring | 1.101 | 1.000 | 91% |
| Revenue of advertising and event organizing services | 102 | 27 | 27% |
| Revenue of office leasing and other services | 10 | 20 | 202% |
| Profit before tax | 562,5 | 491,2 | 87% |

ACTIVITIES OF BOARD OF DIRECTORS IN 2019

In 2019, CenLand Board of Directors has a meeting with the Board of Directors to analyze, evaluate and build the 2019 Business Plan and submit to the General Meeting of Shareholders for approval. The Board of Directors regularly discusses with the Management in proposing strategies, implementing business plans and targets approved by the General Meeting of Shareholders. The Board of Directors always accompanies the Management, follows the market and gives proper directions.

Chairman of the Board of Directors works directly with the Management at the Company's office, inspects and surveys the projects for the prompt direction and guidance.

In 2019, the Board of Directors conducted six official meetings and many extraordinary meetings to promptly guide and issue seven Resolutions and three Decisions. The contents of the meetings are agreed, creating favorable conditions for bringing the resolutions of the Board of Directors into the actual business of the Company, including:

- Approval of the 2018 reports, orientation and objectives in 2019, selection of the audit company, 2018 profit distribution plan, plan to issue 80,000 shares to increase

charter capital to submit to the Annual General Meeting of Shareholders 2019;

- Approval of performing the plan to issue shares to pay dividends 2018 with the rate of 15% and increase charter capital from owner's equity with the rate of 45%

- Approval of performing the plan to offer 80 million shares to increase its charter capital. However, the market is not favorable and company have mobilized enough capital from customers and other sources, so the Board of Directors decides to postpone the implementation of the plan to increase charter capital by 2020.

- Approval of other important decisions under the authority of the Board of Directors such as changing the quantity of corporate seals, dismissing the managerial positions of Deputy CEO, recruiting specialists, assigning revenue and profit targets to the Management in order to promote business results as well as management capabilities of the Management;

RESOLUTIONS OF THE BOARD OF DIRECTORS IN 2019

| Number of Resolution/ Decision | Date | Content |
|--------------------------------|------------------|---|
| 03/2019/NQ-HĐQT | January 8 2019 | Change the quantity of corporate seals |
| 06/2019/NQ-HĐQT | January 16 2019 | Perform the plan of issuing shares to pay dividends 2018 and increase in charter capital from owner's equity |
| 11/2019/QĐ-HĐQT | January 25 2019 | Date of closing the list of shareholders receiving dividends 2018 and shares due to increase in charter capital from owner's equity |
| 14/2019/QĐ-HĐQT | February 21 2019 | The result of issuing shares to pay dividends 2018 and shares due to increase in charter capital from owner's equity |
| 17/2019/NQ-HĐQT | March 1 2019 | Approval of the organization of the 2019 Annual General Meeting of Shareholders |
| 21/2019/QĐ-HĐQT | March 18 2019 | Change in the time to hold the 2019 Annual General Meeting of Shareholders |
| 30/2019/NQ-HĐQT | May 10 2019 | Perform the plan of issuing shares to increase charter capital |
| 65/2019/NQ-HĐQT | July 18 2019 | Dismissal of Deputy CEO, Mr. Le Xuan Nga |
| 85/2019/NQ-HĐQT | November 25 2019 | Dismissal of Deputy CEO, Mr. Truong Hung Cuong |
| 86/2019/NQ-HĐQT | November 25 2019 | Dismissal of Deputy CEO, Mr. Can Cong Viet |

ACTIVITIES OF INDEPENDENT MEMBERS

Independent Members of the Board participate in all meetings of the Board of Directors, actively contribute opinions and advise objectively to the decisions of the Board of Directors. Along with the role of Head of the Internal Audit Division, the Independent Member of the Board of Directors has supervised and consulted to improve the corporate governance mechanism, tight financial control and protect shareholders' interests.





GOVERNANCE ORIENTATION 2020

Vietnam's real estate market in 2020 is expected to continue to be challenging when the supply is limited due to legal issues. The slowing cycle of the market and Covid-19 outbreak have had a bad influence on the economy and real estate market in Vietnam. CenLand is not an exception.

In 2020, the Board of Directors sets the following direction:

Promote the real estate ecosystem taking the real estate distribution business as the core value. Closely companion with developers to come up with effective solutions and follow the projects from beginning to end.

Apparatus streamlining and consolidating, improving the quality of human resources, combined with supporting technology to expand the scale

Take advantage of the leading distribution system and favorable market conditions for M&A activities, CenLand enhances investment in potential projects at affordable costs.

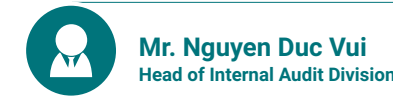
Upgrade of CenHomes proptech platform, focusing on activities that bring value to the society and effectively support brokerage; official debut of the online real estate valuation in Vietnam.

Expansion to the international market for investment opportunities in Australia's real estate market and other markets.

Development of new real estate investment forms and products to meet the demand of small investors and solve capital issues of real estate developers.

03. INTERNAL AUDIT REPORT

Internal Audit Division consists of three members:



Mr. Nguyen Duc Vui
Head of Internal Audit Division



Ms. Tran Thi Nhung
Member of Internal Audit Division



Ms. Doan Thi Thu Huong
Member of Internal Audit Division

Head of Internal Audit Division is also the Independent Member of the Board.

The Internal Audit Division held quarterly meetings in 2019 and performed the following tasks:

- Appraisal and evaluation of the effectiveness of business plans.
- Direct coordination with the Company's departments to inspect and supervise the compliance with the provisions of the Law, the Charter, resolutions of the General Meeting of Shareholders, resolutions of the Board of Directors and internal management regulations; Supervision, prevention, detection of errors and restrictions in the Company's operations.
- Appraisal of business results, financial statements and other periodical reports. Analysis and evaluation of financial situation, operational efficiency, capital preservation and development ability and material risks;
- Proposal of measures to overcome the errors in the audit. Proposal to handle violations: monitoring and evaluating solutions to arising problems;
- Feedbacks on orientation, financial management and regulations for the Board of Directors and the Management;

- Regular discussion with the Management and relevant departments in monitoring the Company's operations, promptly notifying risks to the shareholders' interests and recommending solutions;

- Periodical reports in accordance with the regulations of the Internal Audit Division to the Board of Directors and CEO with specific recommendations. The recommendations of the Internal Audit Division are reviewed and implemented by the Board of Directors and the Management;

Internal Audit Division in 2020 will complete regulations (rules, regulations, management procedures, business expense, etc) on internal governance of the Company; monitor the implementation of the provisions of the Law, the Company's Charter, the General Meeting of Shareholders resolutions of the Board of Directors and the internal governance regulations, rules, procedures of the Company; consult appropriate solutions to improve business efficiency and protect shareholders' interests.



04. RISK MANAGEMENT

MACROECONOMIC RISKS

The real estate tends to fluctuate with macroeconomic situation. Macroeconomic factors including growth rates, inflation, interest rates, the economic policy of the Government, etc have significant impact on business performance. The Management are all experienced in the field of real estate, particularly Chairman has about 30 years of experience and

overcome many ups and downs of the real estate market. Regular meetings are held to forecast potential impact on business development and adopt appropriate strategies and policies.

LEGAL RISKS

Legal risks have impacts on the operation of the Company when there are changes in development strategies and the legal documents that directly or indirectly regulate the activities of the Company. Currently, the Company's operations are under major adjustment of the Law on Enterprise, the Law on Corporate Income Tax, the Law on Value Added Tax and other relevant legal documents.

In order to control legal risks, the Company updates the changes in the provisions of the law relating to the operations of the Company, thereby making appropriate development plans. To prevent negative consequences of risks, the Company has set up a standard internal governance system in compliance with the provisions of law.

Ho Chi Minh City Stock Exchange, the Company will therefore be governed by the Securities Law and other regulations. Changes in legal documents affect the Company's operations.

SPECIAL RISKS

- Competition risks

The main competition risks that the Company may face include (i) Direct competition from other agencies and (ii) competition of alternative services from real estate developers with their own agencies. To minimize these risks, the Company has developed an appropriate competitive strategy with bulk purchase, project commitment, supportive services to developers and customers. The Company is cautious with competition risks by regularly monitoring the market context, updating changes in customers' needs and tastes, and constantly innovating technology and service quality to be a pioneer in the real estate brokerage market.

Company and the real estate developers agree to record the successful brokerage transaction. The risk of payment comes from real estate developers having problems in their operations such as repayment delay, difficulties in operations, etc. This risk comes mainly from those who are not professional and reputable in the market. Any service provider may encounter this risk. In anticipation of these risks, the Management has focused on investment cooperation with major real estate developers on the market with the financial capacity and long-term development plans such as Khang Dien House Trading and Investment Joint Stock Company, Gamuda Land Vietnam Limited Liability Company, Hoa Binh Company Limited, Geleximco Group - JSC, Bitexco Group, etc.

- Risks from real estate developers

As a bridge between real estate developers and customers, CenLand's business depends heavily on real estate supply from developers. With projects in convenient location, developers can sell real estate products themselves. However, for projects in the potential stage, CenLand is a

completely ideal choice thanks to its strengths in the real estate brokerage market.

CenLand's strength is its own sales network across the country and the Company has gone through the ups and downs of the real estate market for nearly 20 years and understands customers' needs.

To minimize risks from real estate developers, the Management has a plan to bulk purchase and/ or proprietary trading in order to maximize profits and make use of the sales network as well as financial capacity of the Company.

RISK OF SHARE PRICE FLUCTUATION

CRE listed on Ho Chi Minh City Stock Exchange helps the Company promote its brand, increase liquidity, and facilitate shareholders to transfer easily; create opportunities to access various financial funds, improve the standardization of governance and increase the transparency of operations of the Company. However, the risk of price fluctuation of CRE after listing is inevitable. The share price in the market is determined by the supply and demand of the market. This supply-demand depends on many factors such as the Company's business performance, political and social situation, domestic and international eco-

- Risks of human resources

Human resources in the field of real estate brokerage have high fluctuation. In order to attract, maintain and motivate employees, CenLand has a competitive remuneration policy based on performance rather than seniority and regular emulation. In addition, Corporate Activity Department is established to organize corporate events and clubs to enhance long-term commitment to the Company. The Company also regularly holds training courses to improve the skills and qualifications of its employees.

economic situation and changes in laws and regulations on the stock market. Last but not least, share prices depend on investor sentiment. Therefore, the increase and decrease of the Company's share price is an unpredictable risk. To announce information about the Company, CenLand establishes Investor Relations and holds analyst meetings.

OTHER RISKS

Some other risks of force majeure are less likely to occur but they will affect the business performance of the Company such as earthquakes, fires, floods, war, epidemic, etc.

In 2018 - 2019, besides brokerage, the Company invests in developing real estate projects. For real estate development, the Company may face risks from debt due to low liquidity, late payment, project progress, etc. With the experience in the real estate since 2002, the Management has anticipated these risks and considered the step-by-step development plan. The Company will invest by cooperating with other subsidiaries in

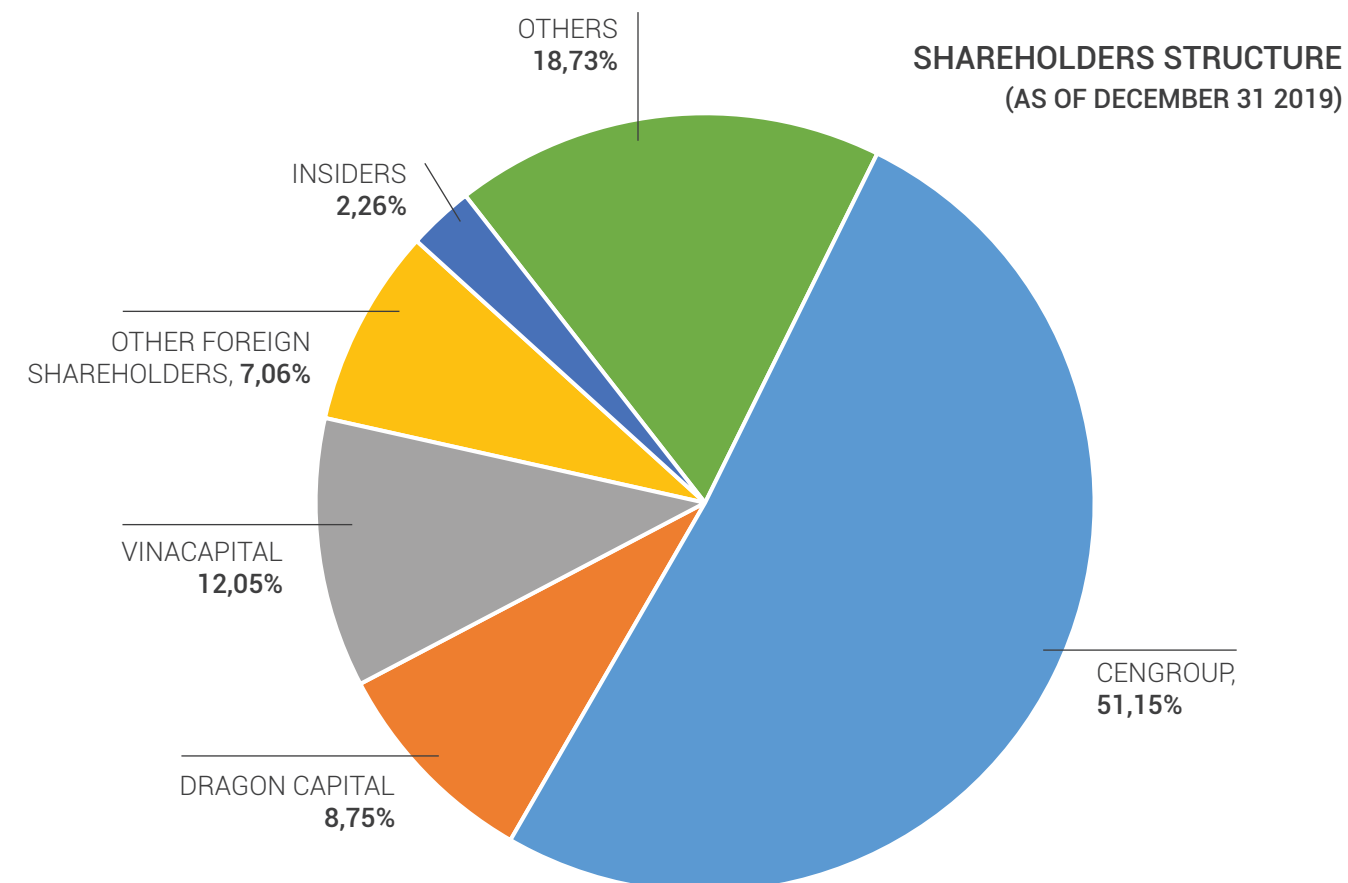
the Group or bulk purchase projects in prime location of major developers to sell.

05. STOCK INFORMATION AND INVESTOR RELATIONS

STOCK INFORMATION OF CRE 2019

(UPDATED ON DECEMBER 31 2019)

| | |
|--------------------------|----------------------|
| Ticker: | CRE |
| Price (VND) | 24.800 |
| 52 week high/ low (VND) | 28.600/23.300 |
| Px. Perf (12 months) (%) | -4,6% |
| Shares listing | 80.000.000 |
| Shares outstanding | 79.999.892 |
| Free float shares | 29.201.446 |
| Treasury shares | 108 |
| Trading volume (10D Avg) | 215.079 |
| Charter Capital (VND bn) | 800 |
| Market Cap. (VND bn) | 1.984 |
| Market Cap. (USD mn) | 85,74 |
| Current FOL shares room | 22.286.320 |
| Total FOL shares room | 39.200.000 |
| Foreign owned ratio | 27,86% |
| Foreign ownership limit | 49% |
| Dividends 2018 by shares | 15% |
| Bonus shares | 45% |
| EPS (VND) | 4.924 |
| PE | 5,0 |
| PB | 1,06 |



| Shareholder | Number of shares held(shares) | Ownership percentage (%) | Number of shareholders |
|------------------------------|-------------------------------|--------------------------|------------------------|
| Internal shareholders | 1.804.544 | 2,26% | 10 |
| Domestic | 1.804.544 | 2,26% | 10 |
| Foreign | 0 | 0,00% | 0 |
| Majority shareholders | 57.556.779 | 71,95% | 6 |
| Domestic | 40.917.529 | 51,15% | 1 |
| Foreign | 16.639.250 | 20,80% | 5 |
| Other shareholders | 20.638.677 | 25,79% | 562 |
| Domestic | 14.991.607 | 18,73% | 529 |
| Foreign | 5.647.070 | 7,06% | 33 |
| Total | 80.000.000 | 100,00% | 578 |
| Domestic | 57.713.680 | 72,14% | 540 |
| Foreign | 22.286.320 | 27,86% | 38 |

OWNERSHIP OF SIGNIFICANT SHAREHOLDERS (ABOVE 5%)

(AS OF DECEMBER 31 2019)

| Organization/ Individual | Number of shares held(shares) | Ownership percentage (%) |
|--|-------------------------------|--------------------------|
| Century Group Joint Stock Company | 40.917.529 | 51,15% |
| Shareholders group of Dragon Capital | 7.001.000 | 8,75% |
| - Amersham Industries Limited | 1.681.000 | 2,10% |
| - Vietnam Enterprise Investments Limited | 5.320.000 | 6,65% |
| Shareholders group of Vina Capital | 9.638.250 | 12,05% |
| - Vietnam Master Holding 2 Limited | 9.047.800 | 11,31% |
| - Vietnam Investment Property Holdings Limited | 190.450 | 0,24% |
| - Visaka Holdings Limited | 400.000 | 0,50% |
| Total | 57.556.779 | 71.95% |

OWNERSHIP OF INTERNAL SHAREHOLDERS

(AS OF DECEMBER 31 2019)

| SHAREHOLDERS | NAME | Position | Number of shares | Ownership percentage |
|--------------------------|---------------------------|---------------------|------------------|----------------------|
| HỘI ĐỒNG QUẢN TRỊ | Mr. Nguyen Trung Vu | Chairman | | 0% |
| | Mr. Pham Thanh Hung | Vice Chairman | 471,456 | 0,59% |
| | Mr. Nguyen Tho Tuyen (1) | Member of the Board | 392,000 | 0,49% |
| | Mr. Nguyen Duc Vui | Member of the Board | | 0% |
| | Ms. Nguyen Thi Hoang Oanh | Member of the Board | | 0% |
| BAN GIÁM ĐỐC | Mr. Chu Huu Chien (2) | CEO | 32,000 | 0,04% |
| | Mr. Nguyen Anh Huong | Deputy CEO | 181,056 | 0,23% |
| | Ms. Nguyen Minh Hoi | Deputy CEO | 276,480 | 0,35% |
| | Ms. Nguyen Thi Thanh | Deputy CEO | 92,800 | 0,12% |

(1 Resigned from the position of BOD Member and dismissed from the position of CEO from March 2, 2020

(2) Appointed CEO from March 2, 2020



| ĐỐI TƯỢNG | NAME | Position | Number of shares | Ownership percentage |
|---|------------------------|---------------------------------|------------------|----------------------|
| INTERNAL AUDIT DIVISION | Mr. Nguyen Duc Vui | Head of Internal Audit Division | | 0% |
| | Ms. Doan Thi Thu Huong | Member | 36,512 | 0,05% |
| | Ms. Tran Thi Nhung | Member | 6,240 | 0,01% |
| CHIEF ACCOUNTANT | Ms. Le Thi Lan | | 4,000 | 0,01% |
| PERSON IN CHARGE OF CORPORATE GOVERNANCE | Mr. Mau Minh Tuyen | | 16,000 | 0,02% |

CHANGE IN OWNER'S EQUITY

In 2019, CenLand has completed the issuance of 30 million shares to existing shareholders in the form of increase in charter capital from owner's equity at a ratio of 100: 45 and dividends by shares at a ratio of 100:15. CenLand has increased its charter capital from VND 500,000,000,000 to VND 800,000,000,000.

INTERNAL SHAREHOLDERS AND RELATED PERSONS' TRANSACTION IN 2019:

| No. | Person performing the transaction | Number of shares at the beginning of the period (1) | | Number of shares at the end of the period (2) | | Reason for increase/decrease |
|-----|--|---|------------|---|------------|---|
| | | Number of shares | Percentage | Number of shares | Percentage | |
| 1 | Mr. Pham Thanh Hung | 294.660 | 0,59% | 471.456 | 0,59% | +dividends and additional shares - Sell |
| 2 | Mr. Nguyen Tho Tuyen | 370.000 | 0,74% | 392.000 | 0,49% | +dividends and additional shares - Sell |
| 3 | Mr. Nguyen Anh Huong | 150.660 | 0,30% | 181.056 | 0,23% | +dividends and additional shares |
| 4 | Ms. Nguyen Minh Hoi | 172.800 | 0,35% | 276.480 | 0,35% | +dividends and additional shares |
| 5 | Mr. Chu Huu Chien | 20.000 | 0,04% | 32.000 | 0,04% | +dividends and additional shares |
| 6 | Ms. Nguyen Thi Thanh | 58.000 | 0,12% | 92.800 | 0,12% | +dividends and additional shares |
| 7 | Ms. Doan Thi Thu Huong | 22.820 | 0,05% | 36.512 | 0,05% | +dividends and additional shares |
| 8 | Ms. Tran Thi Nhung | 3.900 | 0,008% | 6.240 | 0,01% | +dividends and additional shares |
| 9 | Ms. Nguyen Thi Lan | 2.500 | 0,005% | 4.000 | 0,01% | +dividends and additional shares |
| 10 | Mr. Mau Minh Tuyen | 10.000 | 0,02% | 16.000 | 0,02% | +dividends and additional shares - Sell |
| 11 | Mr. Nguyen Kim Thanh <i>(Younger brother of Ms. Nguyen Thi Thanh)</i> | 6.000 | 0,012% | - | 0% | +dividends and additional shares - Sell |
| 12 | Mr. Can Cong Diep <i>(Younger brother of Mr. Can Cong Viet)</i> | 2.500 | 0,005% | 1.259 | 0,0025% | +dividends and additional shares - Sell |
| 13 | Mr. Le Xuan Nga (3) | 139.710 | 0,28% | 5 | 0,00001% | +dividends and additional shares - Sell |
| 14 | Mr. Truong Hung Cuong (4) | 58.200 | 0,12% | 24.900 | 0,03% | +dividends and additional shares - Sell |
| 15 | Mr. Can Cong Viet (4) | 101.400 | 0,20% | 3.000 | 0,004% | +dividends and additional shares - Sell |

(1) The number of shares calculated on the charter capital in early 2019 is VND 500 billion.

(2) The number of shares calculated on the charter capital in end 2019 is VND 800 billion.

(3) Mr. Le Xuan Nga is no longer an internal shareholder since July 18, 2019 because he has resigned from the position of Member of the Board and been dismissed the position of Deputy CEO.

(4) Mr. Truong Hung Cuong and Can Cong Viet are no longer internal shareholders since November 25, 2019 because they have been dismissed from the position of Deputy CEO.

INVESTOR RELATIONS ACTIVITIES IN 2019

Century Land Joint Stock Company ("CenLand") ensures the honesty, transparency and accuracy in providing information and answering questions of investors, analysts and stakeholders so that all shareholders are equally treated.

CenLand is committed to providing shareholders and investors with timely and accurate information about the Company's business through the official website. Documents for investors, newsletters and financial notices of CenLand are updated in accordance with the provisions of law and can be downloaded from the website: www.cenland.vn, Investors Relation section.

Investor Relations maintains regular interaction with shareholders through events such as the Annual General Meeting of Shareholders, meetings with investors, analysts, local and foreign investor conferences and project visits. These activities are to connect shareholders and investors with the Company to update business activities, financial information and other outstanding activities.

Events for shareholders and investors in 2019 have the participation of senior executives to help investors and shareholders better understand the strategic orientation of CenLand.

In 2019, CenLand Investor Relations organized three seminars, participated in five conferences and events and met dozens of domestic & foreign investors, analysts and investment funds.

Investor Relations will continue to promote its activities in the upcoming time. We always try our best to respond quickly to the requests of investors and analysts. If shareholders and investors have any queries, please do not hesitate to contact us via email: ir@cenland.vn.



EVENTS 2019 – INVESTOR RELATIONS

| Events | Venue | Date |
|--|-------|------------------|
| Meet Securities Analysts and Brokers in Hanoi | Hanoi | March 27 2019 |
| Annual General Meeting of Shareholders 2019 | Hanoi | April 19 2019 |
| Meet Securities Analysts and Brokers in Ho Chi Minh City | HCMC | April 22 2019 |
| CRE Talk show: Market dominance, local awareness | HCMC | December 21 2019 |



FINANCIAL CALENDER

THE FISCAL YEAR ENDS ON DECEMBER 31 2019

| | |
|-----------------|--|
| April 19 2019 | Annual General Meeting of Shareholders 2019 |
| April 19 2019 | Disclosure on Financial Statements Quarter 1 of 2019 |
| July 19 2019 | Disclosure on Financial Statements Quarter 2 of 2019 |
| October 19 2019 | Disclosure on Financial Statements Quarter 3 of 2019 |
| January 19 2020 | Disclosure on Financial Statements Quarter 4 of 2019 |

THE FISCAL YEAR ENDS ON DECEMBER 31 2020

| | |
|--------------|--|
| April 2020 | Disclosure on Financial Statements Quarter 1 of 2020 |
| July 2020 | Disclosure on Financial Statements Quarter 2 of 2020 |
| October 2020 | Disclosure on Financial Statements Quarter 3 of 2020 |
| January 2021 | Disclosure on Financial Statements Quarter 4 of 2020 |



CHAPTER

05



SUSTAINABLE DEVELOPMENT

01 ▶

Sustainable vision

02 ▶

Milestones and activities in 2019

03 ▶

Report and Assessment of the Board of Directors on Sustainable Growth

01. SUSTAINABLE VISION

At CenLand, sustainable development is capability of serving and solving social problems, bringing value to the community.



As For The Society

With the desire to solve the problems of the real estate market, CenLand has a strong belief in doing things to bring a better and happier life. The Company has continued to build and develop platforms and tools to make the real estate brokerage market more transparent.

CenLand employees are well trained by the experienced and talented managers and directors who are capable of solving developers' problems and real estate market issues.

The Company also pays attention to social and charitable activities to help people in difficult circumstances, children in remote areas and build schools.

As for customers

- Commit to the highest quality and services.
- Grasp the trend and proactively advise, support and provide solutions to customers.
- Bring customers superior experience.

As for employees

CenLand considers its employees to be the most valuable intangible assets. The Company has flexible human resource policies, welfare policy and dynamic workspace to facilitate all employees. They are also paid special attention to improving the skills and knowledge.

As for shareholders and partners

Regular meetings are held to coordinate, advise, support and supply information for partners to resolve issues of investors and partners. Investors' Newsletters provide shareholders and investors with accurate information of the Company's monthly business. CenLand aims at maintaining the sustainable relationship with shareholders and partners.



02. MILESTONES AND ACTIVITIES IN 2019

SOCIAL ACTIVITIES



Gifts to children in Lom Village, Quang Binh – January 2019



Swing for the Children's Tet 2019 – January 2019



Construction of school and houses for poor households and provision of equipment to students in Quang Nam Province – November 2019



Run for the Heart 2019 – November 2019



Tài trợ phẫu thuật nụ cười cho 10 trẻ em hở hàm ếch - 12/2019



Ten smile surgeries for children with cleft palates – December 2019

CORPORATE ACTIVITIES



Miss Bikini CenGroup – Season 11 – July 2019



2019 CenGroup Cup – July 2019



CenGroup 17th anniversary – October 2019



Cen Marathon 2019 – October 2019



Cen Awards 2019 – December 2019



International Women's Day – March 8; Vietnamese Women's Day – October 20



Mid-Autumn Festival



October 20 for the Cen sisters



DEBUT OF CENHOMES PLATFORM

CenHomes proptech platform, invested and developed since 2018, is a combination between the modern technologies, expert knowledge of the market, and the absolute desire for customers' best experiences. CenHomes is officially launched in May 2019, supplying customers and investors with information and services more quickly and accurately. CenLand continues to develop CenHomes.vn platform to provide 50% of the volume of successful brokerage transactions in Vietnam. In order to create new experiences and optimize searching process for users at CenHomes, the website is integrated with the key technologies of Industrial Revolution 4.0 such as AI and Big data to help exploit information, record market trends, and give 24/7 support to valued customers.



ERP SYSTEMS ARE PUT INTO USE

In order to improve service quality, management, procedures and labor productivity, since 2018 CenLand has developed the enterprise resource planning systems and put into use effectively from 2019.



TRAINING FOR MENTORS AND AUTHORIZED AGENTS IN INTERNATIONAL STANDARD

As an important factor in CenHomes business model, mentors and authorized agents are experienced with professional ethics and standard qualifications. CenLand Training Department has cooperated with Institute of Estate Agents, Singapore (IEA) to develop a training program with international standards for mentors & authorized agents. In 2019, more than 200 mentors and authorized agents have been trained by CenLand.



03. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS ON SUSTAINABLE GROWTH

EFFECTIVE AND SUSTAINABLE GROWTH

In 2019, CenLand achieves revenue growth of over 38% and profit of 23%. Brokerage activities maintain growth of over 10%, generating more than VND 100 billion revenue per month despite unfavorable real estate market conditions.

Based on the strategic goal of expanding CenLand's real estate ecosystem to take brokerage services as its core business, improve the efficiency of investment capital use, CenLand enhances secondary investment activities and develop high quality support services, contribute to society by building a real estate ecosystem, real services.

Besides, the company's debt level is always maintained at a low level, ensuring good debt payment ability.

For detailed information, please read the Report of Board of Directors on 2019 Business Performance and 2020 Business Plan – Chapter 3 - Page 44

CLOSE COOPERATION WITH MANY PRESTIGIOUS DEVELOPERS AND PARTNERS

CenLand is the trusted partner of domestic and foreign developers such as Bitexco Group, Eurowindow Holding, VABIS Group, Khai Son, Gamuda Land (Malaysia), World Class Global (Australia), etc to ensure the supply of available projects at reasonable prices and meet the needs of the market.

CenLand is selling more than 100 projects of prestigious developers across the country. The Company has close cooperation with real estate developers to offer suitable solutions to projects and market conditions to deal with existing problems.

MARKET LEADERSHIP POSITION IN REAL ESTATE BROKERAGE IN VIETNAM

CenLand always maintains its market leadership position in Vietnam. The Company offers innovative solutions, applies the latest technologies in real estate brokerage and develops new services to improve the ecosystem.

CenHomes platform connects hundreds of connected agencies and tens of thousands of agents in selling real estate products on CenHomes. CenHomes is willing to provide free workspaces for connected agencies to help them overcome the difficulties of the market, contributing to solving social issues.

CORPORATE SOCIAL RESPONSIBILITIES

CenLand is praised for compliance with its tax payment obligations by Dong Da People's Division on March 15, 2019 and tax policies and laws by Hanoi Tax Department on October 11 2019.

CenLand is ranked 193th in the list of the 500 Best Profitable Companies in Vietnam and achieves Vietnam's Best Real Estate Agency in 2019.

COMPLIANCE WITH STATE REGULATIONS IN REAL ESTATE BROKERAGE AND INVESTMENT

Trong quá trình lựa chọn sản phẩm, nguồn hàng để cung cấp ra thị trường, các yếu tố pháp lý đều được xem xét kỹ lưỡng, đảm bảo sản phẩm phân phối cho người tiêu dùng là các sản phẩm đủ tiêu chuẩn pháp lý, dịch vụ cung cấp chất lượng cao. CenLand cũng tăng cường hợp tác với các chủ đầu tư có uy tín nhằm đem đến cho khách hàng sản phẩm tốt và an toàn. Các hàng hóa sản phẩm niêm yết trên CenHomes đều được kiểm duyệt một cách kỹ càng về độ chính xác và tính xác thực của sản phẩm.

Quá trình tư vấn cho các chủ đầu tư và tham gia đầu tư, CenLand luôn mang đến các concept được cập nhật mới nhất trong đó yếu tố cảnh quan được chú trọng cùng với việc gia tăng các tiện ích và chất lượng môi trường phục vụ nhu cầu ngày càng cao và đa dạng của khách hàng.

SUSTAINABLE HUMAN RESOURCE DEVELOPMENT

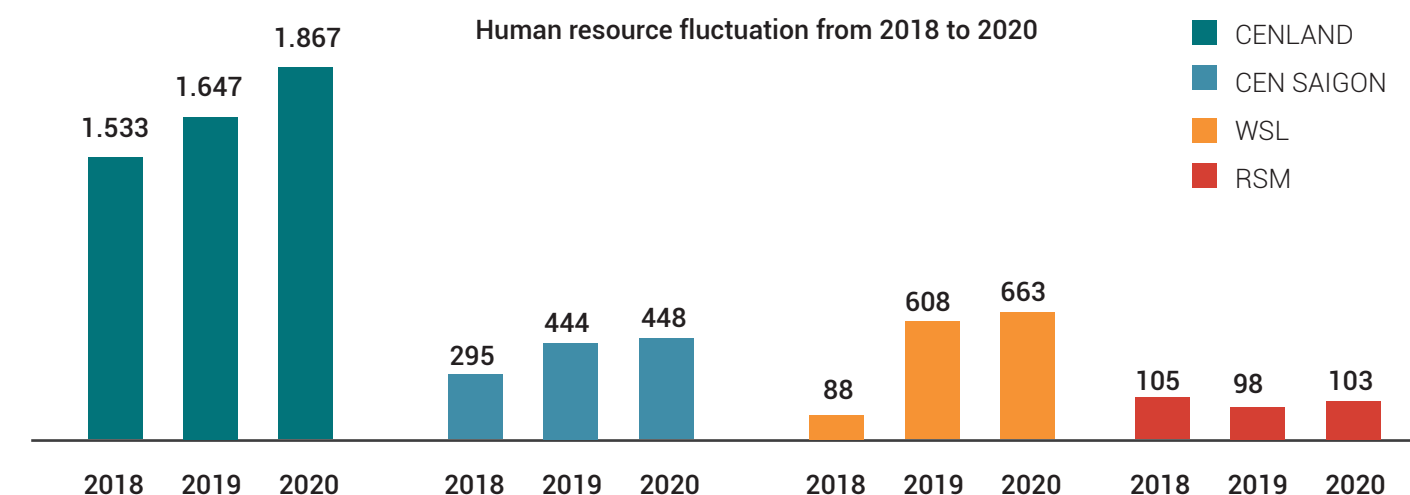
CenLand focuses on human resources to develop a professional and dynamic workspace. Employees' achievements are appropriately recognized and awarded.

| Function | CEN LAND | CEN SAIGON | WSL | RSM |
|-------------|----------|------------|-----|-----|
| Management | 159 | 73 | 75 | 22 |
| Brokerage | 1.366 | 309 | 521 | 0 |
| Back office | 122 | 62 | 12 | 76 |
| Total | 1.647 | 444 | 608 | 98 |

In addition to focusing on fostering key personnel, improving the qualifications of employees, the Company is interested in attracting specialists to meet the corporate growth.

CenLand emphasizes on human resource training with regular training courses for management levels; improves professional qualifications for employees and authorized agencies of CenHomes.

CenLand's human resource structure is stable in 2019 and increases slightly in 2020 thanks to technology application in management, coordination and control.



Welfare

CenLand offers competitive salary, attractive commission and welfare regime. Procedures, regulations and KPIs are adopted to evaluate the performance of employees.

100% of employees are entitled to social insurance, health insurance and occupational safety and health policies in accordance with the Labor Code.

CenLand adopts the policy initiative of salaries, bonuses and other special regime for employees with positive contribution to the development of the Company.

Employees with outstanding achievements are recognized and awarded twice a year. Many employees have been given apartments and cars for their contribution. The Company also sponsor clubs for different hobbies and organize corporate events.



Training and Development

At CenLand, training and development policy is based on student-centered approach and follows the 70:20:10 model. Roadmaps of training courses are practical in accordance with the Group's core values, the capacity of each position and career development roadmap.

In which:

70% from practical experience and on-the-job training

20% from influential people in their orbit

10% from formal training

Training perspective consists of four elements:

- High practicality: Sharing experiences, tools and trends
- Relevance: In accordance with the needs of students and the business situation
- Dynamic: Various activities and case studies
- Comfort: A learning atmosphere encourages participation and sharing.

Different types of training:

- Knowledge of the law
- Awareness of the real estate segment
- Communication skills
- Negotiation skills
- Teamwork skills
- Sales skills
- Creative thinking
- Problem solving



Corporate Activities

Different activities are regularly carried out such as Miss Bikini CenGroup, Cen's Got Talent, CenGroup Cup, Cen Marathon, Sports Games, etc. In addition, the Company organizes events on the occasion of Children's Day – June 1, Mid-Autumn Festival, International Women's Day – March 8, Vietnamese Women's Day – October 20, summer vacation, etc.

These activities and events help to improve the spirit of solidarity and mutual understanding within the employees.

COMMUNITY ACTIVITIES

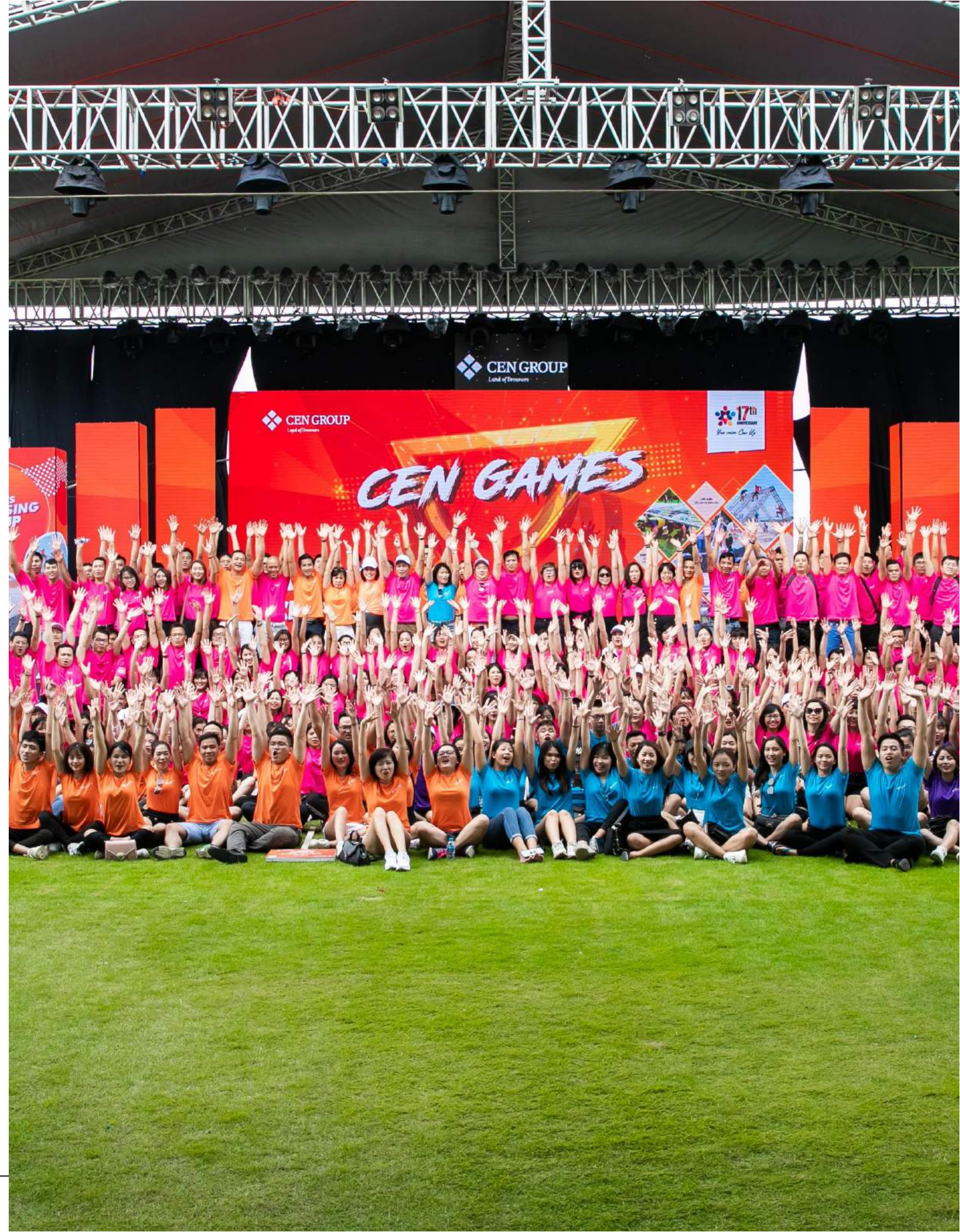
Through "Fund for Humanity", CenLand takes responsibility for social and charity activities to help those in difficult circumstances. In 2019, the Fund made dozens of volunteer activities, built 3 schools, offered thousands of gifts to poor children, sponsored 10 smile surgeries and 3 heart surgeries.



ENVIRONMENTAL PROJECTION

In the business operations, the Company pays attention to saving energy and building a green, environment-friendly workspace for employees.

The energy consumption is well controlled within specific limits. In projects that Cenland invest or consult to the developers, the Company also takes consideration on the landscape and creates green living spaces. This is a criterion to evaluate the value of real estate projects to consumers.



CHAPTER

06



FINANCIAL STATEMENTS

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STATEMENT OF THE EXECUTIVE BOARD (Continued)

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of Century Real Estate Joint Stock Company (the "Company") presents this report together with the Company's consolidated financial statements for the year ended 31 December 2019.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

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

Board of Directors

| | |
|---------------------------|------------------------------------|
| Mr. Nguyen Trung Vu | Chairman |
| Mr. Pham Thanh Hung | Vice Chairman |
| Mr. Nguyen Duc Vui | Member |
| Ms. Nguyen Thi Hoang Oanh | Member |
| Mr. Nguyen Tho Tuyen | Member (resigned on 02 March 2020) |
| Mr. Le Xuan Nga | Member (resigned on 18 July 2019) |

Board of Executive Board

| | |
|----------------------|--|
| Mr. Chu Huu Chien | Chief Executive Officer (appointed on 02 March 2020) |
| Mr. Nguyen Tho Tuyen | Chief Executive Officer (resigned on 02 March 2020) |
| Ms. Nguyen Thi Thanh | Executive Officer |
| Mr. Nguyen Anh Huong | Executive Officer |
| Ms. Nguyen Minh Hoi | Executive Officer |
| Ms. Nguyen Quynh Mai | Executive Officer (appointed on 02 March 2020) |
| Mr. Can Cong Viet | Executive Officer (resigned on 25 November 2019) |
| Mr. Le Xuan Nga | Executive Officer (resigned on 18 July 2019) |

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Executive Board is required to:

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

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY (Continued)

- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Executive Board is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Executive Board confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Executive Board,

Chu Huu Chien
Chief Executive Officer

30 March 2020

INDEPENDENT AUDITORS' REPORT (Continued)

No.: 0934/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders
The Board of Directors and Executive Board
Century Land Joint Stock Company**

We have audited the accompanying consolidated financial statements of Century Real Estate Joint Stock Company (the "Company"), prepared on 30 March 2020 as set out from page 05 to page 32, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Executive Board's Responsibility

The Executive Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting, and for such internal control as the Executive Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

**Dang Chi
Dung**

**Audit
Partner**

Audit Practising Registration Certificate
No. 0030-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

*30 March 2019
Hanoi, S.R. Vietnam*

**Vu Manh Hung
Auditor**

Audit Practising Registration Certificate
No. 2737-2018-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2019

Unit: VND

| ASSETS | Codes | Notes | Closing balance | Opening balance |
|--|------------|-----------|--------------------------|--------------------------|
| A. CURRENT ASSETS | 100 | | 1,773,513,275,278 | 1,678,371,811,888 |
| I. Cash | 110 | 4 | 167,519,548,490 | 322,785,384,428 |
| 1. Cash | 111 | | 114,579,301,900 | 322,785,384,428 |
| 2. Cash equivalents | 112 | | 52,940,246,590 | - |
| II. Short-term receivables | 130 | | 1,439,223,211,461 | 894,504,065,731 |
| 1. Short-term trade receivables | 131 | 5 | 813,472,253,359 | 682,721,841,425 |
| 2. Short-term advances to suppliers | 132 | 6 | 22,028,994,890 | 11,920,898,155 |
| 3. Short-term loan receivables | 135 | 7 | 154,500,000,000 | - |
| 4. Other short-term receivables | 136 | 8 | 457,118,954,873 | 207,130,628,514 |
| 5. Provision for short-term doubtful debts | 137 | 9 | (7,896,991,661) | (7,269,302,363) |
| III. Inventories | 140 | 10 | 141,709,747,174 | 459,866,859,977 |
| 1. Inventories | 141 | | 141,709,747,174 | 459,866,859,977 |
| IV. Other short-term assets | 150 | | 25,060,768,153 | 1,215,501,752 |
| 1. Short-term prepayments | 151 | 11 | 25,060,485,517 | 1,215,501,752 |
| 2. Value added tax deductibles | 152 | | 282,636 | - |
| B. NON-CURRENT ASSETS | 200 | | 908,056,576,088 | 649,937,833,974 |
| I. Long-term receivables | 210 | | 654,409,030,229 | 482,052,153,009 |
| 1. Other long-term receivables | 216 | 8 | 654,409,030,229 | 482,052,153,009 |
| II. Fixed assets | 220 | | 187,997,988,389 | 141,156,529,934 |
| 1. Tangible fixed assets | 221 | 12 | 144,445,134,128 | 138,707,457,445 |
| - Cost | 222 | | 164,596,115,004 | 148,172,635,005 |
| - Accumulated depreciation | 223 | | (20,150,980,876) | (9,465,177,560) |
| 2. Finance lease assets | 224 | | 78,951,584 | 223,761,872 |
| - Cost | 225 | | 460,800,000 | 460,800,000 |
| - Accumulated depreciation | 226 | | (381,848,416) | (237,038,128) |
| 3. Intangible assets | 227 | 13 | 43,473,902,677 | 2,225,310,617 |
| - Cost | 228 | | 56,304,333,121 | 5,175,247,505 |
| - Accumulated amortisation | 229 | | (12,830,430,444) | (2,949,936,888) |
| III. Long-term assets in progress | 240 | | 42,446,678,380 | 19,720,849,068 |
| 1. Construction in progress | 242 | 14 | 42,446,678,380 | 19,720,849,068 |
| IV. Other long-term assets | 260 | | 23,202,879,090 | 7,008,301,963 |
| 1. Long-term prepayments | 261 | 11 | 22,655,435,056 | 7,008,301,963 |
| 2. Deferred tax assets | 262 | | 547,444,034 | - |
| TOTAL ASSET (270=100 + 200) | 270 | | 2,681,569,851,366 | 2,328,309,645,862 |

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2019

Unit: VND

| RESOURCES | Codes | Notes | Closing balance | Opening balance |
|---|------------|-----------|--------------------------|--------------------------|
| C. LIABILITIES | 300 | | 783,550,094,177 | 839,065,836,690 |
| I. Current liabilities | 310 | | 779,500,548,629 | 836,906,097,565 |
| 1. Short-term trade payables | 311 | 15 | 92,779,145,913 | 116,002,550,628 |
| 2. Short-term advances from customers | 312 | | 20,407,874,473 | 17,482,414,455 |
| 3. Taxes and amounts payable to the State budget | 313 | 16 | 125,278,692,623 | 91,112,112,818 |
| 4. Payables to employees | 314 | | 99,495,449,211 | 59,927,164,887 |
| 5. Short-term accrued expenses | 315 | 17 | 116,509,337,839 | 42,146,502,195 |
| 6. Short-term unearned revenue | 318 | | 2,178,160,777 | 8,231,035,939 |
| 7. Other current payables | 319 | 18 | 206,684,888,112 | 296,055,997,090 |
| 8. Short-term loans | 320 | 19 | 82,727,415,533 | 170,000,000,000 |
| 9. Bonus and welfare funds | 322 | | 33,439,584,148 | 35,948,319,553 |
| II. Long-term liabilities | 330 | | 4,049,545,548 | 2,159,739,125 |
| 1. Other long-term payables | 337 | 18 | 3,276,866,095 | 2,159,739,125 |
| 2. Deferred tax liabilities | 341 | | 772,679,453 | - |
| D. EQUITY | 400 | | 1,898,019,757,189 | 1,489,243,809,172 |
| I. Owners' equity | 410 | 20 | 1,898,019,757,189 | 1,489,243,809,172 |
| 1. Owners' contributed capital | 411 | | 800,000,000,000 | 500,000,000,000 |
| - Ordinary shares carrying voting rights | 411a | | 800,000,000,000 | 500,000,000,000 |
| 2. Share premium | 412 | | 150,000,000,000 | 375,000,000,000 |
| 4. Other owner's capital | 414 | | 9,243,750,000 | - |
| 3. Treasury shares | 415 | | (1,080,000) | - |
| 3. Investment and development fund | 418 | | 66,560,395,434 | 35,160,215,370 |
| 4. Retained earnings | 421 | | 807,951,648,079 | 555,710,804,993 |
| - Retained earnings accumulated to the prior year end | 421a | | 421,243,472,719 | 240,409,450,154 |
| - Retained earnings of the current year | 421b | | 386,708,175,360 | 315,301,354,839 |
| 5. Non-controlling interests | 429 | | 64,265,043,676 | 23,372,788,809 |
| TOTAL RESOURCES (440=300+400) | 440 | | 2,681,569,851,366 | 2,328,309,645,862 |

Nguyen Cong Son
Preparer

Le Thi Lan
Chief Accountant

Chu Huu Chien
Chief Executive Officer

30 March 2020

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

Unit: VND

| ITEMS | Codes | Notes | Current year | Prior year |
|---|-----------|-----------|--------------------------|--------------------------|
| 1. Gross revenue from goods sold and services rendered | 01 | 22 | 2,325,233,584,054 | 1,687,183,565,455 |
| 2. Deductions | 02 | | 12,802,872,727 | - |
| 3. Net revenue from goods sold and services rendered (10=01-02) | 10 | | 2,312,430,711,327 | 1,687,183,565,455 |
| 4. Cost of sales | 11 | 23 | 1,560,339,720,950 | 1,131,568,838,755 |
| 5. Gross profit from goods sold and services rendered (20=10-11) | 20 | | 752,090,990,377 | 555,614,726,700 |
| 6. Financial income | 21 | 26 | 5,012,227,952 | 2,983,031,981 |
| 7. Financial expenses | 22 | | 22,231,183,764 | - |
| - In which: Interest expense | 23 | | 22,231,183,764 | - |
| 8. Selling expenses | 25 | 24 | 51,044,307,179 | 14,173,084,767 |
| 9. General and administration expenses | 26 | 24 | 190,687,903,461 | 141,380,137,573 |
| 10. Operating profit (30=20+(21-22)-(25+26)) | 30 | | 493,139,823,925 | 403,044,536,341 |
| 11. Other income | 31 | | 1,315,870,969 | 541,940,663 |
| 12. Other expenses | 32 | | 3,245,030,891 | 2,903,550,224 |
| 13. (Loss) from other activities (40=31-32) | 40 | | (1,929,159,922) | (2,361,609,561) |
| 14. Accounting profit before tax (50=30+40) | 50 | | 491,210,664,003 | 400,682,926,780 |
| 15. Current corporate income tax expense | 51 | | 98,239,955,912 | 80,643,658,724 |
| 16. Deferred corporate tax (income)/expense | 52 | | 225,235,419 | - |
| 16. Net profit after corporate income tax (60=50-51) | 60 | | 392,745,472,672 | 320,039,268,056 |
| 16.1. Attributable to equity holders of the Holding Company | 61 | | 388,774,476,599 | 315,301,354,839 |
| 16.2. Attributable to non-controlling interests | 62 | | 3,970,996,073 | 4,737,913,217 |
| 17. Basic earnings per share | 70 | 27 | 4,860 | 3,659 |

Nguyen Cong Son
Preparer

Le Thi Lan
Chief Accountant

Chu Huu Chien
Chief Executive Officer

30 March 2020

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2019

Unit: VND

| ITEMS | Codes | Current year | Prior year |
|---|-----------|--------------------------|--------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 01 | 491,210,664,003 | 400,682,926,780 |
| 2. Adjustments for: | | | |
| Depreciation and amortisation of fixed assets | 02 | 20,711,107,160 | 6,445,352,574 |
| Provisions | 03 | 627,689,298 | 1,878,302,039 |
| (Gain) from investing activities | 05 | (5,012,227,952) | (2,924,904,676) |
| Interest expense | 06 | 22,231,183,764 | - |
| 3. Operating profit before movements in working capital | 08 | 529,768,416,273 | 406,081,676,717 |
| Increase, decrease in receivables | 09 | (542,299,930,363) | (414,748,428,109) |
| Increase, decrease in inventories | 10 | 318,157,112,803 | (455,842,310,750) |
| Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable) | 11 | 21,916,401,441 | 184,384,388,873 |
| Increase, decrease in prepaid expenses | 12 | (39,492,116,858) | (1,339,997,558) |
| Interest paid | 14 | (22,231,183,764) | - |
| Corporate income tax paid | 15 | (85,163,908,667) | (66,717,646,272) |
| Other cash outflows | 17 | (25,568,454,786) | (17,406,819,839) |
| Net cash generated by/(used in) operating activities | 20 | 155,086,336,079 | (365,589,136,938) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | (111,041,940,981) | (70,818,303,208) |
| 2. Proceeds from sale, disposal of fixed assets and other long-term assets | 22 | - | 72,727,273 |
| 3. Cash outflow for lending, buying debt instruments of other entities | 23 | (197,500,000,000) | (746,500,000,000) |
| 4. Cash recovered from lending, selling debt instruments of other entities | 24 | 42,000,000,000 | 746,500,000,000 |
| 5. Interest earned, dividends and profits received | 27 | 3,858,433,431 | 2,852,177,403 |
| Net cash (used in) investing activities | 30 | (262,683,507,550) | (67,893,398,532) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. Proceeds from share issue and owners' contributed capital | 31 | 39,605,000,000 | 625,000,000,000 |
| 2. Capital withdrawals, buy-back of issued shares | 32 | (1,080,000) | - |
| 3. Proceeds from borrowings | 33 | 272,927,415,533 | 170,000,000,000 |
| 4. Repayment of borrowings | 34 | (360,200,000,000) | (100,000,000,000) |
| Net cash (used in)/generated by financing activities | 40 | (47,668,664,467) | 695,000,000,000 |
| Net increase in cash (50=20+30+40) | 50 | (155,265,835,938) | 261,517,464,530 |
| Cash at the beginning of the year | 60 | 322,785,384,428 | 61,267,919,898 |
| Cash at the end of the year (70=50+60) | 70 | 167,519,548,490 | 322,785,384,428 |

Nguyen Cong Son
Preparer

Le Thi Lan
Chief Accountant

Chu Huu Chien
Chief Executive Officer

30 March 2020

1. GENERAL INFORMATION

Structure of ownership

Century Land Joint Stock Company operates under the Business Registration Certificate No. 0101160306 issued by the Department of Planning and Investment of Hanoi on 20 August 2001 and its 18th amendment on 17 March 2020.

The Company's head office is located at 1st Floor, Sky City B Tower, No. 88 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi City, Vietnam .

Operating industry and principal activities

The Company's operating industry and principal activities includes:

- Real estate brokerage and consulting services;
- Real estate business, trade of construction materials;
- Investing, consulting, brokerage financial services;
- Commercial brokerage; and
- Real estate management services.

Normal production and business cycle

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

The Company's structure

The Company has four subsidiaries. General information about the Company's subsidiaries is as follows:

| Name | Place of incorporation and operation | Proportion of ownership and interest % | Proportion of voting power held % | Principal activity |
|---|--------------------------------------|--|-----------------------------------|--|
| Subsidiaries | | | | |
| World Star Real Estate Services Joint Stock Company | Hanoi | 51.00% | 51.00% | Real estate activities with owned or leased properties; consultancy, brokerage, management and advertising relating to real estate |
| Rising Star Media Joint Stock Company | Hanoi | 80.00% | 80.00% | Providing value-added services on the Internet, advertising, organizing trade promotion, market research |
| Cen Sai Gon Real Estate Joint Stock Company | Ho Chi Minh City | 80.00% | 80.00% | Real estate business, land use rights as owners, users or rentersReal estate activities with owned or leased properties |
| Century M&I Joint Stock Company | Hanoi | 51.00% | 51.00% | Consultancy, brokerage, auction relating to real estate and land use rights |

Besides, the Company has branches operating in various provinces, including: Vinh Phuc, Bac Ninh, Thai Nguyen, Quang Ninh, Hai Phong, Hung Yen, Thanh Hoa, Nghe An, Da Nang, Nha Trang, Can Tho, Dong Nai and a representative office in Korea.

Disclosure of information comparability in the consolidated financial statements

The comparative figures are the audited figures of the Company's consolidated financial statements for the year ended 31 December 2018.

The Basic earnings per share item in the consolidated income statement for the prior year was restated to enhance comparability with current year's presentation as stated in Note 27.

2. ACCOUNTING CONVENTION AND FINANCIAL ACCOUNTING PERIOD

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these consolidated financial statements, are as follows:

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) up to 31 December 2018. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of

changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories of the Company reflect the value of real estate products formed from the real estate business projects acquired by the Company from the investors, which will be sold in the form of real estate transfers of ownership rights to the buyer. Inventories are stated at the lower of cost and net realisable value.

Cost comprises cost of purchases and other directly attributable expenses in bringing real estate products to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations. Accordingly, provisions are allowed for inventories which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over the estimated useful lives as follows:

| | <u>Years</u> |
|--------------------------|--------------|
| Buildings and structures | 30 |
| Machinery and equipment | 3 |
| Motor vehicles | 6 |
| Office equipment | 3 - 5 |

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement

Intangible assets and amortization

Intangible assets represent land use right, computer software and other intangible assets. Intangible assets are stated at cost less accumulated amortization.

Land use rights are amortised using the straight-line method over the duration of the right to use the land. Infinity-term land use rights would not be amortized.

Computer software and other intangible assets amortized using the straight-line method over the period from 2 to 5 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Costs include those that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Prepayments comprise costs of small tools, supplies and spare parts issued for consumption, office repair cost, office rental cost which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Revenue recognition

Revenue from goods sold

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

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

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

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

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

Revenue from office leasing is recognised in the income statement using the straight-line method over the lease term.

Interest income is accrued on a time basis, by reference to the balance of deposits accounts and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Corporate income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognized on differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

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

4. CASH

| | Closing balance | Opening balance |
|----------------------|------------------------|------------------------|
| | VND | VND |
| Cash on hand | 16,478,214,753 | 5,583,123,307 |
| Bank demand deposits | 98,101,087,147 | 317,202,261,121 |
| Cash equivalents (i) | 52,940,246,590 | - |
| | 167,519,548,490 | 322,785,384,428 |

(i) Cash equivalents represent short-term deposits with original terms from 01 to 04 commercial banks with interest rates of 4.1% - 5.3% per annum.

5. SHORT-TERM TRADE RECEIVABLES

| | Closing balance | Opening balance |
|--|------------------------|------------------------|
| | VND | VND |
| Galaxy Land Real Estate Joint Stock Company | 164,243,897,572 | 168,531,870,156 |
| Century Real Estate Investment and Development Joint Stock Company | 164,122,878,951 | 83,126,606,578 |
| Chanh Nghia Quoc Cuong Joint Stock Company | 82,583,156,042 | - |
| Gamuda Land Vietnam Company Limited | 72,410,595,683 | 61,661,483,507 |
| Hong Lam Xuan Thanh Joint Stock Company | 50,493,352,293 | - |
| Bitexco Joint Stock Company | 44,155,189,652 | - |
| VMF Joint Stock Company | 39,284,199,789 | 86,239,992,938 |
| Phuc Son Group Joint Stock Company | 22,373,972,812 | 26,268,475,059 |
| Belleville Hanoi Real Estate Joint Stock Company | 15,423,949,805 | 15,798,263,316 |
| Hanoi Sunrise Development Investment Joint Stock Cc | 8,506,800,073 | 7,399,732,261 |
| Thien Phuc Dien Joint Stock Company | 8,225,014,182 | 21,395,671,082 |
| FLC Quang Binh Beach & Golf Resort Company Limited | 8,124,420,772 | 11,169,886,586 |
| Khai Son Joint Stock Company | 1,341,973,394 | 36,130,085,422 |
| Others | 132,182,852,339 | 164,999,774,520 |
| | 813,472,253,359 | 682,721,841,425 |
| Trade receivables from related parties (Details presented in Note 28) | 166,101,202,906 | 84,213,628,711 |

6. SHORT-TERM ADVANCES TO SUPPLIERS

| | Closing balance | Opening balance |
|---|-----------------------|-----------------------|
| | VND | VND |
| G-Tech International Technology Joint Stock Company | 18,750,270,000 | - |
| CONSGROUP Joint Stock Company | - | 9,355,163,980 |
| Century Real Estate Investment and Development Joint Stock Company | - | 901,717,390 |
| Others | 3,278,724,890 | 1,664,016,785 |
| | 22,028,994,890 | 11,920,898,155 |
| Advances to related parties (Details presented in Note 28) | - | 901,717,390 |

7. SHORT-TERM LOAN RECEIVABLES

| | Closing balance | Opening balance |
|---|------------------------|-----------------|
| | VND | VND |
| VMF Joint Stock Company (i) | 113,000,000,000 | - |
| Century Real Estate Investment and Development Joint Stock Company (ii) | 30,000,000,000 | - |
| Dai Nam Son Construction Investment and Design Consulting Joint Stock Company (iii) | 11,500,000,000 | - |
| | 154,500,000,000 | - |
| Loan receivables from related parties (Details presented in Note 28) | 30,000,000,000 | - |

- (i) Represents loan to VMF Joint Stock Company under credit contracts with terms of 3 - 6 months and interest rate of 9.5% per annum to supplement the borrower's working capital. The loan is unsecured.
- (ii) Represents loan to Century Real Estate Investment and Development Joint Stock Company under credit contracts with terms of 6 - 12 months and interest rate of 9.5% per annum to supplement the borrower's working capital. The loan is unsecured.
- (iii) Represents loan to Dai Nam Son Construction Investment and Design Consulting Joint Stock Company under the interest-free credit contract No. 01/HDVV/CENLAND-DAINAMSON with a term of 3 months to pay for expenses related to the construction project of An Binh Can Tho commercial housing area. The loan's collateral is 24 plots of land and ownership of 24 rough-constructed houses on the front of Nguyen Van Cu street.

8. OTHER RECEIVABLES

| | Closing balance VND | Opening balance VND |
|--|------------------------|------------------------|
| a. Short-term | | |
| Binh Minh Housing Development Joint Stock Company (i) | 200,000,000,000 | - |
| Viet Anh Development and Investment Joint Stock Company (ii) | 62,225,124,126 | 75,181,130,714 |
| Gia Phu Real Estate Company Limited | 5,391,000,324 | 5,391,000,324 |
| Nam Hong Company Limited | 24,866,804,508 | 23,441,015,836 |
| An Thinh Technology and Solution Company Limited | 384,300,000 | 384,300,000 |
| Hanoi Sunrise Development Investment Joint Stock Company | 50,527,654 | 11,800,807,194 |
| Advances to employees | 55,974,102,229 | 15,661,274,581 |
| Deposits and mortgages | 108,167,489,840 | 67,791,585,428 |
| Other receivables | 59,606,192 | 7,479,514,437 |
| | 457,118,954,873 | 207,130,628,514 |
| b. Non-current | | |
| Deposits and mortgages (iii) | 654,409,030,229 | 482,052,153,009 |
| <i>In which:</i> | | |
| - Guarantee for general project-distribution agents | 648,858,889,194 | 479,960,025,174 |
| + Century Real Estate Investment and Development Joint Stock Company | 499,800,000,000 | 315,000,000,000 |
| + Bitexco Joint Stock Company | 50,000,000,000 | - |
| + Gamuda Land Vietnam Company Limited | 30,787,922,212 | 58,974,025,174 |
| + Soleil Investment and Hotel Services Joint Stock Company | 22,550,000,000 | 25,600,000,000 |
| + Khai Son Joint Stock Company | 9,600,000,000 | 18,000,000,000 |
| + FLC Group Joint Stock Company | 400,000,000 | 400,000,000 |
| + Geleximco Group - Joint Stock Company | - | 10,000,000,000 |
| + Dolphin 2 Vietnam Joint Stock Company | - | 30,000,000,000 |
| + Others | 35,720,966,982 | 21,986,000,000 |
| - Other deposits and mortgages | 5,550,141,035 | 2,092,127,835 |
| | 654,409,030,229 | 482,052,153,009 |
| Other receivables from related parties (Details presented in Note 28) | 531,300,000,000 | 345,000,000,000 |

- (i) Represents the value of capital contribution under the Business Co-operation Contract between the Company and Binh Minh Housing Development Joint Stock Company for the Project on Plaschem Complex Building of Apartments, Commercial Service and Office at No. 93 Duc Giang Street, Duc Giang Ward, Long Bien District, Hanoi City. Under the terms of the Business Co-operation Contract, the Company will co-operate with Binh Minh Housing Development Joint Stock Company to contribute capital, invest in construction and trade products of the above project the above project. Binh Minh Housing Development Joint Stock Company is responsible for the implementation and construction activities of the project, the Company will be responsible for co-funding the project and has right to participate in the development of business, marketing and accounting plans, sales plan of the project.
- (ii) Represents the value of capital contributions under the Business Co-operation Contract dated 23 May 2018 between the Company and Viet Anh Investment and Development Joint Stock Company for the Project on construction of the Village of overseas Vietnamese in Vinh Niem Ward, Le Chan District, Hai Phong City. Under the terms of the Business Co-operation

Contract, the Company will cooperate with Viet Anh Investment and Development Joint Stock Company to process the legal procedures to implement infrastructure/rough construction of the Project according to the approved plan and design, and to trade the Project products on the 45 land plots of the Project. Viet Anh Investment and Development Joint Stock Company is responsible for the whole project development and implementation; the Company is responsible for co-funding the Project implementation and the sale of all real estate products under the Project. The capital contribution will be recovered by the Company either by receiving payments from Viet Anh Investment and Development Joint Stock Company or by withholding payment from the customers purchasing the products of this Project.

The part of sales corresponding to the value of land use rights of land lots calculated using the unit price of VND 25 million per square meter belongs to Viet Anh Investment and Development Joint Stock Company; the part of sales calculated using the unit price equaling the actual selling unit price minus (-) unit cost of construction minus (-) VND 25 million per square meter belongs to the Company; the Company also bears the costs related to sales and construction of the Project.

- (iii) Mainly including deposits secured for the performance of contracts that the Company has paid to the investors to act as general sales agents for real estate products formed under the relevant projects.

9. BAD DEBTS

| Items | Closing balance | | Opening balance | |
|--|----------------------|------------------------------|----------------------|------------------------------|
| | Cost VND | Recoverable amount VND | Cost VND | Recoverable amount VND |
| Doubtful debts | 8,166,991,660 | 269,999,999 | 8,166,991,660 | 897,689,297 |
| a) Past due over 3 years | | | | |
| Gia Phu Real Estate Company Limited | 5,391,000,324 | - | 5,391,000,324 | - |
| An Thinh Technology and Solution Company Limited | 384,300,000 | - | 384,300,000 | - |
| West Lake Development and Investment Company Limited | 106,244,294 | - | 106,244,294 | - |
| Thang Long Real Estate Joint Stock Company | 60,615,000 | - | 60,615,000 | - |
| TID Joint Stock Company | 343,870,941 | - | 343,870,941 | - |
| Hanoi General Import-Export Joint Stock Company | 39,683,691 | - | 39,683,691 | - |
| b) Past due over from 2 years to 3 years | | | | |
| Bao Viet Investment Joint Stock Company | 45,898,815 | - | 45,898,815 | - |
| Phu Long Real Estate Joint Stock Company | 1,740,000,000 | 269,999,999 | 1,740,000,000 | 870,000,000 |
| Sao Viet Real Estate Services Corporation | 55,378,595 | - | 55,378,595 | 27,689,297 |

Recoverable amount is determined at cost less provision for doubtful debts that has been made as at the balance sheet date.

10. INVENTORIES

| | Closing balance | | Opening balance | |
|------------------|------------------------|------------------|------------------------|------------------|
| | Cost VND | Provision VND | Cost VND | Provision VND |
| Real estate (i) | 134,291,594,347 | - | 447,532,625,040 | - |
| Work in progress | 7,418,152,827 | - | 12,334,234,937 | - |
| Total | 141,709,747,174 | - | 459,866,859,977 | - |

- (i) Represents the value of real estate including apartments and land purchased by the Company from the investor to re-sell.

11. PREPAYMENTS

| | Closing balance VND | Opening balance VND |
|--|------------------------|------------------------|
| a) Current | | |
| Advertising expenses for Cenhomes.vn website | 23.071.688.106 | - |
| Tools and supplies | 523.300.183 | 483.197.705 |
| Office repair | 131.789.342 | 857.500 |
| Office rentals | 898.742.403 | 591.645.790 |
| Other expenses | 434.965.483 | 139.800.757 |
| | 25.060.485.517 | 1.215.501.752 |
| b) Non-current | | |
| Tools and supplies | 3.776.239.918 | 4.008.879.020 |
| Office repair | 18.707.052.041 | 2.621.375.351 |
| Other long-term prepayments | 172.143.097 | 378.047.592 |
| | 22.655.435.056 | 7.008.301.963 |

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

| | Buildings, structures VND | Machinery, equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|---------------------------------|---------------------------------|--------------------------------|-----------------------|----------------------------|------------------------|
| COST | | | | | |
| Opening balance | 110,684,934,984 | 35,900,000 | 34,188,353,273 | 3,263,446,748 | 148,172,635,005 |
| Purchases | 8,756,504,608 | 993,827,273 | 4,275,734,547 | 10,493,899,187 | 24,519,965,615 |
| Reclassification | (8,096,485,616) | - | - | - | (8,096,485,616) |
| Closing balance | 111,344,953,976 | 1,029,727,273 | 38,464,087,820 | 13,757,345,935 | 164,596,115,004 |
| ACCUMULATED DEPRECIATION | | | | | |
| Opening balance | 121,523,592 | 23,675,981 | 7,362,111,519 | 1,957,866,468 | 9,465,177,560 |
| Charge for the year | 3,661,399,244 | 167,544,001 | 4,366,848,876 | 2,490,011,195 | 10,685,803,316 |
| Closing balance | 3,782,922,836 | 191,219,982 | 11,728,960,395 | 4,447,877,663 | 20,150,980,876 |
| NET BOOK VALUE | | | | | |
| Closing balance | 107,562,031,140 | 838,507,291 | 26,735,127,425 | 9,309,468,272 | 144,445,134,128 |
| Opening balance | 110,563,411,392 | 12,224,019 | 26,826,241,754 | 1,305,580,280 | 138,707,457,445 |

The cost of tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2019 was VND 3,126,342,851 (as at 31 December 2018: VND 2,031,669,312).

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

| | Land use rights VND | Computer software VND | Others VND | Total VND |
|---------------------------------|---------------------------|-----------------------------|--------------------|-----------------------|
| COST | | | | |
| Opening balance | - | 4,832,974,769 | 342,272,736 | 5,175,247,505 |
| Purchases | - | 43,032,600,000 | - | 43,032,600,000 |
| Reclassification | 8,096,485,616 | - | - | 8,096,485,616 |
| Closing balance | 8,096,485,616 | 47,865,574,769 | 342,272,736 | 56,304,333,121 |
| ACCUMULATED AMORTISATION | | | | |
| Opening balance | - | 2,792,887,761 | 157,049,127 | 2,949,936,888 |
| Charge for the year | - | 9,767,698,819 | 112,794,737 | 9,880,493,556 |
| Closing balance | - | 12,560,586,580 | 269,843,864 | 12,830,430,444 |
| NET BOOK VALUE | | | | |
| Closing balance | 8,096,485,616 | 35,304,988,189 | 72,428,872 | 43,473,902,677 |
| Opening balance | - | 2,040,087,008 | 185,223,609 | 2,225,310,617 |

The cost of intangible fixed assets which have been fully depreciated but are still in use as at 31 December 2019 was VND 2,950,120,000 (as at 31 December 2018: VND 545,120,000)

14. CONSTRUCTION IN PROGRESS

| | Closing balance VND | Opening balance VND |
|---------------------------------|------------------------|------------------------|
| Construction in progress | | |
| - Acquisition (i) | 35,502,628,341 | 15,769,759,350 |
| - Construction in progress (ii) | 6,944,050,039 | 3,951,089,718 |
| | 42,446,678,380 | 19,720,849,068 |

- (i) Represents the value of the management software which is being invested by the Company to be used in the future.
- (ii) Represents the value of real estate acquired to form the Company's future fixed assets being office and trading service areas.

15. SHORT-TERM TRADE PAYABLES

| | Closing balance | | Opening balance | |
|---|-----------------------|------------------------------|------------------------|------------------------------|
| | VND | VND | VND | VND |
| | Amount | Amount likely to be paid off | Amount | Amount likely to be paid off |
| Century Group Joint Stock Company | 9,736,474,791 | 9,736,474,791 | 8,009,289,955 | 8,009,289,955 |
| Galaxy Land Real Estate Joint Stock Company | 3,089,023,296 | 3,089,023,296 | - | - |
| Ngoc Land Commercial and Investment Company Limited | 2,454,191,149 | 2,454,191,149 | 5,879,077,674 | 5,879,077,674 |
| Dolphin 2 Vietnam Joint Stock Company | 2,005,260,500 | 2,005,260,500 | - | - |
| CORE REALTY Real Estate Joint Stock Company | 1,997,747,288 | 1,997,747,288 | 4,065,361,301 | 4,065,361,301 |
| Nha re 24H Joint Stock Company | - | - | 3,241,149,985 | 3,241,149,985 |
| Others | 73,496,448,889 | 73,496,448,889 | 94,807,671,713 | 94,807,671,713 |
| | 92,779,145,913 | 92,779,145,913 | 116,002,550,628 | 116,002,550,628 |
| Trade payables to related parties (Details presented in Note 28) | 13,205,082,918 | 13,205,082,918 | 13,574,730,720 | 13,574,730,720 |

16. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

| Items | Movement in the year | | | |
|----------------------|-----------------------|------------------------|------------------------|------------------------|
| | Opening balance | Amount payable | Amount paid | Closing balance |
| | VND | VND | VND | VND |
| Value added tax | 10,363,509,657 | 142,947,398,940 | 137,407,932,659 | 15,902,975,938 |
| Corporate income tax | 47,699,167,391 | 98,239,955,912 | 85,163,908,667 | 60,775,214,636 |
| Personal income tax | 33,049,435,770 | 78,597,631,257 | 63,056,330,362 | 48,590,736,665 |
| Other taxes | - | 6,073,081,382 | 6,063,315,998 | 9,765,384 |
| Total | 91,112,112,818 | 325,858,067,491 | 291,691,487,686 | 125,278,692,623 |

17. SHORT-TERM ACCRUED EXPENSES

| | Closing balance | Opening balance |
|--------------------------------------|------------------------|-----------------------|
| | VND | VND |
| Brokerage fees payable to associates | 104,331,360,315 | 40,000,037,841 |
| Allowances | - | 2,104,824,354 |
| Other accrued expenses | 12,177,977,524 | 41,640,000 |
| | 116,509,337,839 | 42,146,502,195 |

18. OTHER PAYABLES

| | Closing balance | Opening balance |
|---|------------------------|------------------------|
| | VND | VND |
| a. Short-term | | |
| Trade union fee | 292,593,969 | 228,541,107 |
| Social insurance | 246,673,720 | 528,506,858 |
| Capital contribution received | - | 168,049,784,150 |
| - Galaxy Land Real Estate Joint Stock Company | - | 143,049,784,150 |
| - Word Eye Vision Company Limited | - | 25,000,000,000 |
| Deposits received for sales of apartments (i) | 193,148,624,440 | 117,561,428,990 |
| Payable to Ms. Tran Thi Thanh Binh | - | 3,479,665,046 |
| Short-term deposits received | 6,529,013,750 | 4,630,000,000 |
| Others | 6,467,982,233 | 1,578,070,939 |
| | 206,684,888,112 | 296,055,997,090 |
| b. Long-term | | |
| Long-term deposits received | 3,276,866,095 | 2,159,739,125 |
| | 3,276,866,095 | 2,159,739,125 |

- (i) Represents the deposits received from customers buying apartments, semi-attached houses, villas, etc. distributed by the Company. These deposits will be offset against the value of the customers' first payments under the terms of the relevant contracts.

19. SHORT-TERM LOAN

| | Opening balance | | In the year | | Closing balance | |
|---|------------------------|------------------------------|------------------------|------------------------|-----------------------|------------------------------|
| | VND | VND | VND | VND | VND | VND |
| | Amount | Amount likely to be paid off | Increases | Decreases | Amount | Amount likely to be paid off |
| Joint Stock Commercial Bank for Investment and Development of Vietnam - East Hanoi Branch (i) | 30.000.000.000 | 30.000.000.000 | 30.000.000.000 | 30.000.000.000 | 30.000.000.000 | 30.000.000.000 |
| Vietnam Prosperity Joint Stock Commercial Bank (ii) | 140.000.000.000 | 140.000.000.000 | 60.000.000.000 | 185.200.000.000 | 14.800.000.000 | 14.800.000.000 |
| Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Ha Branch (iii) | - | - | 137.927.415.533 | 100.000.000.000 | 37.927.415.533 | 37.927.415.533 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da Branch (iv) | - | - | 45.000.000.000 | 45.000.000.000 | - | - |
| | 170.000.000.000 | 170.000.000.000 | 272.927.415.533 | 360.200.000.000 | 82.727.415.533 | 82.727.415.533 |

- (i) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - East Hanoi Branch under credit contract No. 01/2018/352851/HDTD dated 21 December 2018 with a credit limit of VND 30 billion to finance working capital, guarantee, open L/C with the term of 225 days. Loan interest rate is 8,7%/year; the applied floating rate is adjustable every 3 months with the first adjustment period starting from 01 March 2019. The loan is secured by land use rights and trading area on the first floor of J building, H building and K building in CT7 block of the high-rise apartment complex NCG Residential project, Duong Noi Urban Area, Ha Dong District, Hanoi City owned by Century Real Estate Investment and Development Joint Stock Company.

- (ii) Short-term borrowings from Vietnam Prosperity Joint Stock Commercial Bank under the credit limit contract No. 0618/HDHM/VPB-CENLAND dated 03 October 2018 with the credit limit of VND 200,000,000,000 to cover deposits paid within 01 month under the brokerage contracts before the date of this contract; to pay for commissions for real estate brokerage business activities of the Company from the effective date of this contract; to pay Nam Hong Company Limited and other expenditures under the Business Co-operation Contract No. 05/2018/HD/CEN-NAM HONG relating to the Project on the Complex of sport activities, school, public works, urban area in Dong Ky ward, Tu Son commune, Bac Ninh province. The first withdrawal date is 29 December 2018 with the amount of VND 140 billion to partially cover payments made under the business cooperation contract No. 05/2018/HD/CEN-NAM HONG. The term of this loan is 12 months and the maturity date is 29 December 2019. Loan interest rate of 9.5%/year is adjustable once a month with the first adjustment period starting from 29 January 2019. Principal is payable every 3 months in 4 periods, the first payment period is from 29 March 2019.

Collateral assets of the loan are the 2nd and 3rd floors' office area of the high-class Dolphin Plaza Complex of apartments and offices at No. 28 Tran Binh Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City.

- (iii) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Ha Branch under credit contract No. 02/2019/352851/HDTD dated 23 October 2019 with a credit limit of VND 50 billion to finance working capital for production and business activities. The loan period is 12 months from the first disbursement date. The loan bears fixed rate of 7.8%/year during the loan period. The loan's collateral are properties owned by Century Real Estate Investment and Development Joint Stock Company and Galaxy Land Real Estate Joint Stock Company, specifically:

- Land use right and commercial service floor on the first and second floors, commercial service floors SH - 41, SH - 43 at plot H - CT2, Hi Brand Residential Area, Van Phu New Urban Area, Ward Phu La, Ha Dong District, Hanoi City.
- Apartment No. B0607 at Building B, Sky City Tower Complex at 88 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi City.

20. OWNERS' EQUITY

Movement in owners' equity

| | Owners' | | Vốn khác | | Investment and development fund | Retained earnings | Non-controlling interests | Total |
|---|------------------------|------------------------|----------------------|--------------------|---------------------------------|------------------------|---------------------------|--------------------------|
| | contributed capital | Share premium | của chủ sở hữu | Treasury shares | | | | |
| | VND | VND | VND | VND | VND | VND | VND | VND |
| Prior year's opening balance | 250,000,000,000 | - | - | - | 12,899,194,890 | 296,505,582,950 | 18,934,946,333 | 578,339,724,173 |
| Stock issuance | 250,000,000,000 | 375,000,000,000 | - | - | - | - | - | 625,000,000,000 |
| Profit for the year | - | - | - | - | - | 315,301,354,839 | 4,737,913,217 | 320,039,268,056 |
| Distribution to other funds | - | - | - | - | 22,261,020,480 | (22,261,020,480) | - | - |
| Distribution to bonus and welfare funds | - | - | - | - | - | (32,566,363,593) | (206,291,782) | (32,772,655,375) |
| Others | - | - | - | - | - | (1,268,748,723) | (93,778,959) | (1,362,527,682) |
| Current year's opening balance | 500,000,000,000 | 375,000,000,000 | - | - | 35,160,215,370 | 555,710,804,993 | 23,372,788,809 | 1,489,243,809,172 |
| Stock issuance (i) | 300,000,000,000 | (225,000,000,000) | - | - | - | (75,000,000,000) | - | - |
| Increase in subsidiaries' capital during the year | - | 9,243,750,000 | - | - | - | - | 30,361,250,000 | 39,605,000,000 |
| Profit for the year | - | - | - | - | - | 388,774,476,599 | 3,970,996,073 | 392,745,472,672 |
| Distribution to other funds (ii) | - | - | - | - | 31,921,539,680 | (31,921,539,680) | - | - |
| Distribution to bonus and welfare funds (ii) | - | - | - | - | - | (22,605,835,345) | (453,884,036) | (23,059,719,381) |
| Treasury shares acquisition | - | - | - | (1,080,000) | - | - | - | (1,080,000) |
| Change of ownership ratio in subsidiaries | - | (9,243,750,000) | 9,243,750,000 | - | (521,359,616) | (6,744,258,597) | 7,265,618,213 | - |
| Others | - | - | - | - | - | (261,999,891) | (251,725,383) | (513,725,274) |
| Current year's closing balance | 800,000,000,000 | 150,000,000,000 | 9,243,750,000 | (1,080,000) | 66,560,395,434 | 807,951,648,079 | 64,265,043,676 | 1,898,019,757,189 |

- (i) According to Resolution No. 06/2019/NQ-HDQT dated 16 January 2019 of the Board of Directors approving the implementation of the share issuance plan passed at the General Meeting of Shareholder at Resolution No. 02/2019/NQ-DHDCD dated 9 January 2019, the Company increased its charter capital by VND 300 billion in the form of share dividend payment of VND 75 billion from 2018 retained earnings and share issuance to increase its owners' equity of VND 225 billion using funds of share premium. At the same time, the Company also bought back 108 treasury shares, equivalent to VND 1,080,000 due to the fractional shares.
- (ii) The Company distributed 2018 retained earnings to the investment and development fund and the bonus and welfare funds with the amounts of VND 31.9 billion and VND 23 billion, respectively, in accordance with Resolution No. 03/2019/NQ-DHDCD dated 19 April 2019.

Charter capital

Under the 18th amended Business Registration Certificate dated 17 March 2020, the Company's charter capital is VND 800 billion.

Shares

As at 31 December 2019, the Company's number of shares in circulation is as follows:

| Shares | Closing balance VND | Opening balance VND |
|---|------------------------|------------------------|
| Number of shares issued to public | | |
| + Common shares | 80.000.000 | 50.000.000 |
| Number of treasury shares | | |
| + Common shares | 108 | - |
| Number of outstanding shares in circulation | | |
| + Ordinary shares | 79.999.892 | 50.000.000 |

An ordinary share has a par value of VND 10,000.

21. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

The Company does not have any business activities outside Vietnam; therefore, the Company does not have geographical segment outside Vietnam.

Business segments

For management purposes, the Company is currently organized into different business divisions as the subsidiaries separately operate.

Business segments of the Company comprise divisions as follows:

- Real estate brokerage and related services;
- Other services;

Business segment reports of the Company are as follows:

Consolidated balance sheet as at 31 December 2019

| | Real estate brokerage services | Other services | Elimination | Total |
|---------------------------------------|-----------------------------------|-----------------------|--------------------------|--------------------------|
| | VND | VND | VND | VND |
| Assets | | | | |
| Cash | 153,419,308,728 | 13,100,239,762 | - | 166,519,548,490 |
| Short-term financial investment | 1,000,000,000 | - | - | 1,000,000,000 |
| Short-term receivables | 1,600,214,603,964 | 44,886,455,898 | (205,877,848,401) | 1,439,223,211,461 |
| Inventories | 135,693,410,557 | 6,016,336,617 | - | 141,709,747,174 |
| Other short-term assets | 27,797,988,325 | - | (2,737,220,172) | 25,060,768,153 |
| Long-term receivables | 654,409,030,229 | - | - | 654,409,030,229 |
| Fixed assets | 187,054,907,270 | 945,785,664 | (2,704,545) | 187,997,988,389 |
| Construction in progress | 41,332,374,818 | 1,114,303,562 | - | 42,446,678,380 |
| Long-term investment | 50,520,000,000 | - | (50,520,000,000) | - |
| Other long-term assets | 21,335,579,529 | 1,319,855,527 | 547,444,034 | 23,202,879,090 |
| Total consolidated assets | 2,872,777,203,420 | 67,382,977,030 | (258,590,329,084) | 2,681,569,851,366 |
| Liabilities | | | | |
| Short-term liabilities | 957,979,982,690 | 31,261,811,603 | (209,741,245,664) | 779,500,548,629 |
| Long-term liabilities | 3,276,866,095 | - | 772,679,453 | 4,049,545,548 |
| Total consolidated liabilities | 961,256,848,785 | 31,261,811,603 | (208,968,566,211) | 783,550,094,177 |

Consolidated balance sheet as at 31 December 2018

| | Real estate brokerage services | Other services | Elimination | Total |
|---------------------------------------|-----------------------------------|-----------------------|--------------------------|--------------------------|
| | VND | VND | VND | VND |
| Assets | | | | |
| Cash | 51,809,380,291 | 9,458,539,607 | - | 61,267,919,898 |
| Short-term receivables | 729,916,414,432 | 30,548,198,091 | (111,845,616,231) | 648,618,996,292 |
| Inventories | - | 4,024,549,227 | - | 4,024,549,227 |
| Other short-term assets | 989,396,695 | 319,756,063 | (158,970,427) | 1,150,182,331 |
| Long-term receivables | 315,067,096,378 | - | - | 315,067,096,378 |
| Fixed assets | 18,219,548,521 | 140,055,830 | (24,340,903) | 18,335,263,448 |
| Construction in progress | - | - | - | - |
| Long-term investment | 40,000,000,000 | - | (40,000,000,000) | - |
| Other long-term assets | 5,592,538,861 | 141,084,965 | - | 5,733,623,826 |
| Total consolidated assets | 1,161,594,375,178 | 44,632,183,783 | (152,028,927,561) | 1,054,197,631,400 |
| Liabilities | | | | |
| Short-term liabilities | 561,469,433,886 | 24,234,089,572 | (111,845,616,231) | 473,857,907,227 |
| Long-term liabilities | 2,000,000,000 | - | - | 2,000,000,000 |
| Total consolidated liabilities | 563,469,433,886 | 24,234,089,572 | (111,845,616,231) | 475,857,907,227 |

Consolidated income statement for the year ended 31 December 2019

| | Real estate brokerage services | Other services | Elimination | Total |
|---|-----------------------------------|------------------------|--------------------------|--------------------------|
| | VND | VND | VND | VND |
| Net sales | 2,589,481,840,699 | 172,793,304,705 | (449,844,434,077) | 2,312,430,711,327 |
| Business expenses | 2,091,380,811,116 | 161,672,549,821 | (450,981,429,347) | 1,802,071,931,590 |
| - Cost of sales | 1,864,977,855,449 | 130,263,727,265 | (442,955,301,140) | 1,552,286,281,574 |
| - Selling expenses | 52,725,731,965 | - | (1,681,424,786) | 51,044,307,179 |
| - Administrative expenses | 173,677,223,702 | 31,408,822,556 | (6,344,703,421) | 198,741,342,837 |
| Income | 498,101,029,583 | 11,120,754,884 | 1,136,995,270 | 510,358,779,737 |
| Financial income | | | | 5,012,227,952 |
| Financial expenses | | | | 22,231,183,764 |
| Other (losses) | | | | (1,929,159,922) |
| Net profit before corporate income tax | | | | 491,210,664,003 |
| Current corporate income tax expense | | | | 98,239,955,912 |
| Defered corporate income tax expense | | | | 225,235,419 |
| Net profit after corporate income tax | | | | 392,745,472,672 |

Consolidated income statement for the year ended 31 December 2018

| | Real estate brokerage services | Other services | Elimination | Total |
|---|-----------------------------------|------------------------|--------------------------|--------------------------|
| | VND | VND | VND | VND |
| Net sales | 1,822,327,500,768 | 135,340,069,232 | (270,484,004,545) | 1,687,183,565,455 |
| Business expenses | 1,432,272,415,278 | 125,504,245,160 | (270,654,599,343) | 1,287,122,061,095 |
| - Cost of sales | 1,299,372,836,028 | 98,916,751,410 | (266,720,748,683) | 1,131,568,838,755 |
| - Selling expenses | 17,566,349,661 | - | (3,393,264,894) | 14,173,084,767 |
| - Administrative expenses | 115,333,229,589 | 26,587,493,750 | (540,585,766) | 141,380,137,573 |
| Income | 390,055,085,490 | 9,835,824,072 | 170,594,798 | 400,061,504,360 |
| Financial income | | | | 2,983,031,981 |
| Other (losses) | | | | (2,361,609,561) |
| Net profit before corporate income tax | | | | 400,682,926,780 |
| Current corporate income tax expense | | | | 80,643,658,724 |
| Net profit after corporate income tax | | | | 320,039,268,056 |

22. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

| | Current year VND | Prior year VND |
|--|--------------------------|--------------------------|
| Gross revenue from goods sold and services rendered | 2.325.233.584.054 | 1.687.183.565.455 |
| <i>In which:</i> | | |
| Revenue from real estate brokerage | 1.277.210.854.951 | 1.163.464.253.280 |
| Revenue from real estate transfer | 1.000.363.882.781 | 462.567.068.958 |
| Revenue from advertising services and events | 27.430.671.056 | 60.727.323.462 |
| Revenue from office leasing | 20.228.175.266 | 424.919.755 |
| | 2.325.233.584.054 | 1.687.183.565.455 |
| Deductions | | |
| Sales return | 12.802.872.727 | - |
| | 12.802.872.727 | - |
| Revenue from related parties (Details presented in Note 28) | 188.237.651.751 | 249.455.387.761 |

23. COST OF SALES

| | Current year VND | Prior year VND |
|---|--------------------------|--------------------------|
| Cost of real estate brokerage services | 805,164,689,655 | 722,181,463,730 |
| Cost of real estate transfer | 724,721,309,802 | 384,658,449,630 |
| Cost of advertising services and events | 20,679,166,124 | 24,304,005,640 |
| Cost of office leasing | 9,774,555,369 | 424,919,755 |
| | 1,560,339,720,950 | 1,131,568,838,755 |

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Selling expenses incurred during the year | | |
| Labour | 11,598,321,746 | 9,546,803,527 |
| Expenses for promotion and advertisement | 11,148,556,490 | 4,518,109,675 |
| Others | 28,297,428,943 | 108,171,565 |
| | 51,044,307,179 | 14,173,084,767 |
| General and administration expenses incurred during the year | | |
| Raw materials and consumables | 2,070,269,906 | 1,307,110,974 |
| Labour | 99,610,762,171 | 73,870,305,789 |
| Depreciation and amortisation | 10,663,719,064 | 4,861,081,066 |
| Out-sourced services | 40,396,876,549 | 32,786,834,187 |
| Others | 37,946,275,771 | 28,554,805,557 |
| | 190,687,903,461 | 141,380,137,573 |

25. PRODUCTION COST BY NATURE

| | Current year VND | Prior year VND |
|-------------------------------|--------------------------|------------------------|
| Tools and supplies | 2.070.269.906 | 1.438.414.200 |
| Labour | 533.711.569.148 | 395.554.114.783 |
| Depreciation and amortization | 20.711.107.160 | 6.445.352.574 |
| Out-sourced services | 463.363.080.625 | 471.911.687.153 |
| Others | 66.152.148.359 | 28.432.577.122 |
| | 1.086.008.175.198 | 903.782.145.832 |

26. FINANCIAL INCOME

| | Current year VND | Prior year VND |
|--|----------------------|----------------------|
| Loan interest | 1,779,756,295 | 523,150,685 |
| Bank interest | 3,232,471,657 | 2,329,026,718 |
| Foreign exchange gain arising from settlements | - | 130,854,578 |
| | 5,012,227,952 | 2,983,031,981 |

27. BASIC EARNINGS PER SHARE

| | Current year | Perior period |
|--|------------------------|------------------------|
| Accounting profit after corporate income tax of equity holders of the holding company (VND) | 388,774,476,599 | 315,301,354,839 |
| Distribution to bonus and welfare funds per Resolution of General Meeting of Shareholders (i) | - | 22,605,835,345 |
| Profit for the purpose of calculating basic earnings per share (VND) | 388,774,476,599 | 292,695,519,494 |
| Weighted average number of ordinary shares in circulation for the year | 79,999,909 | 80,000,000 |
| Basic earnings per share (VND) | 4,860 | 3,659 |

(i) Bonus and welfare funds were note deducted in basic earning perr share calculation as the proportionate was not approved in the General Meeting of Shareholders of the Company 2019. This figure shall be revised upon the General Meeting of Shareholders of the Company 2020.

At the same time, the Company re-determined the profit distribution to the bonus and welfare funds for the year ended 31 December 2018 as approved in the Resolution of the General Meeting of Shareholders to restate Basic earnings per share for the year ended 31 December 2018.

(ii) As presented in Note 19 of Notes to the consolidated financial statements, as of 21 February 2019, the Company has completed share dividend payment and share issuance to increase its owners' equity with the total number of 30,000,000 shares.

As per the above-mentioned bonus and welfare funds' restatement and share issuance, basic earnings per share for the year ended 31 December 2018 has been recalculated and restated as follows:

| | Prior year VND | Restated VND | Post-restated VND |
|-------------------------|-------------------|-----------------|----------------------|
| Basic earnings per shar | 3,880 | (221) | 3,659 |

28. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

| Related parties | Relationship |
|--|---------------------|
| Century Group Joint Stock Company | Parent company |
| Century Value Added Service Joint Stock Company | Affiliate |
| Century Real Estate Development and Investment Joint Stock Company | Affiliate |
| Century Golf Services and Trading Joint Stock Company | Affiliate |
| Century Valuation Joint Stock Company | Affiliate |
| Dolphin 2 Vietnam Joint Stock Company | Affiliate |
| and members of the Board of Directors, Board of Management, Supervisory Board and related people | |

During the year, the Company entered into the following significant transactions with its related parties:

| | Current year VND | Prior year VND |
|--|-------------------------|------------------------|
| Sales | | |
| Century Real Estate Development and Investment Joint Stock Company | 178.376.770.967 | 245.573.568.396 |
| Dolphin 2 Vietnam Joint Stock Company | 6.246.959.102 | 2.986.437.665 |
| Century Group Joint Stock Company | 520.107.732 | 25.938.156 |
| Century Value Added Service Joint Stock Company | 373.508.196 | 86.548.294 |
| Century Valuation Joint Stock Company | 2.026.874.764 | 759.857.168 |
| Century Golf Services and Trading Joint Stock Company | 693.430.990 | 23.038.082 |
| | 188.237.651.751 | 249.455.387.761 |
| Purchases | | |
| Dolphin 2 Vietnam Joint Stock Company | 137.580.500.102 | 144.209.181.818 |
| Century Real Estate Development and Investment Joint Stock Company | - | 71.399.570.843 |
| Century Value Added Service Joint Stock Company | 4.091.974.578 | 21.038.944.968 |
| Century Golf Services and Trading Joint Stock Co | 979.933.280 | 2.973.896.024 |
| Century Valuation Joint Stock Company | 10.000.000 | - |
| Century Group Joint Stock Company | 19.403.657.897 | 12.814.117.699 |
| | 162.066.065.857 | 252.435.711.352 |
| Lending | | |
| Century Real Estate Development and Investment Joint Stock Company | 72.000.000.000 | - |
| | 72.000.000.000 | - |
| Lending principal recovered | | |
| Century Real Estate Development and Investment Joint Stock Company | (42.000.000.000) | - |
| | (42.000.000.000) | - |
| Interest expenses | | |
| Century Real Estate Development and Investment Joint Stock Company | 1.556.178.082 | 523.150.685 |
| | 1.556.178.082 | 523.150.685 |
| Remuneration of Board of Directors and Executive Board | 7.961.740.985 | 5.292.434.301 |

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

| | <u>Closing balance</u> VND | <u>Opening balance</u> VND |
|--|-------------------------------|-------------------------------|
| Short-term trade receivables | | |
| Century Real Estate Development and Investment Joint Stock Company | 164,392,058,433 | 83,881,907,266 |
| Century Group Joint Stock Company | 581,721,067 | 28,531,972 |
| Century Valuation Joint Stock Company | 648,217,842 | 170,274,160 |
| Century Value Added Service Joint Stock Company | 6,534,000 | 71,725,684 |
| Century Golf Services and Trading Joint Stock Co | 472,671,564 | 9,897,473 |
| Dolphin 2 Vietnam Joint Stock Company | - | 51,292,156 |
| | 166,101,202,906 | 84,213,628,711 |
| Advances to suppliers | | |
| Century Real Estate Development and Investment Joint Stock Company | - | 901,717,390 |
| | - | 901,717,390 |
| Short-term trade payables | | |
| Dolphin 2 Vietnam Joint Stock Company | 2,005,260,500 | - |
| Century Group Joint Stock Company | 9,736,474,791 | 8,009,289,955 |
| Century Golf Services and Trading Joint Stock Company | 1,142,392,638 | 517,702,338 |
| Century Real Estate Development and Investment Joint Stock Company | 314,000,924 | - |
| Century Value Added Service Joint Stock Company | 6,954,065 | 5,047,738,427 |
| | 13,205,082,918 | 13,574,730,720 |
| Other receivables | | |
| Century Real Estate Development and Investment Joint Stock Company | 499,800,000,000 | 315,000,000,000 |
| Dolphin 2 Vietnam Joint Stock Company | - | 30,000,000,000 |
| Mr. Chu Huu Chien | 16,000,000,000 | - |
| Mr. Nguyen Anh Huong | 15,500,000,000 | - |
| | 531,300,000,000 | 345,000,000,000 |
| Loan receivables | | |
| Century Real Estate Development and Investment Joint Stock Company | 30,000,000,000 | - |
| | 30,000,000,000 | - |

29. SUPPLEMENTAL INFORMATION FOR ITEMS PRESENTED ON THE STATEMENT OF CASH FLOWS

Supplemental information for non-financial items

As stated in Note 20 to the Notes to the separate financial statements, during the year, the Company completed the issuance of shares to pay dividends and issued shares to increase share capital from equity of 30,000,000 shares in total; consequently, proceeds from share issue and owners' contributed capital presented in the consolidated cashflow statement for the year ended only comprise capital contributed by non-controlling interest of the subsidiaries without capital increased from above mentioned share issuance.

30. SUPPLEMENTAL INFORMATION

According to Resolutions No. 03, 04 and 05/2019/NQ-DHDCD dated 19 April 2019, the General Meeting of Shareholders approved the plan to increase charter capital to VND 1,599,998,920,000 by share issuance. The purpose of share issuance is to finance investment and construction activities of the project in Dong Ky ward urban area, Bac Ninh province; pay for loans coming due; grant the remaining fund and complete construction items under the Project on construction of the Village of overseas Vietnamese; finance working capital. At the issuance of this consolidated financial statement, the above mentioned plan to increase charter capital has not processed.

31. EVENTS AFTER REPORTING DATE

Due to impacts of COVID-19 disease outbreak, the Company's operating industries have been subject to risks of changes in the real estate market. Such significant changes may dramatically affect economic benefits and obligations of the Company. However, the Company's Executive Board assessed that market changes due to COVID-19 disease outbreak are unpredictable. Currently, the Company's Executive Board is prudently monitoring and evaluating the possible effects of this matter on the Company's operations in 2020.

Nguyen Cong Son
Preparer

Le Thi Lan
Chief Accountant

Chu Huu Chien
Chief Executive Officer

30 March 2020



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