



ORCHARD PARKVIEW
LUCKY DRAGON
KINGSTON MADISON
GRAND MANHATTAN
NOVABEACH
THE BOTANICA
RIVERGATE
LAKEVIEW CITY
SUNRISE CITYVIEW
LEXINGTON RESIDENCE
GOLDEN MANSION
THE TRESOR
LAKEVIEW CITY
SAIGON ROYAL
PRINCE RESIDENCE
ICON 56
THE BOTANICA
SUNRISE CITY
THE SUN AVENUE
RICHSTAR
GOLF PARK
VICTORIA VILLAGE
LUCKY PALACE
NOVAWORLD
GRAND MANHATTAN
THE BOTANICA
GARDENGATE
KINGSTON LUCKY PALACE
GOLF PARK
ORCHARD GARDEN
LAKEVIEW CITY
THE TRESOR
WILTON TOWER
SUNRISE RIVERSIDE
NOVAWORLD
SUNRISE CITY
TROPIC GARDEN
NEWTON RESIDENCE
RIVERGATE
THE BOTANICA
RICHSTAR
GOLF PARK

DEVELOPING COMMUNITY - CREATING DESTINATION - BUILDING HAPPINESS

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ABBREVIATION

AC	Audit Committee
ACCA	Asociation of Chartered Certified
ACMF	ASEAN Capital Markets Forum
ADB	Asian Development Bank
AGM	Annual general meeting of shareholders
AR	Annual Report
ASEAN	Asociation of Southest Asian Nations
BOD	Board of Directors
CAGR	Compound annual growth rate
CC	Charter capital
CBD	Central business district
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG	Corporate Governance
CPA	Certified Public Accountants
CPI	Consumer pride index
CSR	Corporate social responsibility
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest and taxes, depreciation and amortization
ERP	Enterprise resource planning
ESOP	Employee stock ownership plan
FDI	Foreign direct investment

FS	Financial Statement
GDP	Gross domestic product
Ha	Hectare
HCMC	Ho Chi Minh City
HR	Human Resources
HSX/HOSE	Ho Chi Minh Stock Exchange
IR	Investor Relations
ISD	Information Security Department
IT	Information Technology
M & A	Mergers and Acquisitions
N.A	Not applicable
NVL	Stock sticker of Novaland Group
PwC	PricewaterhouseCoopers Vietnam
Q	Quarter
RM	Risk management
ROA	Return on assets
ROE	Return on equity
ROS	Return on sales
SGX	Singapore Stock Exchange
SGM	Shareholders' General Meeting
USD	US Dollar
VND	Vietnam Dong

NOVALAND IN SPOTLIGHT

(1992 - 2018)

NOVALAND GROUP - A PRESTIGIOUS VIETNAMESE BRAND WITH AN INCREASINGLY DIVERSIFIED PRODUCT PORTFOLIO THAT RANGES FROM 40 PROJECTS^(*) OF VARIOUS TYPES OF RESIDENTIAL PROPERTIES TO TOURISM PROPERTIES SIZED UP TO THOUSANDS OF HA IN AREAS WITH CONVENIENT TRANSPORTATION AND TOURISM DEVELOPMENT POTENTIALS SUCH AS: CAN THO, BA RIA - VUNG TAU, PHAN THIET - BINH THUAN, AND SO ON.

Projects developed under such brands as NovaWorld, NovaBeach, and NovaHills have begun to appear and the green Rubik cube - Novaland's logo - will continue to light up impeccable destinations of Vietnam.

(*) Including land bank

ACCURACY AND TRUTHFULNESS OF 2018 ANNUAL REPORT

"EFFICIENCY - INTEGRITY - PROFESSIONALISM" are core values that Novaland Group follows with determination, the guideline for each activity by every member. 2018 Annual Report (AR 2018) continues to take shape as a Integrated Reporting containing Sustainable Development Report. In addition to meeting requirements set by Circular 155/2015/TT-BTC for information disclosure on the stock market, AR 2018 delivers some contents in line with the standards:



The International Integrated Reporting Council (IIRC)



Corporate Governance Framework of the Organization for Economic Cooperation and Development



ASEAN Corporate Governance Scorecard



For Sustainable Development Report, Novaland follows GRI Standards

Aiming to bring shareholders, investors and related parties the truthful, timely, complete and transparent information on development strategy, corporate governance, performance, financial situation and remaining issues, we commit:

1

That the contents presented in AR 2018 fully comply with regulations on information disclosure by the competent agencies, in pursuit of higher standards set by international practices.

2

All information and data published in the AR 2018 which include the Integrated Sustainable Development Report was prudently checked.

3

All information and data presented in the AR 2018 is consistent with 2018 audited financial statements by the prestigious independent auditing firm, PwC Vietnam.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear valued Shareholders,

Developing community - Creating destination - Building happiness will be the guiding missions for all Novaland employees as of 2019. This year also marks our 27th anniversary of establishment, a successful journey of cultivating our unique corporate culture that has become the core values of Novaland: "Efficiency - Integrity - Professionalism"; and the guideline for our actions.

Novaland has entered the Phase 2 on our strategic development road map. On top of our ongoing efforts in housing development on an available land bank of 6.7 million square meters in HCMC, Novaland has made an extraordinary addition to our product portfolio - hospitality properties.

In addition to building peaceful and happy homes, Novaland has embarked upon developing premium, world-class leisure destinations, featuring convenient

location, convergence of unique facilities to accommodate all types of tourism.

In 2019, in response to Vietnam's tourism development strategy, Novaland has introduced a 1,000-hectare hospitality properties project - NovaWorld Phan Thiet - to win over many customers' heart. This is a key project that has the advantage of traffic connection: HCMC - Dau Giay - Phan Thiet Expressway to be completed by 2021, railway, airport, and a marina that can accommodate 3,000 to 5,000 tourists. This project leverages the natural conditions of Binh Thuan, which McKinsey was involved as tourism development strategy consultant and Novaland Group as sole funder. Binh Thuan has low rainfall, very suitable for sports, especially water sports. To build on this advantage, NovaWorld Phan Thiet stands out with a 230 hectare ideal gymnasium for athlete training. Two golf courses designed by golf legend Greg Norman are expected to host a PGA Tournament, pinpointing Binh Thuan - Vietnam on the map of international golf destinations. The project is also planned with a covered stadium of 10,000 seats. It meets standards for holding football, tennis, athletics, and swimming competitions, and will host both tournaments and friendly matches between world-famous teams. Events are expected to take place continuously, and will quickly make NovaWorld Phan Thiet a renowned destination.

Novaland will also implement NovaWorld Mekong project in phases in tandem with HCMC - My Thuan - Can Tho expressway. This project is of great social meaning, and is expected to shift the whole perception of the Mekong Delta, create new jobs that adapting to climate change. Novaland and MBBank jointly fund the tourism development strategy for 13 provinces of Mekong Delta consulted by BCG.

For both NovaWorld Phan Thiet and NovaWorld Mekong, HCMC will be the hub for transportation and for attracting investors and customers. Internally, these projects are also significant to the Company's development - they were commenced during the period when projects in HCMC had difficulties in legal procedures. This will enhance Novaland's ability to overcome challenges, adaptability, and preparedness towards challenges and sustainable development strategy.

Dear valued Shareholders,

In 2019, Novaland's vision has shifted along the line of synchronous development and interdependency: "Novaland is a leading economic group in Real Estate

- Finance - Tourism - Infrastructure Development". In the near future, Novaland will focus on multiple categories of property in addition to developing tourism and infrastructure to support the real estate development. In longer term, Novaland will approach financial investment and develop various forms of financial instruments.

Regarding difficulties, challenges and risk management, Novaland is very cautious and fully aware that real estate sector is susceptible of macroeconomic impacts. Therefore, the Group is persistent in centralization efforts and introduces a strict risk management policy. Legal review in 2018 resulted in delay of several projects in HCMC, and caused detriments to business performance, customer satisfaction, and Company's reputation. To address these problems, Novaland settled legal complications for key projects, and in particular, launched the hospitality properties projects in Binh Thuan and Can Tho. They are expected to make up for the declined cashflow and profit.

Novaland has made a significant step forward by listing convertible bonds at Singapore Stock Exchange to enhance our journey to become the most transparent company on securities market. Novaland has worked with Deloitte to amend the Company Charter, build the Code of Corporate Governance in compliance with legal requirements, and will conduct many other reforms to gradually become the most transparent listed company.

Novaland's Sustainable Development Council comprises of dedicated members, whose sense of responsibility and years of experience in corporate governance have consistently assisted the Company Board of Directors. The council has been one of the very factors that helps Novaland overcome difficulties and challenges on our journey towards sustainable development.

In our attempts to nurture the best working environment, Novaland has encountered certain challenges from many market factors and the Company ongoing reformation and restructuring activities. Against all these, the Novaland team will make every effort to achieve our goals.

In 2018, Novaland successfully overcame difficulties and achieved a commendable business performance.

In 2019, with existing projects and improving macroeconomic factors, Novaland will address legal complications and accelerate construction progress. In addition, the introduction of NovaWorld Phan Thiet

and NovaWorld Mekong projects will yield outstanding revenues. All Novaland employees are confident to fulfill the Company's 2019 plan.

Novaland always regards social responsibility as an integral part of our business activities. In 2018, the Firm reserved a budget of nearly VND76 billion to support community development activities with millions of beneficiaries. These activities covered social welfare, school health guard for students and teachers such as Drinkable Water for School program in Long An and Ben Tre provinces, caring of disadvantaged people, mitigation of natural disasters impacts, nation-wide cultural and artistic activities aimed at maintaining and promoting Vietnam's national identity, building of bridges and schools infrastructure in Mekong Delta provinces, and donation of charity houses and scholarships, etc. Hundreds of these activities were participated by Novaland's employees, customers and partners.

Dear valued Shareholders,

Having undergone significant difficulties, Novaland understands the value of sustainable development. Besides changing to be more efficient at work, Novaland always persists with centralization strategy, Strict risk management, utmost respect to the law. These are fundamentals that the Board of Management must adhere to.

With our existing land bank, and human resources of **Efficiency, Integrity and Professionalism**, Novaland will enjoy outstanding and stable growth in the next 5 years.

Novaland always believes that with our **Developing community - Creating destination - Building happiness** mission, our success will certainly bring values to the society, who will in turn recognize Novaland as a national brand, an active contributor to the development of the country.

Thank you for your continuing trust and companionship in our quest

Bui Thanh Nhon
Chairman of the Board of Directors

The symbol of
Prosperity

1. CORPORATE PROFILE

OVERVIEW
ABOUT NOVALAND



NO VA LAND INVESTMENT GROUP CORPORATION
(NOVALAND GROUP)

Head office	: Novaland Office Building, 65 Nguyen Du, Ben Nghe Ward, Dist. 1, HCMC
Tel	: +84 906 353 838
Website	: www.novaland.com.vn
Charter capital	: VND 9,372,766,740,000 (as at December 31, 2018)
Stock ticker	: NVL
Independent auditor	: PwC (Vietnam) Limited
Business registration certificate No.	: 0301444753
Major business lines	: Trading in properties and land use rights which are under our ownership, use right or from leases with an industry code of 6810 as defined in the VSIC (Vietnam Standard Industrial Classification) (under Article 10.1 of the Law on Trading of Properties)

VISION

Novaland is a leading economic group
in Real Estate - Finance - Tourism - Infrastructure Development

MISSION

Developing Community - Creating Destination - Building Happiness

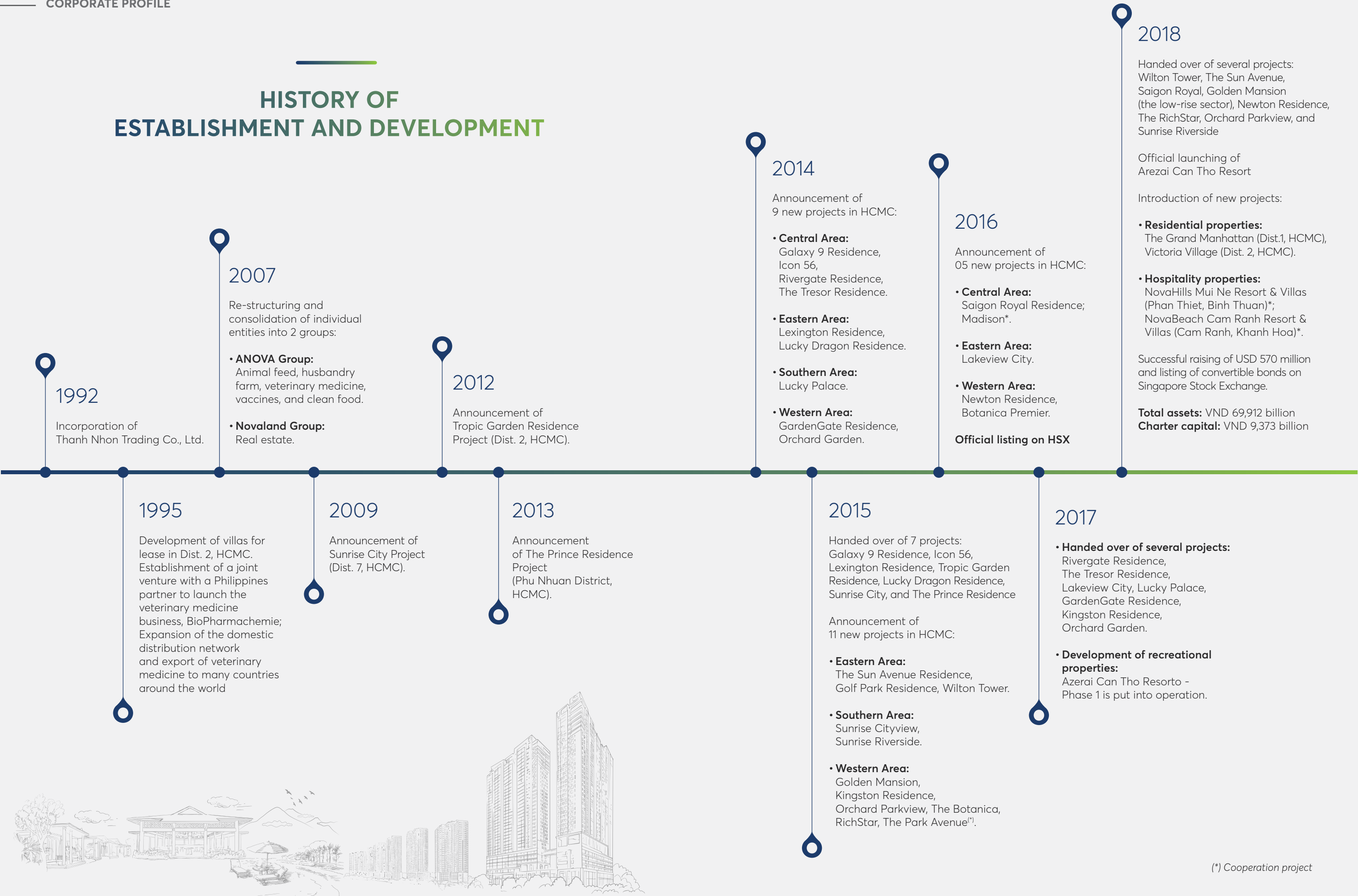
CORE VALUES

Efficiency - Integrity - Professionalism

CODE OF CONDUCT

Each business has its unique culture. At Novaland, the management is responsible for taking care of employees, who, in their turn, are responsible for taking care of customers. In order to build a professional Novaland team with high consistency, all conducts are required to adhere to standard rules. Individuals have their own rights to freedom to the extent these rights do not interfere with others'. Proper conducts will help preserve Novaland's core values Efficiency - Integrity - Professionalism be the guideline for all activities and the foundation for sustainable growth. Our code of conduct is available for reference at:
<https://www.novaland.com.vn/gioi-thieu>

HISTORY OF ESTABLISHMENT AND DEVELOPMENT



(*) Cooperation project

KEY FIGURES IN 2018

TOTAL ASSETS
↑ 41% over the same period
in 2017

VND **69,912**
BILLION
~ USD **3** BILLION

NET PROFIT AFTER TAX
↑ 58% over the same period
in 2017

VND **3,267**
BILLION
Completed 102% of the profit plan
in 2018

NET REVENUE
↑ 31% over the same period
in 2017

VND **15,290**
BILLION

CASH AND
CASH EQUIVALENTS

VND **12,327**
BILLION

OWNER'S EQUITY
↑ 54% over the same period
in 2017

VND **20,460**
BILLION

CHARTER CAPITAL
↑ 44% over the same period
in 2017

VND **9,373**
BILLION

Successfully mobilized
in 2018

USD **570**
MILLION

MARKET CAPITAL
(as at Dec 28, 2018)

VND **59,735**
BILLION
~ USD 2.6 BILLION

THE LIST OF
CONSTITUENT
STOCKS FOR THE
SUSTAINABILITY
INDEX

Contributing to
community support and
development activities

VND ~ **76**
BILLION

HANDED-OVER AND BEING
HANDED-OVER PROJECTS

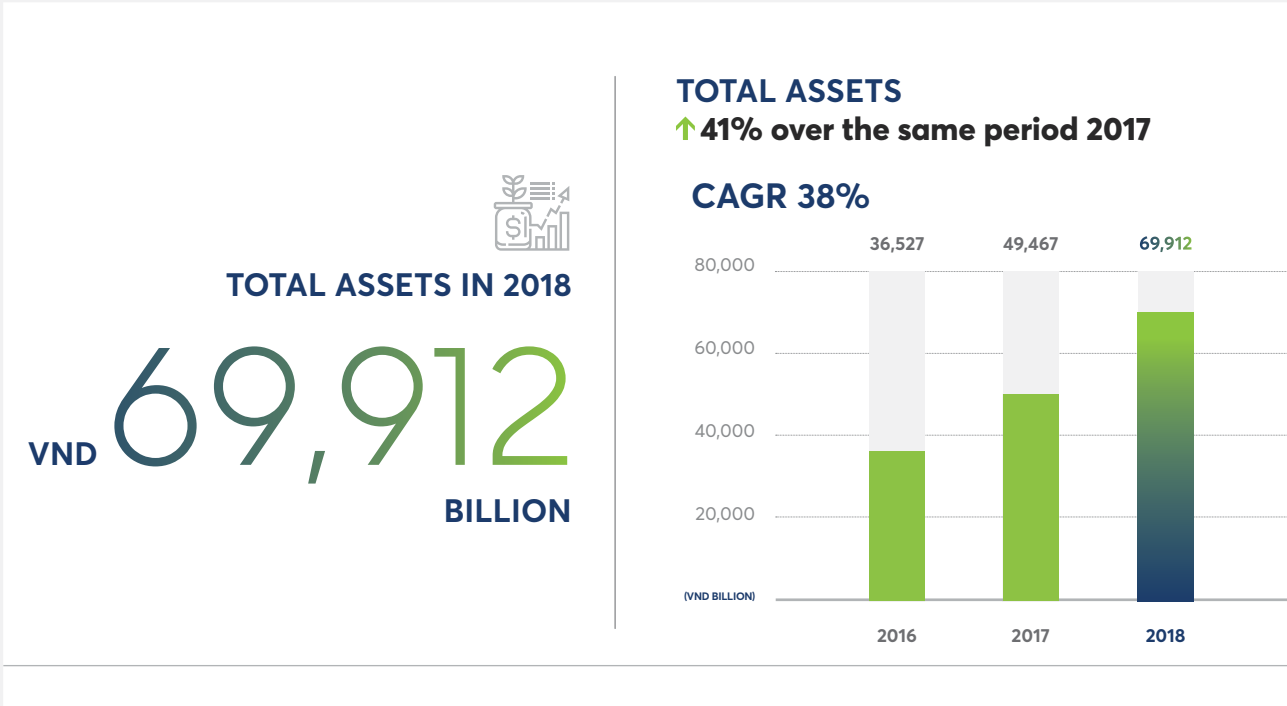
22

THE PERCENTAGE
OF PRODUCTS
chosen by customers

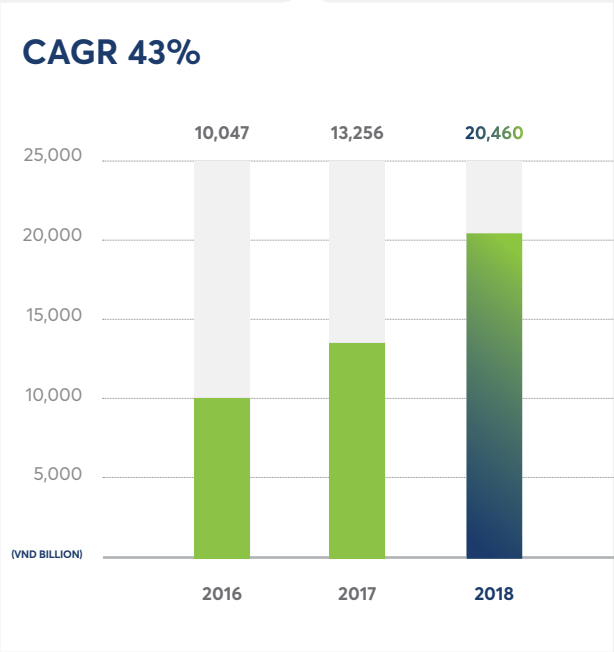
95%

TOP 2
LARGEST LISTED REAL ESTATE
DEVELOPERS ON HSX
(by market Capitalization)

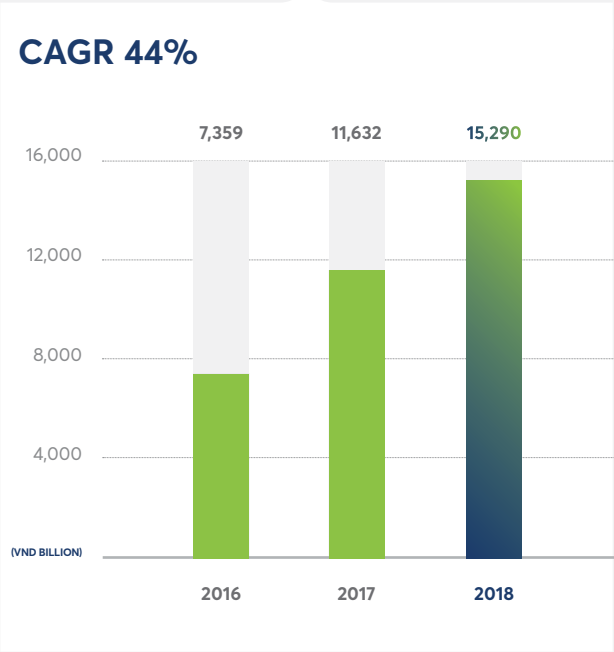
FINANCIAL HIGHLIGHTS 2018



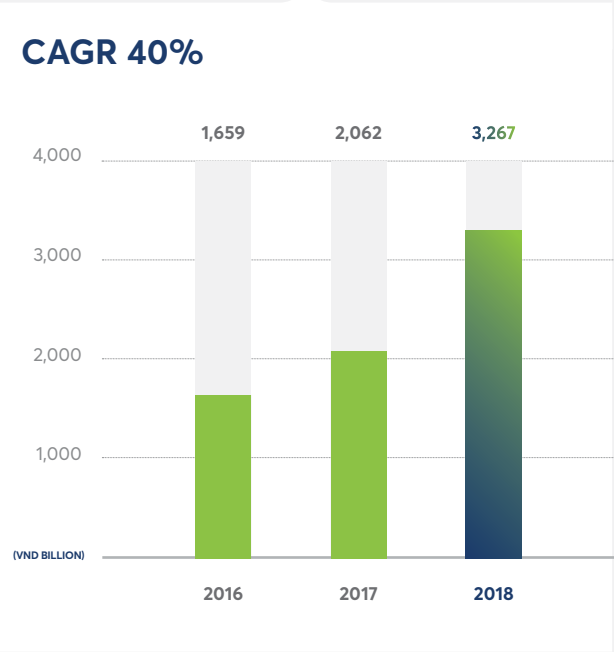
OWNER'S EQUITY
↑54% over the same period 2017



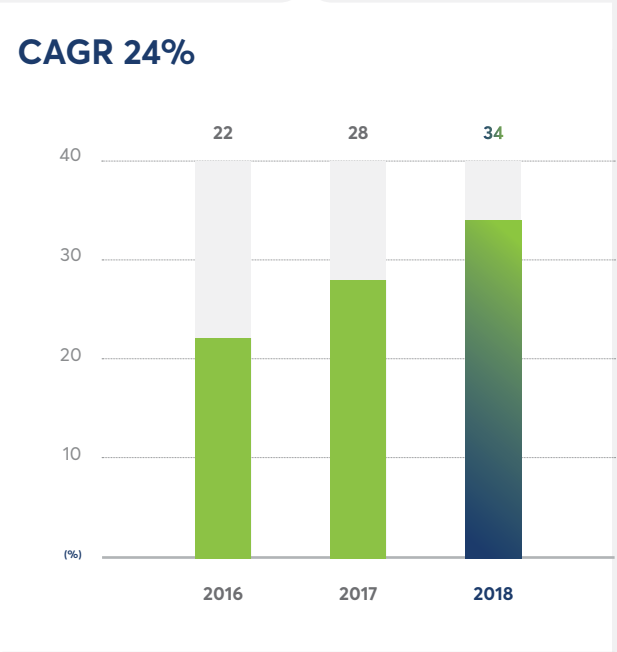
NET REVENUE
↑31% over the same period 2017



NET PROFIT AFTER TAX
↑58% over the same period 2017



GROSS MARGIN
↑21% over the same period 2017



5-YEAR FINANCIAL OVERVIEW

(Unit: VND Billion)	2014	2015	2016	2017	2018	Increase (Decrease) 2018/2017 (%)	CAGR 2014 - 2018 (%)
BALANCE SHEET							
Short-term assets	14,353	18,133	30,289	41,166	50,861	24	37
Cash and cash equivalents	2,779	3,859	3,337	6,650	12,327	85	45
Short-term investments	207	819	965	513	96	(81)	(17)
Short-term receivables	3,135	6,059	9,636	5,998	4,665	(22)	10
Inventories	8,151	7,159	15,790	27,129	32,826	21	42
Other current assets	81	237	561	876	947	8	85
Long-term assets	1,741	8,437	6,238	8,301	19,051	130	82
Long-term receivables	965	3,306	912	654	255	(61)	(28)
Fixed assets	69	88	149	327	787	141	84
Investment properties	395	1,083	1,945	2,945	3,057	4	67
Long-term assets in-progress	86	1,069	285	361	430	19	50
Long-term investments	21	1,585	375	1,043	7,556	624	336
Other long-term assets	205	1,306	2,572	2,971	6,966	134	141
TOTAL ASSETS	16,094	26,570	36,527	49,467	69,912	41	44
Liabilities	12,732	20,475	26,480	36,211	49,452	37	40
Short-term liabilities	9,907	13,354	15,011	22,659	27,969	23	30
Long-term liabilities	2,825	7,121	11,469	13,552	21,483	59	66
Owners' Equity	3,362	6,095	10,047	13,256	20,460	54	57
TOTAL RESOURCES	16,094	26,570	36,527	49,467	69,912	41	44
INCOME STATEMENT							
Net revenue from sales of goods and rendering of services	2,802	6,673	7,359	11,632	15,290	31	53
Costs of sales	(2,327)	(5,333)	(5,776)	(8,376)	(10,132)	21	44
Gross profit from sales of goods and rendering of services	475	1,340	1,583	3,256	5,158	58	82
Net financial income	(127)	(105)	1,408	246	688	180	N/A
Selling and General and Administrative expenses	(231)	(599)	(807)	(934)	(1,168)	25	50
Net operating profit	117	636	2,184	2,568	4,678	82	151
Net other income/expenses	13	(28)	6	21	(3)	(114)	N/A
Net accounting profit before tax	130	608	2,190	2,589	4,675	81	145
Business income tax	(34)	(166)	(531)	(527)	(1,408)	167	154
Net profit after tax	96	442	1,659	2,062	3,267	58	142

FINANCIAL PERFORMANCE INDICATORS	UNIT	2014	2015	2016	2017	2018	Increase (Decrease) 2018/2017 (%)
LIQUIDITY RATIOS							
Cash ratio	Times	0.28	0.29	0.22	0.29	0.44	51.7
Current ratio	Times	1.45	1.36	2.02	1.82	1.82	-
Quick ratio	Times	0.63	0.82	0.97	0.62	0.64	3.2
CAPITAL STRUCTURE RATIOS							
Borrowing and finance lease liabilities to Owners' Equity ratio	Times	1.09	1.31	1.34	1.35	1.36	0.7
Borrowing and finance lease liabilities to Total assets ratio	Times	0.23	0.30	0.37	0.36	0.40	11.1
CAPACITY RATIOS							
Account receivable turnover	Turnover	1.04	0.99	0.74	1.35	2.64	95.6
Asset turnover	Turnover	0.22	0.31	0.23	0.27	0.26	(3.7)
Inventory turnover	Turnover	0.33	0.70	0.50	0.39	0.34	(12.8)
PROFITABILITY RATIOS							
Earnings before interest and taxes (EBIT)	%	9	11	11	20	26	30.0
Profit before tax, interest and depreciation	%	9	12	14	24	29	20.8
Gross profit margin	%	17	20	22	28	34	21.4
Return on Assets ratio (ROA)	%	1	2	5	5	5	-
Return on Equity ratio (ROE)	%	4	9	21	18	19	5.6
Net profit margin	%	3	7	23	18	21	16.7
Net operating profit/ Net revenue	%	4	10	30	22	31	40.9

RECONCILIATION PROFIT & LOSS BETWEEN VAS & IFRS

According to audited Financial Statements of 2018

No.	Description	Unit: VND
I	Profit after tax under VAS	3,267,070,188,717
II	IFRS adjustments	
1	Reversal of allocated goodwill	426,009,024,290
2	Recognition of goodwill impairment	(156,490,802,017)
3	Difference in gain of disposal of subsidiaries	(1,422,977,609)
4	Difference in recognition of expenses when issued shares under ESOP	(704,459,178,129)
5	Finance income/finance expense arising from recognition lendings/borrowings according to amortised cost	467,784,770,071
6	Difference in income of apartments leasing for 50 years when recognised in whole	29,788,188
7	Deferred tax income arising in the year	(93,562,911,653)
III	Profit after tax under IFRS	3,204,957,901,858

YEAR IN BRIEF

January & February



Customer experiences to analyze Victoria Village, District 2

- January 2018, officially launched the "New European Street" Victoria Village project located at the front of Dong Van Cong Street, the administrative center of Dist. 2, HCMC.
- Azerai Can Tho Resort ranked among the world's Top 14 newly launched hotels in 2018 recommended by The New York Times (US).
- Official topping up of G1 and G4 towers of Sunrise Riverside project (Nha Be District) and RichStar Project - Zone 2 (Tan Phu District).

March



Novaland and BCG signed agreement on the strategic cooperation and implementation of the "Development of the Mekong Delta's Tourism Sector adapting to Climate change" project

- Novaland was the pioneer in entering into a strategic consultancy partnership for implementation of the project "Development of the Mekong Delta's Tourism Sector adapting to Climate change" with the The Boston Consulting Group. The project is designed to plan and implement the strategy of connecting and developing tourism for 13 provinces and cities in the Mekong Delta among which Can Tho City plays a central role.
- Inauguration and handing over of 7 bridges in Community activities: Hong Ngu District, Dong Thap Province, and a culture house in Hoa An Commune, Cao Lanh City, Dong Thap Province.

April



Annual general meeting of shareholders in Apr., 2018

- Official announcing and introduction of sample apartment for Victoria Village project (Dist.2)
- Official topping up of Sunrise Cityview project (Dist.7).
- 2018 General Meeting of Shareholders of Novaland Group was successfully organized on Apr. 26, 2018.
- Novaland successfully raised USD 310 million from the simultaneous issuance of USD 150 million in share capital and USD 160 million in convertible bonds which are mature in 2030 and listed on SGX.

YEAR IN BRIEF

May



Signing agreement on cooperation of "Drinkable water for school" program

- Continued to carry out many community health support activities: Partnered with the HCMC Sponsoring Association for Poor Patients to implement the "Drinkable water for school" program for 27 schools in Tan Tru District, Long An Province and 52 schools in Thanh Phu District, Ben Tre Province; accompanied Operation Smile Vietnam in raising funds to perform surgeries for children with cleft lip and cleft palate; co-founded the Dak Nong Understand the Heart Primary School; granted scholarships for Development Fund to HCMC National University, etc.

June



Azerai Can Tho Resort Grand Opening in June, 2018

- Officially opened and operated the luxury Azerai Can Tho Resort. The project is a combination of Novaland Group' dedication and legendary Adrian Zecha - founder of the world-famous Azerai and Azula brands.
- Official topping up of G3 tower, Sunrise Riverside project (Nha Be District).
- Companion with multiple practical community activities: the 8th "Summer camp of tiny Vietnamese Product Ambassador" program, the delivery of bridges in Vinh Tri Commune, Vinh Hung District, Long An Province.
- Novaland's efforts helped the Company win several prestigious awards: "The Special Recognition in CSR" of the Vietnam Property Awards 2018, "Top 50 best-performing businesses of Vietnam" and "Billion-dollar businesses" awards announced by Nhip Cau Dau Tu - The Business Review Magazine.

July



Novaland received the awards of "Asia's Best Employer Brand"

- For the third consecutive time, Novaland became the winner of the Asia's Best Employer Brand award.

August



Scholarship donated to special students in Tan Tru District, Long An Province

- Official topping up of G2 tower, Sunrise Riverside project (Nha Be District) and Saigon Royal Residence project (Dist. 4)
- Organizing hand-over ceremony of house-ownership certificate (pink book) to Orchard Garden residents (Phu Nhuan District).
- Continued to implement practical community activities: handed over 693 water filters and 334 water tanks to schools in Long An and Ben Tre provinces; granted via the STF - Pham Phu Thu (under the Saigon Economic Times) - 300 scholarships to underprivileged students in Long An and Ben Tre provinces; donated to the "For the fatherland's sea and islands - For the front line of the fatherland" fund initiated by the HCMC Fatherland Front Committee and sponsor the Education Promotion Fund of Binh Thuan Province, etc.

September



Launch of The Grand Manhattan project (Dist. 1) in Sep. 2018

- Announced the official distribution agents for the luxury The Grand Manhattan project (Dist. 1)
- Continued to sponsor meaningful education support activities: "Mid-autumn Festival of Love" with gifts for 1,000 children in HCMC, Xuyen Moc and Chau Duc districts (Ba Ria - Vung Tau Province);

October



Customer experiences to analyze The Grand Manhattan Project, Dist. 1

- Officially Announcement of The Grand Manhattan luxury apartment and compound (Dist. 1).
- Seminar "A tourism property hotspot in Mui Ne - Phan Thiet" held by Novaland attracted hundreds of customers and investors.
- Sponsored multiple practical community programs: Support fund for the poor of HCMC Fatherland Front Committee.

November



Novaland has been honored as "Top 100 sustainable enterprises in 2018"

- Officially Announcement of NovaHills Mui Ne Resort & Villas Project - the first tourism property project developed by Novaland in Mui Ne, Phan Thiet.
- Launched the sample apartment of The Grand Manhattan (Dist. 1) project with the extensive participation of customers; this speaks volume about the attractiveness of the project.
- Continued to sponsor multiple meaningful community activities: the "Co giao Nhe" scholarship continued to accompany poor students on their path to schooling; supported the social security program of Ba Ria - Vung Tau province in the period of 2019 - 2020.
- Novaland Group was honored with "Top 100 Sustainable Enterprises 2018" voted by VCCI and Sustainable Business Council.

December



Signing ceremony of strategic cooperation agreement with Greg Norman Golf Course Design

- At the 2018 Vietnam Tourism Summit, Novaland signed a deal with golf legend - Greg Norman to prepare for developing 4 world-class golf courses, and contracted with Minor Hotels Group - an international hotel operator - to operate 7 hotel-resort compounds.
- Novaland Recruitment Day attracted hundreds of talents interested in the property industry.



BY RELENTLESS EFFORTS IN BUSINESS OPERATIONS AND SUSTAINABLE DEVELOPMENT, IN 2018, NOVALAND GROUP WAS HONORED TO WIN RECOGNITION FROM MANY REPUTABLE DOMESTIC AND FOREIGN ORGANIZATIONS NOT ONLY IN BUSINESS, FINANCE, PROJECT DEVELOPMENT AND HUMAN RESOURCES DEVELOPMENT BUT ALSO FOR OUR EFFECTIVE COMMUNITY SUPPORT FOR SUSTAINABILITY GOALS.



HẠNG MỤC
NHÀ PHÁT TRIỂN
BẤT ĐỘNG SẢN Y TÍN NHẤT



AWARDS AND ACCOLADES IN 2018



TOP 20
A NEW BENCHMARK FOR
LIVING SPACE IN VIETNAM

Lakeview City Urban Area (Dist.2) was presented with "The Best Urban Area" award at the Vietnam National Property Awards 2018 and was honored in the Top 20 Vietnam New Benchmark for Living Space voted by readers of the Vietnam Investment Review.



"THE MOST PRESTIGIOUS
PROPERTY DEVELOPER"
IN 2018

The Vietnam National Property Awards 2018, the first national award in the property sector, honors businesses, projects and buildings that make outstanding contributions to the fast, sustainable and transparent development of the local market in the period of industrialization, modernization and integration.

Besides, Novaland Group was also honored among the Top 10 Most Reputable Property Developers 2018 according to Viet Nam Report. Reatimes, an online property magazine, included Novaland as one of the Top 10 Best Property Developers in Vietnam 2017, published in April 2018.



THE ONLY PROPERTY BRAND
TO BE HONORED IN THE
AWARDING CEREMONY OF
LISTED COMPANIES VOTE 2018

On Nov. 2, 2018, in the 2018 Listed Business Vote jointly held by the Ho Chi Minh Stock Exchange (HSX), Hanoi Stock Exchange (HNX) and the Vietnam Investment Review, Novaland Group was for the second time honored with Top 10 Best Annual Reports and the Top 10 Best Sustainability Reports.

As a prestigious award for listed companies, the results of the final-round reports of all categories were subject to review by the big four auditors including Deloitte, EY, KPMG and PwC. The adoption of international standards in financial statements and English-Vietnamese bilingual in annual report is an important factor that helps Novaland gain recognition and continuously win prizes in 2017 and 2018.

AWARDS AND ACCOLADES IN 2018



**SECOND CONSECUTIVE
HONOR AS ONE OF THE
"TOP 40 MOST VALUABLE
VIETNAMESE BRANDS"**

Forbes Vietnam ranks the top brands in Vietnam by measuring their values through financial data. In 2018, Forbes Vietnam recorded the total brand value of the 2018 list as almost USD 8.1 billion, an increase of about 50% compared to the 2017 list. Novaland has been on this prestigious list for 2 consecutive years (2017 and 2018) right after its first year of listing on the stock exchange.



**TOP 50 BEST-PERFORMING
BUSINESSES OF VIETNAM**

The award was voted on by Thien Viet Securities Company and the Investment Bridge Magazine. The judges based their scoring and ranking decisions on market cap, revenue, net profit in the most recent 3 years, ROE, and dividend yield. According to the vote, Novaland had a market cap of USD 2.71 billion as at Apr. 2, 2018, with a 3-year average ROE of 17.6%. Especially, from 2014 to 2017, Novaland achieved an average net revenue growth rate of 61%, namely from VND 2,802 billion in 2014 to VND 11,632 billion in 2017. The Group's profit after tax recorded a CAGR of 178% from VND 96 billion to VND 2,062 billion.



**THE SECOND-CONSECUTIVE-
YEAR HONOR IN THE SPECIAL
RECOGNITION IN CSR CATEGORY**

AT THE ANNOUNCEMENT CEREMONY
OF VIETNAM PROPERTY AWARDS 2018

Along with sustainable business activities, Novaland Group has been conducting a series of CSR-related activities in multiple fields: social security, health, education, and community development.

Also at the award ceremony, Novaland Group was also honored in two categories - Highly Commended Best Housing Architectural Design and Highly Commended Best Housing Development (HCMC) for Victoria Village project (Thanh My Loi, Dist.2).



**THIRD-CONSECUTIVE-YEAR
HONOR AS "ASIA'S BEST
EMPLOYER BRAND"**

The award was granted by the Employer Branding Institute, the World HRD Congress, and the Stars of the Industry Group. Asia's Best Employer Brand Awards is regarded as one of the region's most valuable and prestigious awards in the human resources sector. Treating investment in human resources as the top priority, perpetually providing the most competitive compensation packages in the market, and offering professional development opportunities to all employees, the Novaland brand is honored to have been in this prestigious list for 3 consecutive years 2016 - 2017 - 2018.



**THE SECOND CONSECUTIVE HONOR
AT VIETNAM HR AWARDS**

Novaland Group was honored in two important prize categories: Best Workplace and Efficient Compensation and Benefits Vietnam HR Awards, sponsored by the Ministry of Labor, War Invalids and Social Affairs, is the first and only award that honors excellent HR policies in Vietnam. The award employs exclusive expertise and methodology from the Singapore Human Resources Institute (SHRI) - Singapore's largest HR research organization.

The Group has also continuously intensified capital mobilization activities both at home and abroad. In April 2018, Novaland made a double transaction including the offering to foreign investors of USD 160 million in Convertible Bonds under Regulation S format and USD 150 million in share capital following the 144A format of the US Securities Act.



This is also the first double transaction structure implemented in Vietnam and voted "The Best Vietnam equity-linked deal" within the framework of the "The Asset Triple A Country Awards 2018" organized by The Asset (Hong Kong).

PROJECT PORTFOLIO

WITH PASSION, DETERMINATION TO ACHIEVE OBJECTIVES, NOVALAND HAS BECOME A PRESTIGIOUS INVESTOR - DEVELOPER POSSESSING A PORFOLIO OF INCREASINGLY DIVERSIFIED PRODUCTS: INCLUDING APARTMENTS, TOWN HOUSES, VILLAS, COMMERCIAL HOUSES, OFFICE-TEL, URBAN AREA AND TOURISM PROPERTY AT STRATEGIC LOCATIONS OF HCMC AND OTHER PROVINCES.

40⁺

RESIDENTIAL*
DEVELOPMENT PROJECTS

5⁺

HOSPITALITY
DEVELOPMENT PROJECTS*

27,000⁺

PROJECTS HANDED OVER
AND IN PROCESS OF DEVELOPMENT

250,000⁺

CUSTOMERS

** Including land bank*

RESIDENTIAL PROJECTS
PORTFOLIO

No.	Project name	Developer	Type of business entity	Novaland ownership (%)	Product type	Location	Land area (m²)	Units	Products absorbed as of December 31, 2018		Launching	Expected handover
									Quantity	%		
COMPLETED, HANDED OVER AND BEING HANDED OVER PROJECTS: 22												
1	Sunrise City	No Va Land Investment JSC	Subsidiary	91.76	Apartment, Office-tel, Commercial, Parking	District 7	51,261	2,711	2,684	99.0	- Phase 1: Q2/2009 - Phase 2: Q2/2011 - Phase 3: Q1/2013	- Phase 1: Handed over from Q3/2012 - Phase 2: Handed over from Q4/2014 - Phase 3: Handed over from Q4/2015
2	Lucky Palace	Nova Lucky Palace Co., Ltd.	Subsidiary	100.00	Apartment, Commercial	District 6	3,876	564	557	98.8	Q3/2014	Handed over from Q2/2017
3	Sunrise Riverside	Nova Riverside Real Estate Co., Ltd.	Subsidiary	99.97	Apartment, Office-tel, Commercial	Nha Be District	39,305	3,223	2,461	76.4	Q3/2015	Handed over from Q3/2018
4	Lakeview City	The 21st Century International Development Co., Ltd.	Subsidiary	98.96	Township	District 2	301,060	960	958	99.8	Q2/2016	- Phase 1: Handed over from Q1/2017 - Phase 2: Handed over from Q2/2017 - Phase 3: Handed over from Q2/2018
5	Lexington Residence	Nova Lexington Real Estate JSC	Sold in Q3/2017		Apartment, Office-tel, Office, Commercial		19,928	1,493	1,490	99.8	Q1/2014	Handed over from Q4/2015
6	Tropic Garden Residence	Novaland Group			Apartment, Commercial		25,028	814	814	100.0	- Phase 1: Q3/2012 - Phase 2: Q3/2014	- Phase 1: Handed over from Q2/2014 - Phase 2: Handed over from Q2/2016
7	The Sun Avenue Residence	Gia Phu Real Estate Co., Ltd.	Subsidiary	99.99	Apartment, Office-tel, Commercial	District 9	38,073	2,892	2,854	98.7	Q1/2015	Handed over from Q3/2018
8	Lucky Dragon Residence	Novaland Group			Apartment, Townhouse		9,024	149	147	98.7	Q2/2014	Handed over from Q4/2016
9	Wilton Tower	Phuong Dong Building JSC	Subsidiary	99.88	Apartment, Office-tel, Commercial		Binh Thanh District	7,169	555	555	100.0	Q3/2015
10	Galaxy 9 Residence	Nova Galaxy Real Estate JSC	Sold in Q3/2017		Apartment, Office, Commercial	District 4	6,228	523	523	100.0	Q1/2014	Handed over from Q4/2015
11	Icon 56	Novaland Group			Apartment, Commercial		2,904	313	311	99.4	Q1/2014	Handed over from Q4/2015
12	Rivergate Residence	Nova Rivergate Co., Ltd.	Subsidiary	99.77	Apartment, Office-tel, Office, Commercial		7,069	1,351	1,127	83.4	Q4/2014	Handed over from Q3/2017
13	The Tresor Residence	Nova Phuc Nguyen Real Estate Co., Ltd.	Subsidiary	99.89	Apartment, Office-tel, Office, Commercial	District 4	5,780	718	717	99.9	Q4/2014	Handed over from Q3/2017
14	Saigon Royal Residence	Nha Rong Investment and Trade JSC	Subsidiary	99.96	Apartment, Office-tel, Commercial		6,669	767	763	99.5	Q2/2016	Handed over from Q4/2018
15	GardenGate Residence	No Va Festival Corporation	Subsidiary	94.02	Apartment, Office-tel, Commercial		4,887	420	418	99.5	Q4/2014	Handed over from Q2/2017
16	Kingston Residence	Nova Princess Residence JSC	Subsidiary	99.90	Apartment, Office-tel, Office, Kindergarten	District 4	4,604	405	391	96.5	Q2/2015	Handed over from Q4/2017
17	Orchard Garden	Novaland Group			Apartment, Office-tel		4,303	428	427	99.8	Q4/2014	Handed over from Q1/2017
18	The Prince Residence	The Prince Residence JSC	Subsidiary	99.81	Apartment, Office-tel, Commercial		Phu Nhuan District	4,644	506	502	99.2	Q1/2013
19	Golden Mansion	Nova Sagel Co., Ltd	Subsidiary	83.81	Complex, Commercial	District 4	15,129	727	725	99.7	Q3/2015	Handed over from Q2/2018
20	Orchard Parkview	Nova Nam A Co., Ltd	Subsidiary	92.71	Apartment, Office-tel, Commercial, Kindergarten		9,184	520	519	99.8	Q3/2015	Handed over from Q4/2018
21	Newton Residence	Merufa-Nova Co., Ltd.	Subsidiary	99.89	Apartment, Office-tel, Office		2,807	253	245	96.8	Q2/2016	Handed over from Q4/2018
22	RichStar	Nova Richstar JSC	Subsidiary	99.97	Apartment, Commercial	Tan Phu District	27,802	2,021	2,015	99.7	Q4/2015	Handed over from Q4/2018
Total of completed, handed over and being handed over projects							596,734	22,313	21,203	95.0		
PROJECTS UNDER DEVELOPMENT ⁽¹⁾ : 6												
23	Sunrise Cityview	Nhat Hoa Real Estate JSC	Subsidiary	99.81	Apartment, Office-tel, Commercial	District 7	15,720	1,378	1,334	96.8	Q2/2015	Expected handover from Q4/2019
24	Victoria Village	Thai Binh Real Estate Trading JSC	Subsidiary	99.96	Apartment, Villa, Residential, Commercial	District 2	42,777	1,208	1,026	84.9	Q2/2017 ⁽²⁾	- Low-rise: Expected handover from Q3/2019 - High-rise: Expected handover from Q4/2021
25	Golf Park Residence	No Va Land Investment JSC	Subsidiary	91.76	Townhouse, Villa	District 9	25,398	95	95	100.0	Q3/2015	Expected handover from Q2/2019
26	Botanica Premier	Nova Sasco Co., Ltd.	Subsidiary	99.99	Apartment, Office-tel, Commercial	Tan Binh District	16,330	1,039	1,022	98.4	Q1/2016	Expected handover from Q4/2019
27	The Botanica ⁽³⁾	Novaland Group			Apartment, Commercial		9,028	611	608	99.5	Q1/2015	Expected handover from Q3/2019
28	The Grand Manhattan & Soho Residence	Dat Viet Development JSC	Associate	49.50	Apartment, Commercial	District 1	14,002	1,246	210	16.9	Q4/2018	Expected handover from Q4/2020
Total of under development projects							123,255	5,577	4,295	77.0		
TOTAL OF COMPLETED, HANDED OVER AND BEING HANDED OVER AND UNDER DEVELOPMENT PROJECTS							719,989	27,890	25,498	91.4		

Notes:

(1) Not including Madison and Park Avenue jointly developed projects

(2) Time of developing the project

(3) The ownership in The Botanica was executed by Project Transfer Agreement with Saigon General Service Corporation (Savico)

TOURISM PROJECTS
PORTFOLIO

No.	Project name	Developer	Product type	Area	Location	Land area (m²)	Units	Products absorbed as of December 31, 2018		Launching	Expected handed over
								Quantity	%		
PROJECTS UNDER OPERATING: 1											
1	Nova Phu Sa - Arezai Can Tho Resort	Novaland Group	Hospitality	Western Region	Can Tho	194,342	Bungalow: 30 Villas: 47			Phase 1: Operating from Q4/2017	Phase 2: Expected operating from Q4/2019
PROJECTS UNDER COOPERATION DEVELOPMENT: 2											
2	NovaHills Mui Ne		Hospitality real estate	Central Region	Phan Thiet	399,310	Villas: 603	257	42.6	Q4/2018	Expected from Q4/2021
3	NovaBeach Cam Ranh		Hospitality real estate	Central Region	Nha Trang	226,222	Bungalow: 26 Villas: 182 Condotel: 1,706	5 villas	2.7 ⁽⁴⁾	Q4/2018	Expected from Q3/2020

Notes: (4) Calculated according to number of villas





2. CORPORATE GOVERNANCE

Quintessential
Style

STRATEGIC GOVERNANCE

With passion and determination, Novaland Group continues its dynamic and flexible business model from time to time; thanks to an interrelated and combination of supportive factors: **Focused strategy, effective land bank development, professional personnel and safe financial structure.**



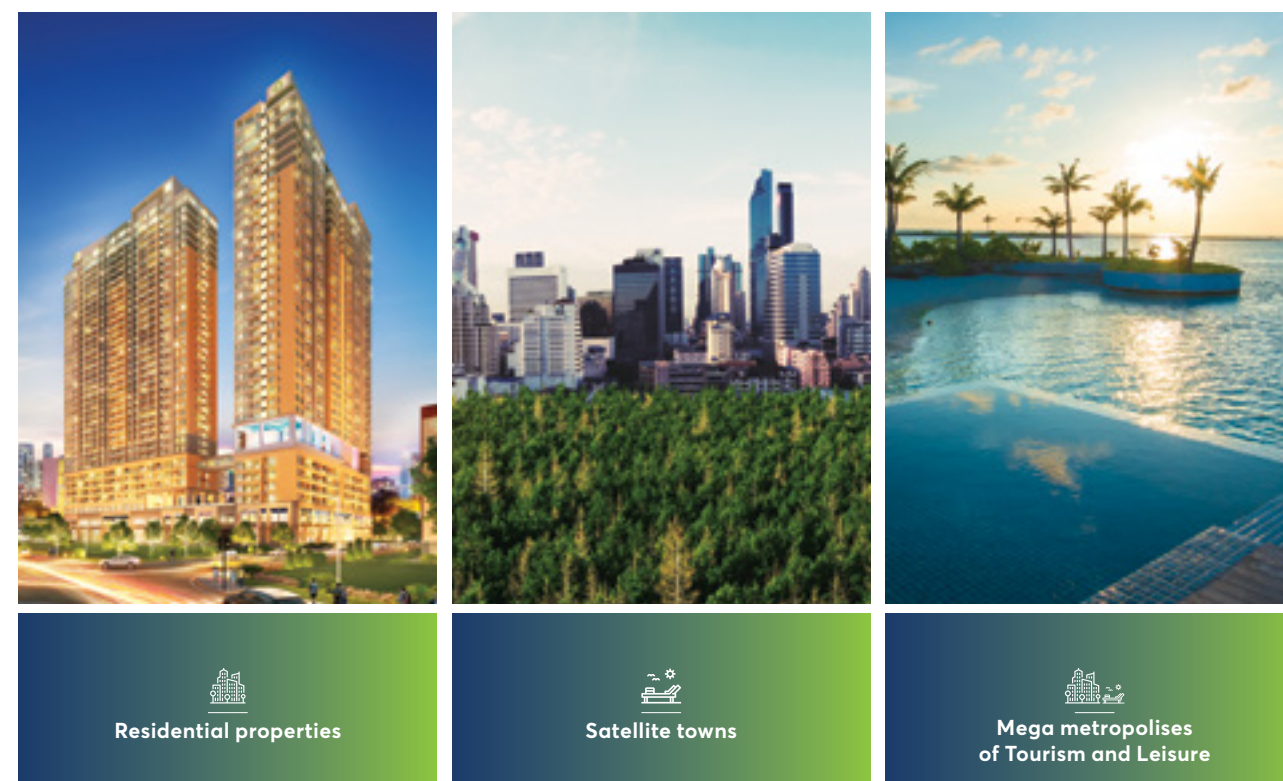
NOVALAND'S 5-YEAR STRATEGY

(2018 - 2023)

In 2018, Novaland embarked on Phase 2 of its business strategy and sizable projects carrying such brands as NovaWorld, NovaBeach, and NovaHills have been launched to create impeccable destinations.

FOCUS STRATEGY

Novaland will continue to develop projects based on available land bank in HCMC and will focus on products at nearby provinces and tourism properties at provinces with tourism potentials such as Binh Thuan, Ba Ria - Vung Tau, Can Tho, Da Lat - Lam Dong...



REAL ESTATE

NOVALAND - LEADING PRESTIGIOUS REAL ESTATE DEVELOPER

Novaland Group participates in the residential real estate market with a focus on mid-end and high-end segments; Novaland's projects are located in key areas of HCMC. Every Novaland's residential real estate project fully converges 05 essential elements of a real estate product: convenient location with various facilities; reasonable price; reasonable planning and architectural design; strictly controlled quality and construction progress; high liquidity and profitability.

In 2018, maintaining the focus on "Customer first" mindset of every Novaland's personnel, product and service development ideas are continuously improved to bring more practical benefits and best service experiences to customers and residents. To numerous customers, real estate products carrying Novaland brand are not only attractive and lucrative assets, but also ideal and comfortable residences as well as a continuously growing value chain.

The Group made tremendous efforts in handing over more than 6,000 products with the commitment of quality to customers and introduced 02 residential real estate projects to the market: Victoria Village (Dist.2) and The Grand Manhattan (Dist.1).

Through more than a quarter of the century of development journey, Novaland currently owns a portfolio of more than 40 real estate projects* including high-rise and commercial housing projects (apartments, commercial apartments, commercial offices) and urban projects (urban complexes include high-rise and low-rise buildings, commercial buildings, etc.), and contributes not only more than 27,000 houses in HCMC but also significantly improves the quality of residents' life and urban aesthetics.

** Including land bank*

NOVALAND BRAND AND ITS GREEN RUBIK LOGO ARE LIGHTENING UP MORE AND MORE KEY AREAS OF HCMC AS SAYING NOVALAND'S WISH TO MAKE SMALL CONTRIBUTION, ALONG WITH OTHER BUSINESSES, TO VIETNAM'S DEVELOPMENT BY BUILDING A HAPPY, CIVILIZED, AND MODERN LIFE.



Sunrise City Complex, District 7, HCMC

HOSPITALITY REAL ESTATE

Since 2018, the Group implemented Phase 2 strategy of Hospitality Real Estate with 03 key brand names: **NovaHills**, **NovaBeach** and **NovaWorld**.

Following the vision to 2030, the Government defined tourism is Vietnam's key economic sector, contributing over 13% to GDP. Having diversified landscapes and unique cultural heritage, the position of Vietnam tourism brand and image is continuously enhanced in the region.

As a part of local and global real estate trend, and following Phase 2 of the business strategy, in 2017, Novaland Group began to invest in expanding hospitality real estate products in cities with great tourism potential as Can Tho, HCMC, Ba Ria - Vung Tau and Phan Thiet - Binh Thuan, Ninh Thuan, Cam Ranh - Khanh Hoa, etc.

Prominent strategic partnerships:

- Signing a strategic cooperation consultancy and project implementation agreement "Climate Adaptive Tourism Development in the Mekong Delta" with Boston Consulting Group (BCG).
- Signing strategic cooperation with Minor Hotels Global Group in managing and operating 07 hotel-resorts with a total of over 3,500 rooms.
- Signing a partnership with Greg Norman Golf Course Design to prepare for the development of 04 Greg Norman branded golf courses.

THE GROUP'S OBJECTIVE IS TO COORDINATE
WITH PROFESSIONAL CONSULTANTS
AND OPERATING UNITS TO CREATE

EXCELLENT DESTINATIONS

FOR LOCAL AND INTERNATIONAL TOURISTS,
TO TRANSFORM THESE AREAS INTO REGIONAL
CENTERS OF TOURISM - HOSPITALITY AND
RECREATION; MAKING VIETNAM A PROMINENT
NAME IN THE WORLD TRAVEL'S MAP.

TOURISM SERVICE ECOSYSTEM

NovaTourism

NovaWorld NovaHills NovaBeach

ACCOMMODATION

1



Novaland cooperates to develop hotel and resort complexes in co-operation with world famous brands, in order to bring customers unique experience and endless inspiration in classy living space. Novaland also creates hospitality real estate products for investment (villas, condotel, second-home) with high liquidity and long-term profitability for customers.

TRANSPORT

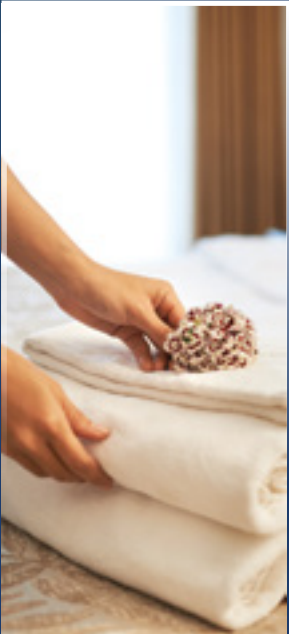
2



As the transport infrastructure system being improved, Novaland cooperates with transport units of roads, airways, waterways, etc. for transportation and accompanying customers on their journeys of discovering Novaland's excellent destinations.

LOGISTICS

3



Thanks to the dedication and investment in logistics, Novaland and professional service providers provide customers with top-notch facilities and services.

CUISINE

4



Novaland cooperates with well-known brands such as Mesa Group, MyLife, etc. to develop F&B system in Novaland's hospitality complex, to help customers discover premium international cuisine as well as enjoying famous local specialities.

SHOPPING

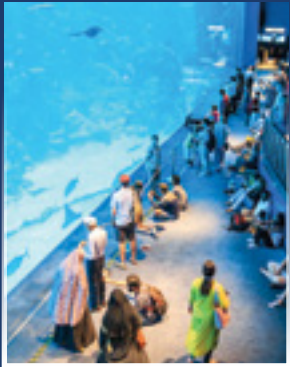
5



Operating shopping spaces inside the tourism complexes, Novaland aims at creating great shopping experiences for customers with world famous brands and traditional local goods.

RECREATION

6

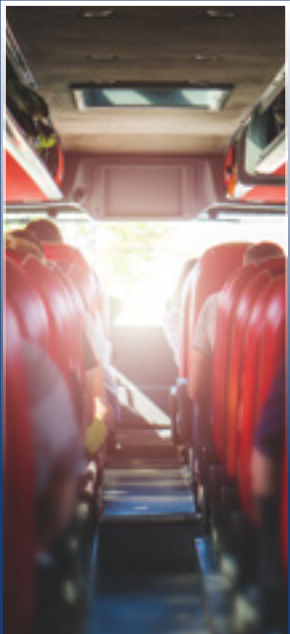


Novaland focuses on investing and cooperating to operate various recreational and recreation activities as water parks, theme parks, aquariums, Safari, zoos, golf courses, recreation centers (games, racing, karaokes, etc.), impressive shows, etc. Especially, Novaland prioritizes to develop attractive and new activities as high-class yacht experiencing, panorama landscaping from air balloon and helicopter to attract and prolong local and international tourist's visits.

In addition, Novaland signed a partnership with Greg Norman Golf Course Design to prepare for the development of 04 Greg Norman branded golf courses at the Group's integrated resorts and tourism complexes, the golf course investment is estimated at USD 100 million.

TRAVELING SERVICE

7



Novaland cooperates with local and international travel companies to provide short tours (including shuttle services) at special tourist attractions of each locality.

TOURISM PROMOTION

8



Novaland focuses on enhancing the local travel experience by organizing or cooperating with localities, international consulting organizations, local and global tourism agencies to develop a series of "tourism products". (cultural events, festivals, etc.). This is the product series with technology applied in its service management model to contribute to making a profound experience of Vietnamese heritage, spreading local attraction's reputation and building Vietnam's "Tourism Brand" on World travel map.

Following a series of activities in the implementation of "Development of the Mekong Delta's Tourism Sector adapting to Climate change" project, in mid November 2018, Novaland Group and The Boston Consulting Group (BCG) had a discussion with leaders of Dong Thap, Ben Tre, An Giang, Vinh Long and Can Tho provinces on the specific and essential roles of each province in the joint building and developing of Mekong Delta tourism brands following the vision of "#MyMekong - Asia's No.1 riverside destination".

PROFESSIONAL PERSONNEL

EFFECTIVE RECRUITING AND HUMAN RESOURCES PLANNING

In the context that Novaland is strongly implementing its Phase 2 of development strategy, the Group's HR strategy in 2018 has the focus on two main objectives: Being streamlined and developing a high quality staff to optimize performance; promoting employer's brand to attract and retain talents.



The recruitment department is focusing on seeking, attracting experienced candidates, especially those with deep experience in hospitality real estate, tourism services, to get ready for new development plans. Appropriate talent planning and seeking policies helped the Group to be ensured about human resources, always be proactive and ready in terms of personnel quantity and quality.

Therefore, not only being the leading prestigious Vietnamese brand, Novaland Group is also considered the "ideal settlement" for real estate talents; being successively ranked in Vietnam 100 Best Places to Work, Asia Best Employer Brand Awards and Asia Responsible Entrepreneurship Awards, etc.

All 2018 HR policies are directed towards the following factors: Peace of mind - Pride - Happiness. Novaland focuses on building a quality working environment and happy, connected, supportive staff for achieving common goals. Thereby, it contributes not only to business performance, but also to employee satisfaction.

At Novaland, through annual training policy, all employees are encouraged and provided the opportunity to develop themselves, through quality training programs which are organized by NovaGroup Leadership Center in cooperation with reputable educational partners. In 2018, besides Mini-MBA course, Novaland also organized many training courses for employees such as: hotel - resort projects management to serve business activities in the Group's Phase 2, customer service skills, sales skills, new design technology - BIM, finance, investment analysis, etc.

In particular, the annual training programs in combination with travelling, sightseeing, and experience at destinations around the world as Dubai, Australia, Japan, Europe, etc. help the key leaders gain more knowledge and experience, from there, they have more valuable initiatives for the Group's development.

By the end of 2018, the Group was proud to own a team of over 2,000 employees (including employees from The Company and its subsidiaries) with high expertise in Project Development and Management, Financial Management, etc.; international standard processes and systems, as well as always aiming at a **"Efficiency - Integrity - Professionalism"** working environment.



SAFE FINANCIAL STRUCTURE

DIVERSIFIED CAPITAL RESOURCES AND SUITABLE FINANCIAL STRUCTURE

Novaland Group created a unique financial structure by managing independent cash flow by each project through its subsidiaries and associates. The Group is able to choose the right time to increase its ownership in these units and consolidate those projects into the Group.

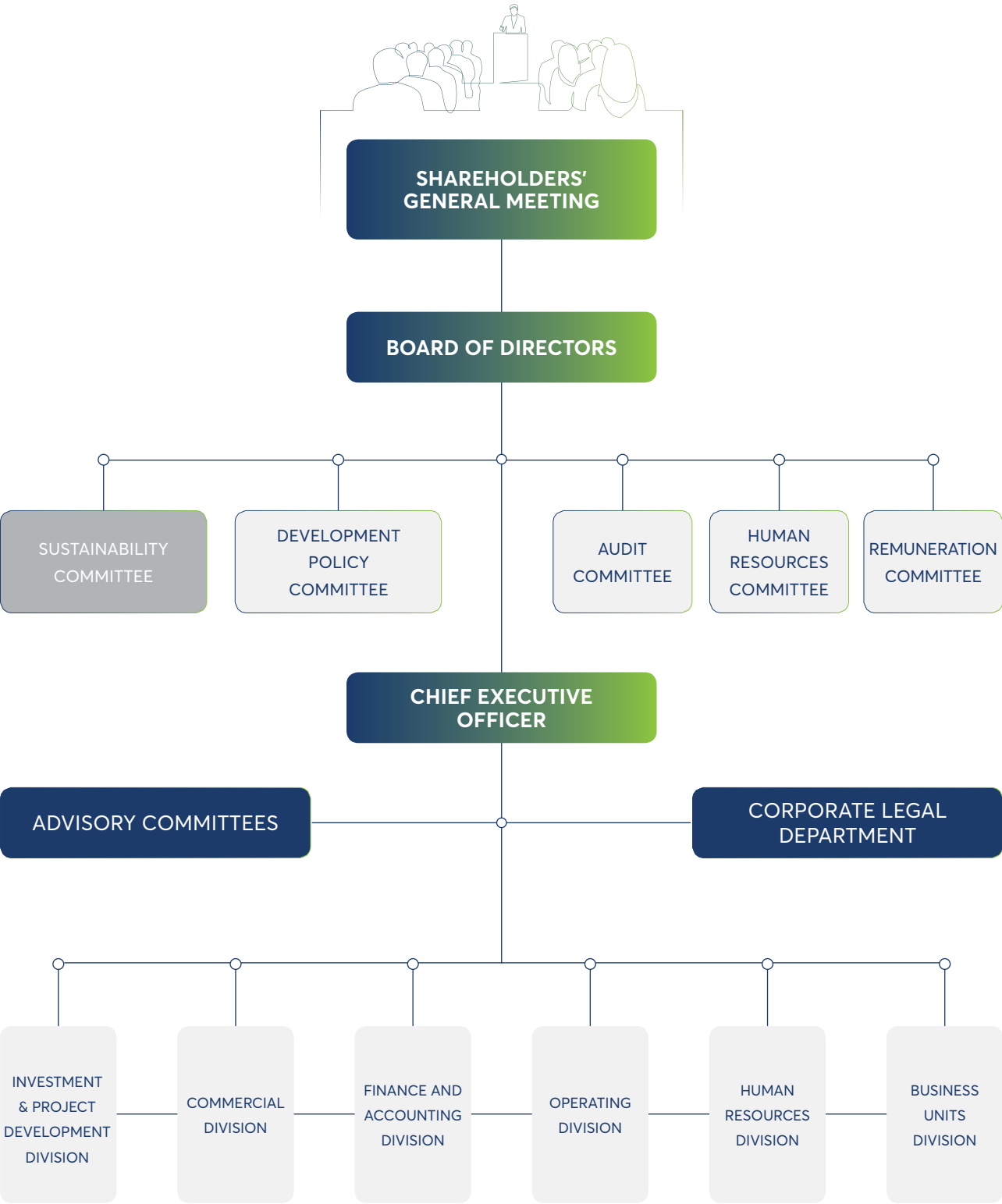
- 1. UNIQUE FINANCIAL STRUCTURE
- 2. DOMESTIC & FOREIGN CREDIT INSTITUTIONS
- 3. LIQUIDITY FOR CAPITAL SOURCES

Novaland consistently adheres to financial control through a system of commitments, especially ensures liquidity and leverage ratio in business activities. The Group showed flexibility in accessing local and international capital markets through competitive interest rate loans offered by reputable banks: VietinBank, VPBank, Credit Suisse (Switzerland) and Maybank (Malaysia).

Novaland also has a long-term companion of strategic shareholders, including reputable organizations as Singapore government's GIC, JP Morgan Vietnam Opportunities Fund, etc. Novaland share always receives positive attention from major international financial institutions and currently remains in Top 10 Vietnam shares with the highest share weight in ETF portfolio.

The Group's goal is to build a safe financial structure, ensure diversification of capital resources for business activities by loans, bond and share issuances. In addition, thanks to Novaland brand reputation, customers settle payments on time after the projects are being opened for sales, which ensures liquidity for raised capital in each development phase of the projects.

ORGANIZATIONAL STRUCTURE



GOING ALONG WITH WITH DOMESTIC AND INTERNATIONAL MOVEMENTS IN REAL ESTATE, ALSO AS ADHERING TO PHASE 2 OF BUSINESS STRATEGY.

NOVALAND STRIDES STEADILY TOWARDS THE NEW PHASE OF DEVELOPMENT

FROM 2018, NOVALAND STARTED INVESTING IN HOSPITALITY PROPERTY IN THE TOURISM CITIES AS CAN THO, HCMC, BA RIA - VUNG TAU, PHAN THIET - BINH THUAN, NINH THUAN, DA LAT, CAM RANH - KHANH HOA,... NOVALAND HAS BEEN NEGOTIATING, COOPERATING WITH BRANDS, AND OPERATORS OF WORLD-LEADING HOTELS NAMELY AZERAI (AZULA), AVANI, ANANTARA (MINOR HOTELS). . .

CODE OF CORPORATE GOVERNANCE

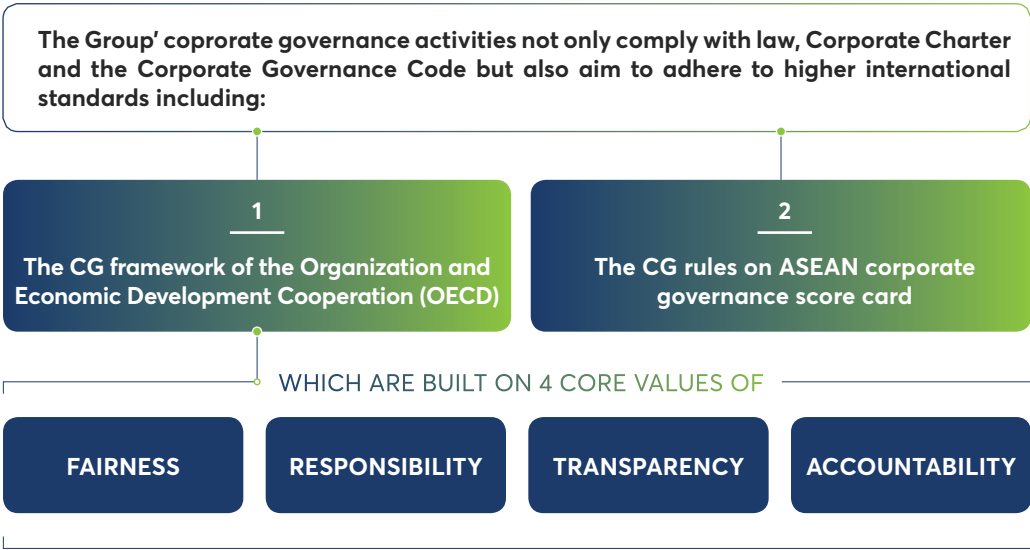
Building on the advantages of the sustainable development model in recent years, Novaland Group's Board of Directors regard effective corporate governance as the foundation to increase corporate value and, at the same time, a tool to support sustainable development with principles, including: complying to laws and regulations, ensuring the effective corporate governance, ensuring the efficiency of Board of Directors, ensuring rights of shareholders and related parties, fair treatment of shareholders, ensuring role and responsibility of stakeholders, and the transparency of the Company's operations.

In 2018, the BOD Novaland Group adjusted and fine-tuned the CG Code and the Corporate Charter based on the changes in legal regulations applicable to public companies. Consequently, the number of independent BOD members was increased to ensure the existence of a monitoring mechanism, and the independence in the BOD's decisions, thereby contributing to the protection of shareholders and investors' interests. In addition, the aspects

related to shareholders' interests were also amended and supplemented including regulations on registration of meeting attendance, voting via electronic voting, and 10-day prior notice of BOD candidates information (in the event the candidates have previously been identified).

Currently, importance is always attached to the diversity of BOD membership. The criteria of expertise, experience, gender equality as well as other regulatory requirements for BOD membership are always properly and fully satisfied by the Novaland. The proportion of non-executive members that accounts for the majority of the BOD membership and an increasing number of independent members to 2 help ensure objectivity and fairness, prevent conflicts of interest and protect shareholders' interests in regards to the BOD's decisions.

Regarding the successor policy, through the Novagroup Leadership Center, the Company has implemented the training of managerial human resource capacity-building courses to sort out potential candidates for long-term succession.



The Novaland's AGM in 2018

STRUCTURE AND MECHANISM OF OPERATION

The top decision-making body of Novaland Group is the Shareholders' General Meeting. The SGM decides the matters provided for by the Law, the Corporate Charter and Code of Corporate Governance. On an annual basis, the AGM is carried out in accordance with the provisions of the Enterprise law, the Securities law as well as other requirements in CG rules according to the ASEAN CG score card. In addition, in the event an issue arises and the SGM is required to meet and make decisions thereon, the Company will hold an extraordinary SGM or obtain shareholders' opinions in writing. The company pays attention to the completeness, timeliness and transparency of information disclosure so that shareholders can make informed decisions when necessary.

The BOD, which is the management body of the Company, acts on behalf of the Company, is responsible for directing and building the Company's strategy, and implementing the Company's rights and obligations which are not under the authority of the SGM. Through the monitoring of the Company's business activities and the implementation of the SGM's decisions, the BOD regularly evaluates and controls risks and promptly adopts decisions and strategies that suit the Company's business situation. Currently, the Group's BOD consists of 5 members who serve a 5-year term. Two members are independent members, one of whom is female who possesses experience in strategic planning and governance. BOD members are knowledgeable about various

fields of business and have many years of experience in strategic governance.

In addition, in order to support the management of its activities, the Board has established committees to support the management of activities such as Audit, Human Resources, Remuneration, and Development Policy. These committees operate according to the their respective charter to fulfill the assigned tasks.

Under the leadership of the BOD, the Board of Management consists of 2 members who are responsible for managing the daily business activities of the Company and implementing decisions adopted by the BOD and the SGM. Besides, the BOD has appointed two Corporate Governance In - charges to assist with activities such as preparing BOD meetings, ensuring the conformity of the BOD's resolutions with law, and supporting BOD members in exercising their rights and obligations.

CG is not a task that can be done in the short term. Rather, it is an ongoing process. Therefore, Novaland's will regularly review the structure, processes and CG Code to make prompt amendments as according to local and international rules to make the Company's corporate governance more efficient.



THE ROLE OF RISK MANAGEMENT TO THE GROUP

Risk management is an indispensable function for the sustainable development of any business. Good risk management means a business maintains a proper level of control over the impacts and likelihood of risks, is less affected by unforeseen impacts, and is able to implement timely solutions to minimize losses incurred as a result of risks. Fully aware of this, Novaland Group has always regarded risk management as one of the key functions.

ROLES OF THE RISK MANAGEMENT

Novaland's risk management function is consulted and supervised by the Risk Management, Process and Compliance Department (RPC) with the following main functions:

- Organize the implementation and supervision of risk management activities within the Group.
- Advise the Board of Management (BOM) on issues related to risk management across the Group.
- Develop and implement tools, models, and improvement measures to improve the effectiveness of the Group's risk management function.

RISK MANAGEMENT POLICY

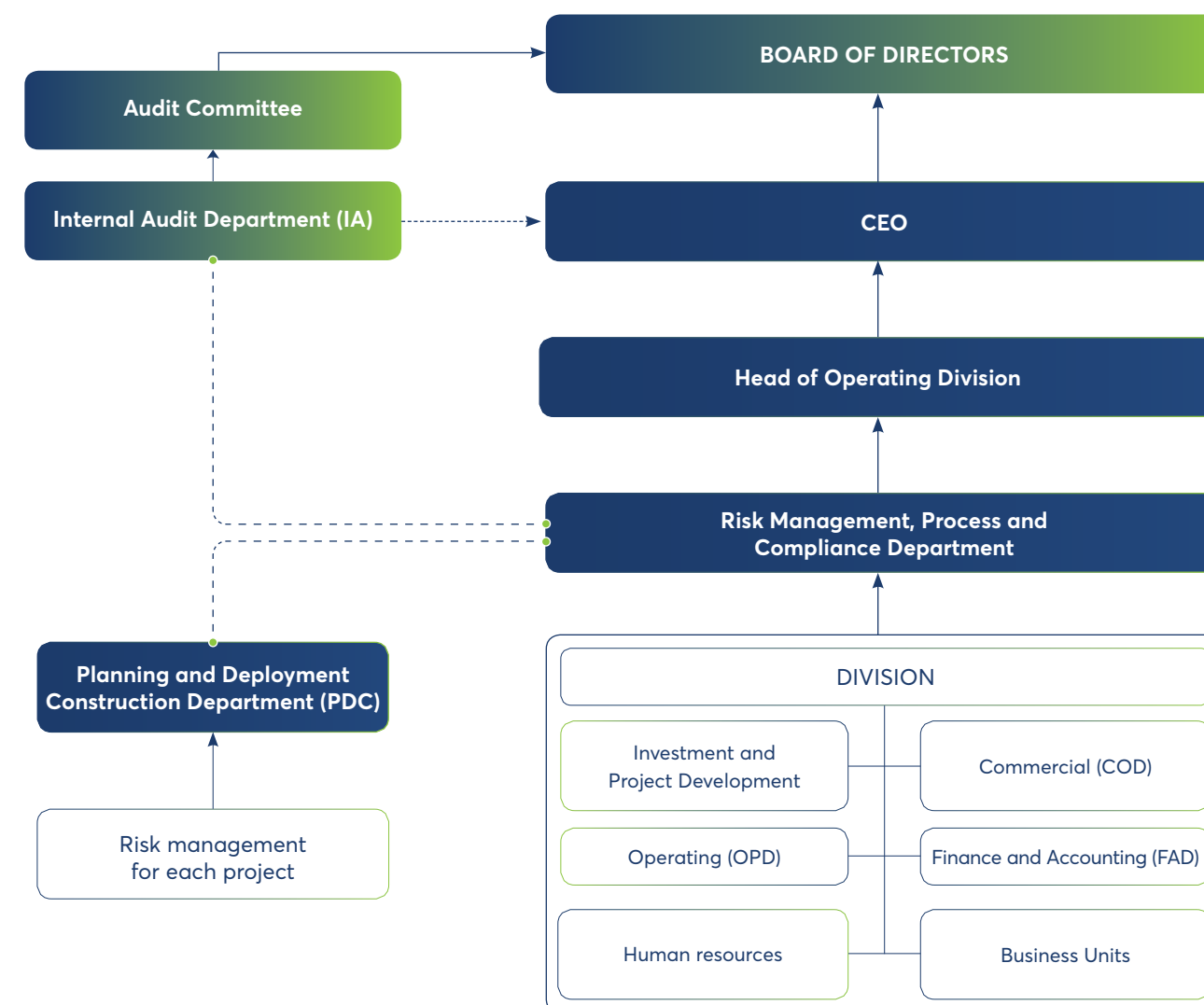
Risk management policies dictate the method of risk management at Novaland Group to ensure smooth coordination between the Risk management, Process and Compliance Department (RPC) and the other Divisions/Departments in risk management

as well as efficiently support the BOM in minimizing losses and optimally leveraging opportunities.

The Group has hired the world's leading consulting firm KPMG to develop its first risk management policy in 2015, as required by the ISO 31000: 2009 and the 2004 COSO Standard. The application of international standards to the Group's risk management policy speaks volume for our commitment to the building and maintenance of an advanced and effective risk management framework, the promotion of preventiveness and the cementing of the "no surprise" culture in Novaland's risk management function.

Risk management policies are updated on a yearly basis to ensure risk management is implemented in accordance with the business strategy in each of the Group's development phases.

THE GROUP'S RISK MANAGEMENT STRUCTURE



INTERPRETATION:

- Risk owner (1st defense layer)**
Most risks are proactively managed on daily basis at Divisions/Departments/Projects
 - Risk management units (2nd defense layer)**
Monitoring units including the Planning and Deployment Construction Department and the Risk Management, Process and Compliance Department are responsible for collecting and analyzing risk information from multiple different sources.
 - Independent assessment & inspection team (3rd defense layer)**
The Internal Audit Department provides an independent opinion to verify the risks and effectiveness of control activities.
- > Function reporting
 - - - - -> Administrative reporting
 - - - - - 2-way exchange of information on risks

RISK MANAGEMENT

KEY RISKS
AND RELATED ACTION PLANS

 ENVIRONMENTAL
RISKS



Sunrise Cityview Project, District 7, HCMC

As a project developer, Novaland consistently attaches importance to the identification of environmental risks and minimization of environmental impacts throughout business activities ranging from investment to project development and building management. The Group always aims for improvement and innovation as well as the application of advanced technology to minimize environmental pollution.

For projects that produce excessive noise, especially those located in urban areas, the Company conducts an assessment of the project area. If the project area is subject to noise level restrictions, the Company will carry out inspection and request contractors to use the equipment with limited noise, limit building activities at night. At the same time, we try to build relationships with residents in the neighborhood and welcome feedback

on noise pollution so as to work out mitigating measures.

Novaland regularly supervises contractors' transport of land to and from construction sites as well as monitors the cleaning of the areas beyond the project boundary. We maintain a cleaning team who, on a daily basis, cleans the area around the project area

Besides, the Company fully carries out the environmental impact assessment for all projects as required by Vietnamese law. We pay attention to the efficient and economical use of resources such as energy, water, building materials (e.g. use of unburnt, recycled, and lightweight materials) right from the design stage. Besides, Novaland implements pollution control that includes the treatment of sewage and waste that meets legal requirements, contributing to the Group's long-term performance and sustainable development.

 PRODUCT QUALITY
RISKS

It is always Novaland's top priority to maintain high product quality at each and every project and thus meet customers' expectations.

In order to limit the risks that may occur during the construction progress and affect project quality, the Planning and Deployment Construction Department (PDC) always closely monitors construction activities at construction sites and strictly comply with the quality management process of construction as well as project risk management process. The Group maintains a list of Strategic Suppliers who are selected using strict criteria of product quality as well as integrity commitment. This is intended to make sure materials and supplies used for our projects are always sourced from reputable suppliers and meet quality and design requirements. This also helps remove the risks of staff integrity that may compromise the quality of materials and services outsourced.

Besides, the Quality Assurance (QA) Department regularly examines and evaluates product quality before hand-over in order to detect and immediately handle any errors that may be found.

In another effort to ensure the best products are delivered to consumers, the Group sends random construction inspection teams/boards to project sites to enforce compliance with the Group's policies, procedures, regulations and guidelines governing construction quality, occupational safety and environmental sanitation as well as adherence to applicable regulations of law in the construction sector. The establishment of these random construction inspection teams/boards creates an additional proactive defense layer to ensure the BOM is regularly updated with the risks that may affect product quality throughout the project implementation process and takes timely actions.

Strict product quality management is the best way to protect the Group's reputation and avoid losing market share to competitors.



The Sun Avenue Project, District 2, HCMC

RISK MANAGEMENT



In case of changes in macroeconomy and the legal system in Vietnam, real estate businesses will suffer in their activities.

Changes in the local macro economy and legal system will present obstacles to the operation of the real estate market in general and the investment in real estate in particular.

In order to control this risk, Novaland focuses on building a competent and experienced legal team with two specialized departments charged with consulting, reviewing and implementing legal issues for each of the Group's area of business:

- Legal Department - LCD, responsible for corporate legal affairs.
- Project Legal Department - PLG, in charge of project legal affairs

The existence of two specialized legal departments helps the Group focus on reviewing and dealing with project legal and corporate legal issues in a closer and more efficient manner and ensures appropriate responses are given to changes in the current legal system. These two legal teams, at the same time, maintain a reasonable level of interaction to ensure the Group's compliance in all aspects.

Apart from that, significant changes in legislation that may affect the Group's operations are also regularly communicated to all employees through internal communication channels to ensure all operations of the Group are legally compliant.



INFORMATION SECURITY RISKS



With the booming information technology, most of the Group's information is stored on the computer system/cyberspace. Novaland's development entails an increasing demand for the sharing of information to many different recipients.

The loss or leakage of information can seriously harm information, financial and reputable resources of the Group. Network attacks, which are increasingly sophisticated and complex, can lead to the loss of information or even a complete collapse of the information system.

Aware of the importance of information security, in Apr. 2018, Novaland established an Information Security Board (ISB) with the following main functions:

- Advise and assist the CEO in monitoring the effectiveness of the Group's information security management system, the compliance with the principles of information security management; establish policies, procedures and standards of information security, the operational efficiency of IT risk management and the IT internal control system.

- Implement programs to improve and upgrade the maturity of the Group's network security. In such programs, information security issues will be controlled and security infrastructure will be clearly defined. Structures, systems and softwares are defined and equipped to accommodate the control of information security following business requirements from the BOM.

In order to carry out their tasks, the ISB planned and implemented an independent monitoring system (in addition to an existing IT system that is working to serve the Group's daily operations) to track unusual behaviors and limit/minimize information security risks such as data encryption attacks, information leaks, brute force attack, etc. At the same time, other issues such as the management of threats and security holes are also monitored by the Committee and the review of performance is done on a monthly basis.

In addition, the ISB has supervised the implementation of a number of security projects to improve information security including the adjustment of the organization unit of the system for respective department/function; optimization of user management system; improvement of network security capabilities such as network partitioning and network architecture; deployment and application of policies for firewalls; deployment of network account privilege management software, and deployment of network port security, and so on.

In 2019, the ISB will continue to monitor abnormal information and activities and monitor the implementation of periodic security holes, if any. At the same time, the ISB will continue to monitor multiple projects to further improve security.

RISK MANAGEMENT

THE IMPLEMENTATION OF RISK MANAGEMENT IN 2018

Novaland encourages Pro-active Risk Management according to which each employee proactively identifies and reports potential risks or immediately reports incidents, should they occur, to enable the RPC Department have full information to coordinate with specialized departments in analyzing, evaluating and handling risks more effeciently.

In 2018, the RPC Department collaborated with other departments to

- 1
- Advise and assist other departments in completing a portfolio of critical risks for the Group as well as risk portfolios for individual departments and projects.
- 2
- Review the current process system to improve processes and strengthen controls to identify and prevent potential risks.
- 3
- Work with the QA department to successfully deploy a project risk management software system in a number of ongoing projects.
- 4
- This software system supports risk management in projects in a systematic way:
 - Data related to project risks will be updated periodically and managed on the system in a consistent manner. Thereby, the Group is capable of building a historical data source related to project risk, which makes the Group's risk management more specific and efficient since identification, assessment, analysis and management is done on real data.
 - Online approval of results related to project risk management is performed to minimize review time, thus streamline the management of risk records.
 - REnhancing accuracy and timely report risk-related issues in order for quick responses if the probability of occurrence is from high to very high. and respond quickly to reporting requests from stakeholders.
 - Enables users to recognize the criticality of risks to promptly take actions and minimize the remaining risk level (also known as the current risk level) to the defined target extent.
- 5
- Novaland organizes internal training courses to ensure the Risk Management Process is properly understood and adhered to by departments/employees.

TARGET FOR 2019

- 1
- Build a detailed historical data system of incidents and hazards (historical data) that helps identify, analyze and assess risks. In addition, it will also help assess the performance of risk management activities by comparing the remaining risks over the years or various periods.
- 2
- Update the Risk portfolio for 2019 to ensure risk management is in consistency with the development orientation and business strategy.
- 3
- Monitor the execution of risk handling actions on a quarterly basis and report to the CEO to ensure risks are within the target risk level determined by the BOD from the beginning of the fiscal year.
- 4
- Organize risk management training courses for the BOM and senior managers.
- 5
- Coordinate with the QA Department to implement a risk management system following the ISO 45001 - International Standard on Occupational health and safety management systems. Specifically, the RPC department plans to work with the QA department to identify external and internal issues that affect the possibility of achieving the expected results of the Occupational Health Safety Management System. In addition, RPC and QA plan to assess the requirements of employees and interested parties as well as the scope of the Occupational Safety and Health Management System, and identify the risks and opportunities that needed to be addressed to:
 - Ensure the occupational health and safety management system can achieve the expected results;
 - Prevent or reduce undesired effects;
 - Achieve continuous improvement.



THE BOARD OF DIRECTORS



Mr. **BUI THANH NHON**
Chairman



Mr. **BUI XUAN HUY**
BOD member cum CEO



Ms. **HOANG THU CHAU**
BOD member cum Deputy CEO



Ms. **NGUYEN THANH BICH THUY**
Independent BOD member



Mr. **DAVID PROCTOR**
Independent BOD member

Date of first appointment as BOD Chairman
Oct. 10, 2007

Qualifications:

- Bachelor in Agronomy
- Executive MBA, HSB-TUCK, Dartmouth University, United States

Professional experience:

1992 - 2007: Chairman of the Board of Members - Thanh Nhon Trading Co., Ltd.

2007 to present: Chairman of the Board of Directors - No Va Land Investment Group Corporation

Major duties at Novaland Group:

- Strategic management
- Organization and supervision of the execution and implementation of resolutions of the Shareholders' General Meeting and the Board of Directors
- Head of the Human Resources Committee and the Remuneration Committee

Chairman of the Board at 5 other companies (excluding subsidiaries and parent companies): Diamond Properties Joint stock Company, Novagroup Joint stock Company, Nova Mclub Joint stock Company, NSQ Investment and Development Joint stock Company, and Anova Joint stock Company.

Ratio of voting rights at Novaland Group:
190,887,507 shares, accounting for 20.37%

Date of first appointment as Deputy CEO Dec. 1, 2015
Date of first appointment as BOD member May 11, 2017
Date of first appointment as CEO Aug. 9, 2017

Qualifications:

- Construction and industrial management engineer, HCMC University of Technology
- MBA (DAS/EMBA), University of Applied Sciences and Arts Northwestern Switzerland School of Business in collaboration with FSB

Professional experience:

2007 - 2012: Project Director - Meinhardt Vietnam

2012 - 2015: Director of Project Development Division - No Va Land Investment Group Corporation

2015 - Sep. 2017: Deputy CEO and Board member - No Va Land Investment Group Corporation

Sep. 2017 to present: CEO and Board member - No Va Land Investment Group Corporation

Major duties at Novaland Group:

- Strategic management and leading of all the Group's operations, implementation of tasks at the Remuneration Committee, the Development Policy Committee and execution of CEO's duties as provided for in the Corporate Charter as well as duties assigned by the Board of Directors.

BOD membership at 5 other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at Novaland Group:
36,188,670 shares, accounting for 3.86%

Date of first appointment as Deputy CEO Dec. 3, 2012
Date of first appointment as BOD member Nov. 11, 2016

Qualifications:

- Bachelor in Accounting
- MBA (DAS/EMBA), University of Applied Sciences and Arts Northwestern Switzerland School of Business in collaboration with FSB

Professional experience:

2003 - 2010: Chief Accountant - No Va Land Investment Group Corporation

2010 - 2012: Chief Accountant - No Va Land Investment JSC

2012 - Oct. 2016: Deputy CEO - No Va Land Investment Group Corporation

Nov. 2016 to present: Deputy CEO and Board member - No Va Land Investment Group Corporation

Major duties at Novaland Group:

- Strategic planning, leading of the execution of the Shareholders' General Meeting and Board of Directors' strategy, and execution of duties at the Development Policy Committee.

BOD membership at other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at Novaland Group:
1,767,216 shares, accounting for 0.19%

Date of first appointment as independent BOD member: Apr. 27, 2017

Qualifications:

- Bachelor

Professional experience:

Over 25 years of Strategic Planner and Senior Executive at international groups

Apr. 2017 - May 2017: Independent Board member - No Va Land Investment Group Corporation

June 2017 to present: Head of AC and Independent Board member - No Va Land Investment Group Corporation

Major duties at Novaland Group:

- Strategic management
- Supervision and execution of control over the Group's management and governance
- Head of the Audit Committee, the Head of the Development Policy Committee, and member of the HR Committee

BOD membership at 5 other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at Novaland Group:
0 share, accounting for 0%

Date of first appointment as independent BOD member: Apr. 26, 2018

Qualifications:

- Bachelor degree at Cambridge University

Professional experience:

35 years of service as senior manager at international financial institutions

2010 to date: Chairman - BAS Consulting Pte Ltd.

Apr 2018 - Mar. 2019 : Independent Board and AC member - No Va Land Investment Group Corporation

Major duties at Novaland Group:

- Strategic management
- Supervision and execution of control over the Group's management and governance
- Member of Audit Committee

BOD membership at 5 other companies (excluding subsidiaries and parent companies):

Chairman - BAS Consulting Pte Ltd.

Ratio of voting rights at Novaland Group:
0 share, accounting for 0%

Mr. Phan Thanh Huy was appointed as Member of the BOD on July 21, 2016 and resigned on Jan. 30, 2018.

CORPORATE GOVERNANCE
ACTIVITIES IN 2018

SHAREHOLDERS' GENERAL MEETINGS

As required by the Enterprise Law and the Corporate Charter, in 2018 Novaland successfully held an AGM to adopt important matters relating to corporate governance, the business plan, and other topics. Besides, in order to meet the requirements of operations and ensure shareholders' interests, the Company obtain written opinions from shareholders with the following details:

No.	No. of Resolution/Decision	Date	Content
I. SGM resolution (adopted by obtaining opinions in writing)			
1	01/2018-NQ-NVLG	Jan. 24, 2018	Adopted a change in the time of issue of share to increase share capital from owner's equity
2	02/2018-NQ-NVLG	Jan. 24, 2018	Adopted changes in type of shares, quantity of share and time of issue of share under the plan to issue convertible dividend preferred shares
3	03/2018-NQ-NVLG	Jan. 24, 2018	Adopted changes in method of issue in the plan to issue convertible bonds
4	04/2018-NQ-NVLG	Feb. 28, 2018	Adopted a plan to list securities overseas
5	05/2018-NQ-NVLG	Feb. 28, 2018	Adopted a private placement plan and an increase of charter capital from the proceeds of the issue
6	06/2018-NQ-NVLG	Feb. 28, 2018	Adopted a change in the plan to issue convertible bonds
7	07/2018-NQ-NVLG	Feb. 28, 2018	Adopted the adding of the Company's authorized representatives
8	08/2018-NQ-NVLG	Feb. 28, 2018	Adopted amendments to the Corporate Charter
9	21/2018-NQ.DHDCD-NVLG	Aug. 9, 2018	Adopted a change in the recovery of shares under the ESOP by obtaining written opinions
II. 2018 AGM Resolution			
1	09/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted business results of 2017
2	10/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted the 2017 financial statements
3	11/2018-NQ-NVLG	Apr. 26, 2018	Adopted the selection of an auditor for 2018
4	12/2018-NQ-NVLG	Apr. 26, 2018	Adopted the distribution of the year 2017's profit
5	13/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted the business plan for 2018
6	14/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted the issue of shares for conversion of convertible dividend preferred shares 2015
7	15/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted remuneration for the BOD and the Board of Supervision for 2017 and expected BOD remuneration for 2018
8	16/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted the dismissal of BOD members and additional election of independent BOD members
9	17/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted amendments to the Corporate Governance Code
10	18/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted the issue of shares under the ESOP
11	19/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted a plan to issue shares for conversion of bonds
12	20/2018-NQ.DHDCD-NVLG	Apr. 26, 2018	Adopted a change in the recovery of shares under the ESOP 2017

MEETINGS OF THE BOD

In 2018, the BOD held 80 meetings to adopt important guidelines and policies regarding the Group' development strategy and business activities. The BOD issued 107 resolutions with the topics covering (1) Corporate governance activities, appointment and dismissal of managers; (2) Investment, capital contribution and incorporation of businesses, and (3) Fund raising and increase of charter capital:

No.	No. of Resolution/Decision	Date	Content
I. Corporate governance activities, appointment and dismissal of managers 25			
1	01/2018-NQ.HDQT-NVLG	Jan. 4, 2018	Adopted the adding of the content on which shareholders' opinions were needed as per the list of shareholders as at Jan. 10, 2018 relating to the issue of convertible dividend preferred shares
2	02/2018-NQ.HDQT-NVLG	Jan. 10, 2018	Adopted the collection of shareholders' opinions as per the list of shareholders as at Jan. 10, 2018 relating to the issue of convertible bonds
3	07/2018-NQ.HDQT-NVLG	Jan. 18, 2018	Adopted the closing of shareholder list for the purpose of collecting shareholders' written opinions
4	09/2018-NQ.HDQT-NVLG	Jan. 31, 2018	Adopted the adding of the collection of shareholders' opinions as per the list of shareholders as at Feb. 8, 2018 relating to the change of the number of authorized representatives
5	16/2018-NQ.HDQT-NVLG	Feb. 8, 2018	Adopted the adding of the collection of shareholders' opinions as per the list of shareholders as at Feb. 8, 2018 relating to the method of issue of convertible bonds
6	19/2018-QĐ.HDQT-NVLG	Mar. 5, 2018	Adopted the closing of the shareholder list of No Va Land Investment Group Corporation
7	19A/2018-NQ.HDQT-NVLG	Mar. 12, 2018	Adopted the dismissal and and appointment of the Corporate Governance In - Charge
8	23/2018-QĐ.HDQT-NVLG	Mar. 26, 2018	Adopted the termination of the operation of Novaland Branch - Novaland Phu Nhuan Property Exchange
9	24/2018-NQ.HDQT-NVLG	Mar. 29, 2018	Adopted the agenda of the Company's 2018 AGM
10	27/2018-QĐ.HDQT-NVLG	Apr. 9, 2018	Adopted the formation of the additional Vote Counting Committee
11	30/2018-NQ.HDQT-NVLG	Apr. 12, 2018	Adopted the amendment of the proposal to the SGM numbered 111/2018-TTr-NVLG
12	33/2018-NQ.HDQT-NVLG	Apr. 23, 2018	Adopted the list of candidates nominated for the the position of independent BOD member for the 2016 - 2021 term
13	40/2018-NQ.HDQT-NVLG	May 18, 2018	Adopted the termination of the operation of Novaland Branch - Novaland Property Exchange at 23 Nguyen Huu Tho, Tan Hung Ward, Dist. 7, HCMC
14	41/2018-NQ.HDQT-NVLG	May 18, 2018	Adopted the termination of the operation of Novaland Representative office at 23 Nguyen Huu Tho, Tan Hung Ward, Dist. 7, HCMC
15	45/2018-NQ.HDQT-NVLG	June 1, 2018	Adopted the sales discount rate for each property product from the Company's projects
16	49/2018-NQ.HDQT-NVLG	Jun. 25, 2018	Adopted the establishment of Novaland Branch - Novaland Nguyen Thi Minh Khai Property Exchange at 125 Cach Mang Thang Tam, Ben Thanh Ward, Dist. 1, HCMC
17	51/2018-NQ.HDQT-NVLG	Jun. 28, 2018	Adopted the closing of shareholder list for the purpose of collecting shareholders' written opinions
18	52/2018-NQ.HDQT-NVLG	Jun. 29, 2018	Adopted the issue of the amended Corporate Charter
19	53/2018-NQ.HDQT-NVLG	Jul. 9, 2018	Adopted the selection of an auditor for 2018

CORPORATE GOVERNANCE ACTIVITIES IN 2018

No.	No. of Resolution/Decision	Date	Content
20	61/2018-NQ.HĐQT-NVLG	Aug. 22, 2018	Adopted the recovery of ESOP shares
21	63/2018-NQ.HĐQT-NVLG	Sep. 5, 2018	Adopted the appointment of the Company's CFO
22	70/2018-NQ.HĐQT-NVLG	Oct. 12, 2018	Adopted the formation of the Vote Counting Committee
23	79/2018-NQ.HĐQT-NVLG	Oct. 31, 2018	Adopted a change of the Corporate Governance In - Charge
24	81/2018-NQ.HĐQT-NVLG	Nov. 6, 2018	Adopted a change of stamp specimen and the number of seals
25	84/2018-NQ.HĐQT-NVLG	Nov. 27, 2018	Adopted the closing of shareholder list for the purpose of collecting of shareholders' written opinions
II. Investment, capital contribution and incorporation of businesses 43			
1	01A/2018-QĐ.HĐQT-NVLG	Jan. 10, 2018	Adopted the appointment of the representative of the entire stake in No Va Property Investment Joint Stock Company
2	05A/2018-QĐ.HĐQT-NVLG	Jan. 12, 2018	Adopted the acceptance of the capital contribution in Nova Nam A Co., Ltd.
3	10/2018-QĐ.HĐQT-NVLG	Feb. 6, 2018	Adopted the Company's additional capital contribution at Thanh Nhon Property Joint Stock Company
4	11/2018-QĐ.HĐQT-NVLG	Feb. 6, 2018	Adopted the Company's acceptance of the stake in Asean Urban Development Joint Stock Company
5	12/2018-QĐ.HĐQT-NVLG	Feb. 6, 2018	Adopted the appointment of the representative of the capital contribution in Thanh Nhon Property Joint Stock Company
6	13/2018-QĐ.HĐQT-NVLG	Feb. 6, 2018	Adopted the appointment of the representative of the capital contribution in Asean Urban Development Joint Stock Company
7	14/2018-QĐ.HĐQT-NVLG	Feb. 8, 2018	Adopted the appointment of the representative of the capital contribution in T234 Thanh My Loi Joint Stock Company
8	15/2018-QĐ.HĐQT-NVLG	Feb. 8, 2018	Adopted the incorporation of 234 Thanh My Loi Joint Stock Company
9	17/2018-QĐ.HĐQT-NVLG	Feb. 22, 2018	Adopted the Company's additional capital contribution to Khai Hung Property Co., Ltd.
10	21/2018-QĐ.HĐQT-NVLG	Mar. 19, 2018	Adopted the acceptance of stake in Thanh Nhon Property Joint Stock Company
11	25C/2018-QĐ.HĐQT-NVLG	Mar. 30, 2018	Adopted the additional capital contribution to Bach Hop Property Co., Ltd.
12	26/2018-QĐ.HĐQT-NVLG	Apr. 3, 2018	Adopted the Company's additional capital contribution to Khai Hung Property Co., Ltd.
13	36/2018-NQ.HĐQT-NVLG	May. 3, 2018	Adopted the additional capital contribution to Nova Nippon Joint Stock Company
14	37/2018-NQ.HĐQT-NVLG	May 3, 2018	Adopted the appointment of the representative of the capital contribution in Nova Nippon Joint Stock Company
15	46/2018-NQ.HĐQT-NVLG	Jun. 11, 2018	Adopted the additional capital contribution to Nova My Dinh Property Joint Stock Company
16	47/2018-NQ.HĐQT-NVLG	Jun. 11, 2018	Adopted the appointment of the representative of the capital contribution in Nova My Dinh Property Joint Stock Company
17	54/2018-NQ.HĐQT-NVLG	Jul. 27, 2018	Adopted the additional capital contribution to Bach Hop Property Co., Ltd.
18	55/2018-NQ.HĐQT-NVLG	Jul. 27, 2018	Adopted the appointment of the representative of the capital contribution in Bach Hop Property Co., Ltd.
19	56/2018-NQ.HĐQT-NVLG	Jul. 31, 2018	Adopted the decrease of capital contribution in Asean Urban Development Joint Stock Company
20	57/2018-NQ.HĐQT-NVLG	Jul. 31, 2018	Adopted the appointment of the representative of the capital contribution in Asean Urban Development Joint Stock Company
21	58/2018-NQ.HĐQT-NVLG	Aug. 9, 2018	Adopted the additional capital contribution to Khai Hung Property Co., Ltd.

No.	No. of Resolution/Decision	Date	Content
22	59/2018-NQ.HĐQT-NVLG	Aug. 9, 2018	Adopted the appointment of the representative of the capital contribution in Khai Hung Property Co., Ltd.
23	60/2018-NQ.HĐQT-NVLG	Aug. 13, 2018	Adopted the transfer of land use right and land-attached property
24	64/2018-NQ.HĐQT-NVLG	Sep. 13, 2018	Adopted the contribution of capital to Gia Huy Property Investment and Development Co., Ltd.
25	65/2018-NQ.HĐQT-NVLG	Sep. 13, 2018	Adopted the appointment of the representative of the capital contribution in Gia Huy Property Investment and Development Co., Ltd.
26	66/2018-NQ.HĐQT-NVLG	Sep. 21, 2018	Adopted the transfer of stake in Thanh Nhon Property Joint Stock Company
27	67/2018-NQ.HĐQT-NVLG	Sep. 21, 2018	Adopted the appointment of the representative of the capital contribution in Thanh Nhon Property Joint Stock Company
28	68/2018-NQ.HĐQT-NVLG	Oct. 3, 2018	Adopted the acceptance of stake in HQC Property Investment Joint Stock Company
29	69/2018-NQ.HĐQT-NVLG	Oct. 3, 2018	Adopted the appointment of the representative of the capital contribution in HQC Property Investment Joint Stock Company
30	71/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the transfer of stake in Thanh Nhon Property Joint Stock Company
31	72/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the appointment of the representative of the capital contribution in Thanh Nhon Property Joint Stock Company
32	73/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the additional capital contribution to Phong Dien Property Investment Joint Stock Company
33	74/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the appointment of the representative of the capital contribution in Phong Dien Property Investment Joint Stock Company
34	82/2018-NQ.HĐQT-NVLG	Nov. 14, 2018	Adopted the decrease of capital contribution in Nova Lucky Palace Co., Ltd.
35	83/2018-NQ.HĐQT-NVLG	Nov. 14, 2018	Adopted the appointment of the representative of the capital contribution in Nova Lucky Palace Co., Ltd.
36	85/2018-NQ.HĐQT-NVLG	Nov. 27, 2018	Adopted the acceptance of stake in Nova Hospitality Joint Stock Company
37	86/2018-NQ.HĐQT-NVLG	Nov. 27, 2018	Adopted the appointment of the representative of the capital contribution in Nova Hospitality Joint Stock Company
38	90/2018-NQ.HĐQT-NVLG	Dec. 5, 2018	Adopted the guarantee of the loan of Vung Tau Youth Tourism Hotel Joint Stock Company
39	92/2018-NQ.HĐQT-NVLG	Dec. 7, 2018	Adopted the additional capital contribution to No Va Thao Dien Co., Ltd.
40	93/2018-NQ.HĐQT-NVLG	Dec. 7, 2018	Adopted the appointment of the representative of the capital contribution in No Va Thao Dien Co., Ltd.
41	96/2018-NQ.HĐQT-NVLG	Dec. 19, 2018	Adopted the additional capital contribution to Bach Hop Property Co., Ltd.
42	97/2018-NQ.HĐQT-NVLG	Dec. 19, 2018	Adopted the appointment of the representative of the capital contribution in Bach Hop Property Co., Ltd.
43	98/2018-NQ.HĐQT-NVLG	Dec. 28, 2018	Adopted the guarantee of Nova Hospitality Joint Stock Company's obligation for the loan extended by Credit Suisse

CORPORATE GOVERNANCE ACTIVITIES IN 2018

No.	No. of Resolution/Decision	Date	Content
III. Fund raising and increase of charter capital: 39			
1	02A/2018-NQ-NVLG	Jan. 10, 2018	Adopted the issue of bonds by No Va Land Investment Group Corporation
2	03/2018-QĐ.HĐQT-NVLG	Jan. 12, 2018	Adopted an increase of the Company's charter capital from VND 6,296,587,880,000 to VND 6,496,587,880,000
3	04/2018-QĐ.HĐQT-NVLG	Jan. 12, 2018	Adopted the issue of shares under the ESOP - phase 2
4	05/2018-QĐ.HĐQT-NVLG	Jan. 12, 2018	Adopted the formation of the steering committee for the ESOP program
5	06/2018-QĐ.HĐQT-NVLG	Jan. 16, 2018	Adopted the list and number of shares to be distributed to each employee
6	06A/2018-QĐ.HĐQT-NVLG	Jan. 17, 2018	Adopted a borrowing from Kien Long Joint Stock Commercial Bank - Saigon Branch
7	08/2018-QĐ.HĐQT-NVLG	Jan. 18, 2018	Adopted the acceptance of a credit extended by VPBank
8	18/2018-QĐ-NVLG	Mar. 1, 2018	Adopted the issue of share to increase share capital from owner's equity
9	20/2018-QĐ.HĐQT-NVLG	Mar. 15, 2018	Adopted an increase of the Company's charter capital from VND 6,496,587,880,000 to VND 6,594,687,500,000
10	22/2018-QĐ-NVLG	Mar. 20, 2018	Adopted a plan to use capital and repay principal and interest of the Company's convertible bond package
11	25/2018-NQ-NVLG	Mar. 29, 2018	Adopted the issue of convertible bonds to international market
12	25A/2018-QĐ.HĐQT-NVLG	Apr. 2, 2018	Adopted No Va Land Investment Group Corporation's borrowing at VietinBank - HCMC Branch
13	25B/2018-QĐ.HĐQT-NVLG	Apr. 2, 2018	Adopted No Va Land Investment Group Corporation's borrowing at Nam A Bank - Dong Nai Branch
14	28/2018-QĐ-NVLG	Apr. 9, 2018	Adopted the plan to offer shares by private placement in 2018
15	29/2018-NQ-NVLG	Apr. 12, 2018	Adopted the major terms and condition of international convertible bonds
16	31/2018-QĐ.HĐQT-NVLG	Apr. 17, 2018	Adopted the registration of charter capital increase after the completion of the issue of share to increase charter capital from owner's equity
17	32/2018-NQ-NVLG	Apr. 20, 2018	Adopted the terms and condition of international convertible bonds
18	34/2018-QĐ-NVLG	May 8, 2018	Adopted the amended plan to offer shares by private placement in 2018
19	35/2018-NQ.HĐQT-NVLG	May 8, 2018	Adopted a plan to use proceeds from private placement in 2018

No.	No. of Resolution/Decision	Date	Content
20	38/2018-NQ.HĐQT-NVLG	May 8, 2018	Adopted the issue of corporate bonds
21	39/2018-NQ.HĐQT-NVLG	May 8, 2018	Adopted the premature buyback of corporate bonds
22	42/2018-NQ-NVLG	May 21, 2018	Adopted the Company's issue of bonds
23	43/2018-NQ-NVLG	May 21, 2018	Adopted a change in the purpose of using proceeds from the issue of international convertible bonds and the private placement of shares
24	44/2018-NQ.HĐQT-NVLG	May 30, 2018	Adopted an increase of charter capital from VND 8,617,859,280,000 to VND 9,142,859,280,000 after the completion of the private placement
25	48/2018-NQ-NVLG	Jun. 19, 2018	Adopted the Company's issue of bonds
26	50/2018-NQ.HĐQT-NVLG	Jun. 25, 2018	Adopted the issue of corporate bonds
27	62/2018-NQ.HĐQT-NVLG	Aug. 31, 2018	Adopted a borrowing at Vietcombank
28	69A/2018-NQ.HĐQT-NVLG	Oct. 9, 2018	Adopted the issue of corporate bonds
29	75/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the regulations of ESOP for 2018
30	76/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Formation of the ESOP Steering Committee 2018
31	77/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted a plan to issue shares through private placement to convert convertible dividend preferred shares
32	78/2018-NQ.HĐQT-NVLG	Oct. 24, 2018	Adopted the issue of corporate bonds
33	80/2018-NQ.HĐQT-NVLG	Nov. 6, 2018	Adopted the issue of corporate bonds
34	87/2018-NQ.HĐQT-NVLG	Nov. 27, 2018	Adopted a plan to issue shares for conversion of bonds
35	88/2018-NQ.HĐQT-NVLG	Nov. 29, 2018	Adopted the authorization of the CEO/BOD Chairman to perform duties associated with the issue and listing of bonds
36	89/2018-NQ.HĐQT-NVLG	Nov. 29, 2018	Adopted the issue of international convertible bonds
37	91/2018-NQ.HĐQT-NVLG	Dec. 7, 2018	Adopted the issue of corporate bonds and use of the Company and third parties' assets as collateral for the Company's obligations associated with the corporate bonds
38	94/2018-NQ.HĐQT-NVLG	Dec. 10, 2018	Adopted a syndicated loan at Standard Chartered Bank
39	95/2018-NQ.HĐQT-NVLG	Dec. 14, 2018	Adopted the Company's charter capital increase

CORPORATE GOVERNANCE
ACTIVITIES IN 2018

TRAINING COURSES
ATTENDED BY
BOD MEMBERS

Decree 71/2017 / ND-CP of the Government issued on June 6, 2017 providing guidelines on corporate governance applicable to public companies ("Decree 71/2017/ND-CP") officially came into effect on Aug. 1, 2017 and replaced the regulations on corporate governance under Circular 121/2012/TT-BTC issued by the Ministry of Finance on July 26, 2012. Decree 71/2017/ND-CP removed the required attendance by the BOD, Board of Supervisions and CEO of a company at corporate governance training courses.

Currently, except for an independent BOD member who was appointed in April 2018, all the other BOD members had completed training courses on corporate governance in 2017.

GOVERNANCE ACTIVITIES
ASSOCIATED WITH INTERNAL
AUDIT AND RISK MANAGEMENT

The BOD set up the Audit Committee to assist the BOD in controlling the Group's governance activities. Readers of this report refer to the report of the Audit Committee for the typical activities in 2018 of the latter.

CORPORATE GOVERNANCE ACTIVITIES ASSOCIATED
WITH INFORMATION DISCLOSURE

The complete and timely disclosure of information plays an important role in investors' decision-making and increases the transparency of the Company in the market. Although information disclosure is a regulatory obligation of a listed organization, Novaland Group's Board of Directors considers an interest of the Company in enhancing reputation and image as well as the most effective way of convincing investors, demonstrating professionalism, showing respect for shareholders, and creating the basis for sustainable development and increasing of the Company. In addition to implementation of the Environmental, Social and Governance (ESG) sustainable business model, the BOD has directed the BOM to continue improving information disclosure activities following higher international standards including:

THE OECD (ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT) PRINCIPLES OF CORPORATE GOVERNANCE AND ECONOMIC DEVELOPMENT COOPERATION WHICH ARE BASED ON 4 CORE VALUES



& CORPORATE GOVERNANCE RULES ON THE ASEAN
CORPORATE GOVERNANCE SCORECARD THAT ENSURE THE PRINCIPLES



REPORT OF
THE BOARD OF DIRECTORS

OVERVIEW OF
THE GROUP'S PERFORMANCE



In 2018, the Board held the view that the Corporation and Board of Management made great efforts to achieve positive business results, and simultaneously accelerated Phase 2 of the business strategy. The Company's business results recorded significant growth compared to 2017 results with VND 15,290 billion in revenue (up 31%) and after-tax profit reached VND 3,267 billion (up 58%). Net revenue and after tax profit reached 70% and 102% of the plan approved by the AGM, in the context of nationwide strong and comprehensive review of land use activities. The payment of land use fees for a number of projects was therefore delayed. The Corporation pro-actively proposed to pay the land use fees, to avoid slowing down business operations. In 2018, the Corporation recorded 4,589 handed-over products, up 28% compared to the number of handed-over apartments in 2017.

The Corporation officially introduced the hospitality property, deploying various investment and launching activities. Among these were the launching of Azerai

Can Tho Resort, the first in a chain of hospitality projects in the Mekong Delta, and the introduction of Mui Ne NovaHills with 603 sea villas in Phan Thiet (Binh Thuan Province). The Corporation quickly invested in the expansion of the land bank for hospitality property in tourism cities as Nha Trang - Cam Ranh, Da Lat, Binh Thuan - Phan Thiet, Ba Ria - Vung Tau, and Can Tho.

In addition, in order to implement the Mekong Delta tourism development strategy, on Mar. 27, 2018, the Corporation signed a agreement with Can Tho City People's Committee, Boston Consulting Group (BCG) and Military Commercial Joint Stock Bank to implement the project "Developing Strategy for Mekong Delta tourism" to develop local tourism in a sustainable way. Simultaneously, Novaland Group also cooperated with strategic partners to develop hospitality real estate, according to international standards. These include the strategic cooperation with Minor Hotels Group in managing 07 hotels - resorts developed by

Novaland in coming years in HCMC, Vung Tau, Phan Thiet, Cam Ranh,... partnership with Greg Norman Golf Course Design to jointly develop 04 world-class golf courses, within the Novaland-developed integrated hospitality complexes.

In 2018, Novaland continued to carry out CSR in a series of pro-community activities in multiple areas including community development, education, health and social welfare.

VND 15,290 BILLION
NET REVENUE IN 2018

VND 3,267 BILLION
OWNER'S CAPITAL

(Details of these activities are presented in the Chapter for Sustainability)

REPORT OF
THE BOARD OF DIRECTORS

TOTAL OF PRODUCTS
WAS RECORDED IN
REVENUE 2018

4,589

APARTMENT, VILLAS
& COMMERCIAL

VND 9,373

BILLION
CHARTER CAPITAL

EVALUATION
OF PERFORMANCES IN 2018

In 2018, the BOD directed the successful increase of the Corporation's charter capital from VND 6,497 billion to VND 9,373 billion through the issue of shares under ESOP, the issue of shares to increase charter capital from equity, the private placement of shares, and the issue of shares for the purpose of bond conversion.

In order to satisfy applicable rules on corporate governance and following a resolution adopted by the 2018 AGM, the BOD issued an amended Corporate Charter and Code of Corporate governance with the required updates and modifications.

Regarding corporate governance activities, in order to ensure at least one-third of BOD members are independent, the Corporation increased the total number of independent members from 1 to 2. In addition, the BOD's committees regularly reviewed and developed regulations on their organization and operations as well as organized the implementation of assigned tasks to help improve the performance of corporate governance. The BOD also attaches importance to making appropriate changes to membership of these committees to make sure personnel matters are subject to the coordination and execution supervision of independent members.



EVALUATION
OF THE PERFORMANCE RESULT OF THE BOD

REGARDING STRATEGY
DEPLOYMENT

In 2018, the BOD implemented a sustainable development strategy in line with the Group's vision. With a strategy of developing hospitality property in addition to residential products, the Corporation will generate a steady and sustainable cash flow.

REGARDING THE RESULTS OF
MONITORING OF THE BOM

The Board of Directors executed the supervision and provided directions to the BOM in the organization of the 2018 AGM as well as the completion of the charter capital increase plan through the issue of shares under the ESOP, the issue of shares to increase charter capital from equity, the private placement of shares, and the issue of shares for the purpose of bond conversion. Remarkably, Novaland successfully raised USD 100 million from the issuance of convertible bonds on SGX on Apr. 30, 2018. This was the first time a Vietnamese firm, after 6 years, succeeded in issuing convertible bonds internationally. At the same time, BOD supervised the implementation of the AGM's and BOD' resolutions, ensuring compliance with applicable regulations on listed companies.

REGARDING BOM
PERFORMANCE

The BOD maintains the BOM's periodical reporting of the Corporation's business performance and management. At the same time, the BOD requested BOM's extraordinary reporting and provided timely instructions on unexpected issues in business, which might affect operation.



The perspective of NovaHills Mui Ne villa (Phan Thiet)

REPORT OF THE BOARD OF DIRECTORS

REPORT OF BOD INDEPENDENT MEMBERS

The 2018 AGM took place on Apr. 26, 2018, increasing the number of BOD independent members to 2/5, or 40% of the members, as regulated in Decree 71/2017/ND-CP on June 06, 2017.

2018 activities by BOD independent members

Implementing the rights and obligations of BOD Independent Members in accordance with the Law on Enterprises, relevant legal documents and Company Charter, BOD independent members contributed meaningfully to BOD decision-making, considering objective, fair, conflict-free and ensured shareholders' interests in monitoring and controlling the Corporation's management and administration.

In addition, by participating in activities of subcommittees under the BOD, independent members successfully assisted the Board in internal audit, development strategy and strategic consultation on human resource development

Review on BOD activities

The BOD successfully implemented the plans approved by the AGM and directed the Corporation to comply with the regulations in the Company Charter, Corporate Governance and current legal provisions.

Besides, the BOD also paid attention to the sustainable development strategy and BOM activities. In 2018, the BOD issued Resolutions and Decisions related to the Group's activities, within the BOD's responsibility and authority. The BOD Resolutions and Decisions were issued in accordance with the authority, order and procedures according to the Law on Enterprises and Company Charter, in accordance with business practices, meeting management and business requirements, in line with the Group's strategy.



REPORT OF THE BOARD OF DIRECTORS

PLANS, ORIENTATION SET BY BOD FOR 2019

IN 2019, THE BOD DIRECTED ON CONTINUING THE IMPLEMENTATION OF PHASE 2 DEVELOPMENT STRATEGY, EXPANDING TOURISM AND HOSPITALITY REAL ESTATE AND TOURISM SERVICES . IN THAT NOTE, THE CORPORATION WILL SIGN STRATEGIC COOPERATION AGREEMENTS WITH CONTRACTORS AND PARTNERS IN CONSTRUCTION AND MANAGEMENT OF THE HOTEL - RESORT FOR TOURISM PROJECTS - RESORTS - RECREATION IN TOURISM PROVINCES AND CITIES AS CAN THO, HCMC, BA RIA - VUNG TAU AND PHAN THIET - BINH THUAN, NINH THUAN, CAM RANH - KHANH HOA, ...

In expanding hospitality real estate and tourism services, the company creates a line of products and services that can be relied on for a long time, creating a stable cash flow, enhancing financial strength and contributing to sustainable development activities.

The BOD directed the implementation of the 2019 business plan, ensuring progress, quality, quantity of handed-over products promotion of new projects. Besides, in order to create a platform for effective corporate governance and to ensure the interests of shareholders, investors and related parties, the BOD continued reviewing and adjusting the Charter in line with governance principles, in accordance with the law and international practices. Concurrently, the BOD focused on continuous improvement, corporate governance capacity, qualified human resource, professionalism and staff discipline.

SALARY, BONUS, COMPENSATION AND OTHER BENEFITS AND COSTS PAID TO BOD, BOM MEMBERS AND CHIEF ACCOUNTANT:

No.	Details of management team	Position	Salary structure	Bonus structure	Remuneration in 2018 (million VND)	
I. BOD						Duration of service in BOD in 2018
1	Mr. Bui Thanh Nhon	Chairman	0%	0%	600	Jan.1, 2018 - Dec. 31, 2018
2	Mr. Bui Xuan Huy	BOD member - CEO	68%	32%	120	Jan.1, 2018 - Dec. 31, 2018
3	Mr. Phan Thanh Huy	BOD member	0%	0%	0	Jan.1, 2018 - Jan. 30, 2018
4	Ms. Hoang Thu Chau	BOD member - Deputy CEO	64%	36%	120	Jan.1, 2018 - Dec. 31, 2018
5	Ms. Nguyen Thanh Bich Thuy	Independent BOD member	0%	0%	120	Jan.1, 2018 - Dec. 31, 2018
6	Mr. David Frederick Proctor	Independent BOD member	0%	0%	30	Apr. 26, 2018 - Dec. 31, 2018
II. AC						Duration of service in AC in 2018
1	Ms. Nguyen Thanh Bich Thuy	Chairman	0%	0%	0	Jan.1, 2018 - Dec. 31, 2018
2	Mr. David Proctor	Member	0%	0%	0	Jan.1, 2018 - Dec. 31, 2018
3	Ms. Vo Thi Thu Van	Member	69%	31%	0	Jan.1, 2018 - Dec. 31, 2018
4	Ms. Nguyen Thi Minh Thanh	Member	75%	25%	0	Jan.1, 2018 - Dec. 31, 2018
III. BOM						Duration of service in BOM in 2018
1	Mr. Bui Xuan Huy	CEO	Refer to Section I.2 BOD			Jan.1, 2018 - Dec. 31, 2018
2	Ms. Hoang Thu Chau	Deputy CEO	Refer to Section I.4 BOD			Jan.1, 2018 - Dec. 31, 2018
IV. CFO						Duration of Service in 2018
1	Mr. Phan Le Hoa	Chief Financial Officer	82%	18%	0	Jan.1, 2018 - Dec. 31, 2018
V. Chief Accountant						Duration of service as Chief Accountant in 2018
1	Ms. Tran Thi Thanh Van	Chief Accountant	69%	31%	0	Sep. 5, 2018 - Dec. 31, 2018

TRANSACTIONS BY BOD AND BOM (BOD MEMBERS, CEO, MANAGERS, AND RELATED PERSONS) WITH COMPANIES, SUBSIDIARIES IN WHICH THE GROUP HOLDS CONTROLLING RIGHT

There were no transactions in this nature in 2018.

AUDIT COMMITTEE
UNDER THE BOARD OF DIRECTORS



Ms. **NGUYEN THANH BICH THUY**
Head of AC



Mr. **DAVID PROCTOR**
Member of AC



Ms. **VO THI THU VAN**
Member of AC



Ms. **NGUYEN THI MINH THANH**
Member of AC

Date of first appointment as independent BOD member:
Apr. 27, 2017

Qualifications:

- Bachelor

Professional experience:

Over 25 years of Strategic Planner and Senior Executive at international groups

Apr. 2017 - May 2017: Independent Board member - No Va Land Investment Group Corporation

June 2017 to present: Head of AC and Independent Board member - No Va Land Investment Group Corporation

BOD membership at other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at No Va Land Investment Group Corporation:
0 share, accounting for 0%

Date of first appointment as independent BOD member:
Apr. 26, 2018

Qualifications:

- Bachelor degree at Cambridge University

Professional experience:

35 years of service as senior manager at international financial institutions

2010 to present: Chairman - BAS Consulting Pte Ltd

Sep. 2017 - Mar. 2018: Member of AC - No Va Land Investment Group Corporation

Apr. 2018 to Mar. 2019: Independent BOD member and member of AC - No Va Land Investment Group Corporation

BOD membership at other companies (excluding subsidiaries and parent companies):

Chairman - BAS Consulting Pte Ltd.

Ratio of voting rights at No Va Land Investment Group Corporation:
0 share, accounting for 0%

Date of first appointment as member of AC: Sep. 8, 2017

Qualifications:

- Master in Commerce; Bachelor of Accounting

Professional experience:

2004 - 2007: Financial Planning Director, Deputy Financial Controlling Director - Pepsico Vietnam

2011 - 2012: Senior Financial Planning Director - Pepsico Vietnam

2012 - 2013: Financial Controlling Director - Pepsico Vietnam

2013 - 2016: Financial Controlling Manager - Suntory Pepsico Vietnam

2016 - Sep. 2017: Deputy CEO - No Va Land Investment Group Corporation

Sep. 2017 to present: Member of AC - No Va Land Investment Group Corporation

BOD membership at other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at No Va Land Investment Group Corporation:
32,750 shares, accounting for 0.003%

Date of first appointment as member of AC: June 26, 2017

Qualifications:

- MBA
- Audit - Accounting Bachelor
- Member of the Association of Chartered Certified Accountant
- member of Vietnam Association of Certified Public Accountants

Professional experience:

2010 - 2012: Auditors Senior - KPMG LLP, USA; Audit Senior Manager - KPMG Vietnam

2013 - 2015: Compliance and Operation Manager - Vietnam Representative Office of Pfizer Thailand

2015 - June 2017: Internal Audit Director and Head of Supervisory Board - No Va Land Investment Group Corporation

June 2017 to present: Internal Audit Director and Audit Committee Member - No Va Land Investment Group Corporation

BOD membership at other companies (excluding subsidiaries and parent companies): Not applicable.

Ratio of voting rights at No Va Land Investment Group Corporation:
12,169 shares, accounting for 0.001%

AUDIT COMMITTEE
UNDER THE BOARD OF DIRECTORS

ROLES OF AUDIT COMMITTEE

Audit Committee assists the BOD to oversee the truth and fairness of financial statements, compliance with laws and regulations, the performance and independence of independent auditors, the performance and effectiveness of internal auditors and the effectiveness of internal controls and risk management.

ACTIVITIES OF AUDIT COMMITTEE IN 2018

IMPORTANT REPORTS
RELEASING TO PUBLIC

Reviewed 2018 Financial Statements to verify they are true and fair, consistent with information known by Audit Committee, and comply with the accounting standards. The Company's independent auditors in the last 5 years were Deloitte for the year ended 2014 and PwC for the year ended 2015, 2016, 2017 and 2018. All the independent auditors expressed unqualified opinions on those reports.

Reviewed the annual report and the sustainability report before release by considering the reliability and consistency of the information presented.

INTERNAL AUDIT

- Approved the Annual audit plan of 2018 and important changes in the audit plan;
- Reviewed the effectiveness of Internal Audit activities compared to the approved plan;
- Discussed with the Internal Audit on the operating budget, audit activities and organizational structure of the Internal Audit Department;
- Reviewed all reports of the Internal Audit;
- Reviewed and monitored the Board of Management's feedback on the findings and recommendations of the Internal Audit;
- Review the performance of the internal audit and concur with the annual compensation and salary adjustment.

INTERNAL CONTROL
AND RISK MANAGEMENT

Discussed with the BOD and the Risk Management, Process and Compliance Director the policies related to the Group's risk assessment and management, including risk appetite, key risks and related action plans

Assessed the effectiveness of the internal control system through the review of the Internal Audit's reports and the monitoring results showed that:

- The Group had a specialized risk management function;
- There were risk management policy and process;
- Risks were always monitored and updated so that appropriate measures can be taken;
- Business processes were issued, updated and managed by the relevant departments and the process management team.

Reviewed activities of related party transactions, including:

- Reviewed the recognition of related party transactions;
- Reviewed the presentation of related party transactions

Advised and oversee the operation of the Information Security Committee in the monitoring of the effectiveness of the Group's information security system.

In 2018, the AC held the following meetings:

No.	Date	Agenda	Attendance
1	Mar. 5, 2018	Assignment of tasks for the AC in 2018	3/4
2	June 28, 2018	Completion of the By-laws on organization and operations of the AC	3/4
3	Sep. 24, 2018	Assess the operation of Audit Committee in the first 9 months of 2018 and action plan in the last 3 months of 2018	3/4
4	Jan. 4, 2019	Summary of the AC' activities in 2018	3/4



THE AC'S PLAN FOR 2019

In 2019, the AC will continue to perform its function of advising the Board of Directors including:

- Review the effectiveness of internal processes;
- Monitor Internal Audit Department's activities and scope of work;
- Continue monitoring risk management activities to timely identify emerging risks and manage key risks;
- Continue overseeing of the implementation of the Internal Audit's recommendations on gaps in business processes, regulations and business operations.

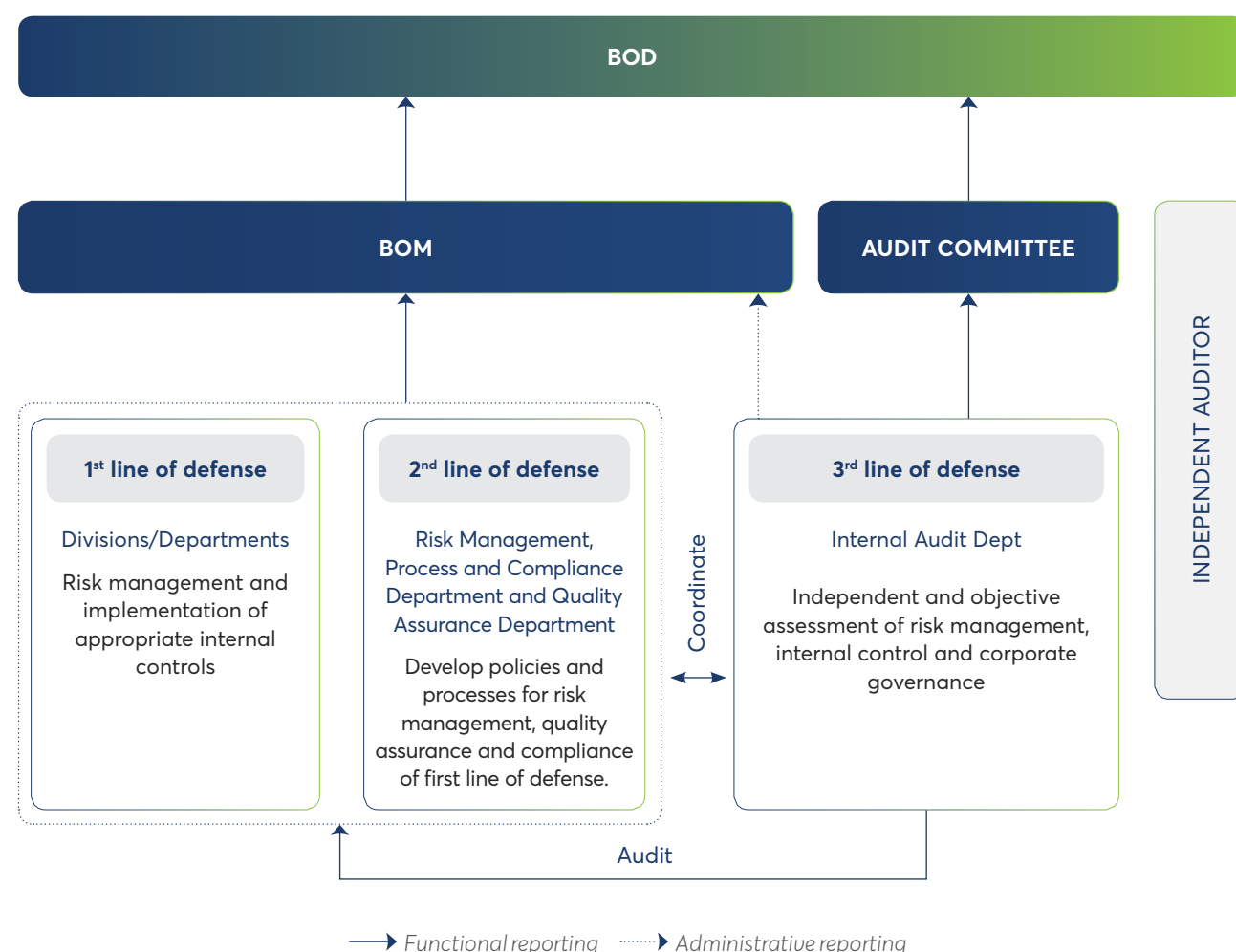
INTERNAL AUDIT DEPARTMENT UNDER THE AUDIT COMMITTEE

Aware of the importance of the 3rd defense line in corporate governance, the BOD decided to establish an Internal Audit Department in 2015 with the advice of KPMG Vietnam Co., Ltd. At that time, Vietnam was yet to make the internal audit function mandatory, the organization and implementation of the Internal Audit function all followed international practices. After over 3 years of operation, the Internal Audit Department has basically met the expectation of an effective internal audit function as required by the Decree 05/2019/NĐ-CP on internal audit dated Jan. 22, 2019 - the first legal framework for internal audit in Vietnam.



ROLES AND RESPONSIBILITIES

Internal audit plays the role of the third line of defense in the "three lines of defense" model that provides independent, objective assurance and consultation to evaluate and improve the effectiveness of risk management, control, and governance processes.



THE INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

Independence and objectivity are the two fundamental principles of Internal Audit. They ensure Internal Audit implements its function correctly and effectively. These are also the fundamental principles specified under Decree 05/2019/NĐ-CP on Internal Audit issued by the Government on Jan. 22, 2019. The Internal Audit Department of the Group is also aware of the importance of these two principles and adopted relevant rules from the start of its operations:

INDEPENDENCE

- 1 The Internal Audit Director shall be appointed and discussed by the Board of Directors/the Audit Committee.
- 2 Internal Audit shall report directly to the Audit Committee under the Board of Directors.
- 3 The Internal Audit Department's audit plan, operating budget and resource plan shall be approved by the Board of Directors through the Audit Committee.
- 4 Internal auditors shall not be involved in the daily business or the daily inspection activities of other departments.

OBJECTIVITY

- 1 Internal Audit Charter shall clearly define the objectivity of auditors.
- 2 The objectivity of auditors shall be subject to strict monitoring and management through training and the arrangement of personnel for a certain audit engagement.
- 3 The rotation of personnel shall be made after audits.

INTERNAL AUDIT ACTIVITIES IN 2018

With the goal of assisting the Audit Committee in assessing and monitoring the currently implemented internal control system, Internal Audit Department performed activities and process audit with the following objectives:

- Audit the effectiveness and efficiency of internal controls related to audited activities.
- Monitor the compliance of related internal controls.
- Recommend the process improvements and efficiency.

For IT operations, the Internal Audit Department audited IT operations and processes, reviewed the maturity level of cyber security (Cyber Maturity Assessment) and periodically reviewed the patch management process of IT systems. In 2018, in order to improve the monitoring and timely prevention of information security incidents, the Internal Audit Department completed the implementation of monitoring abnormal behaviors system including users and privileged accounts, thereby ensuring security for the Group's information assets and cyber security.

In 2018, the Internal Audit Department developed A follow up system to ensure that recommended action plans are fully and timely implemented to prevent or mitigate potential risks that may adversely affect the Group's business activities.

In addition, the Internal Audit Department also participated in supervising the implementation of a risk management software that systematically supports risk management at the Company's projects. In parallel, Internal Audit Department also performed the audit for the Group's risk management, including:

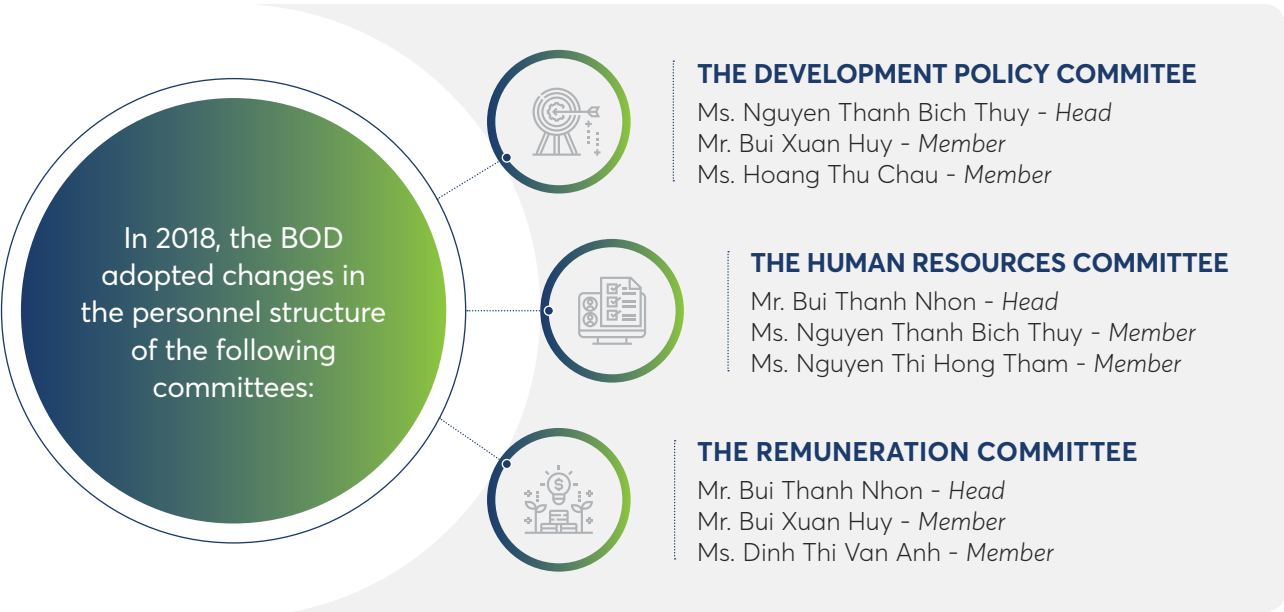
- Review the management of key risks.
- Review the key risk reports.
- Review risk management processes.
- Check the compliance of risk management processes.
- Evaluate the result of the following activities: (i) identify risk; (ii) analyse/assess/rate risks; (iii) mitigate risk; (iv) monitor risk.

PLAN OF INTERNAL AUDIT ACTIVITIES FOR 2019

The 2019 audit plan continues to focus on activities and processes related to projects that are to be handed over in 2018. Besides, the scope of audit will expand to construction and operation activities of hospitality projects.

IT audit activities, meanwhile, will focus on the major/important risks in IT operations that directly impact the Group's business. Continuously, the usage of monitoring abnormal behaviors system will be continued to ensure cyber security and the review of Cyber Maturity as well as the periodic review of the patch management process of IT systems will be maintained.

ACTIVITIES OF COMMITTEES UNDER THE BOARD OF DIRECTORS



THE DEVELOPMENT POLICY COMMITTEE

FUNCTION AND DUTIES

- Develop development strategies, objectives, plans as well as KPIs of the Company;
- Identify the Company's operation priorities;
- Evaluate the long-term efficiency of the Company's operations.

ACTIVITIES OF THE COMMITTEE IN 2018

- Reviewed, evaluated and advised the BOD on the development strategy, objectives and plans of the Company adopted by the SGM and BOD in the year;
- Proposed priority topics relating the Company's operations: Sustainable development, sustainable business model related to Environmental, Social and Governance factors of ESG;
- Advised and supervised the implementation of the hospitality property development strategy in addition to residential ones, to ensure creating a steady and sustainable cash flow.

In order to summarize its operating results, the Committee conducted an official meeting to review the activities implemented in 2018 and adopted the development strategy, objectives, plans and operating priorities of the Company in 2019.

OPERATING ORIENTATIONS FOR 2019

- Propose appropriate changes to strategies from time to time;
- Continue to implement the sustainable development strategy and ESG the business model in line with the Group's vision.
- Advise and oversee the expansion to the hospitality real estate segment while maintaining residential properties and urban zone as the core business.



FUNCTION AND DUTIES

THE HUMAN RESOURCES COMMITTEE

- Develop processes, propose objective criteria to evaluate the performance of the BOD;
- Build the independence of non-executive/executive BOD Members;
- Develop criteria of qualities and competencies for the BOD and BOM Members as well as managerial titles appointed by the BOD (Members of the management team);
- Advise the BOD on planning the human resources development strategy, especially the senior human resources development strategy;
- Develop sequence, procedures for nomination, candidacy, appointment, and dismissal of BOD members and managers;
- Implement other HR works as directed by the BOD.

ACTIVITIES OF THE COMMITTEE IN 2018

In 2018, the Human Resources Committee conducted two direct meetings with the following agenda:

- Proposed the development of the nomination, candidacy and appointment process applied to BOD members and managers;
- Evaluated the performance of the BOD in 2018.

OPERATING ORIENTATIONS FOR 2019

In 2019, the HR Committee will continue to promote its role in the following areas:

- Participate in completing and supplementing the Group's senior human resources development strategy;
- Standardize the process and improve training programs for new BOD members.



FUNCTION AND DUTIES

THE REMUNERATION COMMITTEE

- Advise the BOD on reviewing and approving/deciding on policies of remuneration, salary, bonuses and other material benefits for BOD members and managers appropriately from time to time;
- Perform periodical assessment of the scale and structure of remuneration and other benefits for the BOD Members and Members of the management team as well as other necessary proposals and submit to the BOD for approval.

ACTIVITIES OF THE COMMITTEE IN 2018

In order to carry out its functions and duties, the Remuneration Committee conducted a meeting to update new policies as well as the local and global prevailing trend, to ensure the benefit of BOD members and managers is matched with the Group's vision.

OPERATING ORIENTATIONS FOR 2019

In 2019, the Remuneration Committee will cooperate with the Human Resources Committee to assist the BOD in the development of senior human resources:

- Continue to advise the BOD on reviewing and approving/deciding on policies of remuneration, salary, bonuses and other material benefits for BOD members and managers appropriately from time to time;
- Continuously update the remuneration structure and new remuneration policies from the local and global market so as to reasonably apply them to the Group, support the Human Resources Committee in retaining talents and facilitating the implementation of the Group's senior human resources development strategy.

CORPORATE GOVERNANCE ANALYSIS VERSUS THE ASEAN CORPORATE GOVERNANCE SCORECARD



ANALYSIS OF CORPORATE GOVERNANCE ON ASEAN CORPORATE GOVERNANCE SCORECARD

Effective CG is a prerequisite for Novaland Group to promote business activities and achieve sustainable development goals. Since being officially listed on HCMC Stock Exchange (HSX) at the end of 2016, Novaland Group has been demonstrating continuous efforts in improving its CG system, asserting full compliance of CG regulation in accordance with Vietnamese law and step by step improving its capacity towards international standards.

The ASEAN Regional CG Scorecard is based on CG principles of the Organization for Economic Co-operation and Development (OECD) and best CG practices of countries in the region as Malaysia, Singapore, Thailand, Indonesia, Philippines and Vietnam.

There are two levels to the ASEAN CG Scorecard:

LEVEL 1	146 CRITERIA basic requirements regarding 5 main principles, including Right of Shareholders, Equitable Treatment, Role of Stakeholders, Disclosure & Transparency, Responsibilities of the Board.
LEVEL 2	38 CRITERIA Including 13 bonus criteria and 25 penalty criteria.

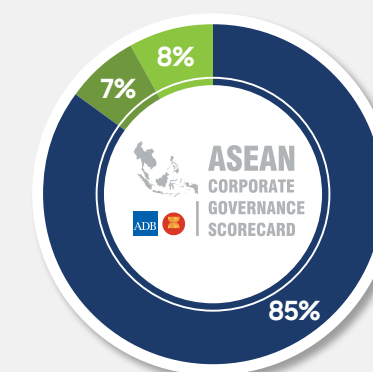
OVERALL ASSESSMENT OF NOVALAND GROUP'S GOVERNANCE PRACTICES IN 2018 IS AS FOLLOWS

The Group successfully met 156 out of 184 criteria, partially met 13 criteria, and did not met 15 criteria. In 2018, thanks to the efforts in improving CG quality, the Group improved some criteria in comparison with 2017 implementation:

- 1 Assurance of the basic Rights of Shareholders; Researching and developing the application of guaranteed electronic voting for absenteeism at the AGM.
- 2 Focusing on protecting stakeholders: Protecting lender's rights by enabling creditors/ investors to access the Group's information through Financial Statements, notes of Financial Statements, Company Profiles, Updates of estimated business results and project progress on the Website; Conducting investor meetings, analysts meetings, webinars with investors/ bondholders; preparing Compliance Statement reviewed by PwC;
- 3 Enhancing transparency of Information Disclosure: Focusing not only on financial indicators but also non-financial performances, which can be seen through higher costs paid for audit services than for non-audit services. In particular, the Group spent VND 13.5 billion in 2018 on audit services including reviewing and auditing of financial statements in accordance with Vietnamese accounting standards (VAS) and International Financial Reporting Standards (IFRS), and issuing guarantee letters for the issuance of international convertible bonds in April and October 2018, which was greater than the VND 0.9 billion spending on non-audit services;
- 4 Constantly developing and refining the BOD structure: Ensuring that the Chairman does not assume role of CEO in the last 3 years; increasing the number of independent directors; ensuring the Audit Committee meets at least four times a year and information is publicized;
- 5 Enhancing the BOD operation process: Developing and publicizing the selection criteria of new BOD Members and BOD Member appointment process
- 6 Maintaining transparency in related party transactions: The AC participated in reviewing related party transactions to ensure best interests for the Company and its shareholders.

THE GROUP SUCCESSFULLY MET
156/184
CRITERIA

- Good implementation
- Partial implementation
- Non-compliance



DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

☑: Good implementation (≥70% compliance)

☑: Partial implementation (31%-69% compliance)

☒: Non-compliance (≤ 30% compliance)

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
SCORECARD			
A RIGHTS OF SHAREHOLDERS			
A.1 Basic Shareholder Rights			
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends. In case the company has offered Scrip dividend, did the company paid the dividend within 60 days.	☒	Not yet paying dividends for common shares because the Company recognized that in this period, the Company needs to continue to develop projects and accumulate land bank for its long-term development strategy
A.2 Right to participate in decisions concerning fundamental corporate changes			
A.2.1	Amendments to the company's constitution?	☑	AGM documents/getting Shareholder's opinion in writing
A.2.2	The authorization of additional shares?	☑	Company Charter, Labor Regulations, Election and Voting at 2018 AGM
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	☑	Company Charter, Transaction Contracts that are approved by the AGM; Termination, reorganization and liquidation
A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings			
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non- executive directors/commissioners?	☑	2018 AGM documents
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	☑	Company Charter, CG Regulations, Election and voting regulations of 2018 AGM; Shareholders who hold shares continuously for at least 6 months have the right to consolidate their numbers of shares together
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	☑	Company Charter, Election and voting regulations at 2018 AGM
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	☑	2018 AGM documents

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	☑	Minutes of 2018 AGM
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	☑	Minutes of 2018 AGM Minutes of the meetings to collect shareholder's written opinions in 2018
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	☑	Minutes of 2018 AGM
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	☑	Minutes of 2018 AGM
A.3.9	Does the company allow voting in absentia?	☑	Company regulations
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	☑	Election and voting regulations of 2018 AGM
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	☑	At 2018 AGM, the Company announced that 1 shareholder was randomly selected to participate in the vote counting process.
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	☑	Minutes of 2018 AGM Minutes of the meetings to collect opinions of the AGM in writing
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	☑	21 days in advance notice
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	☑	2018 AGM documents
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	☑	Notice of the AGM 21 days in advance
A.4 Effective and transparent corporate governance			
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	☑	Company regulations
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated			
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	☑	See Capital Markets and Investor Relations Activities for more details on policies/practices to encourage shareholders' participation
B EQUITABLE TREATMENT OF SHAREHOLDERS			

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE
AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
B.1	Shares and voting rights		
B.1.1	Does the company's ordinary or common shares have one vote for one share?	☑	Company Charter, Voting regulations of 2018 AGM
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	☑	Company Charter, Voting regulations of 2018 AGM
B.2	Notice of AGM		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	☑	2018 AGM documents
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	☑	2018 AGM documents
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re- election included?	☑	2018 AGM documents
B.2.4	Are the auditors seeking appointment/re- appointment clearly identified?	☑	2018 AGM documents
B.2.5	Were the proxy documents made easily available?	☑	2018 AGM documents
B.3	Insider trading and abusive self-dealing should be prohibited.		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	☑	Code of Conduct
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	☑	Internal regulations and procedures of information disclosure
B.4	Related party transactions by directors and key executives		
B.4.1	Does the company have a policy requiring directors / commissioners to disclose their interest in transactions and any other conflicts of interest?	☑	Charter and Regulations
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	☑	The AC is involved in reviewing related party transactions
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	☑	Charter and Regulations
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	☑	Charter and Regulations

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	☑	Company regulations
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	☑	Company regulations
C	ROLE OF STAKEHOLDERS		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected		
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	☑	Sales and Purchase contracts, Sustainable Development Report, Annual Report, Code of Conduct
C.1.2	Supplier/contractor selection procedures?	☑	Internal process, Code of conduct
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	☑	Sustainable Development Report, Annual Report
C.1.4	The company's efforts to interact with the communities in which they operate?	☑	Corporate Social Responsibility, Sustainable Development Report, Annual Report, Website
C.1.5	The company's anti-corruption programmes and procedures?	☑	Code of Conduct
C.1.6	How creditors' rights are safeguarded?	☑	Loan agreements Creating favorable conditions for creditors/investors to access the Group's information: Financial statements, notes of financial statements, company profile, updates of estimated business results and progress of project development on the website Conducting investor meetings, analyst meetings, webinars with investors/bondholders. Preparing Compliance Statement reviewed by PwC
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	☑	Sustainable Development Report, Website
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	☑	Annual Report, Website
C.3	Mechanisms for employee participation should be permitted to develop		
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	☑	Sustainable Development Report, Annual Report
C.3.2	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	☑	Annual Report, Sustainable Development Report
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	☑	ESOP policy

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this		
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	☑	Code of Conduct, 2018 Annual Report
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	☑	Code of Conduct, 2018 Annual Report
D	DISCLOSURE AND TRANSPARENCY		
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	☑	Annual report, ownership percentage report of shareholders who hold 5% or more in half year CG report, Website
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	☑	Annual Report, Website
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	☑	Annual Report, Website
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	☑	Annual Report, Website
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	☑	Annual report, Financial statement, Website
D.2	Quality of Annual Report		
D.2.1	Corporate objectives	☑	Vision, mission, strategic plan
D.2.2	Financial performance indicators	☑	Prominent figures, Financial Overview, Report of the BOD
D.2.3	Non-financial performance indicators	☑	Annual Report
D.2.4	Dividend policy	☑	The annual report addresses the Company's dividend policy
D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/ commissioners	☑	Annual Report, Website
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year	☑	CG activities, BOD's report
D.2.7	Total remuneration of each member of the board of directors/commissioners	☑	Annual Report: CG activities,
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	☑	Annual Report: CG Regulations

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
D.3	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs ?	☑	Company Charter, CG Regulations
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	☑	2018 Annual Report, Financial Statement
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	☑	Annual Report, Website
D.5	External auditor and Auditor Report		
D.5.1	Are the audit and non-audit fees disclosed?	☑	2018 Annual Report
D.5.2	Does the non-audit fee exceed the audit fees?	☑	2018 Annual Report
D.6	Medium of communications		
D.6.1	Quarterly reporting	☑	AGM, E-News, investor meetings, analyst meetings with updated presentations, Financial statements and notes, etc.
D.6.2	Company website	☑	Bilingual and updated
D.6.3	Analyst's briefing	☑	Analyst meetings, Research report, Q&A, etc.
D.6.4	Media briefings /press conferences	☑	Periodic press conferences, events, press releases, etc.
D.7	Timely filing/release of annual/financial reports		
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	☑	Within 100 days from the end of the fiscal year
D.7.2	Is the annual report released within 120 days from the financial year end?	☑	Before 120 days
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	☑	Affirmed by the BOD
D.8	Company website		
D.8.1	Financial statements/reports (latest quarterly)	☑	Investor relations - Investor activities - Financial calendar; Investor Relations - Information disclosure - Financial statements
D.8.2	Materials provided in briefings to analysts and media	☑	Investor Relations - Novaland Group Information - Company Information
D.8.3	Downloadable annual report	☑	Investor Relations - Information disclosure
D.8.4	Notice of AGM and/or EGM	☑	Investor Relations - AGM

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
D.8.5	Notice of AGM and/or EGM	☒	Investor Relations - AGM - 2018
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)	☒	Investor Relations - Novaland Group Information - Company Charter; Investor Relations; Investor Relations - Investors Activities - Investor Relations Policy
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	☒	Website, Documents for investors, Annual Report
E	RESPONSIBILITIES OF THE BOARD		
E.1	Responsibilities of the Board		
E.1.1	Does the company disclose its corporate governance policy/board charter?	☒	Website, 2018 Annual Report
E.1.2	Are the types of decisions requiring board of directors/ commissioners' approval disclosed ?	☒	Website, 2018 Annual Report
E.1.3	Are the roles and responsibilities of the board of directors/ commissioners clearly stated?	☒	Company Charter, CG Regulations, 2018 Annual Report
E.1.4	Does the company have an updated vision and mission statement?	☒	Website, 2018 Annual Report
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	☒	Company Charter, CG Regulations, 2018 Annual Report
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	☒	Company Charter, CG Regulations, 2018 Annual Report
E.2	Board structure		
E.2.1	Are the details of the code of ethics or conduct disclosed?	☒	Website, Annual report
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	☒	Code of Conduct, Annual Report, Website
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	☒	Code of Conduct, Annual Report, Website
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	☒	Account for 40%
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years ¹ each for its independent directors/ commissioners?	☒	Charter: 5-year limit
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/ commissioner may hold simultaneously?	☒	CG Regulations
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	☒	Only work at NVL

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
E.2.8	Does the company have a Nominating Committee?	☒	Established in 2017
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	☒	1 Independent director is a Member
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	☒	Member: 1 Independent director
E.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	☒	2018 Annual Report
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	☒	2018 Annual Report
E.2.13	Does the company have a Remuneration Committee?	☒	The Remuneration Committee was established in 2017
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?	☒	There is no independent director
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	☒	There is no independent director
E.2.16	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	☒	2018 Annual Report
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	☒	2018 Annual Report
E.2.18	Does the company have an Audit Committee?	☒	Established in 2017
E.2.19	Is the AC comprised entirely of non- executive directors/ commissioners with a majority of independent directors/ commissioners?	☒	2 Independent directors in a total of 4 members
E.2.20	Is the chairman of the AC an independent director/ commissioner?	☒	1 female independent director is the head
E.2.21	Does the company disclose the terms of reference/ governance structure/charter of the AC?	☒	2018 Annual Report
E.2.22	Does at least one of the independent directors/ commissioners of the committee have accounting expertise (accounting qualification or experience)?	☒	1 Member with accounting experience
E.2.23	Is the meeting attendance of the AC disclosed and, if so, did the Audit Committee meet at least four times during the year?	☒	2018 Annual Report
E.2.24	Does the AC have primary responsibility for recommendation on the appointment, and removal of the external auditor?	☒	Planning to get approval of the AGM for the audit committee to approve and dismiss independent auditor
E.3	Board meetings and attendance		
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	☒	Charter and Regulations: The Chairman may convene a meeting whenever necessary, at least one meeting per quarter
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	☒	In 2018, the BOD conducted 80 meetings

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	☒	Charter and Regulations: A member loses his / her membership in the BOD when he/ she does not participate in BOD meetings for 6 consecutive months without approval of the Board
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	☒	Company regulations
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	☐	
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	☒	Charter and Regulations: At least 3 working days before a BOD meeting
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	☒	2018 Annual Report, CG Regulation, Charter
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	☒	2018 Annual Report, CG Regulation, Charter
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	☒	Notice of the BOD on election of new Board Members at AGM
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	☒	Regulations on BOD Members election
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years ² each?	☒	The term of BOD is 5 years
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	☒	2018 Annual Report
E.3.13	Is there any disclosure of the structure fee for non-executive tax/commissioners?	☒	2018 Annual Report
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	☒	Approved by the AGM and the BOD, depending on the circumstance
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?	☒	The AGM approved ESOP policy
E.3.16	Does the company have a separate internal audit function?	☒	Internal audit department
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	☒	The Internal Audit Director is a full-time employee at the Company
E.3.18	Does the appointment and removal of the internal auditor require the approval of the AC?	☒	2018 Annual Report

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	☒	Internal audit and risk management
E.3.20	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	☒	CG activities, Internal Auditing, Risk Management
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	☒	Annual Report: Risk management activities
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	☒	Annual Report: Report of the Internal Audit Subcommittee
E.4	People on the Board		
E.4.1	Do different persons assume the roles of chairman and CEO?	☒	Completely different
E.4.2	Is the chairman an independent director/commissioner?	☐	Chairman is a non-executive BOD member
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	☐	1 BOD Member is the CEO
E.4.4	Are the roles and responsibilities of the chairman disclosed?	☒	Annual Report 2018, Charter
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	☒	2 experienced independent BOD members were appointed.
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	☒	1 non-executive member with experience in real estate: including 1 independent BOD member
E.5	Board Performance		
E.5.1	Does the company have orientation programmes for new directors/commissioners?	☐	Through participation in BOM and BOD meetings
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	☒	Leadership Training Center, Annual Report 2018
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	☒	Succession policy
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	☒	Conducting CEO performance annual evaluation
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	☒	The Group's KPI assessment
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	☒	Annual PMS evaluation
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	☐	

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
BONUS QUESTIONS			
(B) A RIGHTS OF SHAREHOLDERS			
(B) A.1 Basic Shareholder Rights			
(B) A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	☒	It is allowed by Charter and Regulations but not yet implemented in practice
(B) B EQUITABLE TREATMENT OF SHAREHOLDERS			
(B) B.1 Notice of AGM			
(B) B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	☒	Before the 2018 AGM
(B) C ROLE OF STAKEHOLDERS			
(B) C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected			
(B) C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	☒	IIRC, GRI
(B) D DISCLOSURE AND TRANSPARENCY			
(B) D.1 Quality of Annual Report			
(B) D.1.1	Are the audited annual financial report /statement released within 60 days from the financial year end?	☒	2018 audited financial statements, which was published within 85 days
(B) D.1.2	Does the company disclose details of remuneration of the CEO?	☒	Annual Report: CG activities, financial statements
(B) E RESPONSIBILITIES OF THE BOARD			
(B) E.1 Board Competencies and Diversity			
(B) E.1.1	Does the company have at least one female independent director/commissioner?	☒	1 female independent director
(B) E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	☒	Annual Report 2018, CG Regulations
(B) E.2 BOARD STRUCTURE			
(B) E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	☒	Member: 1 Independent BOD Member Head: Chairman of the BOD
(B) E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	☒	

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
(B) E.3 Board Appointments and Re-Election			
(B) E.3.1	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	☒	
(B) E.4 Board Structure & Composition			
(B) E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/ commissioners for a company with independent chairman?	☒	40% are independent non-executive BOD members; Chairman is a non-executive BOD member
(B) E.5 Risk Oversight			
(B) E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	☒	Annual report 2018 BOD Report, CG activities, IT, Risk Management
(B) E.6 Board Performance			
(B) E.6.1	Does the company have a separate board level Risk Committee?	☒	AC is in charge of risk management
PENALTY QUESTIONS			
(P) A RIGHTS OF SHAREHOLDERS			
(P) A.1 Basic Shareholder Rights			
(P) A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	☒	Absolutely no. Charter and Regulations: The Company explicitly implements the acquisition of shares upon request of Shareholders
(P) A.2 The right to participate in decisions regarding fundamental changes of the Company			
(P) A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	☒	Absolutely no. Charter and Regulations: Shareholders' rights are clearly and specifically defined
(P) A.3 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting			
(P) A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	☒	Every adding of information to the agenda is informed to shareholders in advance
(P) A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	☒	Full attendance

DETAILED EVALUATION OF NOVALAND GROUP'S CORPORATE GOVERNANCE AGAINST ASEAN SCORECARD

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
(P) A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed		
(P) A.4.1	Shareholders agreement?	☒	This agreement does not exist Charter and Regulations
(P) A.4.2	Voting cap?	☒	Charter and Regulations, Voting Regulations at 2018 AGM
(P) A.4.3	Multiple voting rights?	☒	There is no share of multiple voting rights
(P) A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed		
(P) A.5.1	Is a pyramid ownership structure and/ or cross holding structure apparent?	☒	Person related to the Chairman
(P) B	EQUITABLE TREATMENT OF SHAREHOLDERS		
(P) B.1	Insider trading and abusive self-dealing should be prohibited		
(P) B.1.1	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	☒	Insider trading and taking advantage of the business for personal gain are strictly prohibited at the Company
(P) B.2	Protecting minority shareholders from abusive action		
(P) B.2.1	Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	☒	No case of non-compliance
(P) B.2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?	☒	Charter and Regulations: Taking advantage of the business for personal gain are strictly prohibited at the Company
(P) C	ROLE OF STAKEHOLDERS		
(P) C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected		
(P) C.1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	☒	No case of non-compliance
(P) C.2	Benefits of interested parties are protected by law, interested parties has the opportunity to express opinions if their rights are violated		
(P) C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	☒	Full compliance

No.	Criteria	Novaland's compliance 2018	Evidence for 2018 evaluation
(P) D	DISCLOSURE AND TRANSPARENCY		
(P) D.1	Sanctions from regulator on financial reports		
(P) D.1.1	Did the company receive a "qualified opinion" in its external audit report?	☒	Totally accepted by auditor's opinion
(P) D.1.2	Did the company receive an "adverse opinion" in its external audit report?	☒	Totally accepted by auditor's opinion
(P) D.1.3	Did the company receive a "disclaimer opinion" in its external audit report?	☒	Totally accepted by auditor's opinion
(P) D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	☒	No modifications
E	RESPONSIBILITIES OF THE BOARD		
(P) E.1	Compliance with listing rules, regulations and applicable laws		
(P) E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	☒	Full compliance
(P) E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	☒	No problem has been reported
(P) E.2	Board structure		
(P) E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity?	☒	None
(P) E.2.2	Did the company fail to identify who are the independent director(s)/commissioner(s)?	☒	Clearly defined
(P) E.2.3	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	☒	Only work at NVL
(P) E.3	External Audit		
(P) E.3.1	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	☒	Not being related to independent auditor
(P) E.4	Board structure and composition		
(P) E.4.1	Has the chairman been the company CEO in the last three years?	☒	Chairman and CEO from 2015 onwards
(P) E.4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	☒	Not applicable for non-executive independent BOD members



LEGAL COMPLIANCE

KEY TO GROUP'S BUSINESS OPERATIONS

We understand profoundly that compliance is the foundation for sustainable business development. Throughout the process of foundation development, the BOD, the BOM and each member of the Group always uphold legal compliance. In that note, the Company Charter, Code of Conduct, and Company Regulations are built and applied consistently throughout the Group by each employee - regardless of position and level, to ensure that the Group's business and operation activities can be performed with effectiveness, complying with legal regulations and orientation of core values namely **Efficiency - Integrity - Professionalism** that Novaland is pursuing.

LEGAL COMPLIANCE ACTIVITIES AT NOVALAND

In 2018, Novaland continued to improve and upgrade the internal legal departments with high qualification and expertise, through new recruitment and training programs tailored to each level of staff.

The legal team is responsible for issuing contract forms, reporting legal risks and legal advice to ensure that other specialized departments always comply with the law when conducting investment on real estate projects and other investment activities of the Group; comply with internal management procedures and regulations of the company. To actualize this determination, Novaland recruited two senior employees to serve as the legal representative: CEO and Legal Director, to ensure operating specialization of the legal representative as well as to ensure compliance with law regulations.

On June 29, 2018, Novaland Group announced a revised Charter with amendments as agreed upon by the 2018 AGM Resolution. The amendment and supplement of this internal document enabled the company to meet and ensure conformity of new requirements in management activities public corporation, as regulated by the Government in Decree No. 71/2017/NĐ-CP dated June 6, 2017 guideline on corporate governance for public companies. In addition, this amended Charter also put into practice the regulations on assignment of management responsibilities in business and daily operations.

The Company also demonstrates its legal compliance by proactively answering questions on issues related to ongoing projects, as demanded by business



partners, investors and customers as well as the public. This represents the Group's transparency and responsibilities to the authorities, partners, customers and investors, on the Group's investment process. Simultaneously, as a public company, Novaland fully implements information disclosure procedures in a public and transparent manner, in accordance with the law.

The legal system and legal compliance built and developed consistently over the previous years is a solid foundation of Novaland Group in the way ahead. It is the background on which Novaland limits current and potential legal risks, continues to be consistent with the development strategy set towards a leading solid international real estate Group, contributing to bringing happy and prosperous life for the community.

STOCK DATA



NVL STOCK PRICE HIGHLIGHTS IN 2018

2018 was an eventful year for the local stock market in general and NVL in particular. Despite this, the performance of NVL was relatively good compared with VN-Index with a growth rate of 29% against the correction closing price of the last trading session of 2017 while VN-Index saw a decrease of almost 9.3%. The proportion of free-trading shares was 32.4% with an average transaction volume of 1.68 million per trading session, corresponding to an average transaction value of VND 101 billion per session.

In terms of market cap, as at Dec. 28, 2018, NVL ranked 16th on HSX with VND 60,000 billion, which made Novaland a company with the 2nd largest market cap, 4.4 times greater than the company that ranked immediately below.

Stock price as at Dec. 31, 2018 (VND per share)	64,200
52-week high (VND per share)	78,800
52-week low (VND per share)	48,397
52-week average (VND per share)	62,240
52-week average transaction volume (million shares)	1.68
Number of shares in issue (million shares)	930.4
Number of shares in free issue (million shares)	301.1
Market cap as at December 31, 2018 (billion VND)	59,735
EPS (VND)	3,533
P/E (times)	18.2
P/B	3.08



Source: Bloomberg

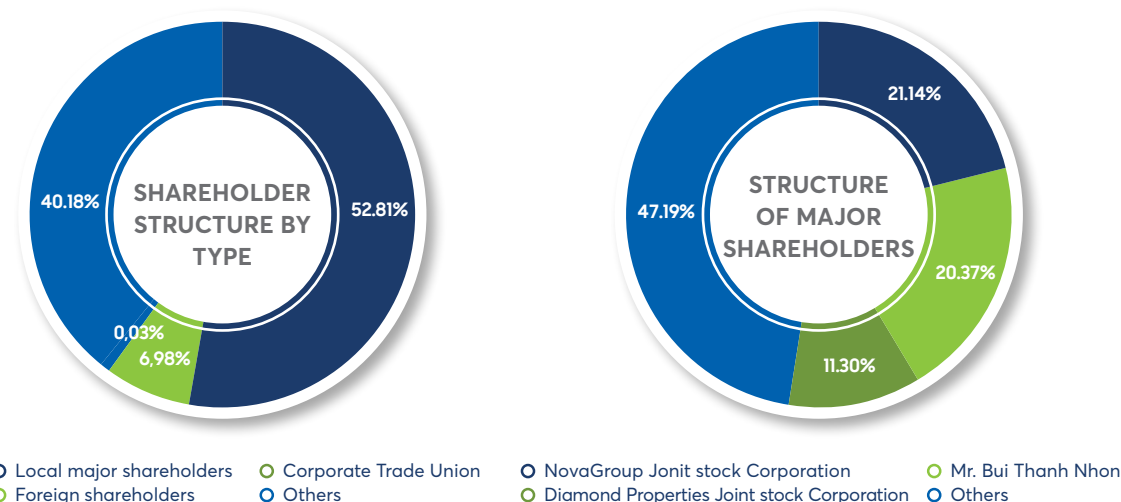
NOVALAND' SHAREHOLDERS STRUCTURE

(Based on the latest shareholders list following the collection of written opinions dated Dec. 17, 2018) and the list of recipients of additional shares to employees dated Dec. 20, 2018)

No.	Type of shareholder	Number of shares	Shareholding (%)	Number of shareholders	Shareholder structure	
					Institutions	Individuals
1	State-owned shareholders	-	0.00	-	-	-
	Founding/FDI shareholders	-	0.00	-	-	-
2	Local	-	0.00	-	-	-
	Foreign	-	0.00	-	-	-
3	Major shareholders (owning from 5% of the share capital)	495,013,619	52.81	3	2	1
	Local	495,013,619	52.81	3	2	1
	Foreign	-	0.00	-	-	-
4	Trade Union	313,375	0.03	1	1	-
	Local	313,375	0.03	1	1	-
	Foreign	-	0.00	-	-	-
5	Treasury shares	-	0.00	-	-	-
	Other shareholders	441,949,680	47.16	3,331	100	3,231
6	Local	376,512,071	40.18	3,131	39	3,092
	Foreign	65,437,609	6.98	200	61	139
TOTAL		937,276,674	100	3,335	103	3,232
Including: Local		871,839,065	93.02	3,135	42	3,093
Foreign		65,437,609	6.98	200	61	139

Source: Vietnam Securities Depository

STOCK DATA



Holding of major shareholders between Jan. 1, 2018 and Dec. 31, 2018

No.	Shareholder	Address	As at Mar. 26, 2019		As at Jan. 25, 2018		Status
			Number of shares	Proportion (%)	Number of shares	Proportion (%)	
1	NovaGroup Joint stock Corporation	315 Nam Ky Khoi Nghia, Ward 7, Dist. 3, HCMC, Vietnam	198,186,040	21.14	151,287,055	23.29	Major shareholder
2	Mr. Bui Thanh Nhon	315 Nam Ky Khoi Nghia, Ward 7, Dist. 3, HCMC, Vietnam	190,887,507	20.37	145,715,656	22.43	Major shareholder
3	Diamond Properties Joint stock Corporation	36-38 Nguyen Van Troi, Ward 15, Phu Nhuan District, HCMC, Vietnam	105,940,072	11.30	80,870,286	12.45	Major shareholder
Total			495,013,619	52.81	377,872,997	58.17	

Source: Novaland Group

Transactions of internal persons and related parties in regards to NVL stock between Jan. 1, 2018 and Dec. 31, 2018

No.	Full name	Title	Number of shares owned as at Jan. 25, 2018		Closing number of shares as at Dec. 31, 2018		Reason for change	Number of locked-up shares
			Number of shares	Proportion (%)	Number of shares	Proportion (%)		
I	Board of Directors - Board of Management							
1	Mr. Bui Thanh Nhon	BOD Chairman	145,715,656	22.43	190,887,507	20.37	Receipt of bonus shares in March 2018	
2	Mr. Bui Xuan Huy	BOD member - CEO	67,834	0.01	36,188,670	3.86	Receipt of bonus shares in March 2018 Purchase of common shares Purchase of ESOP shares	2,000,000
3	Ms. Hoang Thu Chau	BOD member - Vice CEO	51,310	0.008	1,767,216	0.19	Receipt of bonus shares in March 2018 Purchase of ESOP shares	1,700,000
4	Ms. Nguyen Thanh Bich Thuy	Independent BOD member	-	0.00	-	0.00		
5	Mr. David Proctor	Independent BOD member	-	0.00	-	0.00		

No.	Full name	Title	Number of shares owned as at Jan. 25, 2018		Closing number of shares as at Dec. 31, 2018		Reason for change	Number of locked-up shares
			Number of shares	Proportion (%)	Number of shares	Proportion (%)		
II	Audit Committee							
1	Ms. Nguyen Thanh Bich Thuy	Chairman	-	0.00	-	0.00	Receipt of bonus shares in Mar. 2018	
2	Mr. David Proctor	Member	-	0.00	-	0.00		
3	Ms. Vo Thi Thu Van	Member	25,000	0.004	32,750	0.003		
4	Ms. Nguyen Thi Minh Thanh	Member	9,290	0.001	12,169	0.001		
III	Finance and Accounting							
1	Mr. Phan Le Hoa	CFO	8,600	0.001	-	0.00	Receipt of bonus shares in Mar. 2018 Direct buy at the issuer under the ESOP	1,000,000
2	Ms. Tran Thi Thanh Van	Chief Accountant	13,870	0.002	1,019,529	0.11		
IV	Authorized representative							
1	Ms. Luong Thi Thu Huong	Authorized representative - Legal Director for Investment	6,930	0.001	783,060	0.08	Direct buy at the issuer under the ESOP Purchase of additional shares (A shareholder from ealry 2018, yet became an internal person from Feb. 28, 2018)	770,000
V	Major shareholders being related persons of internal persons							
1	NovaGroup Joint stock Corporation	Institution related to the BOD Chairman	151,287,055	23.29	198,186,040	21.14	Receipt of bonus shares in Mar. 2018	
2	Diamond Properties Joint stock Corporation	Institution related to the BOD Chairman	80,870,286	12.45	105,940,072	11.30		
VI	Shareholders being related persons of internal persons							
1	Mr. Bui Cao Nhat Quan	Child of BOD Chairman	31,335,524	4.82	41,049,536	4.38	Receipt of bonus shares in Mar. 2018	
2	Mr. Bui Phan Phu Loc	Younger brother of BOD Chairman	33,785	0.01	44,258	0.005		
3	Mr. Bui Dat Chuong	Younger brother of BOD Chairman	9,180	0.001	12,025	0.001		
VII	Trade Union							
1	Grassroots Trade Union of Nova Property Investment Group Corporation	Trade Union organization	-	0.00	313,375	0.03	Acquisition as a result of ownership transfer Recall of bonus shares	

Source: Novaland Group

THE GROUP'S PROCESS OF CHARTER CAPITAL INCREASE

In 2018, Novaland Group conducted 5 waves of shares issue to increase the charter capital, thereby raising the Group's charter capital as of December 31, 2018 from VND 6,497 billion to VND 9,373 billion, a year-on-year increase of 44%.

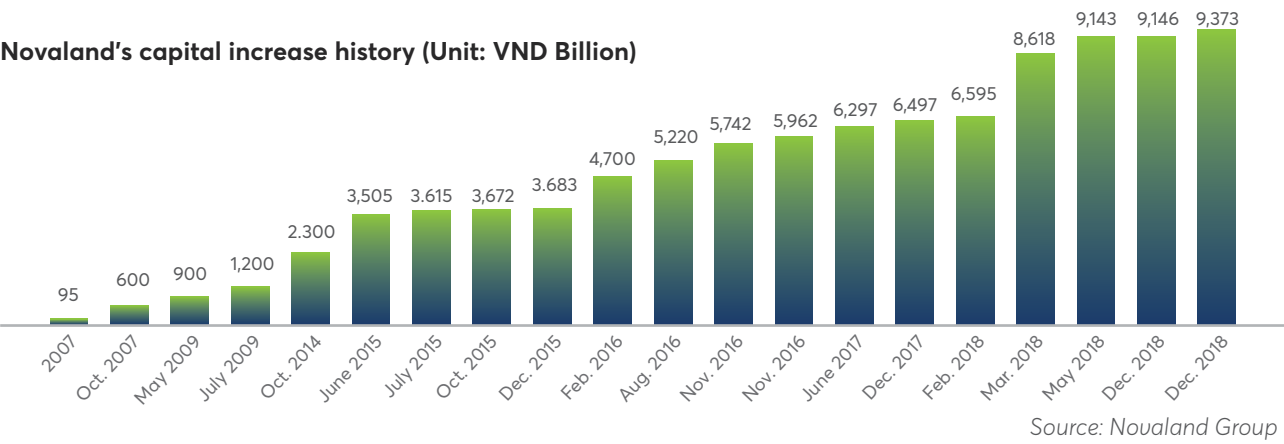
5 waves of charter capital increase

Description	Issuance volume	Note
Issuance of common shares to employees according to within the ESOP - Phase 2	9,809,962	In Phase 1, 200,000 common shares had been issued to employees in Dec. 2017
Issuance of bonus shares to existing shareholders	202,317,178	Ratio 100:31
Issuance of shares to increase charter capital through private placement	52,500,000	
Issuance of common shares for the purpose of conversion of international bonds;	320,746	
Issuance of common shares to employees according to within the ESOP - 2018	22,670,000	

STOCK DATA

OWNER'S CAPITAL IN 2018
VND **9,373** BILLION
GROWING OF 44% OVER
THE SAME PERIOD IN 2017

Novaland's capital increase history (Unit: VND Billion)



History of dividend sharing (Unit: VND Billion)

Description	2015	2016	2017	2018	Total
Dividend paid in cash	0.0	53.5	24.8	20.5	98.8
Issuance of bonus shares (conversion based on par value)	230.0	520.0	0.0	2,023.2	2,773.2

Source: Novaland Group

Since property is a business that requires intensive funding for development, it is Novaland's strategy to prioritize the utilize profit from business activities for re-investment in the development of new projects and the accumulation of land resources for long-term development. Depending on the situation from time to time, in addition to the payment of dividends to

shareholders owning convertible dividend preferred shares, the Company may issue bonus shares or pay dividends in shares.

In 2018, Novaland issued bonus shares from surplus profit with a total value of over VND 2,023.2 billion.

Commitments to be delivered: Convertible dividend preferred shares

As at Dec. 31, 2018, Novaland had 6,830,000 convertible dividend preferred shares that had not been converted into common shares. A plan for conversion of these preferred shares into common shares was adopted under Resolution 120/2016-NQ-NVLG of July 21, 2016 with the following content:

Form of conversion	Preferred shares are to be converted into common shares at the request of the owner of preferred shares and at a ratio of one preferred share to 3 common ones
Source of funds	Share premium
Targeted population	Owners of preferred shares at the time of conversion
Time of implementation	Q1 & Q2, 2019

CAPITAL MARKET AND INVESTOR
RELATIONS ACTIVITIES



INVESTOR RELATIONS (IR) IS AN AREA ASSOCIATED WITH PUBLIC COMPANIES, ESPECIALLY LISTED ONES. IN RECENT YEARS, VIETNAMESE BUSINESSES HAVE ATTACHED INCREASING IMPORTANCE TO IR DUE TO KEY ROLE OF THIS FUNCTION IN HELPING BUSINESSES ATTRACT CAPITAL TO SUPPORT BUSINESS PLANS. 2018 IS CONSIDERED A YEAR OF IMPRESSIVE MILESTONES WITH THE DYNAMIC TRANSFORMATION OF THE INVESTOR RELATIONS TEAM AND THE OUTSTANDING SUCCESS IN INTERNATIONAL FUND MOBILIZATION OF THE NOVALAND GROUP'S FUNDING MARKET TEAM.

CAPITAL MARKET
& INVESTOR RELATIONS ACTIVITIES



Meeting with investors in Aug. 2018

INVESTOR RELATIONS ACTIVITIES

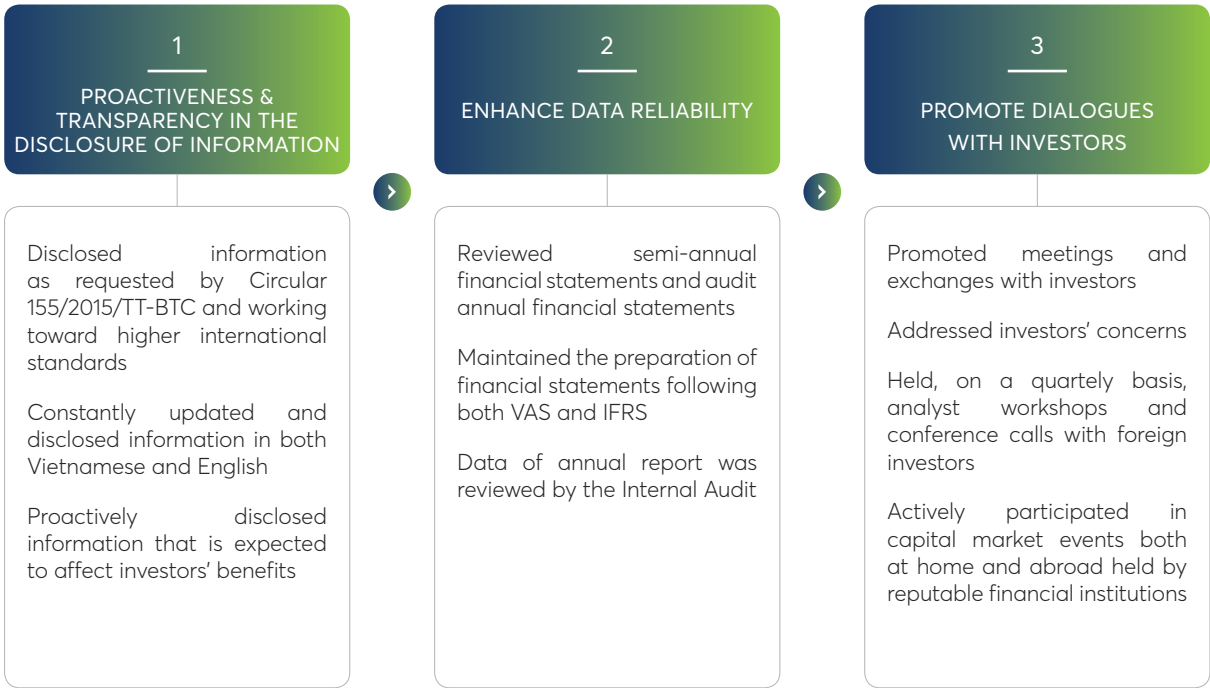
ENSURE FULL TRANSPARENCY, EQUALITY
AND RIGHTS OF SHAREHOLDERS

Novaland's IR activities are based on the principles of Honesty - Timeliness - and Transparency, consistent with the core values of the Company which are Integrity - Efficiency - Professionalism. All policies and activities related to Novaland shareholders are not limited to complying with the laws of Vietnam but also aim to improve to meet higher international standards such as the Corporate Governance principles of the Organisation for Economic Co-operation and Development (OECD) and the Asean Corporate Governance Scorecard.

Constantly appreciating the importance of the protection of rights and equality among shareholders, Novaland undertakes that all Novaland shareholders are provided with the same level of information and may exercise all their shareholders' rights including, inter alias, the right to vote, the right to nominate a BOD member, the right to adopt annual financial statements and the business plan of the subsequent year, and the right to access Novaland Group's information. In order to accomplish this, Novaland Group has continuously updated

and standardized the process and procedures of information disclosure, convening meetings, voting, collecting shareholders' written opinions, and arranged meeting venues in the central area to facilitate shareholders's attendance and exercise of their rights. In addition, in 2018 the Group also gather the SGM's opinions to amend the corporate governance by-laws, thereby allowing shareholders to vote remotely via e-voting in the following cases: (i) AGM, (ii) Extraordinary SGMs and (iii) Obtaining shareholders' opinions in writing, in order to ensure shareholders' rights.

IR ACTIVITIES IMPLEMENTED TO ENHANCE INFORMATION TRANSPARENCY AND RELIABILITY



INVESTORS HAVE EASY ACCESS TO INFORMATION THROUGH DIVERSE
AND BILINGUAL INFORMATION CHANNELS



Source: Novaland Group

CAPITAL MARKET & INVESTOR RELATIONS ACTIVITIES

Information disclosure matrix published on Company website:

No.	Information type	Content published	Implementation details	English
1	Information about Novaland Group	Charter Investor relations - Information about Novaland Group - Charter	The latest charter of June 28, 2018	Yes
		Company information Investor relations - Information about Novaland Group - Company information	Updates of the Company's business performance, Corporate profile, outstanding fund raising activities, and accolades	Yes
2	Corporate governance	CG By-laws Investor relations - Corporate governance	Latest by-laws of Apr. 26, 2018	Yes
3	Information disclosure As required by Circular 155 and other related legal documents. In addition, the Company is following the road map of information disclosure according to the ASEAN CG Scorecard to meet the needs for accurate, transparent and timely information for shareholders and investors.	Shareholder structure Investor relations - Information disclosure - Shareholder structure	Dec. 2016, May 2017, Jan. 2018, July 2018	Yes
		Financial statements Investor relations - Information disclosure - FS	Unaudited quarterly FS, reviewed semi-annual FS, audited semi-annual FS, audited annual FS, explanatory note for +/- 10 change in profit after tax	Yes
		Notices Investor relations - Information disclosure - Notices	Disclosure of information on periodical and extraordinary basis, at request, major shareholders, internal persons and related persons	Yes
		Prospectus Investor relations - Information disclosure - Prospectus	IPO prospectus	No
		Annual report Investor relations - Information disclosure - Annual report	Annual reports 2016, 2017	Yes
		Listed bonds Investor relations - Information disclosure - Listed bonds	Information relating to bond packages listed at HSX	Yes (Decision, HOD Resolution issued by the Company)
4	SGM All materials relating to the SGM are available in both Vietnamese and English to facilitate foreign shareholders' decision-making. All AGM materials are published 21 days before the day of meeting	AGM 2018 Investor relations - AGM - 2018	Information and materials relating to AGM 2018, Gathering of shareholders' opinions in writing	Yes
		AGM 2017 Investor relations - AGM - 2017	Information and materials relating to AGM 2017 and Gathering of shareholders' opinions in writing	Yes
		AGM 2016 Investor relations - AGM - 2016	Resolution listed at HSX	Yes
5	Investor activities	Investor relations policy Investor relations - Investor activities - Investor relations policy	Regulations on speaking to government authorities, shareholders, and investors	Yes
		Stock prices and market information Investor relations - Investor activities - Stock price and market information	Stock information by each trading day	Yes
		Corporate analysis Investor relations - Investor activities - Corporate analysis	Interpretation and analysis of quarterly financial and business activities	Yes
		Financial calendar Investor relations - Investor activities - Financial calendar	A summary of prominent financial events implemented in the year and plan	Yes
		Contact Investor relations - Investor activities - Contact	Contact information for shareholders and investors	Yes

ACTIVELY RAMP UP FUND RAISING ACTIVITIES BOTH AT HOME AND ABROAD

2018 was considered a successful year with outstanding activities in capital mobilization at home and abroad.

In 2018, Novaland successfully raised USD 570 million from international markets, including:

- USD 50 million balance of the USD 125 million loan arranged by Credit Suisse AG, Singapore Branch;
- USD 70 million of a loan of up to USD 150 million arranged by Credit Suisse AG, Singapore Branch;
- USD 60 million of a loan of up to USD 90 million arranged by Standard Chartered;
- USD 240 million through the issuance of Convertible Bonds; and
- USD 150 million worth of common shares through private placement

Novaland's convertible bonds, with a term of 5 years, are listed on the SGX, thereby reactivated the equity-linked stock issue activities which have stayed inactive over the past 6 years in Vietnam market. The

THE GROUP HAS SUCCESSFULLY MOBILIZED USD **240** MILLION WORTH OF CONVERTIBLE BONDS AND LISTED ON THE SINGAPORE EXCHANGE (SGX)

convertible bonds were issued to international investors through two offers, the first in Apr. and the second in Dec. 2018.

In particular, in the first wave, the Group performed a double transaction to offer USD 160 million in Convertible Bonds under Regulation S format and USD 150 million in common shares capital following the 144A format of the US Securities Act to foreign investors. With this success, the Group was honored to be voted "Best Vietnam equity-linked deal" within the framework of the "The Asset Triple A Country Awards 2018" by The Asset Magazine, one of the leading financial publications in Asia. The second wave of bond issue in December 2018 succeeded in attracting another USD 80 million with the same terms and conditions as those in wave 1. The Group has and will use the actual proceeds to increase our land bank in prime locations, boost the development of projects as well as increase capital for business activities.

With outstanding achievements in capital market and investor relations activities, Novaland maintains the position among top large-cap contributors to ETF portfolios.

MSCI Vietnam Index

Share: 4.42% - Grade: 7

MSCI VN Investable Market Index (IMI)

Share: 3.61% - Grade 7

FTSE Vietnam All-Share Index

Share: 3.35% - Grade 8

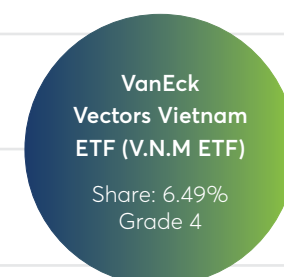
MSCI Frontier Markets 100 Index

Share: 0.73% - Grade 44

VN30 - VN100 - VNSI 20

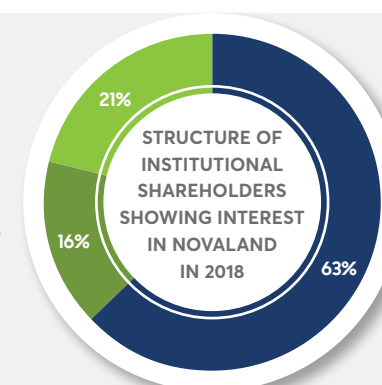
FTSE Vietnam Index

Share: 5.4% - Grade 7



IN 2018, THE GROUP RECEIVED ALMOST 150 INVESTMENT FUNDS, INSTITUTIONS AND SECURITIES COMPANIES WHO VISITED AND EXPLORED INVESTMENT OPPORTUNITIES AS WELL AS THE GROUP'S ACTIVITIES. MOST OF THESE CAME FROM ASIAN COUNTRIES SUCH AS JAPAN, SOUTH KOREA, HONG KONG, AND SINGAPORE.

○ Asia
○ Europe
○ Americas



Source: Novaland Group

CAPITAL MARKET
& INVESTOR RELATIONS ACTIVITIES

A NUMBER OF OUTSTANDING EVENTS IN 2018

	INVESTOR / ANALYST CONFERENCE <i>Novaland - Frequency quarterly</i>	Novaland Group organized Analyst workshops and conference calls to present the business results, strategies and prospects of the property industry. At the same time, we held in-depth exchanges with the leading investors/experts/analysts both at home and abroad.		ATTENDED HSBC GLOBAL EMERGING MARKET INVESTOR FORUM <i>HSBC Q2, 2018 (New York) - Q3, 2018 (London)</i>	HSBC Global Emerging Market Investor Forum in New York was attended by 70 leading businesses from Asia, Central Eastern Europe, the Middle East, Africa, and Latin America.
	ATTENDED THE VIETNAM ACCESS DAY EVENT <i>VCSC - Q1, 2018</i>	Vietnam Access Day International Investment Conference 2018 organized by Ban Viet Securities Joint Stock Company (VCSC) attracted more than 280 investment funds from 24 countries and territories. 80% of these funds are present in Vietnam market and the remaining 20% come to Vietnam for the first time.		ATTENDED THE HSX EVENT - DAIWA VIETNAM CORPORATE DAY 2018 (TOKYO) <i>HSX - Daiwa (Japan) - Q3, 2018</i>	Held in Japan with the participation of representatives of the HSX leadership, the Ministry of Finance and investors in the Japanese market.
	2018 AGM <i>Novaland - Q2, 2018</i>	Novaland's 2018 AGM was held on April 26, 2018 at Equatorial Hotel - 242 Tran Binh Trong, Ward 4, Dist.5, HCMC		ATTENDED THE 2018 BUSINESS FORUM ORGANIZED BY FORBES <i>Forbes - Q3, 2018</i>	Business Forum 2018 organized by Forbes Vietnam, attracting nearly 400 guests who are business leaders, policy makers, and leading consultants.
	ATTENDED GATEWAY PARTNERS INVESTOR FORUM (SINGAPORE) <i>Gateway Partners - Q1, 2018</i>	The Gateway Partners event held in Singapore in April attracted the participation of leading businesses, specialists, and investors from Africa, the Middle East and Asia.			
	ATTENDED THE CITI-SSI C-SUITE INVESTOR FORUM 2018 EVENT <i>SSI - Q2, 2018</i>	The Citi-SSI C-Suite Investor Forum 2018 was held by Saigon Securities Joint Stock Company (SSI) with the participation of hundreds of international investors in HCMC to discuss with Vietnam's 16 leading businesses.		ATTENDED M&A VIETNAM FORUM <i>Vietnam Investment Review (VIR) & AVM Vietnam - Q3, 2018</i>	Vietnam M&A Forum, an annual event for the business community, local and international investors, is organized by VIR and AVM Vietnam, under the sponsorship of the Ministry of Planning and Investment.
	ATTENDED THE DEUTSCHE BANK ACCESS ASIA CONFERENCE 2018 (SINGAPORE) <i>Deutsche Bank - Q2, 2018</i>	Deutsche Bank Access Asia Conference, one of the leading events in Asia organized, was held by Deutsche Bank with more than 250 leading listed and private companies in Asia.		ATTENDED THE EMERGING & FRONTIER MARKETS INVESTOR CONFERENCE (NEW YORK) <i>Auerbach Grayson and HSC - Q4, 2018</i>	Emerging & Frontier Markets Investor Conference event organized by Auerbach Grayson, a brokerage company, in collaboration with Ho Chi Minh Securities Corporation (HSC) in New York with the participation of 50 Groups/businesses from different regions including Asia, Europe, Latin America, Africa, the Middle East and 150 big investment funds from the US.



Exceptional
Luxury

3 BUSINESS OPERATIONS
IN 2018



NOVALAND BRAND

THE SYMBOLIC GREEN RUBIK BEING LIGHTED UP IN CENTRAL AREAS OF HCMC EXPRESSES A DESIRE TO CONTRIBUTE A SMALL PART TOGETHER WITH OTHER ENTERPRISES IN BUILDING A HAPPY, CIVILIZED, MODERN LIFE IN ADVANCEMENT OF THE COUNTRY.

Mr. **Bui Xuan Huy**
Chief Executive Officer

MESSAGE FROM CHIEF EXECUTIVE OFFICER

Dear valued Shareholders, Partners, and Investors,

“Concentrate on the key focus of 2018
CUSTOMERS FIRST”

Novaland's staff has developed and handed over 10 more projects with more than 6,000 products of the true quality committed to customers. In all, Novaland takes pride in supplementing more than 27,000 to HCMC's housing availability, bringing a civilized and modern environment to thousands of residents.

In the residential real estate segment, despite market difficulties and challenges, Novaland managed to introduce 02 more projects in 2018: Victoria Village - at the front of Dong Van Cong street, Administrative center of Dist.2; and The Grand Manhattan luxury apartment complex - located at 02 fronts of Co Giang - Co Bac in the heart of Dist.1.

Simultaneously, 2018 also witnessed a remarkable milestone - a series of activities in Phase 2 of the business strategy - expanding the hospitality property in tourism cities. Among which we can name:

- June 2018 witnessed the official opening and operation of Azerai Can Tho luxury resort. The project was a brainchild of Novaland enthusiasm and the legendary Adrian Zecha - founder of world famous Azerai, Azula brands.
- December 2018, at the Vietnam Tourism Forum, witnessed by representatives of Government leaders, Novaland signed a partnership agreement with golf legend Greg Norman - Vietnam's new brand ambassador, in preparation for 04 world-class golf courses; and engaged the international operator Minor Hotels to manage 07 hotel-resort with 3,500 keys.

In particular, in the first announcement of NovaHills Mui Ne - the hospitality real estate - in November 2018, we received great response from the market, especially from our loyal customers. The "true ambassadors" (this is the way we honor our customers) come to the excess of 250,000 is solid launch for Novaland into the next phase.

Regarding responsible investment, in 2018, Novaland cooperated with Boston Consulting Group (BCG), Military Bank and City People's Committee of Can Tho, as well as worked with Mekong Delta provinces representatives, to develop a strategy for "Mekong Delta tourism development in adaptation to climate change" witnessed and encouraged by the Prime Minister. The project aimed at planning and implementing strategies to connect and develop tourism for 13 provinces in the Mekong Delta, in which Can Tho assumes a central role.

At the same time, human resource continued to be developed, ready for the next phase. Besides screening and attracting talents, Novaland focuses on improving professional quality, organized a variety of courses spanning thousands of training hours.

Dear valued Shareholders, Partners, and Investors,

Tourism has seen excellent growth for many years, contributing 7.5% and 22.5% directly and indirectly to GDP, respectively. In the national economic vision for 2030, the Government identifies tourism as a key economic sector that contributes over 13% to GDP. Vietnam is appreciated for rich natural resources, unique culture, reasonable costs, and increasing demand for hotel accommodation and recreation. We have so far enjoyed substantial supports from the Government leaders and local authorities where we invest in developing tourism into a key economic sector and supporting infrastructure. This will be a great motivation for Novaland to confidently deploy our business strategy in the next 5 years.

In 2019, Novaland will focus on a "Tripod" strategy to create an ecosystem with three key product lines that complement in values: urban HCMC/ Housing; satellite towns in nearby provinces; leisure resorts in provinces with tourism potentials such as Binh Thuan, Ba Ria - Vung Tau, Can Tho and Da Lat - Lam Dong.

It is worth noting that we will consistently focus on our core businesses - mid and high-end real estate. Of our existing land bank of about 2,700 ha, residential properties account for 25% and hospitality properties 75%. The plan for the upcoming period is to adjust and expand this land bank against market demand. In the residential property segment, Novaland will continue to focus on developing in HCMC and satellite towns. In 2019, we plan to introduce about 4,400 units of apartments, townhouses, and villas and strive to hand over about 6,000 units.

In the hospitality properties segment, we have launched three main tourism resort brands, namely NovaHills, NovaBeach and NovaWorld, and will introduce an additional 2,400 units for investors including resort houses, resort villas (beach house) and shophouses, etc.

We believe this model will stimulate a fresh air among investors in 2019 and will set a long-term trend of investment in hospitality properties in several years to come.



The perspective of NovaHills Mui Ne Villa (Phan Thiet)

Also in 2019, Novaland expects to announce a new model of Eco-towns. We will develop this Eco-towns in a synchronized, complete model, and pursue sustainable development standards in planning, architectural and environmental design. The eco-town area maximizes the use of clean technology and green energy in construction and operation, offering high quality of life to residents in an environmentally friendly setting.

We set very clear business targets for Phase 2. With the core values **Efficiency - Integrity - Professionalism**. In 2019, in order to increase Professionalism and Efficiency, the BOD issued the message of the year: **"Discipline - Teamwork - Speed"**. We believe 2019 will witness continued growth by the Group.

Dear Shareholders, Partners, Investors,

In the context of potentials and challenges from the real estate market and the tourism industry, we are striving to shape new trends, new demands in real estate investment for the enhancement of value for our customers.

In this way of thinking, once having a home for "settling down in contentment, promoting career with confidence" in big cities, many customers are targeting coastal cities as Vung Tau, Phan Thiet, Cam Ranh, ... as their regular recreation venues, which can also be the investment of long-term profit. On that note, we introduce to our customers a variety of products located in large-scale leisure urban areas, with diverse types: villas, second-homes, shophouses, ...

These projects must be located in locality with the advantages of transport infrastructure, within 1.5 to 2 hours drive from HCMC, like Ba Ria - Vung Tau, Binh Thuan, Phan Thiet, to be developed into Metropolitan - Tourism - Hospitality - Recreation projects.

Simultaneously, to enable long-term investors' regular cash flows from returning tourists, we build a chain of supporting services, which will form an ecosystem under the umbrella of NovaTourism Travel Service. What is more, we are inviting world famous consultants as BCG, McKinsey... to carry out discussions and researches to help localities develop tourism strategies, building destinations for domestic and foreign tourists. This is a way to bring sustainability to businesses and society.

"If you want to go far, go together" - to successfully implement the objectives

in this strategy, Novaland advocates cooperation with prestigious partners in many fields. Currently, we have more than 150 strategic partners in areas as finance - banking, construction, suppliers of material, consultants in design and human resource...

Along with these are activities to strengthen and further develop resources: to improve the quality of human resource via intensive training, talent search; to apply, operate with information technology to ride the 4.0 wave for pushing Novaland's growth in the coming period with SAP - ERP, CRM, etc.

In Novaland, the BOM understand that people are the most valuable assets to be put at the heart of all business tasks and activities. We are committed to creating the best work environment, continuously improving the lives of employees, both spiritually and physically, through specific and competitive welfare policies.

Dear Shareholders, Partners, Investors,

"To improve is to change; to be perfect is to change often." Novaland's business model is based on dynamic and flexible stages. Also, as a Top VN30 listed company, we accumulate and prepare financially for every project in the plan, through diversification of channels for capital mobilization, among which is the issuance of shares and bonds at home and abroad. There are ups and downs in any business, but Novaland persists on the goals, completes the projects despite difficulties, bringing the right quality at the right time to be trusted by customers and shareholders.

I also believe Novaland staff can take pride in more achievements ahead - when the green Rubik continues to light up in metropolitan and impressive destinations in Vietnam! May I wish you good health and success.

May I wish you good health and success.

Respectfully,

BUI XUAN HUY
Chief Executive Officer

THE BOARD OF MANAGEMENT



Mr. BUI XUAN HUY
CEO, Member of the BOD



Ms. HOANG THU CHAU
Deputy CEO, Member of the BOD

Date of appointment as CEO: Sep. 8, 2017
Date of appointment as Deputy CEO: Dec. 1, 2015
Date of appointment as BOD member: May 11, 2017

Qualifications:

- Construction and industrial management engineer, HCMC University of Technology
- International MBA (DAS/EMBA), Arts Northwestern Switzerland School of Business in collaboration with FSB

Professional experience:

From 2007 to 2012: Project manager - Meinhardt Viet Nam
From 2012 to 2015: Director of Project Development Division - No Va Land Investment Group Corporation
From 2015 to September 2017: Deputy CEO and BOD member - No Va Land Investment Group Corporation
From September 2017 to present: CEO and BOD member - No Va Land Investment Group Corporation

Key duties:

- Strategic governance and leading of all the Group's operations, implementation of tasks at the Remuneration Committee, the Development Policy Committee and execution of CEO's duties as provided for in the Corporate Charter as well as duties assigned by the Board of Directors.

Number of BOD memberships at other companies (except for subsidiaries and parent companies): Not applicable.

Ratio of voting rights at No Va Land Investment Group Corporation:
36,188,670 shares, accounting for 3.86%

Date of appointment as Deputy CEO: Dec. 3, 2012
Date of appointment as BOD member: Nov. 11, 2016

Qualifications:

- Bachelor in Accounting
- International MBA (DAS/EMBA), Arts Northwestern Switzerland School of Business in collaboration with FSB

Professional experience:

From 2003 to 2010: Chief Accountant - No Va Land Investment Group Corporation
From 2010 to 2012: Chief Accountant - No Va Land Investment JSC
From 2012 to October 2016: Deputy CEO - No Va Land Investment Group Corporation
From November 2016 to present: Deputy CEO and BOD member - No Va Land Investment Group Corporation

Key duties:

Strategic governance, leading the execution of the Shareholders' General Meeting and Board of Directors' strategy and duties of the Development Policy Committee.

Number of BOD memberships at other companies (except for subsidiaries and parent companies): Not applicable.

Ratio of voting rights at No Va Land Investment Group Corporation:
1,767,216 share, accounting for 0.19%

REPORT OF THE BOARD OF MANAGEMENT

REPORT OF THE BOM ON BUSINESS PERFORMANCE IN 2018
AND PLAN FOR 2019



MACRO-ECONOMIC LANDSCAPE IN 2018 AND OUTLOOK FOR 2019

MACRO ECONOMY IN 2018

The global economic picture in 2018 underwent a period of "sideways" movement and recover was neither consistent nor certain. Many international institutions have repeatedly adjusted their forecasts in a less positive direction. The Organization for Economic Cooperation and Development (OECD) estimates world economic growth had peaked in 2017, leveled off in 2018 at about 3.7% and tends to decline in 2019.

Concerns about China's economy are increasing as the country's trade and investment growth is expected to continue to decline due to trade tension with the US in the coming time. China's central bank has begun to loosen monetary policy to stimulate the domestic economy. In addition to the inconsistent growth and the US-China trade war, the world economy in 2018 was also characterized by the "normalization" of the monetary policy that is taking place and will continue in the US and Europe after enormous quantitative easing programs in the past. Meanwhile, it is very likely that the Bank of Japan will continue its heavy heavy quantitative easing program due to continued low inflation.

In that context, 2018 closed with special achievements in Vietnam's economic development, with economic growth rate reaching 7.08%. This represents a 11-year-high level and makes Vietnam one of the countries with the highest growth rates both regionally and globally. Three consecutive years of new record setting in the disbursement of foreign direct investment (FDI) firmly established Vietnam as an attractive destination for investment. Disbursed FDI in 2018 reached USD 191 billion, a year-on-year increase of 9.1%.

At the same time, government revenues reached a remarkable milestone when the country for the first time exceeded the targeted estimate of USD 3.5 billion. Average inflation, which stood at 3.54%, reached the target set by the National Assembly. In face of unpredictable fluctuations in global commodity prices and the imposition of the maximum rate of an environmental protection tax on petroleum from Jan. 1, 2019, the SBV still needs to monitor inflation risks in the coming time to take appropriate responses.

REPORT OF THE BOARD OF MANAGEMENT



NEW APARTMENTS FOR
SALE IN HCMC IN 2018

30,792
APARTMENTS
(According to CBRE)

THE GROWTH OF THE REAL ESTATE AND TOURISM SECTORS

In general, the real estate market of Vietnam and HCMC in 2018 maintained stable growth with no sign of "bubble". The market was still in the recovery and growth cycle despite a decline in project and home supply as well as transaction volume.

According to CBRE, the number of new apartments offered for sale in HCMC in 2018 was 30,792. Prices of mid and high-end segment apartments have been growing robustly in the last 10 years with the growth rate from 2017 to 2018 staying at about 1%. The absorption rate for mid and high-end segments remains high, ranging between 75% and 85%.

In 2018, Vietnam's tourism sector continued to achieve impressive results with outstanding growth, thereby contributing to the overall development of the country and constantly promoting its role in the local economy. Statistics from the Vietnam National Administration of Tourism, the country received an 15.5 million international arrivals and served over 80 million domestic ones and the total revenue from tourism reached VND 620,000 billion. These indicators increased by nearly 20%, 9.3%, and 21.4%, respectively, compared to 2017. The World Tourism Organization (UNWTO) recognizes Vietnam has the fourth highest tourism growth rate in the world and ranks 1st in the Asia Pacific region with a growth rate of 29.1% in the most recent period. The robust local tourism sector resulted in a vibrant recreational property market and increasing demands for recreation facilities. In 2018, the occupancy rate of condotel and villas was high at 90%.

THE WORLD TOURISM ORGANIZATION (UNWTO) NOTED THAT VIETNAM HAS THE THIRD HIGHEST GROWTH RATE IN TOURISM

3rd

MACROECONOMIC OUTLOOK FOR 2019

According to the World Economic Outlook of the International Monetary Fund (IMF), the global economic growth is projected at 3.7% in 2019. Recently, the World Bank has forecast that the global economic growth in 2019 will drop slightly to 2.9% amid declining international trade and production activities. The growth of developed economies is expected to fall to 2% this year. The growth of emerging countries, meanwhile, is expected to remain at 4.2%. The East Asia Pacific region will continue to be one of the regions expected to maintain a growth rate of 6% in 2019. Global trade and purchasing power is expected to record average growth and global financial conditions are gradually tightened.

Vietnam's GDP growth is projected to reach 7%. Beside its intrinsic strengths, Vietnam's economy can be supported by international factors including the trend of production relocation as a result of the trade war and the prospects from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and other free trade agreements. Although the Vietnam Institute for Economic and Policy Research (VEPR) has projected continued growth impetus for the country's economy, the central government and local businesses need to make even further efforts for a healthy business environment.

In recent years, HCMC's population increases between 200,000 and 400,000 people every year. This increase, which includes an influx of migrants from other provinces, has been creating additional pressure on urban infrastructure. According to a JLL Vietnam report, the current total supply of completed apartments in HCMC is 160,000 units in all segments, which means a ratio of 17 apartments per 1,000 inhabitants. This shows how overwhelmingly demand exceeds supply in HCMC, especially in the mid-end segment. According to JLL as well as CBRE, in 2019, the real estate market in HCMC will face challenges in supply due to delays in licensing, and selling prices will continue to increase steadily. With a growth rate among the highest in Asia, Vietnam's real estate market is expected to maintain decent growth thanks to the overall growth rate of the economy and the emerging middle class.

Vietnam's tourism industry aims to welcome 18 million international and 85 million domestic arrivals with a total revenue of over VND 700 trillion (over US 30 billion). According to Savills, although more and more domestic and foreign investors are interested in Vietnam's recreational property market, the number of transactions has been quite modest. The main reason is limited supply and the fact that owners of assets are not motivated to divest their investments. Recreational property, according to Savills, is always regarded by investors as an attractive segment with incentives from infrastructure, legal corridor and IT.

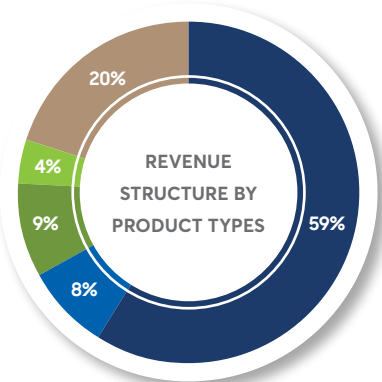


REPORT OF
THE BOARD OF MANAGEMENT

BUSINESS PERFORMANCE IN 2018

NOVALAND GROUP'S
BUSINESS PERFORMANCE
IN 2018 WAS MARKED WITH
POSITIVE GROWTH.

Novaland Group's business performance in 2018 was marked with positive growth. Net revenue and profit after tax reached VND 15,290 billion and VND 3,280 billion, respectively, an year-on-year increase of 31% and 59%, respectively. EBITDA and EBIT grew by 62% and 74% respectively compared to 2017. This was mainly due to a sharp increase of 58% in gross profit compared to 2017 and the negligible increase of depreciation and administration expenses at 7% and 10%, respectively.



- Apartments
- Street houses, and villas
- Office lot
- Commercial lot
- Others

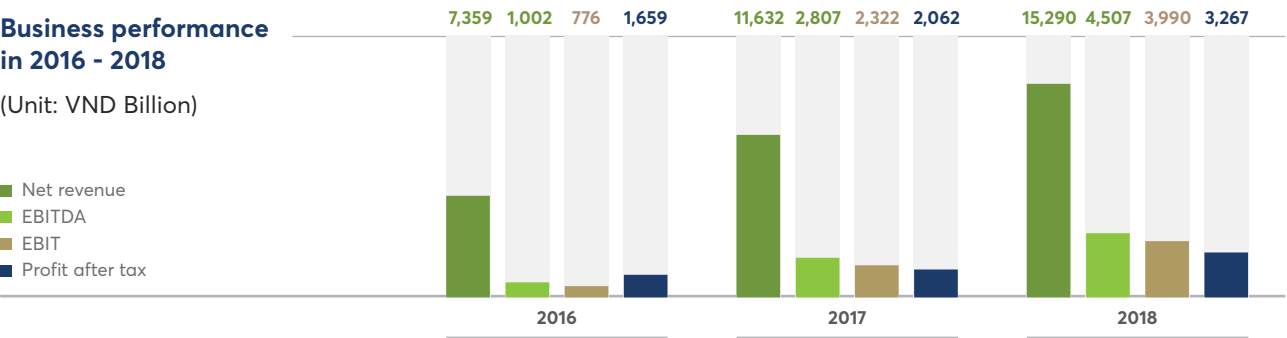
NET REVENUE
VND 15,290
BILLION
↑ 31% OVER THE SAME
PERIOD IN 2017

PROFIT AFTER TAX
VND 3,267
BILLION
↑ 58% OVER THE SAME
PERIOD IN 2017



Business performance
in 2016 - 2018

(Unit: VND Billion)



THE GROUP CONTINUED TO
FOCUS ON THE CORE BUSINESS
WITH REVENUE FROM
REAL ESTATE ACCOUNTING FOR

97%

OF THE TOTAL REVENUE,
3% HIGHER THAN THE
THE 94% PROPORTION IN 2017.

The Group continued to focus on the core business with revenue from real estate accounting for 97% of the total revenue, 3% higher than the 94% proportion in 2017. The Group recorded a revenue of VND 2,430 billion, 16% of the total revenue, from the partial transfer of the Con Au eco-tourism project. In 2018, revenues from apartments, which contributed 59% compared to 40% in 2017, remained the lion's share in the total income.

Since Novaland's business operations mostly take place within Vietnam, the impacts of forex rate changes on the Group are not significant. The Group, however, proactively enter into fixed exchange rate futures for certain foreign loans as a hedge against dramatic changes.

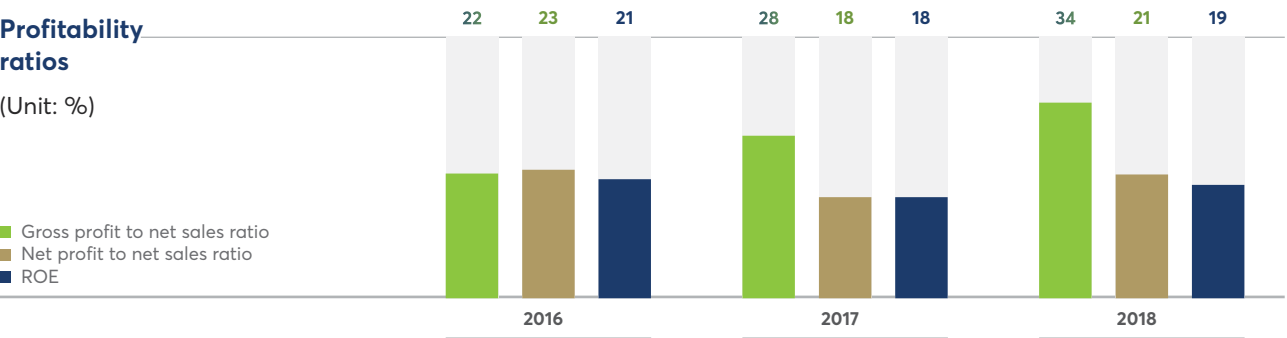
By the end of 2018, net revenue and profit after tax reached 70% and 102% of the plan adopted by the SGM in the context of many economic challenges. The Government's review of land use in regards to land originating from equitized enterprises led to delays in the payment of land use charges for some of Novaland's projects. The Group has proposed to the relevant authorities the acceptance of land charge payment, including an option of initial advances and subsequent additional payment. In 2018, the Group managed to hand over 4,589 products, thus being able to record an year-on-year increase of 28% in revenue.

In 2018, the Group launched two new residential property projects including Victoria Village (Dist.2) and The Grand Manhattan (District 1). At the same time, the first recreational property project was launched in Phan Thiet - NovaHills Mui Ne Resort & Villas and received very positive support from customers. Besides, the Group also partnered with a consultant to develop Nova Beach Cam Ranh project.

As at Dec. 31, 2018, most profitability and solvency ratios showed improvements compared with 2017. The increase in net profit margin by 3% from 18% in 2017 to 21% in 2018 was mainly due to the required re-evaluation of the investments in joint-ventures and affiliates relating to Victoria Village and The Grand Manhattan projects with a total value of VND 1,322 billion at the end of 2018, up by VND 1,311 billion. The increase in gross profit margin to 34% compared to 28% in 2017 mainly resulted from gross profit gained from the partial transfer of Con Au as well as from other property projects. The return on equity (ROE) ratio saw a slight increase and reached 19% as a result of a year-on-year growth rate of 58% in profit after tax.

Profitability
ratios

(Unit: %)



REPORT OF
THE BOARD OF MANAGEMENT

ANALYSIS OF ASSETS

The Group's **total assets** increased continuously between 2016 and 2018 and reached VND 69,912 billion at the end of 2018, a year-on-year increase of 1.4 times. Out of this number, short-term assets accounted for 73% and long-term assets 27%. Despite the sharp increase in total assets, Novaland managed to maintain a ROA that is equivalent of the most recent 3 years, namely 5% between 2016 and 2018.

Short-term assets increased by VND 9,695 billion to reach VND 50,861 billion at the end of 2018. This 24% year-on-year increase was mostly due to a rise in cash-at-hand and inventories. Inventories increased sharply against 2017 as a result of the Novaland's ongoing implementation of multiple property projects for sale.

Long-term assets also saw a strong increase of 130% compared to the same period in 2017, reaching VND 19,051 billion as at Dec. 31, 2018 due to a sharp increase in goodwill and long-term financial investments at 2.7 and 7.2 times, respectively.

Long-term financial investments increased by VND 6,513 billion from VND 1,043 billion to VND 7,556 billion in 2018 as the Novaland increased investment in joint ventures and affiliates. Some joint ventures and affiliates have high closing balances such as Thanh My Loi Joint Stock Company (VND 5,441 billion) and Dat Viet Development Joint Stock Company (VND 2,025 billion). Goodwill stood at VND 6,481 billion and recorded an increase of 169% against 2017 mostly as a result of the consolidation of business from subsidiaries including Dinh Phat Property Corporation, 350 Property Investment and Development Co., Ltd., CQ89 Property Investment and Development Co., Ltd., a group of 3 companies including Vuong Gia Property Investment Joint stock Company, Phuc Binh Property Co., Ltd. and Sun City Property Investment and Development Co., Ltd., and another group including Thinh Vuong Property Joint Stock Company and Thai Binh Property Trading Joint Stock Company.

Total liabilities as at the end of 2018 were VND 49,4152 billion, up VND 13,241 billion or 37% compared with 2017. This increase was mostly due to an increase in expenses incurred before building and loan interest costs as well



as contributions that the Group received from third parties and related entities for project development. These sums will be refunded by Novaland after the completion of relevant projects. Besides, in 2018, the Group successfully raised USD 570 million including a 50-million-USD loan arranged by Credit Suisse under a loan package that was partially disbursed in 2017, a 70-million-USD loan arranged by Credit Suisse, a 60-million-USD loan arranged by Standard Chartered Bank, and USD 240 million from the issue of convertible bonds. As at the end of 2018, the total loan together with short-term and long-term finance lease balance was VND 27,908 billion, making up 56% of total liabilities, up 55% compared with 2017.

In 2018, **short-term liabilities** recorded VND 27,969 billion, accounting for 57% of total liabilities, up 23% over the same period last year. The transfer of debts from long-term to short-term increased the short-term debt and finance lease portfolio. Long-term debts recorded VND 21,483 billion, an increase of 59% compared to 2017, in addition to the increase in loans and long-term financial lease debts mentioned earlier. Deferred income tax also increased by VND 1,037 billion, from VND 1,660 billion in 2017 to 2,719 billion in 2018, a year-on-year growth of 62%.

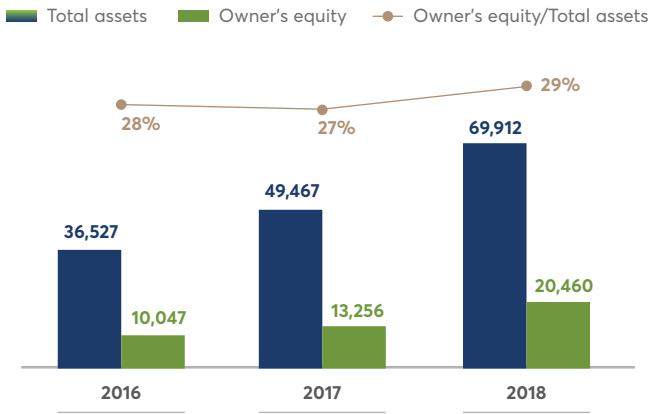
In 2018, **taxes and other payables to the State** amounted to VND 1,664 billion, an increase of VND 277 billion, or 20%, compared to VND 1,387 billion paid in 2017. Out of these items, value-added tax,

land tax, land use charge and corporate income tax accounted for 92% of the total value paid in 2018, a slight increase of 4% compared to 2017.

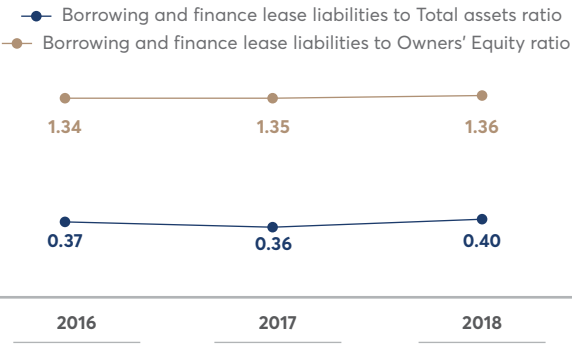
Owner's equity as at the end of 2018 was VND 20,460 billion, up 54% against 2017, resulting from the Group's 5 waves of share issue to increase charter capital from VND 6,497 billion to VND 9,373 billion at the end of 2018, up by 44%. Undistributed earnings also increased sharply by 110% from VND 2,907 billion in 2017 to VND 6,108 in 2018. Regarding capital structure and total assets, equity accounted for 29% in 2018, a slight increase of 2% compared to 27% in 2017. The ratio of short-term and long-term debts to equity and short-term and the ratio of long-term debts to total assets stayed at relatively balanced levels of 1.36 times and 0.4 time, respectively.

Liquidity ratios over the years have shown that the Group always concentrates resources on meeting payment obligations. In 2018, the current ratio and quick ratio, which were 1.82 times and 0.64 times, respectively, remained stable compared to the same period of 2017. The cash ratio increased to 0.44 time, mainly because the Group had a large amount of cash at the end of 2018. Stable liquidity ratios proved Novaland's maintenance of a stable liquidity structure and honoring of our commitment to shareholders and investors.

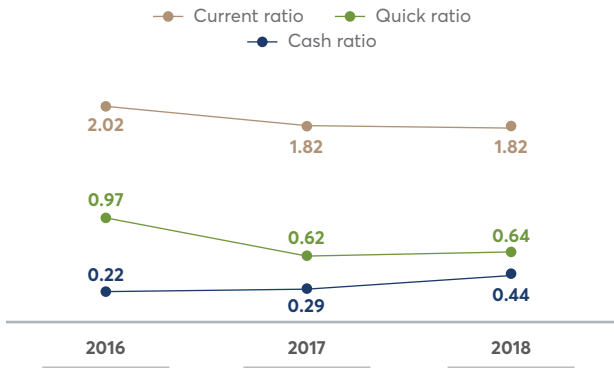
Total assets and Owner's equity in 2016 - 2018
(Unit: VND Billion)



Capital structure ratios in 2016 - 2018
(Unit: Times)



Liquidity ratios (Unit: Times)



REPORT OF
THE BOARD OF MANAGEMENT



IMPROVEMENTS IN
ORGANIZATIONAL STRUCTURE,
POLICY AND MANAGEMENT

In 2018, the Board of Management continued to implement restructuring activities in a more streamlined and agile direction to meet the requirements of the sustainable development strategy. In addition, in order to nurture a long-term cohesion between employees and the Group, the Board of Directors and the Board of Management completed the policy on compensation and benefits for employees, especially the continued implementation of ESOP.

The Company, in addition, also reviewed the current process system to identify room for improvement as well as streng the controls to identify and prevent potential risks. Novaland also successfully deployed the project risk management software system in a number of ongoing projects.

SOCIAL AND ENVIRONMENTAL
RESPONSIBILITY

Novaland Group is consistent with the objectives of sustainable development with the community and enhancment of corporate social responsibility, and this is also our commitment toward customers, society and community.

In 2018, the Group spent nearly VND 76 billion on community support and social welfare programs and implemented hundreds of community programs and activities across the country. Regarding environmental responsibility, the Group has reduced the environmental impacts and ensured coexistence in a clean environment through the research and application of clean and environmentally friendly technologies in project implementation. These programs demonstrate the Group's efforts in fulfilling its responsibilities to the environment and society.

(Please refer to Chapter 4 - Sustainable Development, Responsible Investment for a more detailed assessment of environmental and social corporate responsibility)

BUSINESS
PLAN FOR 2019

IN 2019, NOVALAND IS ON THE WAY TO STRONGLY IMPLEMENT
PHASE 2 OF THE GROUP'S DEVELOPMENT WITH 2 KEY AREAS: REAL
ESTATE AND TOURISM SERVICES

Specifically, Novaland continues to focus on key products which are residential properties of mid and high-end segment in HCMC market. The Group aims to launch the number of new products that sharply exceeds that of 2018 and continue to boost the number of products handed over in order to achieve the 2019 business targets to be adopted by the upcoming AGM. Novaland, at the same time, aims to maintain strong and stable growth momentum amid the favorable development of the property market. In parallel, the Group will launch the recreational property strategy with 3 main product brands including NovaHills, NovaBeach, and NovaWorld and will introduce recreational properties in various provinces and cities rich in tourism potentials.

Novaland will also conduct activities to strengthen and further develop resources such as: Improvement of human resources quality through intensive training, talent hunting; intensive and extensive application of information technology to catch up with the trend of technologica advancement as well as the Group's pace of development in the next period.

HANDED-OVER PROJECTS
IN 2018



We take care of each of the minor details of Wilton Tower apartments and make sure each apartment offers the maximum space so as to provide residents with a comfortable home, a civilized lifestyle with modern amenities, and a decent long-term investment.

Location	: 71/3 Nguyen Van Thuong, Ward 25, Binh Thanh District, HCMC
Development type	: Apartment, Office-tel, Commercial
Land area	: 7,169 m ²
Number of products	: 555
Average selling price	: VND 35 million/m ²
Absorption rate at the end of 2018	: 100%
Delivery date	: From Q2/2018



HANDED-OVER PROJECTS
IN 2018



Located on the front of Mai Chi Tho Boulevard, The Sun Avenue Residence is at the convergence of the major traffic routes such as Long Thanh - Dau Giay Highway, Ben Thanh - Suoi Tien Metro, and the inner ring road that connects directly to Thu Thiem Tunnel before reaching the center of District. The project is well-designed with a broad view that opens up the whole landscape of green space and waterway throughout the region and the city center, bringing a modern and classy living space.

Location	: 28 Mai Chi Tho, An Phu Ward, District 2, HCMC
Development type	: Apartment, Office-tel, Commercial
Land area	: 38.073 m ²
Number of products	: 2,892
Average selling price	: VND 40 million/m ²
Absorption rate at the end of 2018	: 98,7%
Delivery date	: From Q3/2018



Saigon Royal Residence is an apartment - commercial - office-tel complex that is located in the busiest part of central HCMC. Saigon Royal Residence apartments boast a full view of the city center including Ben Nghe Canal and Saigon River and gives residents the pleasure of seeing the day-to-day growth of Thu Thiem urban zone.

Location	: 34-35 Ben Van Don, Ward 12, District 4, HCMC
Development type	: Apartment, Office-tel, Commercial
Land area	: 6,669 m ²
Number of products	: 767
Average selling price	: VND 68 million/m ²
Absorption rate at the end of 2018	: 99,5%
Delivery date	: From Q4/2018

HANDED-OVER PROJECTS
IN 2018



The project boasts an area of 1.5 ha with products including high-end apartments and street houses. The bulk of the project area is reserved for internal premium facilities. Besides, residents also have access to a diversity of external facilities.

Location	: 119 Pho Quang, Ward 9, Phu Nhuan District, HCMC
Development type	: Housing and Commercial complex
Land area	: 15,129 m ²
Number of products	: 727
Average selling price	: VND 41 million/m ²
Absorption rate at the end of 2018	: 99.7%
Delivery date	: From Q2/2018



Located on the front of Hong Ha Road, Orchard Parkview is adjacent to Pho Quang, a key route that connect Tan Binh, Phu Nhuan, and Go Vap Districts. The project harmoniously combines landscape and environmental aspects while both internal and external facilities exist within a 1-km radius.

Location	: 130-132 Hong Ha, Ward 9, Phu Nhuan District, HCMC
Development type	: Apartment, Office-tel, Commercial, Kindergarten
Land area	: 9,184 m ²
Number of products	: 520
Average selling price	: VND 35 million/m ²
Absorption rate at the end of 2018	: 99.8%
Delivery date	: From Q4/2018



HANDED-OVER PROJECTS
IN 2018



Located in within the Tran Thai residential quarter, which is adjacent to Nam Saigon urban zone, the project is endowed with a system of synchronously planned and developed infrastructure. The project is also connected to the existing Sunrise City apartment and they together form a classy and civilized urban zone.

Location	: Nguyen Huu Tho, Phuoc Kien Commune, Nha Be District, HCMC
Development type	: Apartment, Office-tel, Commercial
Land area	: 39,305 m ²
Number of products	: 3,223
Average selling price	: VND 33 million/m ²
Absorption rate at the end of 2018	: 76.4%
Delivery date	: From Q3/2018



Newton Residence inherits the optimal advantages from the existing infrastructure facilities including transport, lifestyle, entertainment, health care and education together with green values from adjacent parks. The project offers a limited number of products and is designed with a chain of classy internal amenities.

Location	: Truong Quoc Dung, Ward 8, Phu Nhuan District, HCMC
Development type	: Apartment, Office-tel, Commercial
Land area	: 2,807 m ²
Number of products	: 253
Average selling price	: VND 54 million/m ²
Absorption rate at the end of 2018	: 96.8%
Delivery date	: From Q4/2018



HANDED-OVER PROJECTS
IN 2018



Richstar



Location	: 239-241, 278 Hoa Binh, Hiep Tan Ward, Tan Phu District, HCMC
Development type	: Apartment, Commercial housing, Commercial
Land area	: 27,802 m ²
Number of products	: 2,021
Average selling price	: VND 29 million/m ²
Absorption rate at the end of 2018	: 99.7%
Delivery date	: Bắt đầu bàn giao từ Quý 4/2018

RichStar is located in the center of Tan Phu District and is conveniently connected to the key roads: Luy Ban Bich - the first street with power cables going underground in Tan Phu District, Tan Hoa - Lo Gom canal - the exit to the South-western gateway of HCMC.



RiverGate Project, District 4, HCMC

STRATEGY FOR LAND BANK DEVELOPMENT

CONTINUING TO IMPROVE THE QUALITY OF URBAN LAND BANK
AND STRENGTHENING THE HOSPITALITY ESTATE LAND BANK



Riding the wave of the market, in 2018 Novaland Corporation not only continued developing its strengths in the housing sector in HCMC, but also directed a significant part of investment to hospitality real estate, and formally built the land bank for Phase 2 strategy in the Group’s Development Map.

M&A IN 2018

In 2018, the real estate market faced plenty challenges, most importantly, the scarce land supply in central districts of HCMC. Increased compensation cost and land clearance; unfavorable law provisions in capital construction and land procedures prolonged or halted the progress, awaiting guidance from state agencies. In this context, 2018 activities in M&A of projects in HCMC were less vibrant than those in previous years, but still offered an opportunity for solid investors to accumulate and increase their land banks, in a moment of truth. The point worth noticing in 2018 was the wave of investors expanding their land banks to neighboring provinces, especially in localities with coming developing infrastructure, especially highways, airports, ports ...

With positive signal from domestic tourism shown by the increasing number of inbound foreign tourists, and the stable local economy leading to the rising demand for travel in every Vietnamese family, the government aimed to develop tourism, thus the growth of hospitality real estate in recent years.

CONSOLIDATING AND IMPROVING
QUALITY OF URBAN LAND BANK



The perspective of The Grand Manhattan Project, District 1, HCMC

For apartments and urban real estate, Novaland Corporation continues with the strategy of developing the land bank through our established strength in M&A. In 2018, Novaland carried put thorough research and appraisal in commercial and office real estate projects in HCMC as well as neighboring provinces. However, Novaland Corporation focused on appraising and developing medium to large scale M&A projects with favorable locations and clear legal procedures, fit for immediate deployment.

In 2018, Novaland Corporation successfully completed some remarkable transactions as follows:

- Spending over VND 3,500 billion for buying-in Dinh Phat Real Estate Joint Stock Company. Therefore, Novaland took control of a group of real estate companies - 350 and CQ89, thereby increasing the percentage of shares held by Novaland Corporation at Thanh My Loi JSC to 55.63% (Project P).
- Completing the investment in Dat Viet Development Joint Stock Company with a total amount of over VND 1,000 billion, accounting for 49.50% of the equity interest of Dat Viet (Grand Manhattan Project).
- Investing VND 330 billion in Thai Binh Real Estate Joint Stock Company, accounting for 44% of Thai Binh's equity interest (Victoria Village Project).

By end of 2018, in HCMC alone, Novalands had more than 30 projects which were ongoing, or in process of cooperation, in a variety of forms - apartments, villas, commercial town houses to synchronously-developed urban areas, meeting customers’ increasing demand.

Besides improving the quality and completing legal procedures for the existing projects, Novaland continued to acquire more projects into our land bank. By end of 2017, the group’s housing land bank comprised of 6.2 million square meters, compared to increased 6.7 million square meters by end of 2018. This land bank was located in key areas of HCMC.

No.	Area	District	Number of projects	Total area (ha)	Ratio
1	Center	3, 4	2	4	0,6%
2	East	2, 9	9	589	88,2%
3	West	12, Tan Phu	2	25	3,7%
4	South	8	1	50	7,5%
Total			14	668	100%

STRATEGY FOR LAND BANK DEVELOPMENT

HOSPITALITY REAL ESTATE
BREAKTHROUGH

Capturing the market trend and the national tourism development strategy, in 2018 Novaland Corporation implemented activities to realize Phase 2 development strategy, specifically:

CONSISTENTLY PROMOTING
LAND BANK DEVELOPMENT STRATEGY

With consistent M&A principles including obtaining a favorable and complete legal position, through screening, Novaland Corporation found and implemented M&A of new projects of various sizes, from less than 100 ha to over 1,000 ha, in cities with huge tourism potentials the likes of Can Tho, Ba Ria - Vung Tau, Phan Thiet - Binh Thuan, Cam Ranh - Khanh Hoa, ... Since then, the Group gradually expanded and developed diversified hospitality real estate products - in both types and quality, from international standard hotel-restaurant complexes to urban-resort models, in line with regional standard.

No.	Area	Number of Projects	Total land area (ha)	Ratio
1	Phan Thiet - Binh Thuan	6	1,808	89.0%
2	Ba Ria Vung Tau	2	100	4.9%
3	Other	2	124	6.1%
Total		10	2.032	100%

The perspective of NovaHills Project (Phan Thiet)

By end of 2018, the total area of developed land increased sharply, reaching more than 2,000 ha, including on-going and under-study projects or future land bank. The under-study projects covers over 700 ha. In the fourth quarter of 2018, Mui Ne NovaHills project was launched; and a project with a scale of nearly 1,000 ha in Phan Thiet - Binh Thuan is expected to be deployed robustly in the next few years. In particular, in the past few years, in Phan Thiet - Binh Thuan, transport infrastructure has been focused on, making hospitality real estate in this market attract investors' attention. Specifically, the Dau Giay - Phan Thiet expressway, combined with the Phan Thiet railway and airport which is expected to be operational in a few coming years, will enable more domestic and foreign tourists to visit this area, promoting the wave of investment.

FOCUSING ON DEVELOPING AND INCREASING REAL ESTATE VALUE IN KEY TOURISM AREAS

Working with consultants, professional brand operators from around the world, the Group creates the "Destinations of Excellence" for domestic and international tourists, in order to turn these venues into the centers of tourism - hospitality- recreation area, imprinting Vietnam on the world's map of tourism.

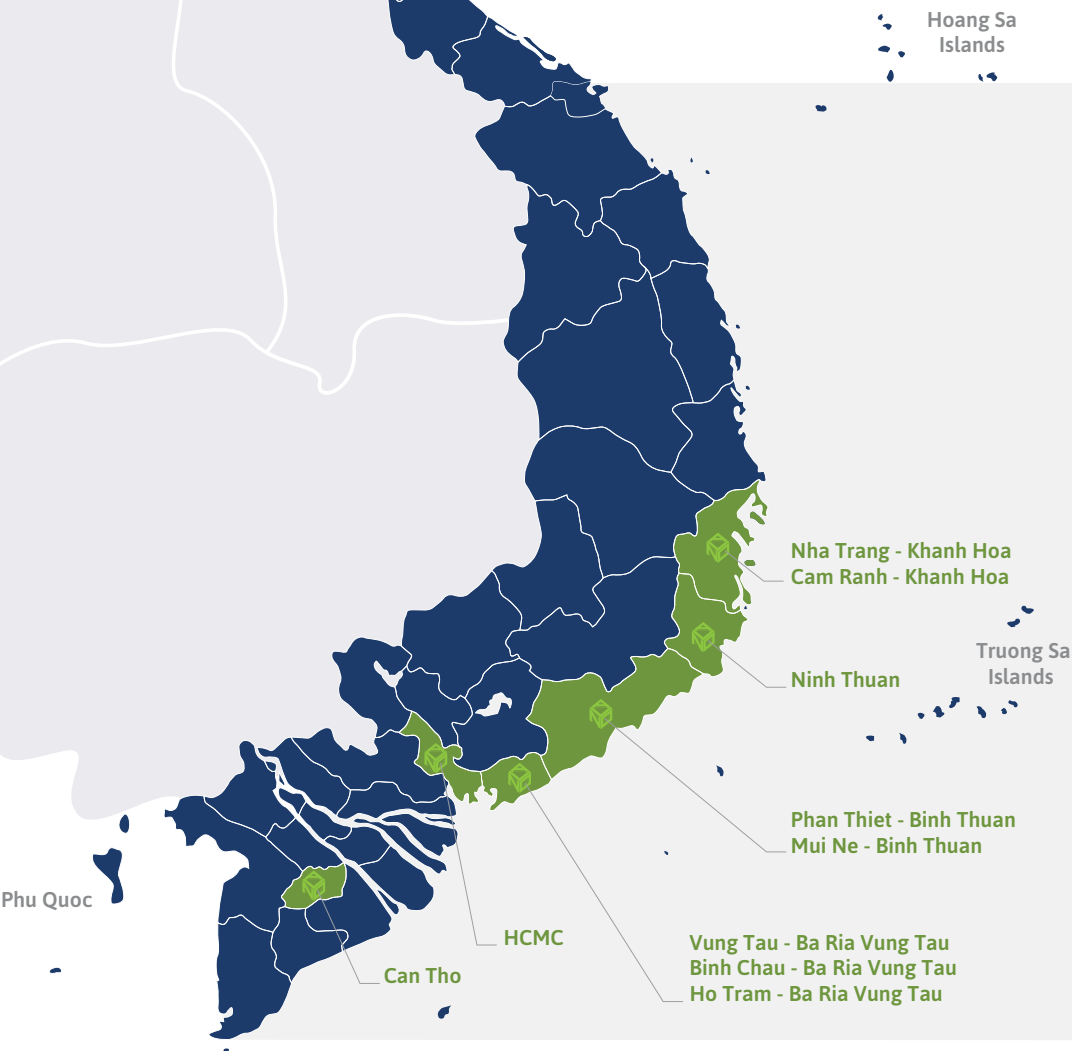
A bright spot of 2018 came when Novaland signed a strategic partnership agreement with Minor Hotel Group for such brands as Avani, Anantara, Tivoli, Oaks ... Accordingly, Minor Hotel Group becomes the Operations Management Unit for 7 Novaland-invested hotel - resort areas with 3,500 plus rooms in total.

At the same time, as part of the business strategy, Novaland signed an MOU with Greg Norman Golf Course Design Company to jointly develop 04 world-class golf courses, located in the integrated Novaland- developed resort real estate.

In continuation as a part of a series of activities to implement Phase 2 development strategy, on Jan. 4, 2019 , Novaland Corporation held a meeting with more than 150 partners in various sectors - finance and banking, construction material suppliers, design consultants, resource consultants - to share the Group's sustainable development plan and show the gratitude, further tighten relationships. On this occasion, Novaland Corporation signed a strategic cooperation agreement with leading construction brands in Vietnam: Hoa Binh Construction Group, Ricons Construction Investment Joint Stock Company; simultaneously becoming a strategic partner with well-known catering brands as Mesa Corporation and MyLife Company, to develop F&B at Novaland-developed resort chains.



SOME KEY LOCATIONS
FOR REAL ESTATE DEVELOPMENT
AND INVESTMENT



EFFECTIVE DEVELOPMENT
OF LAND BANK

PRO-ACTIVE SEARCH
POTENTIAL LAND BANK, ON A LARGE SCALE

25%
HOUSING
REAL ESTATE



75%
HOSPITALITY
REAL ESTATE

Capitalizing on an effectively focused strategy, Novaland has continuously carried out M&A deals, or entered into cooperation. Novaland has a policy of acquiring projects with favorable locations, legally completed, which can be put into immediate use, with a view to shortening the idle time and thus reducing capital costs, thereby lowering product costs, enabling market competition.

With an existing land bank of about 2,700 ha, in which residential real estate accounts for 25%, hospitality real estate accounts for 75%. The Group considers locations which are the destination of domestic and inbound international tourists for purchasing, or entering into cooperation or developing large-scale land banks with great potential, aiming to turn these locations into regional hospitality centers.



M&A ORIENTATION FOR 2019

In 2019, Novaland Corporation continues to promote investment and development of housing projects in HCMC through the selection and expansion of land bank with good location and clear legal status, to quickly capture the chance to build, develop projects and launch good and competitive products to the market, with a commitment to ensure maximum benefits of both customers and investors. The Group will also enhance its M&A activities to expand its land bank to neighboring areas as, Ba Ria Vung Tau, Binh Thuan, Binh Duong, Can Tho and Khanh Hoa ...

Concurrently, 2019 will be the year when the Group strongly deploys the hospitality real estate and launches about 2,400 more products under 03 main brands namely NovaHills, NovaBeach and NovaWorld.

WITH A SPECIFIC STRATEGY AND FAR-PLACED VISION,
NOVALAND CGROUP ASSERTS ITS POSITION AS A
HIGH-RANKING AND SUSTAINABLE DEVELOPMENT
IN THE FUTURE.





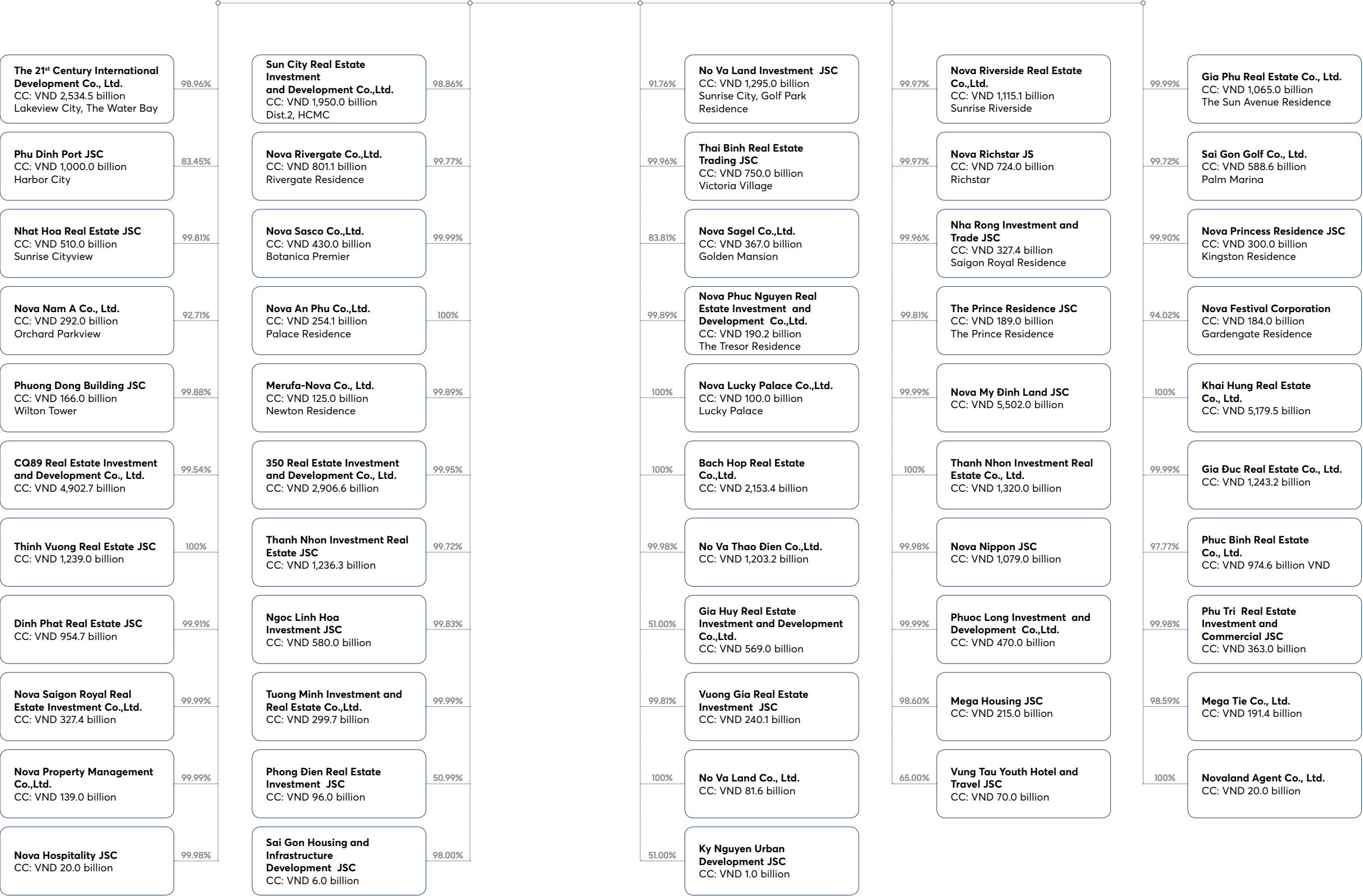
OPERATIONS OF
SUBSIDIARIES
AND
ASSOCIATES

As at the end of 2018,
Novaland Group had a total of
53 subsidiaries and 5 associates.

NETWORK OF 53 SUBSIDIARIES



NO VA LAND INVESTMENT
GROUP CORPORATION



OPERATIONS OF
SUBSIDIARIES AND ASSOCIATES

NETWORK OF 5 ASSOCIATES

In 2018, because the Group decides not to diversify its business into other sectors, Novaland's network of subsidiaries and associates mostly focused on real estate as the core business line. These companies focus on development of real estate projects, real estate trading, and real estate brokerage and investment. In 2018, there were 8 new projects completed and started handing over to homebuyers promptly, thereby contributing to the recognition of revenues and the continued growth of the Group's profit.



New projects whose developers are Novaland's subsidiaries and which started to be handed over in 2018, followed by the recognition of revenues, include:

No.	Company	Project	Address	Net revenue 2018 (VND billion)
CENTRAL AREA				
1	Nha Rong Investment and Trade JSC	Saigon Royal Residence	Dist. 4, HCMC	217
EASTERN AREA				
2	Gia Phu Real Estate Co., Ltd.	The Sun Avenue Residence	Dist. 2, HCMC	3,406
3	Phuong Dong Building JSC	Wilton Tower	Binh Thanh Dist., HCMC	1,270
SOUTHERN AREA				
4	Nova Riverside Real Estate Co., Ltd.	Sunrise Riverside	Nha Be Commune, HCMC	1,914
WESTERN AREA				
5	Nova Richstar JSC	RichStar	Tan Phu Dist., HCMC	996
6	Nova Sagel Co., Ltd.	Golden Mansion	Phu Nhuan Dist., HCMC	485
7	Nova Nam A Co., Ltd.	Orchard Parkview	Phu Nhuan Dist., HCMC	594
8	Merufa-Nova Co., Ltd.	Newton Residence	Phu Nhuan Dist., HCMC	163
Total				9,045

IN 2018,
SUBSIDIARIES CONTRIBUTED
12,362 VND BILLION IN REVENUES
ACCOUNTING FOR ABOUT 81%
OF THE GROUP'S TOTAL NET REVENUE

MEANWHILE,
ASSOCIATES CONTRIBUTED
1,322 VND BILLION
TO NOVALAND'S PROFIT



The perspective of Sai Gon Royal Project, District 4, HCMC

Spirit of Sharing
Completeness

4 SUSTAINABLE GROWTH RESPONSIBLE INVESTMENT

SUMMARY OF THE SUSTAINABILITY REPORT



ENVIRONMENTAL IMPACT
MANAGEMENT



CREATE AND
SHARE VALUES



ECONOMIC PERFORMANCE
AND SUSTAINABLE GROWTH



HUMAN RESOURCES
FOR SUSTAINABLE DEVELOPMENT

The Sustainability Report Chapter summarizes the main content of a stand-alone Sustainability Report that Novaland prepared following the GRI Standards. The report aims to provide the key information on the performance of sustainable development activities. In order to obtain detailed information on Novaland's sustainable development performance as well as its commitments to stakeholders, please refer to the Sustainability Report 2018.

MESSAGE ON TECHNOLOGY, ENVIRONMENT AND COMMUNITY



The perspective of NovaBeach Cam Ranh Resort & Villas



ALWAYS PERSISTENT AND CONSISTENT WITH THE GOALS THAT WE SET, NOVALAND'S DEVELOPMENT ORIENTATION IS ENTRENCHED IN SUSTAINABLE DEVELOPMENT ALONG WITH THE COMMUNITY AND ENHANCEMENT OF CORPORATE SOCIAL RESPONSIBILITY. THIS IS ALSO OUR COMMITMENT TOWARDS CUSTOMERS, SOCIETY AND COMMUNITY

(Excerpt from the Message of the Chairman of the BOD)



THROUGH OUR 27 YEARS OF ESTABLISHMENT AND GROWTH, NOVALAND GROUP HAS CONSTRUCTED A COMPLETE DEVELOPMENT STRATEGY THAT BALANCES GROWTH OBJECTIVES WITH ENVIRONMENTAL AND SOCIAL GOALS AND BENEFITS WITHIN OUR OPERATIONS.

With the adoption of a sustainable business model, implementation of environmental, social and governance (ESG) risk management, Novaland will face increasing challenges and costs when adopting advanced and environmentally-friendly technologies. In the long run, however, it will ensure sustainable value be generated for customers, shareholders and stakeholders through the creation of various new business opportunities.

The Group has been strengthening management in order to control environmental impacts, ensure efficient use of natural resources, research and deploy smart products, apply new technology in building activities appropriate to each project, and implement energy-saving solutions that contribute to the reduction of greenhouse gas emissions. Our priority is creating a healthy living environment in our projects by providing appropriate green spaces as well as ensuring optimal operating standards are met in the management and operation of buildings.

In 2018, Novaland Group cooperated with BCG (Boston Consulting Group), Military Bank and Can Tho City People's Committee as well as worked with representatives of the Mekong Delta provinces to devise the Mekong Delta tourism development strategy with the presence and encouragement of the Prime Minister. A long-term plan is also implemented to improve our management at each stage in order to deliver investment projects that contribute significantly to development in key areas.

As a group whose business operations is oriented towards sustainable development,

Novaland commits to contributing towards the creation of a sustainable society through commercial as well as CSR activities. Novaland recognizes that a business's enduring success and brand value is not only defined by the bottom line but also by the extent of its responsibility and contribution to the community and society. In order to build a resilient community, the Group has continuously constructed effective partnerships with government agencies, organizations, partners and local people to raise awareness on collective action and enable joint efforts for community development. In the next period, Novaland's focus will be on partnering with provinces where we are developing projects including Ninh Thuan, Binh Thuan, Ba Ria - Vung Tau, and Mekong Delta provinces. Beside social welfare and poverty reduction programs, Novaland will invest in sustainability activities that generates long-term impacts for local development such as: scholarship for human resources training, local investment and tourism promotion activities, etc.

We believe that consistent public policies, from the Government, business community's contribution combined with participation from partners and community will help spread sustainable values, contributing to the realization of national development goals in the coming period.

CREATING AND SHARING VALUES TO BUILD A SUSTAINABLE FOUNDATION FOR THE FUTURE



The Group is consistent in its strategy and objectives, integrates and mainstreams sustainability aspects into the overall operation, and ensures the enhancement of corporate social responsibility. The Group is committed to continued investment and constant creation and sharing of sustainable values, contributing to the overall national development and growth.

Novaland Group has constructed and incorporated the Sustainable Development (SD) Strategy rooted in creating and sharing long-term sustainability values with stakeholders, in alignment with trends in global integration and incorporation of the United Nations' Sustainable Development Goals (SDGs).

Novaland Group is gathering necessary resources to invest in driving forces that promote sustainable development and integrate it into our short, medium and long-term core business strategies. In deploying Phase 2 of the Development Strategy, Novaland persists in adopting risk management and operations standardization in accordance with international standards, pro-actively innovates the planning and designing of products, and is gradually building a first-class hospitality ecosystem, thereby helping attain a high profile for Vietnam's tourism sector.

The Group, in collaboration with stakeholders, are actively participating with the Government in the Mekong Delta tourism development strategy in response to climate change.

With a consistent viewpoint on the need for creating and sharing sustainable values with stakeholders, Novaland Group strongly regards fulfilling social responsibility as an important task, contributing to building a better life and a civilized society.

APPROACH TOWARDS SUSTAINABILITY DEVELOPMENT STRATEGY AND MANAGEMENT FRAMEWORK

SUSTAINABILITY DEVELOPMENT STRATEGY AND MANAGEMENT

In the context of global economic integration, sustainable development has become the immediate priority in which businesses occupy a decisive role with regards to the implementation process as well as the realization of the SDGs. With the vision of contributing to a happy and prosperous life within society, Novaland has developed a strategy based on the principles of transparency, accountability, advanced risk management and embedding stakeholders' participation within the sustainability approach.



Being consistent with its development orientation, Novaland Group step-by-step determines effective management of environmental and social impacts in association with long term business performance, as well as the commitment to complying with sustainable development governance standards. Accordingly, Novaland's sustainable development strategy is based on the 4P model in terms of:



UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS



Source: Portal of the Ministry of Planning and Investment

TO DETAIL OUR STRATEGY IN ALIGNMENT WITH THE UNITED NATIONS' 17 SDGS, NOVALAND IDENTIFIES AND INCORPORATES THE PRIORITIZED GOALS BASED ON THE EXTENT OF THEIR IMPACTS ON OUR SD STRATEGY, WHILE BALANCING THE INTERESTS OF STAKEHOLDERS.



Source: World Green Building Council (WGBC)

- SDG1 : No poverty and zero hunger
- SDG3 : Good health and well-being for people
- SDG4 : Quality education
- SDG6 : Clean water and sanitation
- SDG7 : Affordable and clean energy
- SDG8 : Decent work and economic growth
- SDG9 : Industry, Innovation, and Infrastructure
- SDG10 : Reducing inequalities
- SDG11 : Sustainable cities and communities
- SDG12 : Responsible consumption and production
- SDG13 : Climate action
- SDG17 : Partnerships for the goals

STRATEGIC APPROACH AND FRAMEWORK OF
SUSTAINABLE DEVELOPMENT MANAGEMENT

With a consistent approach of reconciling economic gains with implementing corporate social responsibility (CSR), Novaland built a management system according to international practices and standards, embedding it into all business activities. The management framework, policies and procedures for material sustainability aspects have steadily been developed and implemented to enable continuous managerial evaluation and improvements in performance.



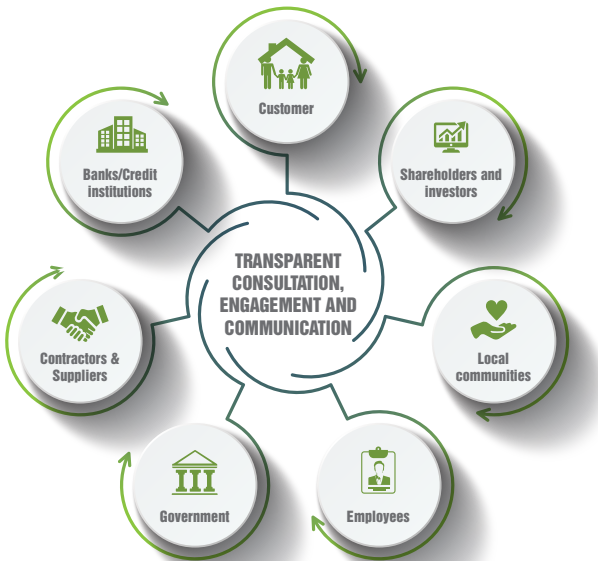
In order to ensure the implementation of the sustainability strategy and the realization of the defined goals, Novaland established the Sustainability Council in 2016, staffed with independent and highly experienced experts. The Council's role is to advise the BOD regarding the review and approval of sustainability goals, policies and action plans; support the creation of values for the key stakeholders in line with ethical and integrity responsibilities as well as social and environmental compliance into daily business activities. The purpose of this is to ensure the Company has the necessary policies, standards, systems and key people to identify and meet international standards and agreements in economic, environmental, and social aspects.

Periodically, the Council meets to review the effectiveness of sustainable development programs in order to assess the implementation of sustainability goals as well as raise awareness within the Group of our sustainable development mission. Results from implementation plans that focus on critical sustainability risks would be reported to the Board of Directors, who would make timely decisions to ensure the successful implementation of sustainability strategies and objectives. In 2018, with the supported directions of the Council and the efforts of the Board of Management, Novaland Group officially became one of the constituent stocks of the Vietnam Sustainable Development Index (VNSI) including stocks of listed companies within VN100 that meet the green criteria with the highest quality of sustainable development management in Environmental, Social, and Governance aspects (the VNSI index is developed by HSX).



ENGAGING STAKEHOLDERS

Engaging stakeholders is an important foundation on which the implementation of the Sustainable Development Strategy and the long-term stable development of the Novaland is based. The Group constantly upholds the need for transparency and accountability as the guideline for its actions. We strive to build cooperative and reliable relationships with all stakeholders. Aspiring to create outstanding values, Novaland continuously meets increasingly high requirements of stakeholders by, in addition to a professional operation and management process that follows international standards, delivering with dedication and passion.



STRATEGIC APPROACH AND FRAMEWORK OF
SUSTAINABLE DEVELOPMENT MANAGEMENT

We ensure the establishment and maintenance of sustainable relationships on the basis of mutual respect and cooperation with stakeholders at each stage of the value chain, including customers, partners, shareholders, investors, credit institutions, regulators, employees, and local communities.

STAKEHOLDERS	ISSUES IN WHICH STAKEHOLDERS ARE INTERESTED	NOVALAND'S ACTIONS TO MEET STAKEHOLDERS' EXPECTATION
CUSTOMERS 	• Commitment to product and service quality • Specific policies to meet customers' demands • Responsible and sustainable supply	• Product quality control through quality management system, green and sustainable solutions • Product development; deliver service with sincerity and devotion; meeting the increasingly high demands and lifestyle of customers • Evaluation of suppliers according to sustainable practice criteria in addition to other eligibility criteria
BANKS/ FINANCIAL INSTITUTIONS 	• Economic performance and payments to creditors • Compliance and transparency in information disclosure • Sustainable lending and investment	• Improvement of credit ratings based on effective financial management • Risk management system across the company, enhancement of corporate governance and transparency
CONTRACTORS/ SUPPLIERS 	• Share resources to improve contractors' competitive advantage • Occupational health and safety and environmental management	• Build effective partnerships with contractors/suppliers • Raise awareness of environmental management practices according to best practices

STAKEHOLDERS	ISSUES IN WHICH STAKEHOLDERS ARE INTERESTED	NOVALAND'S ACTIONS TO MEET STAKEHOLDERS' EXPECTATION
EMPLOYEES 	• Employment, wages and working conditions, remuneration and bonus • Workplace morale, training programs for career development • Occupational health and safety	• Continuous income and welfare improvements for employees, build a standard working environment, build a transparent feedback reception mechanism • Regularly conduct training courses for employees of various levels based on both personal and work needs assessment • Occupational health and safety program
SHAREHOLDERS AND INVESTORS 	• Economic performance and profitability for shareholders • Compliance and transparency in information disclosure • Sustainable development strategy and road map to ensure corporate social responsibility	• Market position and diversification • Risk management system across the company and strengthening of corporate governance • Green products and application of sustainable construction
LOCAL COMMUNITIES 	• Community development program - local infrastructure development • Employment and job opportunities for local people • Respond promptly and responsibly to community complaints	• Increase investment in community development • Cooperate and build capacity local human resources • Timely and transparent complaints handling mechanism
GOVERNMENT 	• Ensure sustainable economic growth, create jobs, and fulfill tax obligations • Socio-economic development program for the community • Management of environmental and social impacts	• Contribute to local economic development and tourism in many provinces following sustainable growth orientations. • Focus on prioritized community development programs • Strengthen internal inspection of compliance with government policies and regulations • Periodic consultation with local communities and authorities on impacts

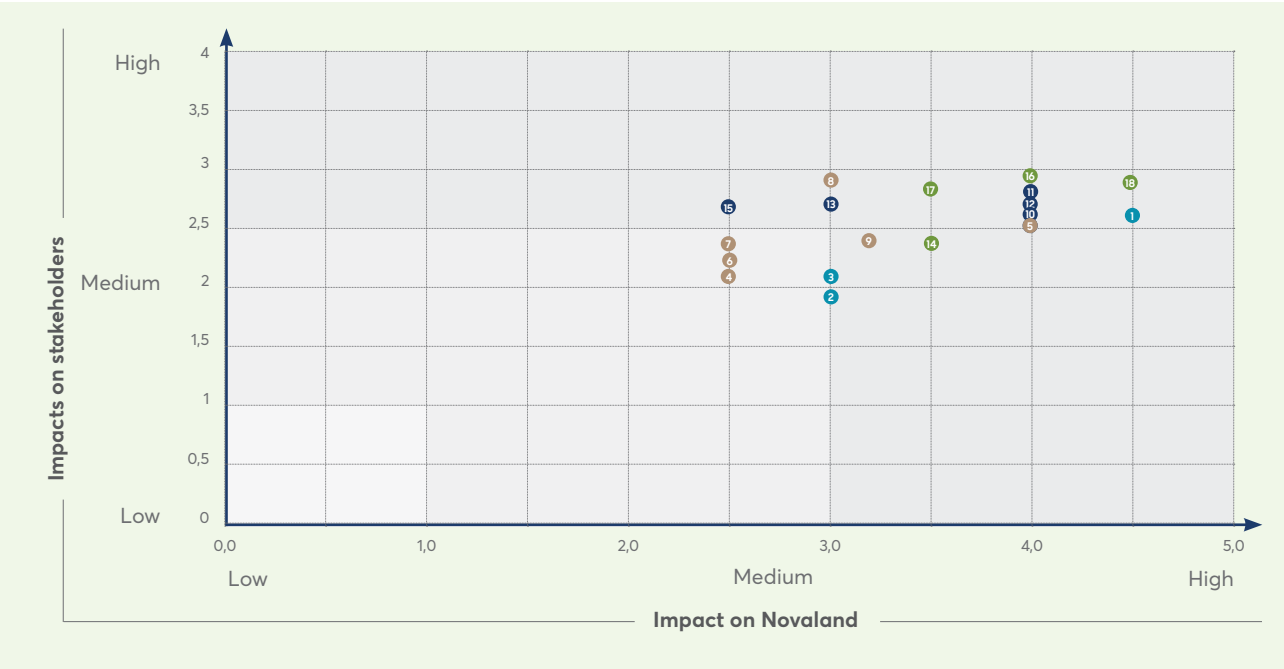
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

In 2018, we conducted a review and evaluation of the key topics and aspects that affected the Group's business performance and development as well as reflecting stakeholders' top interests. Sustainable development issues in the Group's industry-specific value chain as well as international practices on sustainability governance were also reviewed and analyzed in the prioritization step. Novaland Group reaffirmed its strategy of green and sustainable development and contributions to promoting and creating a strong community and an equitable society.

The key topics were reviewed in reference to the 17 SDGs framework of the United Nation, thereby enabling the Group to identify impacts as well as realizing the key SDGs. The critical assessment was also performed through workshops with senior management. The results of the materiality analysis, sorted into economic, environmental and social pillars based on the priority areas of sustainable development strategy, were presented on a matrix. Newly added topics, based on increasing level of interest from stakeholders, include: Diversity, equal opportunity, technological innovation, and sustainable procurement practices.

MATRIX OF SIGNIFICANCE



ECONOMIC PERFORMANCE AND SUSTAINABLE GROWTH

- 1 Direct economic impacts
- 2 Indirect economic impacts, reduction of inequalities
- 3 Sustainable procurement practices



INVESTMENT IN PEOPLE DEVELOPMENT

- 10 Employment
- 11 Labor relations
- 12 Education and training
- 13 Diversity and equal opportunity
- 14 Occupational health and safety



MANAGEMENT OF ENVIRONMENTAL IMPACTS

- 4 Materials
- 6 Energy
- 7 Water
- 9 Sewage and waste
- 12 Environmental compliance
- 13 Implementation of technological innovation



CREATE AND SHARE VALUES

- 14 Assurance of product and service quality
- 15 Customer safety and health
- 17 Customer satisfaction
- 18 Investment in community development



PERFORMANCE OF SUSTAINABILITY ACTIVITIES BY AREA



ECONOMIC PERFORMANCE AND SUSTAINABLE GROWTH



HUMAN RESOURCES FOR SUSTAINABLE DEVELOPMENT



ENVIRONMENTAL IMPACT MANAGEMENT



CREATE AND SHARE VALUES

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA

Summarizing the SD performance assessment is an important task in operational management to evaluate aspects that require further improvement. Novaland's executive management team defined clearly the prioritized tasks aimed at continuously increasing operational efficiency through the adoption of international practices on sustainable development management and, at the same time, enhance engagement and dialogues with stakeholders to achieve the determined goals.

The results from implementation of our sustainable development plans in 2018 are summarized in the following table:

Area	Initiative and programs	Implementation result
 ECONOMIC PERFORMANCE AND SUSTAINABLE GROWTH SDG 1,8,9,10	- Improve governance capacity to ensure economic performance and sustainable growth - Indirect economic impacts that contribute to the reduction of inequality from the development processes - Sustainable procurement practice	- Reinvest in new development project, prepare for hospitality property projects - Increase investment in technical infrastructure that benefits communities and stakeholders - Create jobs and increase labor productivity to reduce inequality and promote growth - Supply environmentally friendly green materials and solar energy solutions for a number of projects - Perform supplier assessment in terms of social and environmental compliance practice
 INVESTMENT IN HUMAN DEVELOPMENT - HUMAN RESOURCES FOR SUSTAINABLE DEVELOPMENT SDG 3,4,8	- Top leadership and middle manager development program (MMDP); - Dedicated training program for property consultants - Office 365 training program - E-Learning System	Conduct training programs with a total of over 50,000 training hours - Over 234 training courses were held in 2018 27 new graduates of the the Mini MBA course - Sharing of experiences by the Senior Project Management team with 22 management topics throughout property project - Introduced an additional 193 "cadets" who understand the Group's products as well as customers' preferences and were equipped with the skills of a professional Property Consultant. - An Office 365 training program delivered to managers and related staff to understand the new operating mechanisms and formulate effective transformation plans. - The E-Learning system, with over 16 categories, was officially launched for all employees, and other supporting categories were also under development
 ENVIRONMENTAL IMPACT MANAGEMENT - DEVELOPMENT OF GREEN AND SUSTAINABLE PROJECTS SDG 7,9,12,13	- Standard evaluation of materials and energy usage and environmental management in projects - Training to raise awareness on environmental management and monitoring - Research and implementation of green projects - Application of IT in governance, business - Studying and applying clean energy	- Build energy use quotas and energy saving practices. - Conduct environmental impact assessment for all projects implemented - Evaluate implementation of green projects under the IFC's EDGE standards - A remote project monitoring center, synchronous operation management and monitoring of project implementation status. - Deployment of project risk management software system in a number of ongoing projects - Construct a 500-KWP-capacity solar battery station at Azerai Can Tho and a garden lighting system that includes a battery charging post at Lakeview City project in Dist. 2
 CREATE AND SHARE VALUES SDG 1,3,6,11,17	- Ensure product quality through each stage from design, construction to handover - Address customer feedback and customer satisfaction - Monitor safety management throughout project implementation stages - Sustainable development with the community, enhance corporate social responsibility. Spread the impacts from the programs and attained values to stakeholders	- Independent assessment of product quality before handover. - Shortening the time to handle and respond to customer requests. Measure customer satisfaction and improvement action plans. - Our projects fully comply with safety and health standards as well as fire protection requirements. - Spent nearly VND 76 billion on community activities, with millions of beneficiaries, focusing on community support, education, public health and social welfare programs



1.
ECONOMIC PERFORMANCE
AND SUSTAINABLE GROWTH

DIRECT ECONOMIC IMPACTS

Measure

GRI 201-1
Direct economic value generated and distributed

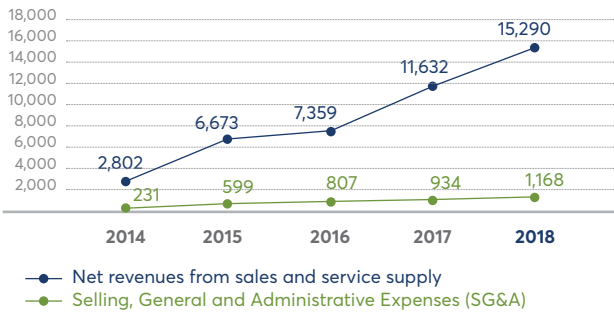
Novaland continually identifies concrete financial capacity and stable business growth as the prerequisite for long-term sustainable development. Through this, the Group can contribute to building a prosperous community and work towards long-term benefits of shareholders and stakeholders. In addition, the Group has made significant contributions to the state budget, reached out internationally to connect the developed capital markets in the world, and contributed to the improvement of the local capital and financial markets. A typical example is the issuance of USD 240 million worth of convertible bonds in 2018 and the listing on Singapore Stock Exchange.

Throughout the 2014-2018 period, Novaland recorded stable business performance with a net revenue rising from VND 2,802 billion to VND 15,290 billion, resulting in an average CAGR of 53%. Profits after taxes increased from VND 96 billion to VND 3,267 billion, resulting in an average CAGR of 142%.

The total amount of assets at the end of 2018 reached VND 69,912 billion, presenting a year-on-year increase of 41%; while owner's equity reached VND 20,460 billion, presenting an increase of 54% compared to the same period of 2017.

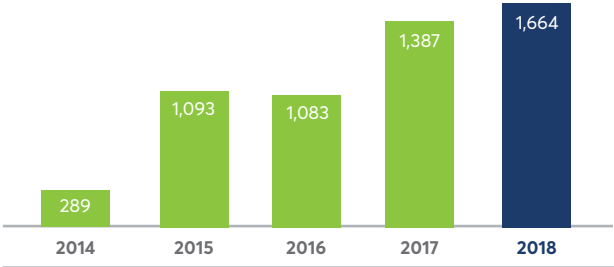
— Gross profit ratio
— Net profit ratio
— Gross margin
— ROE
— ROA

Net revenue and operating expenses (VND billion)



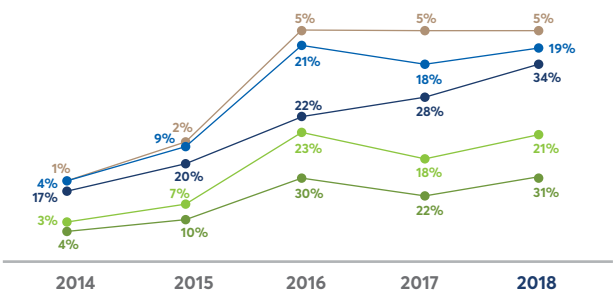
Source: Novaland Group

Total tax paid (VND billion)



Source: Novaland Group

Key financial indicators



Source: Novaland Group

Indicator/Year	Unit	2014	2015	2016	2017	2018
Loan interest paid	VND billion	509.0	519.8	849.0	1,104.3	1,793.3
Dividend paid in cash	VND billion	-	-	53.5	24.8	20.5
Issuance of bonus shares (conversion based on par value)	VND billion	-	230.0	520.0	-	2,023.2

Source: Novaland Group

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



Lakeview City Urban area, District 2, HCMC

INDIRECT ECONOMIC IMPACTS

Specifically in the property industry, the residential surrounding environment is a critical factor reflecting the quality of products and services.

In 2018, Novaland intensified investment in building green spaces and technical infrastructure, thereby bringing sustainable value to the community and contributing to the creation of benefits from modern infrastructure in project areas.

In parallel with the development of facilities, the Group focused on the development of traffic infrastructure in its project areas to assist in the mitigation of traffic congestion.

Novaland Group is actively preparing for large-scale hospitality projects in provinces that hold high potential for tourism, and possess favorable transportation conditions such as Ba Ria - Vung

Indicator(s):

GRI 203-1
Infrastructure investments and services supported

GRI 203-2
Significant indirect economic impacts

Tau, Phan Thiet, Cam Ranh, etc. This is expected to create significant changes in the local landscapes with regards to several aspects, including but not limited to technical infrastructure, residential environment, tourism environment, job opportunities, increasing sources of incomes, and contributions to the state budget. These projects are expected to create thousands of job opportunities, as well as to boost revenue generation for local partners including construction materials suppliers, service providers, passenger transportation agencies, restaurants and tourist guide service providers.

PROCUREMENT PRACTICES AND SUPPLIER ASSESSMENT

Indicator(s):

GRI 308-1
New suppliers that have been screened against environmental criteria

GRI 414-1
New suppliers that have been screened against using social criteria

Novaland is continuously developing a sustainable supply chain, in which procurement policies are formed based on "strategic partnerships" with suppliers to guarantee purchases can be made at stable prices, and to ensure the continuity of and sustainability of supplying sources.

In 2018, Novaland implemented a series of initiatives to promote sustainable procurement practices, such as the selection of green, environmental-friendly materials (namely high quality porcelain tiles in replacement of natural marbles and industrial

flooring as substitutes for natural wood flooring); or the application of electric Buggy vehicles powered by solar energy at Azerai Can Tho Resort to save energy and contribute to environmental protection.

For procurements of goods or services for projects, Novaland selects suppliers that comply with applicable legal regulations and meet required environmental standards. Some suppliers have to undergo field assessment. Novaland always maintains the shortlisting and assessment of contractors and contractor quality. We maintain the review and screening of suppliers and blacklist those who do not qualify for our standards.

In 2019, in order to stabilize prices and ensure the continuity of supply, Novaland would compile a list of strategic suppliers according to the Group's Standard Framework of evaluation criteria. The framework, which is based on consultative surveys and suggestions from suppliers as well as integrate compliance requirements on environmental impacts, seeks to develop additional green and sustainable materials in addition to criteria on social aspects, compliance with applicable labor legislation, and suppliers' policies toward employees.

LEGISLATIVE COMPLIANCE

"Utmost respect for the law" is the sense instilled into each of our employees, thus contributing to the fulfillment of sustainable development goals.

Against this background, the Corporate Charter, the Code of Conduct, and the Corporate governance by-laws have been developed to ensure the implementation of the Group's business and operational activities continuously achieve the highest efficiency, fully comply with applicable legislation and adhere to our core values of Efficiency, Integrity and Professionalism that the Company is pursuing. The Group has simultaneously applied two management tools including a system of regulations and processes

developed with current legal basis in order to implement management, investment and business goals within the company, and an internal supervision to control risks and monitor the compliance with the process system.

Novaland's compliance with the law is also demonstrated by our proactiveness in addressing enquiries about legal issues related to ongoing projects by business partners, investors, customers, and the public. This demonstrates the transparency of information and accountability that Novaland provides to relevant authorities, partners, customers and investors about the Group's investment process. At the same time, as a public company, Novaland has fully implemented information disclosure procedures in a public and transparent manner as required by law.

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



2.
HUMAN RESOURCES FOR SUSTAINABLE DEVELOPMENT

HUMAN RESOURCES MANAGEMENT
EMPLOYMENT, LABOR RELATIONS, DIVERSITY AND EQUAL OPPORTUNITY

Indicator(s):

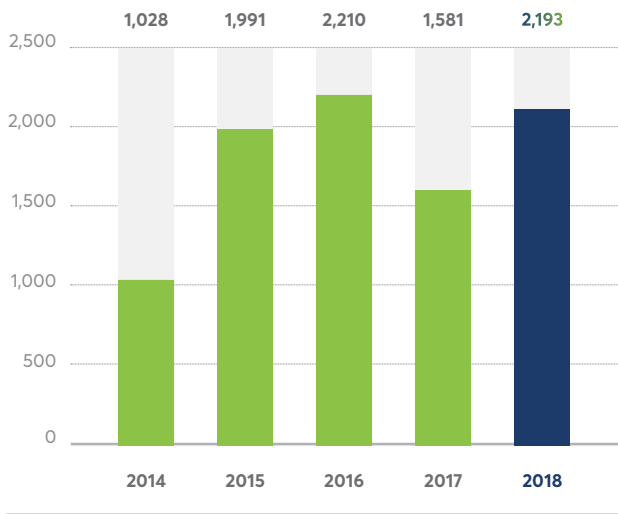
GRI 102-8 Information on employees and other workers	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 401-1 Number of new hires and turnover rate	GRI 401-3 Parental leave



HUMAN RESOURCES FOR NOVALAND,
IS THE MOST VALUABLE ASSET
AND THE DETERMINANT OF SUCCESS
IN BOTH BUSINESS AND SUSTAINABLE
DEVELOPMENT STRATEGY.

Therefore, the Group has developed a human resources investment and development strategy to meet the requirements of the new development period. The Group focuses resources towards creating the best conditions in our working environment, ensuring opportunities of development, promotion and equal treatment for each employee, and offering the best compensation based on individual performance and contribution.

Novaland's workforce over the years
(Employees)



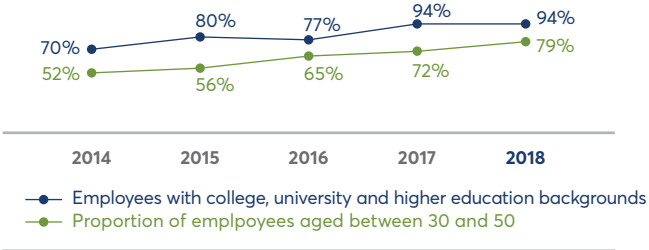
Source: Novaland Group

In the employee structure of the Group, the number of people aged between 30 and 50 increased to 79% (compared with 72% in 2017). Since Novaland's goal is to focus on restructuring the organization to meet the needs of business development on the path ahead, the Group's voluntary turnover rate in 2018 increased to 13.5% compared to 12.8% in 2017. In benchmarking with the market, which was on average 15.6% in 2018 (according to Talentnet's report), Novaland's turnover rate was relatively low. The transfer rate of 8% demonstrates a positive side of restructuring when a significant number of employees are granted new opportunities within their own organization.

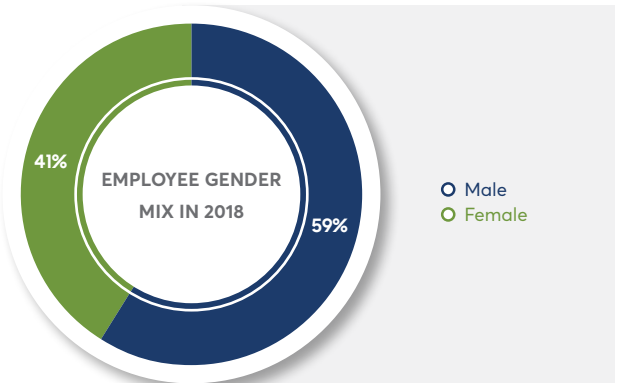
Novaland has maintained gender equality in its personnel structure over the years. The current female to male ratio at the Group is 41% to 59%. Among the management team from middle level, women account for 28%; while among the executive and director positions, women account for 50%.



Chart of employee education and age group



Source: Novaland Group



Female employees are guaranteed maternity leave in the right provisions of law. During maternity leave, employees still fully have the personnel policies of the Company. Rate of female employees returning to work after maternity leave is 90%.

The minimum salary, applicable from 2016, is VND 5,000,000 per month, always higher than the regulatory level.

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



EDUCATION AND TRAINING

Indicator(s):

GRI 404-1
Average hours of training per year per employee

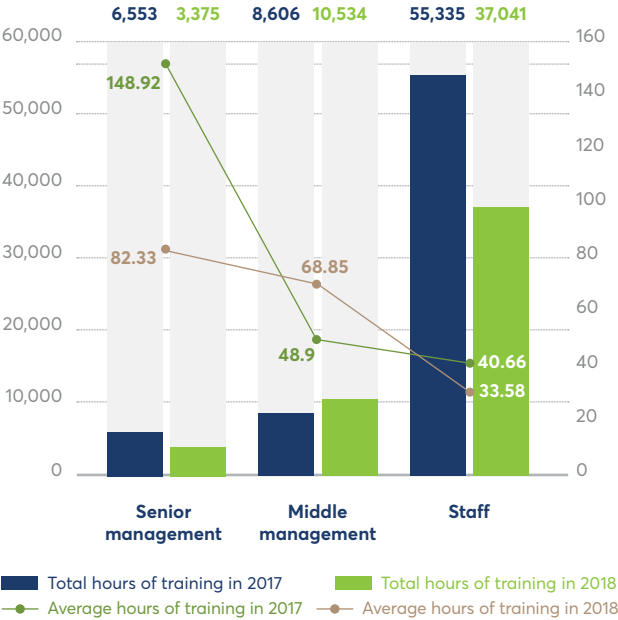
GRI 404-2
Programs for upgrading employee skills and transition assistance programs

Novaland attaches the development of the Group with the development of career for each employee. We constantly strive to provide employees with development opportunities in commensuration with their potential. As part of such efforts, training plays an important role to meet the requirements of the new period. Training programs are, therefore, tailored to practical requirements for all employee levels. They transfer new knowledge together with leadership and management experience to enable trainees to be well prepared for the Group's strong growth.

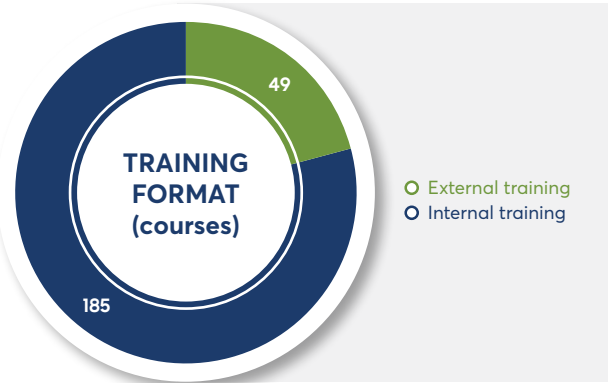
Total training hours in 2018 is 50,950 hours, of which Senior Management level is 3,375 hours, Middle Management level is 10,534 hours and Staff is 37,041 hours. Accordingly, the target group is the senior management level with 82.33 hours for each person. 234 courses were held in 2018, these courses are prioritized from internal resources (accounting for 79% of the total number of organized courses), including the Leadership Training Center and from internal departments.

2019 is another year of implementing Phase 2 of the Development Strategy with the focus being placed on hospitality property projects. The training target in 2019 focuses on developing the leadership and management teams and building a corporate culture. Novaland will deliver successor training programs and prepare resources for key positions. The Group will also cooperate with training institutions in provinces and cities where Novaland has been investing in hospitality properties.

Hours of training by level (Hours)



Source: Novaland Group



OCCUPATIONAL HEALTH AND SAFETY

Indicator(s):

GRI 403-1
Workers' representation in formal joint management-worker health and safety committees

GRI 403-2
Type of injury and rates of injury, occupational diseases, lost days, absenteeism, work-related fatalities

25,913,451
TOTAL NUMBER OF SAFE WORKING HOURS
OF NOVALAND EMPLOYEES AND CONTRACTORS

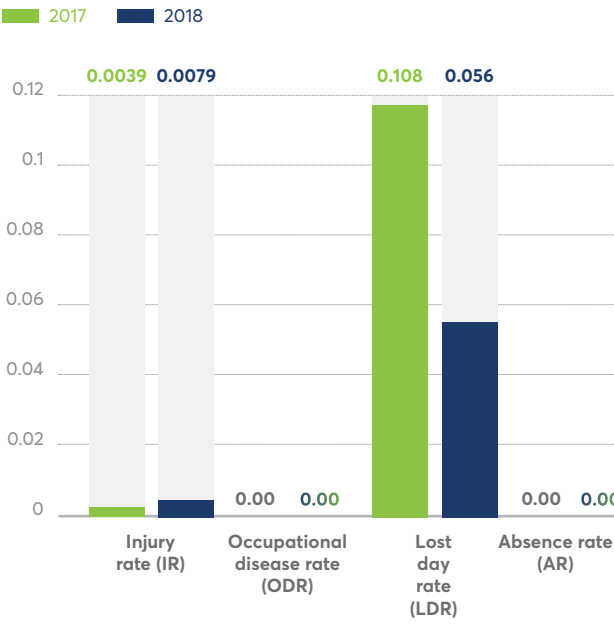
As an industry-specific practice, Novaland constantly considers health and safety its top priorities. Upholding the motto "Safety is the top priority", the Group focuses on building a safety culture and communicating it to each and every employee of its contractors and other stakeholders. The Group is developing an Occupational Health and Safety Management System (OH&S) in accordance with the ISO 45001:2018 Standard, thereby trying to execute appropriate controls over safety risks across different activities.

Novaland's system of management processes and labor safety standards provide control requirements as well as procedures to monitor tasks and manage construction equipment, supplies, people and operations. A specialized safety team at each project ensures the regular and continuous implementation of inspection and supervision following strict labor safety procedures and standards. Safety management is periodically reviewed with contractors and the project management team to guarantee continuous improvement. Novaland has pro-actively applied technology in remote management through the installation of camera systems that support site surveillance activities for the purpose of timely responses.

Safety report checking ensures all incidents and risks of incidents are reported and effective preventive measures are in place. Safety performance results in 2018 are reflected in safety statistics, according to which there were no accidents that caused lost days and the total number of safe working hours of both Novaland and contractors' employees reached 25,913,452. Safety culture has been gradually established across all operations of the Group.



Performance of safety activities at Novaland (%)



Source: Novaland Group

In order to achieve its goals, Novaland focuses on further promoting safety management including the communication of health, safety and labor information to all of its employees, as well as all of its relevant stakeholders.

During the construction supervision process, Novaland constantly ensures close coordination with contractors to detect potential high risks and take actions to mitigate such risks. In addition, the Group maintains periodical experience-sharing discussions on safety issues for project management units to discuss on the implementation of preventive measures.

With regards to health care policies for workers, Novaland consistently strives to ensure that health issues are regularly monitored to mitigate the risks associated with specific building activities. In addition to regulatory health insurance, Novaland offers a scheme of 24/24 health and accident insurance to all of its employees starting from the first day of employment.

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



3.
ENVIRONMENTAL
IMPACT MANAGEMENT



Lakeview City Urban area, District 2, HCMC

EFFECTIVE USE OF ENERGY, MATERIALS AND RESOURCES

Indicator(s):

GRI 301-1
Materials used by weight or volume

GRI 301-2
Recycled input materials used

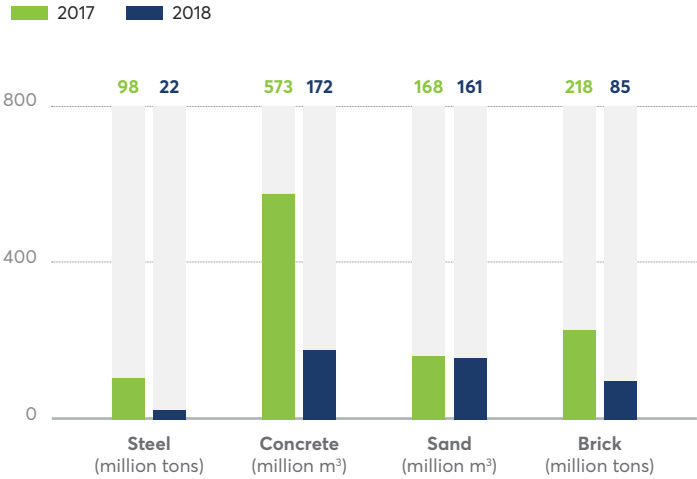
Throughout the bidding and procurement processes, Novaland incorporates corporate social responsibility and applies assessment criteria on its contractors, in order to improve the life quality of its customers in particular and the communities in general.

Novaland prioritizes the use of environmental-friendly materials and those locally available (marbles, technological equipment, technological piping, etc.) in replacement of imported products. Besides, the Group uses, among other things, lightweight materials, unburnt bricks, and lightweight walls as substitutes for traditional burnt bricks, thereby reducing the intensity of energy usage. Additionally, artificial wood made from sawdust, rice husk and recycled wood is preferred to natural types of wood. Lastly, a number of waste types are considered to be

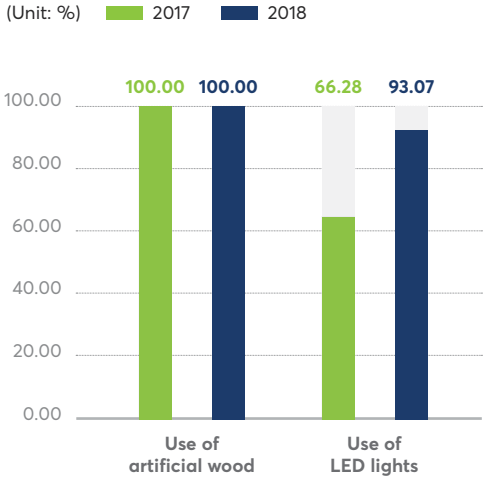
reused as input materials to save resources and minimize environmental impacts.

The Research and Development team of the Group is charged with assessing the feasibility of applying initiatives to use new materials that are environmental-friendly and human-friendly to bring sustainable values to the society.

Used materials



Proportion of alternative materials used



Source: Novaland Group

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA

ENERGY

Indicator(s):

- GRI 302-1**
Energy consumption within the organization
- GRI 302-3**
Energy intensity

The construction industry uses energy mostly for operation of equipment, logistics and the system itself.

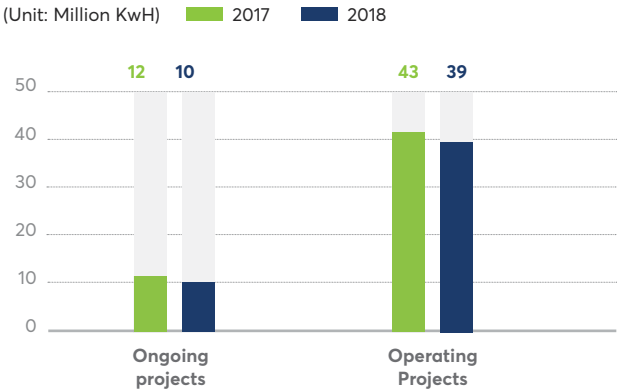
As a specific feature of the construction industry, the use of energy mainly arises from the operation of construction equipment, transportation and system operation. The use of energy is controlled through operating time, material movement distance, and the use of new high-performance and energy-saving equipment. Furthermore, Novaland applies technology in constructing and operating of project systems as well as the monitoring and controlling of electrical equipment operating during system's operation to reduce power consumption. LED lights are widely used as substitutes for fluorescent and compact lamps. In saving electricity for ventilation and water supply, the Company uses high-performance water pumps and fans for most projects in the construction process.



Image of a 500-KWP-capacity solar battery station in Con Au, Can Tho City

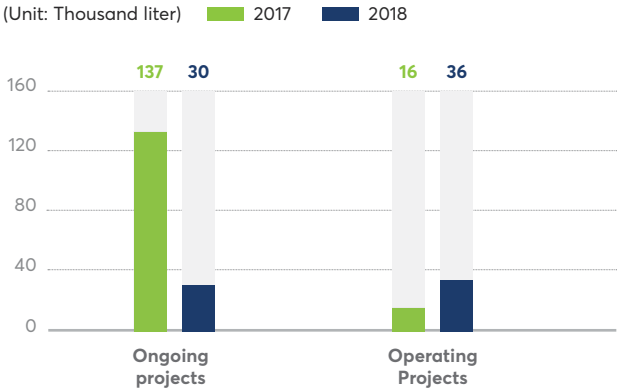
The application of solar batteries is also in progress, notably 500KWp solar battery station at Azerai Can Tho project is under development to later integrate into the national power grid and a garden lighting system that includes a battery charging post at Lakeview City project in Dist. 2. In our plan of implementing next projects, the Group would continue to invest in solar lighting solutions in resorts' gardens.

Electricity consumption



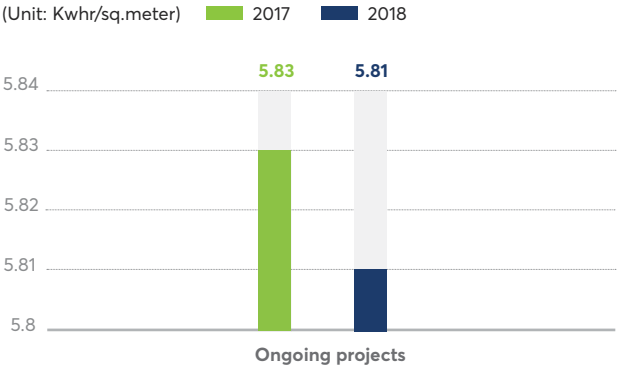
Source: Novaland Group

DO oil



Source: Novaland Group

Energy intensity



Source: Novaland Group



WATER, EFFLUENTS AND WASTE

Indicator(s):

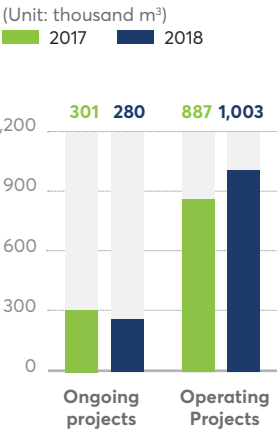
- GRI 303-1**
Water withdrawal by source
- GRI 306-1**
Water discharge by quality and destination
- GRI 306-2**
Waste by type and disposal method

Lakeview City (Dist. 2) is one of the first projects to be designed and constructed according to the green urban areas criteria with its wastewater recycling system employed for watering landscape trees. This practice would soon be adopted by many subsequent projects.

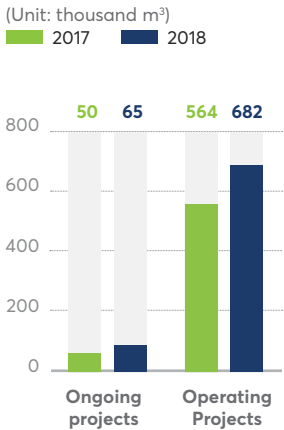
Water resources used in Novaland's projects are closely monitored and controlled to ensure effective use and adherence to environmental standards.

In 2018, Novaland's total water consumption for construction was 280,251 m³, indicating a decrease of 6.96% compared to 2017 (301,223 m³), with the water intensity for ongoing projects being 0.17 m³/m². We continue to closely monitor the treatment of domestic wastewater and collection of waste from construction activities continues conducted by competent entities that meet environmental standards and minimize environmental impact.

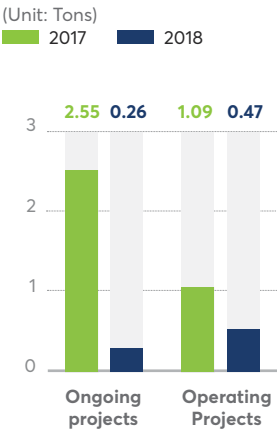
Total water consumption



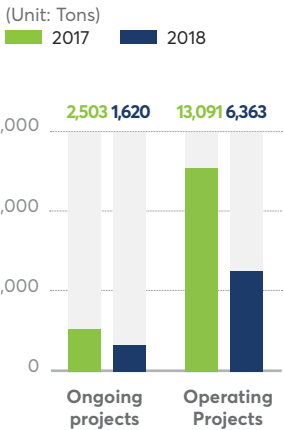
Total wastewater volume



Hazardous waste volume



Household waste volume



Source: Novaland Group

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA

ENVIRONMENTAL COMPLIANCE

Indicator(s):

GRI 307-1
*Non-compliance with environmental laws
and regulations*

Project management units and building contractors are thoroughly briefed on the necessity of ensuring compliance with regulations on environmental safety according to the law as well as requirements of the regulators.

RESEARCH AND IMPLEMENTATION
OF TECHNOLOGICAL INNOVATION



Since 2016, the Group has aimed to upgrade technology, particularly digital technology. The application of advanced technologies helps to ensure efficient operation as well as improve customer service quality. In 2018, Novaland continued to affirm this commitment by completing deployment and application of a core system to operate business processes, a project operation management system and a communication and collaboration system for

During each phase of project implementation, the Group applies a variety of natural resources use and environmental protection indicators according to the Environmental Impact Assessment (EIA) report and Environmental Management Plans approved for each project. Novaland clearly defines the roles and responsibilities of the environmental management function in each project and inspect the implementation of environmental and social protection solutions during the construction process. In addition, the Group monitors related partners and contractors' practice in meeting environmental standards and overseeing the preparation of periodical environmental quality monitoring report.

all employees of the Group. Solutions for business management applications are closely monitored to ensure stable operation and readiness for possible incidents. In addition, risk management solutions are also applied to control system quality.

Information security control together with IT activities and processes are reviewed in detail to correct shortcomings and take measures, including automated tools, to prevent and minimize human errors. User security is enhanced through the application of two-factor authentication control in accessing critical systems.

In the 2nd quarter of 2018, the Group's subsidiaries started using the SAP resource planning system. All important data from project structure, procurement plan, sales program, to accounting documents and so on is processed directly on the SAP system. Reports have also been developed to support all teams in their daily operations. The internal operations support team is also capable of resolving most incidents and requests across the company.



GREEN BUILDING

WITH THE GOAL OF EFFICIENTLY USING RESOURCES AND ENSURING ENVIRONMENTAL PROTECTION, NOVALAND APPLIES GREEN AND SUSTAINABLE STANDARDS AS WELL AS OTHER CRITERIA TO ALL PROJECT DEVELOPMENT STAGES, STARTING FROM PROJECT SEARCHING, SELECTION AND DESIGN TO CONSTRUCTION AND OPERATION.

The Group prioritizes solutions that create natural ventilation space, using traditional local solutions such as porches and tiled roof. We use natural materials available in project areas to reduce radiation and energy consumption in air conditioners and transportation of materials.

In the design phase, particular attention is paid to green and sustainability criteria. This is also part of requirements for consultants. When it comes to design and landscaping, reputable and large consultants, both local and foreign, are involved. In order to reduce

greenhouse gas emissions, multiple initiatives have been adopted in the use and treatment of materials, water, energy, and waste. For example, Novaland uses alternative and recycled materials, applies power-saving technologies, smart energy management systems, and deploys advanced water and waste management systems. In fact, Novaland is one of the few property developers leading the application of the IFC's Green-Building Certification System (EDGE) belonging to World Bank (WB) in project design and construction with the goal of reducing materials, energy and water consumption by at least 20%.

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



4.
CREATE AND SHARE VALUES



ASSURANCE OF PRODUCT AND SERVICE QUALITY

Novaland prides itself on product quality delivered to its customers, and on playing a role in contributing to the changes in the urban landscapes.

The commitment to delivering projects against quality serves as a guideline for developing good products and maintaining customers' trust, and is a prerequisite goal of Novaland. The QA Department is organized to comprehensively evaluate the quality of projects including different aspects such as design, quality assurance and control, occupational safety and environmental protection, guidance

and control of quality management documentation, development and updating of design, construction as well as acceptance standards and manuals following the Group's practices. For each activity, the QA Department organizes the management, supervision, guidance and allocation of inspection resources in order to optimize quality control, guarantee a timely product handover progress, and promote Novaland's brand reputation.

QA activities are constantly updated and improved for the sake of better product quality control. The capacity of QA staff ensures continuous quality improvement through lessons learned and knowledge shared.

CUSTOMER SAFETY AND HEALTH

Customer safety and health is the critical top priority for Novaland. The Group constantly strives to improve product and service quality, as well as ensure good living conditions for its customers.

Products developed by Novaland guarantees compliance with community safety and health requirements. Specifically, Novaland's projects fully meet fire protection and disability access requirements while taking into account users' health-related regulations. At Novaland's resorts and hotel buildings, safety instructions and warnings are designed in accordance with applicable standards.



CUSTOMER SATISFACTION

Customer trust is a strong motivation for Novaland to continuously grow and meet increasingly high expectations.

Following the motto "Customers First", in 2018, the Group conducted several surveys to measure customer satisfaction with the purpose of improving service quality to become more and more professional.

The "Survey of Customer Satisfaction upon product delivery" program was carried out by a Customer Service team to identify points of satisfaction to keep building up on, as well as areas that need improvement to develop appropriate action plans.

Novaland developed a formal process of receiving and responding to customer feedbacks, in which all customer feedbacks are sent to the Customer Service team via a variety of channels including hotlines, the corporate website, emails, etc. Feedbacks are then transferred to relevant departments where they are processed for responses before the responses are delivered to customers and the results are updated on the CRM system.



PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA

INVESTMENT IN COMMUNITY DEVELOPMENT

Indicator(s):

GRI 413-1
Operations with local community engagement,
impact assessments, and development programs

Throughout our journey of development and consistency with the strategic orientation of sharing values with stakeholders, Novaland has been implementing a broad range of CSR activities and is gradually assessing impacts created.

The Group's CSR agenda focuses on 4 key pillars: community development, education, health care and philanthropy. Novaland, at the same time, encourages all employees to actively participate in charity activities and helping disadvantaged people across the country.

In 2018, Novaland spent nearly VND 76 billion on activities for supporting community with millions of beneficiaries. These activities covered,

among other things, social welfare, health care for students and teachers, support for needy people, mitigation of natural disaster impacts, cultural and artistic performance to preserve the national identity of Vietnam, construction of infrastructure such as bridges and schools, charity houses, granting scholarships and donations to poor patients.

Apart from activities performed in coordination with reliable institutions and associations, Novaland also got contribution from our employees and customers in CSR efforts.

Education support
VND 5.6 BILLION

Health care
VND 9.5 BILLION

Philanthropy
VND 9.6 BILLION

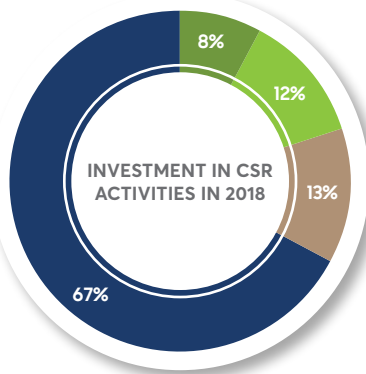
Community development
VND 51 BILLION

With a vision "Novaland is a leading economic group in Real Estate - Finance - Tourism - Infrastructure Development", Novaland commits to do business responsibly and to implement the sustainable development strategy in conformity with the Government's orientation of green growth.

Among infrastructure development programs, we funded the building of schools and roads in some districts in HCMC, thereby providing a green and clean living environment to the community.

Total of
funding
amount VND 75.7
BILLION

Education
Health care
Philanthropy
Community development



COMMUNITY DEVELOPMENT



HEALTH CARE



PHILANTHROPY



EDUCATION



PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA



"Drinkable Water for School" program brings protection for health to children in Tan Tru district, Long An province

PERFORMANCE OF
SUSTAINABILITY ACTIVITIES BY AREA

EDUCATION SUPPORT

Education support is a priority pillar to which Novaland has always attached importance in the past several years with the desire to encourage future generations to overcome difficulties and make efforts to nurture dreams and conquer good aspirations. We enable postgraduated students to carry out research and implement scientific projects in service of the country. At the same time, we fund for building schools to improve teaching and studying facilities.

Novaland sponsored the Program "Vietnam Youth - Peace Story" - a quality music program to spread the spirit of peace among local and international community.



Teacher Nhe Scholarship Program has been implemented for 14 years in Dong Thap province

HEALTH CARE

Caring for community health, especially for children, is one of the four pillars on which Novaland focuses. Notably, in 2018, Novaland took part in the implementation of the program "Drinkable water for school" in Long An and Ben Tre provinces. The program offered 693 water purifiers and 334 rainwater tanks to 79 schools with a budget of over VND 6.1 billion. This is a practical contribution to provide health care to over 32,000 teachers and students in remote disadvantaged areas. In 2019, Novaland will continue to implement this program in the Mekong Delta.

Funding amount
VND **6.1** BILLION
79 SCHOOLS
To serve
32,000
TEACHERS AND PUPILS



The "Drinkable water for school" program provides comfort and happiness to students in Thanh Phu district, Ben Tre province

PHILANTHROPY

ACTIVE IN PARTICIPATION IN SOCIAL RESPONSIBILITY ACTIVITIES IS
A BEAUTIFUL CULTURE OF NOVALAND'S WORKFORCE FROM OUR
FIRST DAYS OF ESTABLISHMENT.

Novaland pays considerable attention to social welfare by collaborating with local authorities and various prestigious social institutions in caring for the lives of needy people during Tet (Lunar New Year) holidays. We hope to enable the poor to be lifted from poverty and build a better life through our CSR activities such as donations to building charity houses, gifts to needy people and caring for disadvantaged children. Novaland's voluntary activities have consistently received positive responses from employees who are willing to join the Group in contributing to the country's sustainable development.

In 2019, Novaland Group will continue to uphold our strong commitment to contributing towards pro-poor activities with focus on the key programs including: caring for school health, investment in education, building of infrastructure, and donations to the poor. In addition to social welfare programs, Novaland invests in sustainable activities that would generate long-term impacts for local development

such as: human resources training programs, coastal environment protection, local investment and tourism promotion activities, and so on. These activities will be implemented through cooperation with partners and stakeholders to spread of the sense of social responsibility to the community for a better Vietnam.



Novaland has committed funds to implementing CSR in Ba Ria - Vung Tau province

FEEDBACK FROM ENGAGED STAKEHOLDERS



The cooperation between Novaland and BCG will bring benefits to Mekong Delta tourism

IF YOU WANT TO GO FAR, GO TOGETHER

In 2018, upon implementing its Phase 2 development strategy, Novaland Group aimed to coordinate with consultants, professional operating units and partners in tourism to create "Destinations of Excellence" in potential tourism markets. Holding the common view of the bright future of Vietnam tourism, and trusting the prestige and enthusiasm of Novaland Real Estate Developer, international partners have made very positive assessments.

Novaland Group and BCG signed "Development of Mekong Delta Tourism Sector for Climate Change Adaptation" partnership, aimed at strategic planning, connecting and developing a master tourism plan for Mekong Delta provinces. At the signing ceremony, Mr. Christopher Lewis Malone - Global Head of Economic Development for BCG - said, "At its best, the Mekong can be a tourism gem for Vietnam, measured alongside some of the world's great river-based tourism destinations such as the Nile Delta in Egypt, which creates millions of jobs for the economy and provides funding to preserve natural and cultural heritages".

Azerai Can Tho Resort project is the combination of the passion of the leading real estate developer in Vietnam - Novaland Group and the Azerai Hotel brand of legendary hotelier Adrian Zecha. Mr. Adrian Zecha - former president of the super resort chain Aman and now Chairman of Azerai brand - shared the reasons for entering into cooperation with Novaland in this project: Vietnam is a fascinating and promising travel destination, and the Mekong Delta region with the Mekong River is considered one of the most beautiful landscapes in Asia. "With deep local understanding, Novaland Group shares Azerai's orientation and business vision— to develop Azerai in line with sustainable tourism development in Can Tho. After three years of construction and lots of efforts by many people, the resort has exceeded my expectations".

At the "Viet Nam Travel and Tourism Summit" with the attendance of representatives from the Government and Ministries and central agencies, Novaland Corporation signed a strategic co-operation agreement with global hotel management company Minor Hotels to manage and operate seven hotels and resorts with a total of more than 3,500 keys. Mr. Dillip Rajakarier - CEO of Minor Hotels



Group said: "Avani and Anantara are our two prominent brands in the Vietnamese market, and we are honored to work with Novaland to develop the Group's resort properties. This is part of the expansion strategy of Minor Hotel in Southeast Asia. Vietnam is one of the region's most dynamic economies with a tremendous potential for growth in both domestic and international tourism, thanks to a winning combination of cultural attractions and natural beauty. We look forward to expanding our footprint in Vietnam with Novaland Group and to creating an exceptional product for our guests".



With this strategic cooperation, Novaland's hospitality real estate projects are highly appreciated by investors for their sustainable profitability when officially operational

At the same time, as part of the business strategy, Novaland signed an MOU to cooperate with Greg Norman Golf Course Design Company to jointly develop 04 world-class golf courses, located in the integrated resort real estate developed by the Corporation. Mr. Daniel Grassi - Representative of Greg Norman Group said, "Greg Norman chose to cooperate with Novaland Group because it is one of the

largest real estate corporations in the country. Not only that, Novaland also demonstrated the motivation and passion for developing national and regional tourism". He also appreciates the potential of golf tourism in Vietnam. Currently the golf tourism market currently accounts for only 0.5% of the total number of international tourists. The two sides set a target of at least 200% growth in the coming year.

FEEDBACK FROM ENGAGED STAKEHOLDERS

Expressing his gratitude to Novaland's strategic partners, Mr. Bui Xuan Huy - CEO, said:

“ IF YOU WANT TO GO FAR, GO TOGETHER
- WE BELIEVE THAT THE PARTNERSHIP
BETWEEN NOVALAND AND OUR
PARTNERS WILL ALWAYS BE STRONG,
AND FURTHER DEVELOP IN THE FUTURE,
SO THAT WE WILL NOT ONLY
ACCOMPLISH THE GOALS SET BY EACH
SIDE, BUT ALSO ACHIEVE SUCCESS AND
CONTRIBUTE TO SOCIETY. ”



In 2018, Novaland's issuance of USD 160 million worth of convertible bonds on the SGX and USD 150 million worth of top-up shares, totaling up to USD 310 million, were remarkable in the regional context.

According to Global Capital website, the transactions that Novaland Corporation were spectacular. It was the first convertible bond transaction on an international trading floor by a Vietnamese enterprise in 6 years, breaking the long-lasting depression since the previous similar transaction in 2012. Novaland's bold participation in capital mobilization through the issuance of shares and convertible bonds demonstrated remarkable effort by a Vietnamese business in the regional capital market. The mobilization of this dual structure has attracted the attention of businesses in the research area. The Asset magazine (Hong Kong) voted this "Best Equity-linked Deal" within the framework of the "The Asset Triple A Country Awards 2018".

Credit Suisse (Singapore) plays the role as the main advisor and underwriter for this transaction, said, "As a leading real estate developer in the fastest-growing HCMC market, Novaland is recognized by foreign investors as a great influencer on the purchasing decision by middle-class customers. With this historic capital mobilization and land bank located in prime locations, Novaland is ready for future growth in one of the most dynamic economies in the world. This is a testament to the story of the company's strong capital and future development of Vietnam's capital market."



1. The signing ceremony of strategic partnership between Greg Norman Golf Course Design and Novaland
2. The signing ceremony for the implementation of "Drinkable water for school" project in Thanh Phu District, Ben Tre Province
3. The signing ceremony for the implementation of "Drinkable water for school" project in Tan Tru District, Long An Province

FEEDBACK FROM
ENGAGED STAKEHOLDERS

PRESERVE BELIEF FOR CUSTOMERS

Novaland, with its position as a developer, profit opportunities and reputation, possess what it takes to convince customers in investing.

In 2018, despite only a small number of new projects, such as The Grand Manhattan luxury apartments (Dist. 1, HCMC), and the first hospitality real estate project in Phan Thiet - NovaHills Mui Ne, Novaland products still remained lucrative to experienced investors.

1. **CHI BAO**
Actor - Businessman

Living in center of Dist. 1, HCMC for more than 10 years, I understand the sustainable value of real estate in this area. It is obvious that expats and businessmen concentrate in District 1. Apartments for CEOs range from 2,500 - 2,700 USD/unit and are always in scarcity. Besides, The Grand Manhattan Project offers a guaranteed parking space right in the center of Dist. 1, which is a one-of-a-kind priority.

2. **TRUONG NGOC ANH**
Actress

I have invested in a lot of real estate in Dist. 1 and Dist. 3. But The Grand Manhattan is the project that excites me the most. The project owns one of the last locations of its kind in Dist. 1, converging world's famous brands in the 5-star "resort". What is more, there are VIP preferential parking spaces. This is great because apartments are often very limited in parking area, which has become increasingly scarce. With all the above factors, I believe that the price of the apartments at launch will continue to increase highly.

3. **BANG KIEU**
Singer

I am a customer who has invested in numerous Novaland products. I just had a field trip to NovaHills Mui Ne project in Phan Thiet. This is a beautiful project resting on the mountain and looking to the sea, with fresh air. It is not too long a journey from HCMC. Therefore, I decided to continue investing in this project.



4. **LY QUOC HUNG - LY XUAN MAI**
Customers Overseas Vietnamese living in Dutch

I have invested a lot in Novaland and really like this brand. Novaland has top reputation in real estate, known for handing over the houses on schedule. The Grand Manhattan project offers convenient parking facilities. Hopefully, the project will be completed as committed and become our quality home in Vietnam.

5. **Ms. NGOC ANH**
Dist. 2

We often refer to Mui Ne NovaHills as a masterpiece. As this is a classy project in the heart of Mui Ne, Phan Thiet with extremely impressive design. In particular, with the infrastructure being invested heavily as expressways or airports, your investment will certainly yield benefit just as previous Novaland projects did, which I myself witnessed.

6. **Ms. NGUYEN THI HAI**
Resident of The Sun Avenue (District 2)

The Sun Avenue has a very good location, convenient transportation, fast-developed synchronous infrastructure. Living here, we take less time commuting or take our children to school, and go places. I am very happy with the new residence for us to settle.

7. **Mr. HOANG HAI**
Resident of The Sun Avenue (District 2)

Before deciding to buy a Novaland apartment, I learned about the Group's brand through my friends who have been living here for years. We all agree that Novaland products obtain good quality, good service and good location. I am particularly pleased with the way the consultant team supported me during the transaction when we were overseas back then, so that today we are here in a presentable residence.



Brighten
Future

5. AUDITED CONSOLIDATED
FINANCIAL STATEMENTS 2018 (VAS) _____
FOR THE YEAR ENDED 31 DECEMBER 2018

Business Registration Certificate	No. 054350 dated 18 September 1992 was initially issued by the Department of Planning and Investment of HCMC and the 47 th amended Business Registration Certificate No. 0301444753 dated 10 January 2019.	
Board of Directors	Mr. Bui Thanh Nhon	Chairman
	Mr. Bui Xuan Huy	Member
	Ms. Hoang Thu Chau	Member
	Ms. Nguyen Thanh Bich Thuy	Independent Member
	Mr. David Frederick Proctor	Independent Member (from 26 April 2018)
	Mr. Phan Thanh Huy	Member (to 30 January 2018)
Audit Committee	Ms. Nguyen Thanh Bich Thuy	Head of Audit Committee
	Ms. Nguyen Thi Minh Thanh	Member
	Ms. Vo Thi Thu Van	Member
	Mr. David Frederick Proctor	Member (to 6 March 2019)
Board of Management	Mr. Bui Xuan Huy	General Director
	Ms. Hoang Thu Chau	Deputy General Director
Legal representative	Mr. Bui Thanh Nhon	Chairman
	Mr. Bui Xuan Huy	General Director
	Ms. Luong Thi Thu Huong	Director
Registered office	313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3, HCMC, Vietnam	
Operation office	65 Nguyen Du Street, Ben Nghe Ward, District 1, HCMC, Vietnam	
Auditor	PwC (Vietnam) Limited	

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing consolidated financial statements which give a true and fair view of the financial position of the Company and its subsidiaries (together, "the Group") as at 31 December 2018 and the results of its consolidated operations and consolidated cash flows for the year ended. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 202 to 266 which give a true and fair view of the financial position of the Group as at 31 December 2018 and of the results of its consolidated operations and consolidated cash flows for the year ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



[Signature]

BUI XUAN HUY
General Director

HCMC, SR Vietnam
25 March 2019

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NO VA LAND INVESTMENT GROUP CORPORATION

We have audited the accompanying consolidated financial statements of No Va Land Investment Group Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2018 and approved by the Board of Management on 25 March 2019. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2018, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 202 to 266.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Group as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matters

This report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



QUACH THANH CHAU
Audit Practising Licence No.
0875-2018-006-1
Authorised signatory

Report reference number: HCM7888
HCMC, 25 March 2019



TRAN VAN THANG
Audit Practising Licence No.
3586-2017-006-1

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

Code	ASSETS	Note	As at 31 December	
			2018 VND	2017 VND
100	CURRENT ASSETS		50,860,944,465,153	41,165,965,853,502
110	Cash and cash equivalents	4	12,326,942,295,680	6,650,160,994,741
111	Cash		7,595,717,278,814	1,198,110,884,846
112	Cash equivalents		4,731,225,016,866	5,452,050,109,895
120	Short-term investments		95,691,805,879	512,509,850,676
123	Investments held-to-maturity	5(a)	95,691,805,879	512,509,850,676
130	Short-term receivables		4,665,352,597,458	5,998,164,901,016
131	Short-term trade accounts receivable	6	759,035,366,510	390,715,866,371
132	Short-term prepayments to suppliers	7	1,501,273,791,900	1,771,344,474,280
135	Short-term lending	8(a)	430,653,870,350	625,605,206,171
136	Other short-term receivables	9(a)	1,984,653,214,476	3,210,499,354,194
137	Provision for doubtful debts - short term	10	(10,263,645,778)	-
140	Inventories	11(a)	32,826,041,845,846	27,128,796,867,411
141	Inventories		32,833,620,893,772	27,136,318,547,663
149	Provision for decline in value of inventories		(7,579,047,926)	(7,521,680,252)
150	Other current assets		946,915,920,290	876,333,239,658
151	Short-term prepaid expenses	12(a)	133,941,405,843	104,024,633,186
152	Value Added Tax to be reclaimed	20(a)	726,686,085,221	649,739,747,874
153	Other taxes receivable	20(a)	86,288,429,226	122,568,858,598

Code	ASSETS (continued)	Note	As at 31 December	
			2018 VND	2017 VND
200	LONG-TERM ASSETS		19,051,268,698,390	8,300,996,138,739
210	Long-term receivables		255,403,896,052	654,401,516,832
212	Long-term advances to suppliers		-	953,750,090
215	Long-term loan receivables	8(b)	-	449,644,400,000
216	Other long-term receivables	9(b)	255,403,896,052	203,803,366,742
220	Fixed assets		787,142,924,879	326,609,439,362
221	Tangible fixed assets	13	705,600,012,062	281,845,599,120
222	Historical cost		875,356,758,139	411,168,923,089
223	Accumulated depreciation		(169,756,746,077)	(129,323,323,969)
227	Intangible fixed assets	14	81,542,912,817	44,763,840,242
228	Historical cost		91,934,799,597	50,544,832,543
229	Accumulated amortisation		(10,391,886,780)	(5,780,992,301)
230	Investment properties	15	3,056,785,356,717	2,944,616,534,199
231	Historical cost		3,199,456,319,499	3,055,632,258,276
232	Accumulated depreciation		(142,670,962,782)	(111,015,724,077)
240	Long-term assets in progress		430,179,529,043	361,032,817,716
241	Long-term work in progress	11(b)	181,962,136,884	224,136,375,352
242	Construction in progress	16	248,217,392,159	136,896,442,364
250	Long-term investments	5(b)	7,556,238,420,121	1,042,972,935,246
252	Investments in associates, joint ventures		7,548,298,670,121	1,042,972,935,246
253	Investments in other entities		7,939,750,000	-
260	Other long-term assets		6,965,518,571,578	2,971,362,895,384
261	Long-term prepaid expenses	12(b)	414,115,027,558	449,352,171,677
262	Deferred income tax assets	38(a)	70,055,011,414	115,783,534,333
269	Goodwill	17	6,481,348,532,606	2,406,227,189,374
270	TOTAL ASSETS		69,912,213,163,543	49,466,961,992,241

Code	RESOURCES	Note	As at 31 December	
			2018 VND	2017 VND
300	LIABILITIES		49,452,086,677,765	36,210,571,488,821
310	Short-term liabilities		27,969,394,567,002	22,658,196,187,952
311	Short-term trade accounts payable	18	2,523,012,259,596	2,648,333,517,795
312	Short-term advances from customers	19	7,779,944,907,345	8,848,256,383,261
313	Tax and other payables to the State Budget	20(b)	558,242,968,117	588,662,021,432
314	Payable to employees	21	33,168,157,749	114,949,661,694
315	Short-term accrued expenses	22	2,711,170,532,425	1,382,586,375,115
318	Short-term unearned revenue		1,457,601,871	1,974,280,808
319	Other short-term payables	23(a)	2,711,456,498,429	1,318,999,855,808
320	Short-term borrowings and finance lease liabilities	24(a)	11,645,389,730,077	7,748,878,980,646
322	Bonus and welfare funds		5,551,911,393	5,555,111,393
330	Long-term liabilities		21,482,692,110,763	13,552,375,300,869
336	Long-term unearned revenue		27,058,815,648	27,481,411,249
337	Other long-term payables	23(b)	2,495,831,870,100	1,664,029,225,075
338	Long-term borrowings and finance lease liabilities	24(b)	16,262,686,196,964	10,200,873,745,673
341	Deferred income tax liabilities	38(a)	2,697,115,228,051	1,659,990,918,872
400	OWNERS' EQUITY		20,460,126,485,778	13,256,390,503,420
410	Capital and reserves		20,460,126,485,778	13,256,390,503,420
411	Owners' capital	25, 26	9,372,766,740,000	6,496,587,880,000
411a	- Ordinary shares with voting rights		9,304,466,740,000	6,428,287,880,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	26	3,996,839,781,026	3,206,830,905,400
421	Undistributed earnings	26	6,107,694,627,582	2,907,218,106,652
421a	- Undistributed post-tax profits of previous years		2,886,728,106,652	927,684,830,514
421b	- Post-tax profit of current year		3,220,966,520,930	1,979,533,276,138
429	Non-controlling interests	27	982,825,337,170	645,753,611,368
440	TOTAL RESOURCES		69,912,213,163,543	49,466,961,992,241


NGUYEN NGOC BANG
 Preparer

25 March 2019


TRAN THI THANH VAN
 Chief Accountant



BUI XUAN HUY
 General Director

Code	Note	Year ended 31 December	
		2018 VND	2017 VND
01	Revenue from sales of goods and rendering of services	15,635,421,288,785	11,759,393,956,148
02	Less deductions	(345,027,380,300)	(127,057,926,975)
10	Net revenue from sales of goods and rendering of services	15,290,393,908,485	11,632,336,029,173
11	Cost of goods sold and services rendered	(10,132,440,436,138)	(8,375,505,074,901)
20	Gross profit from sales of goods and rendering of services	5,157,953,472,347	3,256,830,954,272
21	Financial income	1,296,684,713,154	1,696,524,125,589
22	Financial expenses	(1,930,195,994,193)	(1,463,309,502,095)
23	- Including: Interest expense	(1,381,414,621,001)	(1,205,387,997,120)
24	Share of profit from associates	1,322,274,553,324	12,079,426,593
25	Selling expenses	(424,217,309,126)	(258,292,397,030)
26	General and administration expenses	(743,726,773,586)	(676,193,753,758)
30	Net operating profit	4,678,772,661,920	2,567,638,853,571
31	Other income	71,083,646,568	62,422,616,018
32	Other expenses	(74,481,539,950)	(41,562,445,470)
40	Net other (expenses)/income	(3,397,893,382)	20,860,170,548
50	Net accounting profit before tax	4,675,374,768,538	2,588,499,024,119
51	Business income tax - current	(986,171,527,219)	(810,647,531,519)
52	Business income tax - deferred	(422,133,052,602)	283,791,739,656
60	Net profit after tax	3,267,070,188,717	2,061,643,232,256
Attributable to:			
61	Owners of the parent company	3,227,004,714,155	2,033,481,810,322
62	Non-controlling interests	40,065,474,562	28,161,421,934
70	Basic earnings per share	3,533	2,469
71	Diluted earnings per share	3,389	2,469


NGUYEN NGOC BANG
 Preparer

25 March 2019


TRAN THI THANH VAN
 Chief Accountant



BUI XUAN HUY
 General Director

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Form B 03 - DN/HN

Code	Note	Year ended 31 December	
		2018 VND	2017 VND
	CASH FLOWS FROM OPERATING ACTIVITIES		
01	Net profit before tax	4,675,374,768,538	2,588,499,024,119
	Adjustments for:		
02	Depreciation, amortisation, goodwill allocation and goodwill decrease	517,049,317,948	484,833,728,737
03	Provisions/(reversal of provisions)	10,321,013,452	(5,689,095,922)
04	Unrealised foreign exchange losses/(gains)	137,534,095,002	(5,083,914,401)
05	Profits from investing activities	(2,468,804,185,787)	(1,464,413,967,698)
06	Interest expense and bond issuance costs	1,441,738,182,823	1,251,160,373,101
08	Operating profit before changes in working capital	4,313,213,191,976	2,849,306,147,936
09	Decrease in receivables	2,824,622,148,839	1,919,050,031,993
10	Decrease/(increase) in inventories	127,667,292,027	(1,963,235,562,101)
11	(Decrease)/increase in payables	(4,315,181,771,102)	619,226,427,403
12	Decrease/(increase) in prepaid expenses	65,320,845,837	(118,688,935,374)
14	Interest paid	(1,793,288,879,653)	(1,104,335,516,660)
15	Business income tax paid	(647,084,574,232)	(652,457,047,620)
20	Net cash inflows from operating activities	575,268,253,692	1,548,865,545,577
	CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchases of fixed assets and other long-term assets	(170,699,012,647)	(1,129,651,141,626)
22	Proceeds from disposals of long-term assets	44,855,532,242	8,353,511,141
23	Loans granted, purchases of debt instruments of other entities	(699,653,602,882)	(1,466,446,465,713)
24	Collection of loans, proceeds from sales of debt instruments of other entities	2,997,627,188,115	4,918,484,078,283
25	Investments in other entities	(9,232,241,493,214)	(6,367,994,960,329)
26	Proceeds from divestment in other entities	834,105,774,717	1,793,455,062,483
27	Dividends and Interest received	364,661,390,314	486,615,118,973
30	Net cash outflows from investing activities	(5,861,344,223,355)	(1,757,184,796,788)

Code	Note	Year ended 31 December		
		2018 VND	2017 VND	
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Proceeds from issue of shares and capital contribution	3,644,346,535,626	286,871,900,000	
32	Payments for share returns and repurchases	(50,046,482,000)	(405,000,000,000)	
33	Proceeds from borrowings	22,160,749,489,009	17,207,325,658,255	
34	Repayments of borrowings	(14,779,563,168,477)	(13,499,500,855,745)	
36	Dividends paid	(12,908,761,912)	(68,165,097,000)	
40	Net cash inflows from financing activities	10,962,577,612,246	3,521,531,605,510	
50	Net increase in cash and cash equivalents	5,676,501,642,583	3,313,212,354,299	
60	Cash and cash equivalents at beginning of year	4	6,650,160,994,741	3,336,969,432,791
61	Effect of foreign exchange differences		279,658,356	(20,792,349)
70	Cash and cash equivalents at end of year	4	12,326,942,295,680	6,650,160,994,741



NGUYEN NGOC BANG
Preparer

25 March 2019



TRAN THI THANH VAN
Chief Accountant



BUI XUAN HUY
General Director

1 GENERAL INFORMATION

No Va Land Investment Group Corporation ("the Company") is a joint stock company which was established in SR Vietnam pursuant to Business Registration Certificate No. 054350 which was initially issued by the Department of Planning and Investment of HCMC on 18 September 1992 and the 47th amended Business Registration Certificate No. 0301444753 dated 10 January 2019. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the above mentioned Business Registration Certificate.

The Company's shares were officially listed on HCMC Stock Exchange ("HSX") on 28 December 2016 under the code "NVL" pursuant to Decision No 500/QD-SGDHCM issued by the General Director of HSX on 19 December 2016.

The principal activities of the Company and its subsidiaries ("the Group") are residence project development; real estate trading; civil and industrial construction; providing design and management consultancy services; providing real estate brokerage services.

The normal business cycle of the Group's projects is within 36 months.

As at 31 December 2018, the Group had 1,077 employees (as at 31 December 2017: 1,581 employees).

As at 31 December 2018, the Group had 53 subsidiaries and 5 associates (as at 31 December 2017: 40 subsidiaries and 3 associates) as listed below:

No	Name	Place of incorporation and operation	Principal activity	31.12.2018		31.12.2017	
				(%) of ownership	(%) of voting rights	(%) of ownership	(%) of voting rights
I - Subsidiaries							
1	No Va Land Investment Joint Stock Company	HCMC	Real estate trading	91.76	91.76	91.76	91.76
2	No Va Thao Dien Company Limited	HCMC	Real estate trading	99.98	99.98	99.99	99.99
3	No Va Festival Corporation	HCMC	Real estate trading	94.02	94.02	94.02	94.02
4	No Va Land Company Limited	HCMC	Real estate trading	100.00	100.00	100.00	100.00
5	Nova Saigon Royal Investment Limited Company	HCMC	Real estate trading	99.99	99.99	99.99	99.99
6	Sai Gon Housing And Infrastructure Development Joint Stock Company	HCMC	Real estate trading	98.00	98.00	98.00	98.00
7	Nova Lucky Palace Company Limited	HCMC	Real estate trading	100.00	100.00	100.00	100.00
8	The Prince Residence Joint Stock Company	HCMC	Real estate trading	99.81	99.81	99.81	99.81
9	Thanh Nhon Investment Real Estate Joint Stock Company	HCMC	Real estate trading	99.72	99.72	99.11	99.12
10	Nova Sagel Company Limited	HCMC	Real estate trading	83.81	83.81	73.99	74.00
11	Novaland Agent Company Limited	HCMC	Real estate trading	100.00	100.00	100.00	100.00
12	Phuoc Long Investment and Development Company Limited	HCMC	Real estate trading	99.99	99.99	99.99	99.99
13	Vung Tau Youth Hotel and Travel Joint Stock Company	HCMC	Real estate trading	65.00	65.00	65.00	65.00
14	Nova Richstar Joint Stock Company	HCMC	Real estate trading, factory and warehouse lease	99.97	99.99	99.98	99.99
15	Nova Nippon Joint Stock Company	HCMC	Real estate trading	99.98	99.98	99.98	99.98
16	Khai Hung Real Estate Company Limited	HCMC	Real estate trading	100.00	100.00	99.99	99.99
17	Nova Nam A Company Limited	HCMC	Real estate trading	92.71	92.71	83.17	83.17
18	Nova Sasco Company Limited	HCMC	Real estate trading	99.99	99.99	99.99	99.99
19	No Va My Dinh Land Joint Stock Company	HCMC	Real estate trading	99.99	99.99	99.98	99.98
20	Thanh Nhon Investment Real Estate Company Limited	HCMC	Real estate trading	100.00	100.00	99.99	100.00
21	Nova An Phu Company Limited	HCMC	Real estate trading	100.00	100.00	100.00	100.00
22	Nova Phuc Nguyen Real Estate Company Limited	HCMC	Real estate trading	99.89	99.89	99.89	99.89
23	Tuong Minh Investment and Real Estate Company Limited	HCMC	Real estate trading	99.99	99.99	99.99	99.99
24	The 21st Century International Development Company Limited	HCMC	Real estate trading	98.96	98.97	98.96	98.97
25	Phuong Dong Building Joint Stock Company	HCMC	Real estate trading	99.88	99.89	99.89	99.90
26	Nova Rivergate Company Limited	HCMC	Real estate trading	99.77	99.77	99.77	99.77
27	Nova Princess Residence Joint Stock Company	HCMC	Real estate trading	99.90	99.90	99.90	99.90
28	Nha Rong Investment and Trade Joint Stock Company	HCMC	Real estate trading	99.96	99.97	99.96	99.97

1 GENERAL INFORMATION (continued)

No	Name	Place of incorporation and operation	Principal activity	31.12.2018		31.12.2017	
				(%) of ownership	(%) of voting rights	(%) of ownership	(%) of voting rights
I - Subsidiaries (continued)			Real estate trading				
29	Mega Housing Joint Stock Company	HCMC	Real estate trading	98.60	98.60	98.60	98.60
30	Mega Tie Company Limited	HCMC	Real estate trading	98.59	99.99	98.59	99.99
31	Bach Hop Real Estate Company Limited	HCMC	Real estate trading	100.00	100.00	99.99	99.99
32	Phu Dinh Port Joint Stock Company	HCMC	Support activities related to transportation, real estate trading	83.45	83.45	83.45	83.45
33	Gia Duc Real Estate Company Limited	HCMC	Real estate trading	99.99	99.99	99.99	99.99
34	Sai Gon Golf Company Limited (*)	HCMC	Real estate trading	99.72	100.00	99.12	100.00
35	Gia Phu Real Estate Company Limited	HCMC	Real estate trading	99.99	99.99	99.98	99.99
36	Nova Riverside Real Estate Company Limited	HCMC	Real estate trading	99.97	99.98	99.97	99.98
37	Ngoc Linh Hoa Joint Stock Company	HCMC	Real estate trading	99.83	99.83	99.83	99.83
38	Nova Property Management Company Limited	HCMC	Real estate trading	99.99	99.99	99.99	99.99
39	Merufa-Nova Company Limited	HCMC	Real estate trading	99.89	99.90	99.89	99.90
40	Nhat Hoa Real Estate Joint Stock Company	HCMC	Real estate trading	99.81	99.98	99.81	99.98
41	Ky Nguyen Urban Development Joint Stock Company (formerly known as: Asean Urban Development Joint Stock Company)	HCMC	Real estate trading	51.00	51.00	-	-
42	Vuong Gia Real Estate Investment Joint Stock Company	HCMC	Real estate trading	99.81	99.83	-	-
43	Phu Tri Real Estate Investment Commercial Joint Stock Company	HCMC	Real estate trading	99.98	99.98	-	-
44	Phuc Binh Real Estate Company Limited	HCMC	Real estate trading	97.77	97.95	-	-
45	Sun City Real Estate Investment and Development Company Limited	HCMC	Real estate trading	98.86	100.00	-	-
46	Dinh Phat Real Estate Joint Stock Company	HCMC	Real estate trading	99.91	99.92	-	-
47	350 Real Estate Investment and Development Company Limited	HCMC	Real estate trading	99.95	99.99	-	-
48	CQ89 Real Estate Investment and Development Company Limited	HCMC	Real estate trading	99.54	99.59	-	-
49	Gia Huy Real Estate Investment and Development Company Limited	HCMC	Real estate trading	51.00	51.00	-	-
50	Phong Dien Real Estate Investment Joint Stock Company	HCMC	Real estate trading	50.99	50.99	-	-
51	Thinh Vuong Real Estate Joint Stock Company	HCMC	Real estate trading	100.00	100.00	-	-
52	Thai Binh Real Estate Trading Joint Stock Company	HCMC	Real estate trading	99.96	99.96	-	-
53	Nova Hospitality Joint Stock Company	HCMC	Real estate trading	99.98	99.98	-	-
II - Associates							
1	Sai Gon Electronics and Industrial Service Joint Stock Company	HCMC	Electronic components and telecommunication trading	37.75	37.75	33.31	33.31
2	Ben Thanh Housing Service and Development Joint Stock Company	HCMC	Real estate trading	25.00	25.00	25.00	25.00
3	234 Thanh My Loi Joint Stock Company	HCMC	Real estate trading	49.90	49.90	-	-
4	Dat Viet Development Joint Stock Company	HCMC	Real estate trading	49.50	49.51	-	-
5	Thanh My Loi Joint Stock Company (**)	HCMC	Real estate trading	55.63	55.88	-	-
6	Sun City Real Estate Investment and Development Company Limited	HCMC	Real estate trading	-	-	49.00	49.00

1 GENERAL INFORMATION (continued)

(*) On 26 November 2018, Thanh Nhon Real Estate Joint Stock Company ("Thanh Nhon Real Estate") and Saigontourist Holding Company ("Saigon Tourist") signed the agreement to cancel the Capital transfer contract at Saigon Golf Company Limited ("Saigon Golf") which was signed on 3 March 2017 and completed the transfer in 2017. According to this Cancellation agreement, the parties agreed to return to each other all that had been received from the other, the parties will coordinate to carry out the procedures for amending the Company's Charter and Business registration certificate of Saigon Golf, and Saigon Tourist will appoint a representative of the capital contribution at Saigon Golf. On 9 January 2019, Saigon Tourist has refunded to Thanh Nhon Real Estate the capital transfer with the amount of VND645,444,132,075. At the date of these consolidated financial statements, the parties have not completed the remaining procedures regulated in the Cancellation agreement. Therefore, the Board of Management concluded that the Group still holds control at Saigon Golf. Once the cancellation procedures are completed, if the Group no longer control over Saigon Golf it will assess and recognise any impacts of the cancellation in the consolidated financial statements.

(**) As at 31 December 2018, the Group held 55.63% interest in Thanh My Loi Joint Stock Company ("Thanh My Loi") and had significant influence but had not controlled due to terms of a shareholder agreement, therefore Thanh My Loi was accounted as an associate of the Group (Note 3(d)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam. The consolidated financial statements in Vietnamese language are the official statutory financial statements of the Company. The consolidated financial statements in English language have been translated from the Vietnamese language financial statements.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank where the Group regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Group opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.4 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests as transactions with parties external to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received of divestment of Group's interest in subsidiaries is recorded directly in the undistributed earnings under equity.

Joint ventures and associates

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

Joint ventures and associates (continued)

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group’s interest in the joint ventures and associates. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of associates is included in the carrying amount of the investment at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investment in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting year.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year end. Bad debts are written off when identified.

2.8 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation are recognised as inventories. Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes cost of land and construction costs of infrastructure and apartments, direct expenditures and other overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in normal course of business less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving, defective

inventory items and where cost is higher than net realisable values.

2.9 Investments

(a) Investments held to maturity

Investments held to maturity are investments which the Board of Management has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits, bonds, preference shares which should be repurchased by issuer at certain time in the future and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

(b) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.4).

(c) Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2.10 Lending held-to-maturity

Lending held-to-maturity is lending for interest earning granted under agreements among parties but not being traded as securities in the market.

Allowance for doubtful lending is made for each lending based on overdue days in payment of lending principals according to initial payment commitment (exclusive of the payment rescheduling between parties), or based on expected loss that may arise.

2.11 Fixed assets

Tangible fixed assets and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated/amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings	5 - 52 years
Plants and machinery	3 - 10 years
Motor vehicles	2 - 10 years
Office equipment	2 - 8 years
Software	2 - 10 years
Brand name and Trade mark	3 years
Other fixed assets	3 - 4 years

Land use rights with indefinite useful life are recorded at historical cost and are not depreciated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets (continued)

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost mainly includes software development, designing fees and construction costs of show house and office. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.12 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.13 Investment properties

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation and amortisation

Investment properties are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the investment properties are as follows:

Buildings 6 - 50 years

Land use rights with indefinite useful life is recorded at historical cost and is not amortised.

The Group does not depreciate the investment properties held for price appreciation. Impairment of investment properties held for price appreciation is recognised when there are objective evidences of the impairment in the value of investment properties compared to the market price and the impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the income statement.

2.14 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly sales commission, prepaid bond issuance costs, tools and equipment already put to use. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over estimated useful lives, except for sales commissions which are allocated to expenses on the basis of matching with revenue recorded when the Group has handed over significant risks and rewards of ownership to the buyers.

2.15 Payables

Classifications of payables are based on the nature of economic transactions occurred.

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.16 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or sufficient records and documents. Accrued expenses are recorded as an expense in the reporting period.

2.17 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance leases from banks, financial institutions, financial companies and other entities.

Borrowings and finance lease liabilities are classified into long-term and short-term based on remaining period from the balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.19 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period, on the basis that a half of an average monthly salary per each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the nine-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Unearned revenue

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Group records unearned revenue for the future obligations that the Group has to conduct.

2.21 Convertible bonds

Convertible bonds are bonds that may be converted into ordinary shares of the same issuer under the conditions identified in the bond issuance plan.

At initial recognition, the Group calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recorded as a liability; equity component (share options) of convertible bonds is recorded as an owners' equity item. Subsequently, the Group regularly records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted to the bond's liability component and allocated to financial expenses/capitalised on straight line basis.

At maturity, the equity component which is a share option is transferred to the share premium account regardless whether the bond holder exercised the option or not.

2.22 Owner's capital

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Share conversion options on bonds is the value of the equity component of the convertible bonds at the reporting date. The value is defined as the difference between the total sums received from the issuance of convertible bonds and the value of the debt component of convertible bonds. At initial recognition, the value of share conversion options on bonds is recorded separately in owners' capital. At the bond maturity, this option is transferred to share premium.

Undistributed earnings record the Group's results (profit, loss) after business income tax at the reporting date.

2.23 Appropriation of net profit

Dividend of the Company is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

Net profit after income tax could be distributed to owners/ shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Group's funds are as below:

Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's net profit as proposed by the Board of Directors and subject to the shareholders' approval at the Annual General Meeting. This fund is set aside for rewarding, increasing general benefits and improving the welfare for officers and employees.

2.24 Revenue recognition

(a) Revenue from sale of real estate

Revenue from sale of real estate is recognised in the income statement when the real estate sale has been completed and the Group has handed over significant risks and rewards of ownership to the buyer. Revenue from the sale of real estate is recognised in the income statement when all five (5) following conditions are satisfied:

- The real estate has been completed, and the Group has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Group no longer holds the right to manage the real estate as real estate's owners or the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Group has received or enables to receive economic benefits from the sales of the real estate; and
- The costs incurred or to be incurred in respect of the real estate can be measured reliably.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Group has established the receiving right from investees.

2.25 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Cost of goods sold and services rendered

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold or cost of services rendered provided during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.27 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of lending and borrowing, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.

2.28 Selling expenses

Selling expenses represent expenses that are incurred in process of selling products, goods and providing services, which mainly include publicity, promotions, advertising expenses, sale commissions.

2.29 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees, unemployment insurance of administrative staff; expenses of office materials; tools and supplies; depreciation of fixed assets used for administration; provision for bad debts; utilities (electricity, water, telephone, fax, assets warranty, fire and explosive accidents insurance, etc.); and other cash expenses (entertainment, customer conference, etc.).

2.30 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.31 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of related party relationship, the Group considers the substance of the relationship not merely the legal form.

2.32 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

2.33 Accounting estimates

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards which require the Board of Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and contingent liabilities at the date of the consolidated financial statements as well as the amounts of revenues and expenses for the reporting period. Although the accounting estimate is made by all the knowledge of the Board of Management, the actual results may differ from those estimates.

3 BUSINESS COMBINATION

(a) Acquisition of Ky Nguyen Urban Development Joint Stock Company ("Ky Nguyen") (formerly known as: Asean Urban Development Joint Stock Company)

On 6 February 2018, the Group completed the acquisition in order to obtain 51.00% interest in Ky Nguyen with a consideration of VND51,000,000,000.

3 BUSINESS COMBINATION (continued)

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	157,750,536
Short term receivables	99,882,255,288
Other assets	3,461,700
	100,043,467,524
Liabilities	-
Total identifiable net assets	100,043,467,524
Gain on bargain purchase	(22,168,437)
Non-controlling interests	(49,021,299,087)
Purchase consideration transferred	51,000,000,000
Cash acquired	(157,750,536)
Net cash outflow on acquisition	50,842,249,464

(b) Acquisition of a group of companies: Vuong Gia Real Estate Investment Joint Stock Company ("Vuong Gia"), Phuc Binh Real Estate Company Limited ("Phuc Binh") and Sun City Real Estate Investment and Development Company Limited ("Sun City")

On 8 May 2018, the Group completed the acquisition of 99.81% of voting shares of Vuong Gia with a consideration of VND1,078,591,500,000. Through this acquisition, the Group also controlled Phuc Binh and Sun City because Vuong Gia held 97.95% interest in Phuc Binh, Phuc Binh held 49.97% in Sun City, and previously the Group had owned 49.00% in Sun City,

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	51,683,788,711
Short term receivables	1,037,360,578,765
Inventories	2,209,202,513,992
Fixed assets	1,307,379,325
	3,299,554,260,793
Liabilities	
Liabilities	894,506,741,686
Deferred tax liabilities	227,733,250,821
	1,122,239,992,507
Total identifiable net assets	2,177,314,268,286
Goodwill from business combination	505,654,783,391
Non-controlling interests	(60,996,434,575)
Purchase consideration transferred	2,621,972,617,102
<i>First consideration is accounted using equity method</i>	<i>984,999,829,150</i>
<i>Revaluation of the investments in associate at the acquisition date</i>	<i>558,381,287,952</i>
<i>Second consideration at acquisition date</i>	<i>1,078,591,500,000</i>
Cash acquired	(51,683,788,711)
Accumulated profit shares from associate	(29,499,829,150)
Net cash outflow on acquisition	1,982,407,711,289

The goodwill of VND505,654,783,391 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Vuong Gia, Phuc Binh and Sun City.

(c) Acquisition of Phu Tri Real Estate Investment Commercial Joint Stock Company ("Phu Tri")

On 11 May 2018, the Group completed the acquisition in order to obtain 99.98% interest in Phu Tri with a consideration of VND1,124,775,000,000.

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	401,867,295
Short term receivables	53,219,173,800
Inventories	1,688,750,143,271
Other assets	3,053,867,791
	1,745,425,052,157
Liabilities	
Liabilities	498,441,326,768
Deferred tax liabilities	190,800,000,000
	689,241,326,768
Total identifiable net assets	1,056,183,725,389
Goodwill from business combination	68,799,594,114
Non-controlling interests	(208,319,503)
Purchase consideration transferred	1,124,775,000,000
Cash acquired	(401,867,295)
Net cash outflow on acquisition	1,124,373,132,705

The goodwill of VND68,799,594,114 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Phu Tri.

(d) Acquisition of a group of companies: Dinh Phat Real Estate Joint Stock Company ("Dinh Phat"), 350 Real Estate Investment and Development Company Limited ("350 Real Estate") and CQ89 Real Estate Investment and Development Company Limited ("CQ89")

On 24 August 2018, the Group completed the acquisition of 99.91% of shares of Dinh Phat with a consideration of VND3,529,379,236,000. Through this acquisition, the Group also controlled 350 Real Estate and C89 because Dinh Phat held 99.90% interest in 350 Real Estate, 350 Real Estate held 99.59% interest in CQ89.

In addition, as CQ89 held 55.88% interest in Thanh My Loi Joint Stock Company ("Thanh My Loi") but has not controlled, Thanh My Loi was therefore accounted as an associate through this acquisition.

3 BUSINESS COMBINATION (continued)

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	191,989,691,452
Short term receivables	964,866,989,539
Investment in associate	5,444,758,705,148
Other assets	12,164,135,083
	6,613,779,521,222
Liabilities	6,171,006,559,500
Total identifiable net assets	442,772,961,722
Goodwill from business combination	3,104,363,363,694
Non-controlling interests	(17,757,089,416)
Purchase consideration transferred	3,529,379,236,000
Cash acquired	(191,989,691,452)
Net cash outflow on acquisition	3,337,389,544,548

The goodwill of VND3,104,363,363,694 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Dinh Phat, 350 Real Estate and CQ89.

(e) Capital contribution of Gia Huy Real Estate Investment and Development Company Limited ("Gia Huy")

On 14 September 2018, the Group completed the capital contribution in order to obtain 51,00% interest in Gia Huy with a consideration of VND290,190,000,000.

This business combination impacts to the net assets of the Group at the contribution date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	291,633,414,917
Short term receivables	273,241,965,754
Long term investment	600,000,000
Deferred income tax assets	527,241,032
Other assets	560,893,364
	566,563,515,067
Liabilities	19,800,000
Total identifiable net assets	566,543,715,067
Goodwill from business combination	1,252,705,316
Non-controlling interests	(277,606,420,383)
Purchase consideration transferred	290,190,000,000
Cash acquired	(291,633,414,917)
Net cash outflow on acquisition	(1,443,414,917)

The goodwill of VND1,252,705,316 arising from the capital contribution consists largely of the synergies and economies of scale expected from combining the operations of the Group and Gia Huy.

(f) Capital contribution of Phong Dien Real Estate Investment Joint Stock Company ("Phong Dien")

On 24 October 2018, the Group completed the capital contribution in order to obtain 50.99% interest in Phong Dien with a consideration of VND49,014,100,000.

This business combination impacts to the net assets of the Group at the contribution date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	46,070,712,099
Short term receivables	42,717,222,222
Other assets	10,171,442,944
	98,959,377,265
Liabilities	1,590,776,921
Total identifiable net assets	97,368,600,344
Gain on bargain purchase	(638,814,894)
Non-controlling interests	(47,715,685,450)
Purchase consideration transferred	49,014,100,000
Cash acquired	(46,070,712,099)
Net cash outflow on acquisition	2,943,387,901

g) Acquisition of a group of companies: Thinh Vuong Real Estate Joint Stock Company ("Thinh Vuong") and Thai Binh Real Estate Trading Joint Stock Company ("Thai Binh")

On 17 December 2018, the Group completed the acquisition of 100.00% of voting shares of Thinh Vuong with a consideration of VND1,610,377,860,000. Through this acquisition, the Group also controlled Thai Binh because Thinh Vuong held 55.96% interest in Thai Binh and the Group had already hold 44.00% interest in Thai Binh.

3 BUSINESS COMBINATION (continued)

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	156,614,889,152
Short-term receivables	393,493,375,489
Inventories	1,545,397,171,624
Other assets	9,410,870,827
	2,104,916,307,092
Liabilities	
Liabilities	209,557,041,652
Deferred tax liabilities	242,713,769,707
	452,270,811,359
Total identifiable net assets	1,652,645,495,733
Goodwill from business combination	819,636,943,398
Non-controlling interests	(686,266,186)
Purchase consideration transferred	2,471,596,172,945
<i>First consideration is accounted using equity method at the date had control</i>	<i>616,388,769,447</i>
<i>Revaluation of the investments in associate at the acquisition date</i>	<i>244,829,543,498</i>
<i>Second consideration at the acquisition date</i>	<i>1,610,377,860,000</i>
Cash acquired	(156,614,889,152)
Accumulated profit after tax shared from associate	(286,388,769,447)
Net cash outflow on acquisition	1,783,762,970,848

The goodwill of VND819,636,943,398 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Thinh Vuong and Thai Binh.

(h) Acquisition of Nova Hospitality Joint Stock Company ("Nova Hospitality")

On 7 December 2018, the Group completed the acquisition in order to obtain 99.98% interest in Nova Hospitality with a consideration of VND21,395,720,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows::

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	10,352,590
Short term receivables	12,138,958,907
Long-term investment	7,939,750,000
Other assets	1,736,058,275
	21,825,119,772
Liabilities	211,946,443
Total identifiable net assets	21,613,173,329
Gain on bargain purchase	(213,130,694)
Non-controlling interests	(4,322,635)
Purchase consideration transferred	21,395,720,000
Cash acquired	(10,352,590)
Net cash outflow on acquisition	21,385,367,410

(i) Acquisition and disposal of Sabetran Trung Thuy Real Estate Investment Joint Stock Company ("Sabetran Trung Thuy")

On 6 February 2018, the Group completed the acquisition in order to obtain 99.71% interest in Sabetran Trung Thuy with a consideration of VND773,740,800,000.

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash and cash equivalents	145,781,544
Short term receivables	111,342,904,232
Inventories	1,229,274,162,366
Other assets	3,678,880,746
	1,344,441,728,888
Liabilities	
Liabilities	473,426,112,135
Deferred tax liabilities	154,282,695,068
	627,708,807,203
Total identifiable net assets	716,732,921,685
Goodwill from business combination	56,919,104,347
Non-controlling interests	88,773,968
Purchase consideration transferred	773,740,800,000
Cash acquired	(145,781,544)
Net cash outflow on acquisition	773,595,018,456

3 BUSINESS COMBINATION (continued)

The goodwill of VND56,919,104,347 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Sabetran Trung Thuy.

On 16 April 2018, the Group disposed the entire 99.71% equity interest in Sabetran Trung Thuy with a total consideration of VND833,908,757,000. The profit of VND61,630,398,838 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 32). The disposal of Sabetran Trung Thuy is to ensure the consistency in the Group business development strategy but not with the intention of buying to sell during the period.

4 CASH AND CASH EQUIVALENTS

	31.12.2018 VND	31.12.2017 VND
Cash on hand	1,259,084,952	1,720,245,875
Cash at bank	7,594,458,193,862	1,196,390,638,971
Cash equivalents (*)	4,731,225,016,866	5,452,050,109,895
	12,326,942,295,680	6,650,160,994,741

(*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earn an interest rate from 2.0% to 6.0% per annum (as at 31 December 2017: from 2.3% to 6.0% per annum).

As at 31 December 2018, cash and cash equivalents of VND754,343 million (as at 31 December 2017: VND496,752 million) were pledged as collateral assets for the bank loans and VND696,931 million (as at 31 December 2017: VND1,350,972 million) were managed by bank under purpose of borrowings for each project.

5 INVESTMENTS

(a) Investments held to maturity

	31.12.2018		31.12.2017	
	Cost VND	Carrying value VND	Cost VND	Carrying value VND
Term deposits	95,691,805,879	95,691,805,879	512,509,850,676	512,509,850,676

The term deposits represent bank deposits in VND with original maturity of more than three months and not exceed 12 months at the commercial banks with interest from 4.8% to 8.2% per annum (as at 31 December 2017: from 5.0% to 9.0% per annum).

As at 31 December 2018, the term deposits of VND45,661 million (as at 31 December 2017: VND11,671 million) were pledged as collateral assets and the term deposits of VND3,317 million (as at 31 December 2017: nil) were managed by bank under purpose of borrowings for each project.

(b) Long-term investments

(i) Investments in associates

	31.12.2018			31.12.2017		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Investments in associates	7,548,298,670,121	(*)	-	1,042,972,935,246	(*)	-

5 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in associates (continued)

Name	Principal activity	31.12.2018			31.12.2017		
		Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Thanh My Loi Joint Stock Company (i)	Real estate trading	5,440,688,978,371	(*)	-	-		-
Dat Viet Development Joint Stock Company (ii)	Real estate trading	2,025,100,993,856	(*)	-	-		-
Ben Thanh Housing Service and Development Joint Stock Company	Real estate trading	68,903,452,997	(*)	-	65,803,452,997	(*)	-
234 Thanh My Loi Join Stock Company (iii)	Real estate trading	9,455,467,548	(*)	-	-		-
Sai Gon Electronics and Industrial Service Joint Stock Company	Electronic equipments, telecommunications trading	4,149,777,349	(*)	-	4,566,153,588	(*)	-
Thai Binh Real Estate Joint Stock Company (iv)	Real estate trading	-		-	-		-
Sun City Real Estate Investment and Development Company Limited	Real estate trading	-		-	972,603,328,661	(*)	-
		7,548,298,670,121		-	1,042,972,935,246		-

(*) As at 31 December 2018 and 31 December 2017, the Group was not able to determine the fair value of these investments as they have not been listed in the stock market. As a result, their fair value information was not available.

(i) Through the acquisition of the group companies Dinh Phat, 350 Real Estate and CQ89 (Note 3(d)), Thanh My Loi Joint Stock Company became the Group's associate although the Group held 55.63% interest in Thanh My Loi. As at the date of these consolidated financial statements, the Group has yet gained power to govern the financial and operating policies of Thanh My Loi.

(ii) On 26 September 2018, the Group contributed capital to Dat Viet Development Joint Stock Company ("Dat Viet") by the total contribution of VND1,000,018,000,000, to obtain 49.50% interest in Dat Viet. The excess of the Group's share of the fair value of Dat Viet's identifiable net assets over the cost of the investment of VND1,024,694,511,570 was recognised as income in the year (Note 34), impacted VND819,755,609,256 to the consolidated profit after tax after recognising the deferred income tax expense.

(iii) According to Decision No. 15/2018-QD.HDQT-NVLG dated 8 February 2018, the Group will contribute VND99,800,000,000, accounting for 49.9% of the total charter capital to establish 234 Thanh My Loi Joint Stock Company which was established on 9 February 2018.

(iv) On 30 March 2018, the Group contributed capital to Thai Binh Real Estate Trading Joint Stock Company ("Thai Binh") by the total contribution of VND130,000,000,000, to obtain 23.27% interest in Thai Binh. The excess of the Group's share of the fair value of Thai Binh's identifiable net assets over the cost of the investment of VND286,395,114,838 was recognised as income in the year (Note 34), impacted VND229,116,091,870 to the consolidated profit after tax after recognising the deferred income tax expense.

Subsequently, on 20 July 2018, the Group contributed additional capital to Thai Binh of VND200,000,000,000, increased the interest rate to 44.00%. On 17 December 2018, Thai Binh became a subsidiary after the Group completed the acquisition of 100.00% interest in Thinh Vuong (Note 3(g)).

5 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in associates and joint ventures (continued)

Movements of the investments in associates during the year were as follows:

	31.12.2018 VND	31.12.2017 VND
Beginning of year	1,042,972,935,246	371,670,632,914
Additional investments	1,341,481,075,000	1,315,207,564,660
Increase due to acquisition during the year	5,444,758,705,148	-
Profit sharing from investments in associates	1,322,274,553,324	12,079,426,593
Transfers from associates to subsidiaries	(1,601,388,598,597)	(643,454,353,318)
Dividends received from associates	(1,800,000,000)	(2,400,000,000)
Disposals	-	(10,130,335,603)
End of year	7,548,298,670,121	1,042,972,935,246

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2018 VND	31.12.2017 VND
Trade receivables from sales of real estate		
Related parties (Note 41(b))	40,173,876,488	40,183,233,814
Third parties (*)	622,706,858,764	308,351,265,168
Trade receivables from rendering of services		
Third parties (*)	96,154,631,258	42,181,367,389
	759,035,366,510	390,715,866,371

(*) As at 31 December 2018 and 31 December 2017, there were no third party customers who has the balance accounting from 10% or more of the balance of short-term trade accounts receivable.

As at 31 December 2018 and 31 December 2017, the balances of short-term trade accounts receivable which were past due, amounting to VND10,263,645,778 are presented in Note 10.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.12.2018 VND	31.12.2017 VND
Third parties		
<i>Silver Field International Trading Company Limited</i>	197,883,347,000	500,000,000,000
<i>Sai Gon General Services Joint Stock Company</i>	323,024,476,227	320,189,629,546
<i>Imperia An Phu Company Limited</i>	195,617,468,000	200,000,000,000
<i>Others</i>	784,748,500,673	751,154,844,734
	1,501,273,791,900	1,771,344,474,280

As at 31 December 2018 and 31 December 2017, there was no balance of short term prepayments to suppliers which was past due or not past due but doubtful.

8 LENDING

(a) Short-term lending

	31.12.2018 VND	31.12.2017 VND
Related parties (Note 41(b))	57,149,003,300	43,420,000,000
Third parties (*)	373,504,867,050	582,185,206,171
	430,653,870,350	625,605,206,171

(b) Long-term lending

	31.12.2018 VND	31.12.2017 VND
Third parties (**)	-	449,644,400,000

(*) These are the short-term lendings to third parties which are unsecured and earn interest at rate from 5.0% to 12.2% per annum (as at 31 December 2017: from 5.0% to 10.9% per annum). The maturity of these lendings are from 5 to 12 months.

(**) This is the long-term lending to Thinh Vuong Real Estate Company Limited, which is unsecured and earns interest at rate 10,6% per annum, the maturity of this lending is 36 months. This lending is settled in 2018.

As at 31 December 2018 and 31 December 2017, there was no balance of short-term and long-term lending which was past due or not past due but doubtful.

9 OTHER RECEIVABLES

(a) Other short-term receivables

	31.12.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for the acquisition of shares (*)	702,640,000,000	-	49,000,000,000	-
Advances for projects	342,471,627,467	-	351,489,334,396	-
Deposits for investment consultancy service agreement (**)	273,253,992,251	-	406,589,287,268	-
Deposits for project	106,874,918,392	-	106,874,918,392	-
Interest receivable from deposits, lending and investment co-operation	85,134,153,924	-	360,154,008,671	-
Project development and investment co-operation (***)	53,219,000,000	-	1,831,712,600,000	-
Others	421,059,522,442	-	104,679,205,467	-
	1,984,653,214,476	-	3,210,499,354,194	-

9 OTHER RECEIVABLES (continued)

(a) Other short-term receivables (continued)

In which, the balances with related parties and third parties were as follows:

	31.12.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	1,913,125,953,261	-	3,146,763,909,150	-
Related parties (Note 41(b))	71,527,261,215	-	63,735,445,044	-
	1,984,653,214,476	-	3,210,499,354,194	-

(*) These deposits for share acquisition of companies which the Group is investing, these deposits will be recognised as investments in subsidiaries or associates when the Group completes share transfers.

(**) This balance represents deposits as an amount guaranteed for the investment consultancy agreements with partners. According to the agreements, the partners will consult, identify and select appropriate projects, consulting fee will be paid based on the percentage of successful transactions.

(***) This balance represents project development and investment co-operation with partners. These amounts will be repaid in full to the Group at the end of the projects. The Group will receive profits at the end of the projects in accordance with agreed sharing ratio in the agreement.

(b) Other long-term receivables

	31.12.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Deposits for projects (*)	131,810,982,000	-	186,484,661,758	-
Project development and investment co-operation (Note 9(a) (***))	46,000,000,000	-	-	-
Others	77,592,914,052	-	17,318,704,984	-
	255,403,896,052	-	203,803,366,742	-

In which, the balances with related parties and third parties were as follows:

	31.12.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Third parties	203,721,578,597	-	202,404,590,742	-
Related parties (Note 41(b))	51,682,317,455	-	1,398,776,000	-
	255,403,896,052	-	203,803,366,742	-

(*) This balance represents long-term deposit at the Department of Planning and Investment as an amount guaranteed for performing projects.

As at 31 December 2018 and 31 December 2017, there was no balance of other short-term and long-term receivables which was past due or not past due but doubtful.

10 DOUBTFUL DEBTS

	31.12.2018				31.12.2017			
	Cost VND	Recoverable amount VND	Provision VND	Number of over-due days	Cost VND	Recoverable amount VND	Provision VND	Number of over-due days

Short-term trade receivables which were past due

Hoang Phuc House Construction Development Investment Company Limited	10,263,645,778	-	10,263,645,778	1,140	-	-	-	-
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11 INVENTORIES

(a) Inventories

	31.12.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties under construction (i)	20,799,820,785,446	-	24,446,674,606,321	-
Finished properties (ii)	11,871,883,992,461	(5,867,148,345)	2,449,747,339,621	(3,276,069,352)
Property merchandises	155,096,506,823	(1,711,899,581)	226,949,654,864	(4,245,610,900)
Other goods	6,819,609,042	-	12,946,946,857	-
	32,833,620,893,772	(7,579,047,926)	27,136,318,547,663	(7,521,680,252)
Provision for decline in value of inventories	(7,579,047,926)		(7,521,680,252)	
	32,826,041,845,846		27,128,796,867,411	

11 INVENTORIES (continued)

(a) Inventories (continued)

Movements in the provision for decline in value of inventories during the year were as follows:

	31.12.2018 VND	31.12.2017 VND
Beginning of year	(7,521,680,252)	(5,395,666,184)
Increase	(3,792,850,224)	(4,846,915,964)
Reversal	3,735,482,550	2,720,901,896
End of year	(7,579,047,926)	(7,521,680,252)

(i) As at 31 December 2018, the properties in construction progress mainly include land costs, consulting and designing fees, construction costs and other costs relating to the projects.

(ii) As at 31 December 2018, the balance presents the properties in construction completion for sale.

As at 31 December 2018, the Group's inventories of VND7,404,683 million (as at 31 December 2017: VND7,406,736 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the year ended 31 December 2018 was VND686,510 million (year ended 31 December 2017: VND131,293 million).

(b) Long-term work in progress

The balance represents the value of properties in construction progress of projects located in HCMC. These projects are in progress of completing the paper works due to changes in usage purpose.

12 PREPAID EXPENSES

(a) Short-term prepaid expenses

	31.12.2018 VND	31.12.2017 VND
Tools and equipment	2,857,427,925	1,072,191,258
Prepaid interest expenses	27,597,380,840	-
Other deferred expenses	103,486,597,078	102,952,441,928
	133,941,405,843	104,024,633,186

(b) Long-term prepaid expenses

	31.12.2018 VND	31.12.2017 VND
Deferred expenses in accordance with revenue	86,735,761,736	174,439,338,731
Prepayment expenses for parking lot	114,578,565,290	116,901,818,182
Prepayment expenses for office and rental property renovation	82,749,424,868	15,409,578,991
Compensation cost for land clearance	42,449,725,618	41,932,114,168
Tools and equipment	1,935,214,411	7,924,870,527
Interest expenses from issuing bonds	-	8,296,729,396
Other deferred expenses	85,666,335,635	84,447,721,682
	414,115,027,558	449,352,171,677

Movements in long-term prepaid expenses during the year were as follows:

	31.12.2018 VND	31.12.2017 VND
Beginning of year	449,352,171,677	288,077,446,389
Purchase	182,961,420,973	308,946,758,502
Transfers from construction in progress (Note 16)	58,419,635,995	27,130,420,628
Increase from acquisition of subsidiaries	121,994,349	117,203,900,546
Allocation	(276,740,195,436)	(235,203,626,186)
Decrease from disposal of subsidiaries	-	(56,802,728,202)
End of year	414,115,027,558	449,352,171,677

13 TANGIBLE FIXED ASSETS

	Buildings VND	Plants and machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Historical cost						
As at 1 January 2018	250,390,283,446	18,246,571,203	114,021,819,387	28,168,639,962	341,609,091	411,168,923,089
New purchases	-	774,754,170	5,254,041,818	2,144,120,771	-	8,172,916,759
Transfer from construction in progress (Note 16)	415,806,227,569	-	60,984,893,236	-	-	476,791,120,805
Increase from acquisition of subsidiaries	-	986,891,455	-	30,000,000	-	1,016,891,455
Disposal	(12,104,243,392)	(780,857,070)	(8,861,528,427)	(46,465,080)	-	(21,793,093,969)
Reclassification	(616,000,000)	(3,121,058,101)	-	3,737,058,101	-	-
As at 31 December 2018	653,476,267,623	16,106,301,657	171,399,226,014	34,033,353,754	341,609,091	875,356,758,139
Accumulated depreciation						
As at 1 January 2018	(87,133,387,788)	(9,724,288,173)	(20,731,612,447)	(11,453,533,054)	(280,502,507)	(129,323,323,969)
Charge for the year	(16,617,396,417)	(1,762,128,030)	(21,612,751,362)	(6,439,968,082)	(42,654,293)	(46,474,898,184)
Increase from acquisition of subsidiaries	-	(986,891,455)	-	(8,500,000)	-	(995,391,455)
Disposals	4,909,584,553	501,987,531	1,586,203,268	39,092,179	-	7,036,867,531
Reclassification	616,000,000	(616,000,000)	-	-	-	-
As at 31 December 2018	(98,225,199,652)	(12,587,320,127)	(40,758,160,541)	(17,862,908,957)	(323,156,800)	(169,756,746,077)
Net book value						
As at 1 January 2018	163,256,895,658	8,522,283,030	93,290,206,940	16,715,106,908	61,106,584	281,845,599,120
As at 31 December 2018	555,251,067,971	3,518,981,530	130,641,065,473	16,170,444,797	18,452,291	705,600,012,062

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND26,554 million (as at 31 December 2017: VND17,343 million).

There were no tangible fixed assets pledged as collateral assets for bank loans.

14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Brand name and Trade mark VND	Software VND	Total VND
Historical cost				
As at 1 January 2018	34,880,498,260	30,000,000	15,634,334,283	50,544,832,543
Additions	-	-	2,075,387,851	2,075,387,851
Transfer from construction in progress (Note 16)	33,701,967,327	-	5,612,611,876	39,314,579,203
As at 31 December 2018	68,582,465,587	30,000,000	23,322,334,010	91,934,799,597
Accumulated amortisation				
As at 1 January 2018	-	(30,000,000)	(5,750,992,301)	(5,780,992,301)
Charge for the period	-	-	(4,610,894,479)	(4,610,894,479)
As at 31 December 2018	-	(30,000,000)	(10,361,886,780)	(10,391,886,780)
Net book value				
As at 1 January 2018	34,880,498,260	-	9,883,341,982	44,763,840,242
As at 31 December 2018	68,582,465,587	-	12,960,447,230	81,542,912,817

14 INTANGIBLE FIXED ASSETS (continued)

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND3,071 million (as at 31 December 2017: VND351 million).

There were no intangible fixed assets pledged as collateral assets for bank loans.

15 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Total VND
Historical cost			
As at 1 January 2018	1,088,015,804,724	1,967,616,453,552	3,055,632,258,276
Transfers from inventories	-	334,932,685,073	334,932,685,073
Increase from acquisition of subsidiaries	-	1,558,336,000	1,558,336,000
Transfers to inventories	-	(7,537,450,150)	(7,537,450,150)
Disposal, other decrease	(7,693,482,739)	(177,436,026,961)	(185,129,509,700)
As at 31 December 2018	1,080,322,321,985	2,119,133,997,514	3,199,456,319,499
Accumulated amortisation			
As at 1 January 2018	-	(111,015,724,077)	(111,015,724,077)
Charge for the year	-	(40,828,615,020)	(40,828,615,020)
Transfers to inventories	-	398,078,649	398,078,649
Disposal, other decrease	-	8,775,297,666	8,775,297,666
As at 31 December 2018	-	(142,670,962,782)	(142,670,962,782)
Net book value			
As at 1 January 2018	1,088,015,804,724	1,856,600,729,475	2,944,616,534,199
As at 31 December 2018	1,080,322,321,985	1,976,463,034,732	3,056,785,356,717

As at 31 December 2018, investment properties with a carrying value of VND2,169,471 million (as at 31 December 2017: VND1,271,830 million) were pledged with banks as security for short-term/long-term borrowings granted to the Group.

16 CONSTRUCTION IN PROGRESS

	31.12.2018 VND	31.12.2017 VND
Project in construction progress	112,501,193,888	2,020,903,854
Purchase of assets	111,143,618,459	89,582,304,871
Office renovation	19,493,162,674	20,731,302,400
Showhouses	2,303,440,369	20,211,429,150
Others	2,775,976,769	4,350,502,089
	248,217,392,159	136,896,442,364

Movements in the construction in progress during the year were as follows:

	31.12.2018 VND	31.12.2017 VND
Beginning of year	136,896,442,364	51,379,788,428
Increases	686,555,734,213	176,621,475,784
Transfer to fixed assets (Note 13)	(476,791,120,805)	(38,303,709,498)
Transfers to intangible fixed assets (Note 14)	(39,314,579,203)	(3,057,100,000)
Transfer to inventories	-	(1,380,309,663)
Transfer to long-term prepaid expenses (Note 12(b))	(58,419,635,995)	(27,130,420,628)
Transfers to short-term prepaid expenses	(314,370,291)	(3,835,466,021)
Other decreases	(395,078,124)	(17,397,816,038)
End of the year	248,217,392,159	136,896,442,364

17 GOODWILL

	31.12.2018 VND	31.12.2017 VND
Beginning of year	2,406,227,189,374	2,217,606,029,051
Increases (*)	4,556,626,494,260	649,355,733,731
Decrease from disposal of subsidiaries	(55,496,126,738)	(54,862,071,860)
Decrease from merging of subsidiaries	-	(146,640,884,246)
Allocation	(426,009,024,290)	(259,231,617,302)
End of year	6,481,348,532,606	2,406,227,189,374

(*) Details of goodwill arising from business combinations during the year and estimated allocation period are as below:

	Goodwill VND	Allocation period Year
Sabetran Trung Thuy Real Estate Investment Joint Stock Company	56,919,104,347	10
Phu Tri Real Estate Investment Commercial Joint Stock Company	68,799,594,114	10
Group companies: Vuong Gia Real Estate Investment Joint Stock Company, Phuc Binh Real Estate Company Limited and Sun City Real Estate Investment and Development Company Limited	505,654,783,391	10
Group companies: Dinh Phat Real Estate Joint Stock Company, 350 Real Estate Investment and Development Company Limited and CQ89 Real Estate Investment and Development Company Limited	3,104,363,363,694	10
Gia Huy Real Estate Investment and Development Company Limited	1,252,705,316	10
Group companies: Thinh Vuong Real Estate Joint Stock Company and Thai Binh Real Estate Trading Company Limited	819,636,943,398	10
	4,556,626,494,260	

Details of goodwill arising from business combinations are presented in Note 3.

18 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2018 VND	31.12.2017 VND
Third parties		
<i>Nova Homes Trading Joint Stock Company</i>	322,726,367,725	336,914,898,682
<i>Henry Enterprise Group Company Limited</i>	619,680,395,588	619,680,395,588
<i>Hoa Binh Construction Group Joint Stock Company</i>	131,219,587,617	493,562,576,250
<i>Others (*)</i>	1,448,896,483,371	1,198,175,647,275
Related parties (Note 42(b))	489,425,295	-
	2,523,012,259,596	2,648,333,517,795

(*) As at 31 December 2018 and 31 December 2017, there were no suppliers accounting from 10% or more of the total balance.

As at 31 December 2018 and 31 December 2017, the Company had no short-term trade accounts payable overdue.

19 SHORT-TERM ADVANCES FROM CUSTOMERS

The short-term advances from customers mainly included advances from customers, prepaid amounts or deposits of customers according to the property transfer agreements of the Group's projects. The amount is recognised as revenue when the Group completes and hands over apartments to customers.

As at 31 December 2018 and 31 December 2017, there were no customers accounting from 10% or more of the total balance.

20 TAXES AND OTHER (RECEIVABLES FROM)/PAYABLES TO THE STATE BUDGET

The movement of tax and other (receivables from)/payables to the State Budget during the year were as below:

	As at 01.01.2018 VND	Increase during the year VND	Settled during the year VND	Net off VND	As at 31.12.2018 VND
(a) Tax receivables					
VAT to be reclaimed	(649,739,747,874)	(902,372,724,669)	-	825,426,387,322	(726,686,085,221)
Business income tax temporary paid	(62,481,003,869)	12,048,066	(104,215,195,052)	90,521,696,368	(76,162,454,487)
Overpaid business income tax	(60,027,351,705)	2,728,097,689	(7,361,149,010)	55,655,322,329	(9,005,080,697)
Others	(60,503,024)	(1,093,600,897)	-	33,209,879	(1,120,894,042)
	(772,308,606,472)	(900,726,179,811)	(111,576,344,062)	971,636,615,898	(812,974,514,447)
(b) Tax payables					
Land use tax	242,500,000,000	329,220,097,235	(571,720,097,235)	-	-
Business income tax	207,324,266,996	984,856,584,799	(535,508,230,170)	(146,177,018,697)	510,495,602,928
Value Added Tax on domestic sales	120,814,880,491	1,150,982,531,240	(425,258,466,824)	(825,418,358,419)	21,120,586,488
Personal income tax	12,962,075,302	88,566,926,043	(87,565,790,708)	(31,109,879)	13,932,100,758
Others	5,060,798,643	51,930,731,952	(44,286,723,749)	(10,128,903)	12,694,677,943
	588,662,021,432	2,605,556,871,269	(1,664,339,308,686)	(971,636,615,898)	558,242,968,117

21 PAYABLE TO EMPLOYEES

	31.12.2018 VND	31.12.2017 VND
Salary	242,838,365	1,449,930,286
13 th month salary, bonus	32,925,319,384	113,499,731,408
	33,168,157,749	114,949,661,694

22 SHORT-TERM ACCRUED EXPENSES

	31.12.2018 VND	31.12.2017 VND
Constructions costs	1,458,085,703,406	552,464,269,227
Interest on borrowings and investment co-operation	793,230,782,566	522,156,467,006
Others	459,854,046,453	307,965,638,882
	2,711,170,532,425	1,382,586,375,115
In which, the balances with related parties and third parties were as follows:		
Third parties	2,711,170,532,425	1,382,461,474,765
Related parties (Note 41(b))	-	124,900,350
	2,711,170,532,425	1,382,586,375,115

23 OTHER PAYABLES

(a) Other short-term payables

	31.12.2018 VND	31.12.2017 VND
Project development and investment co-operation (*)	1,683,365,000,000	735,820,000,000
Maintenance fund payables (i)	491,047,930,179	358,058,792,927
Deposits for purchases of real estates	96,978,456,978	11,200,981,253
Others	440,065,111,272	213,920,081,628
	2,711,456,498,429	1,318,999,855,808

- (i) The maintenance fund payables represent 2% of the total net value of the contracts which the Group collected from the residents for the maintenance of apartments. This amount will be transferred to the Residence Committees when they are established.

(b) Other long-term payables

	31.12.2018 VND	31.12.2017 VND
Project development and investment co-operation (*)	2,491,850,000,000	1,660,275,400,000
Others	3,981,870,100	3,753,825,075
	2,495,831,870,100	1,664,029,225,075

- (*) The balance represents the capital contribution for project development and investment cooperation from third parties. The Group is obliged to refund this amount in full to counter parties at the end of the projects. The Group shall share profits arising from the projects in accordance with agreed sharing ratio in agreements at the end of the projects. In addition, for several contracts, the Group shall pay fixed interest to partners.

As at 31 December 2018 and 31 December 2017, there was no balance of other short-term and long-term payables which was past due or not past due but doubtful.

24 BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 01.01.2018 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 31.12.2018 VND
(a) Short-term borrowings					
- Bank loans (*)	2,400,572,207,620	712,046,636,734	(2,560,283,977,347)	1,236,539,921,028	1,788,874,788,035
- Bonds issuance (**)	1,900,000,000,000	946,840,000,000	(3,025,000,000,000)	5,220,000,000,000	5,041,840,000,000
- Borrowings from third parties (***)	3,448,306,773,026	8,356,491,250,000	(8,534,687,332,130)	1,563,106,250,000	4,833,216,940,896
- Borrowings from related parties	-	168,100,000,000	(168,100,000,000)	-	-
- Costs of issuing bonds	-	(21,013,963,636)	43,567,329,170	(41,095,364,388)	(18,541,998,854)
	7,748,878,980,646	10,162,463,923,098	(14,244,503,980,307)	7,978,550,806,640	11,645,389,730,077
(b) Long-term borrowings					
- Bank loans (*)	1,841,758,940,112	3,828,462,866,753	(491,491,859,000)	(1,236,539,921,028)	3,942,190,026,837
- Bonds issuance (**)	5,566,000,000,000	8,478,328,000,000	(22,773,000,000)	(5,220,000,000,000)	8,801,555,000,000
- Borrowings from third parties (***)	2,841,875,000,000	2,555,918,750,000	-	(1,563,106,250,000)	3,834,687,500,000
- Costs of issuing bonds	(48,760,194,439)	(340,884,284,089)	32,802,784,267	41,095,364,388	(315,746,329,873)
	10,200,873,745,673	14,521,825,332,664	(481,462,074,733)	(7,978,550,806,640)	16,262,686,196,964

(*) Details of bank loans:

	31.12.2018 VND	31.12.2017 VND
(a) Short-term borrowings		
Vietnam Joint Stock Commercial Bank for Industry and Trade - HCMC Branch (i)	444,108,485,028	360,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	313,807,500,000	34,140,000,000
Maybank International Labuan Branch (ii)	188,284,500,000	20,484,000,000
The Shanghai & Savings Bank, Ltd. - Offshore Banking Branch (ii)	62,761,500,000	6,828,000,000
Chailease International Financial Services co., Ltd. (ii)	41,841,000,000	4,552,000,000
Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch (ii)	20,016,000,000	2,224,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Sai Gon Branch (iii)	226,342,014,763	73,542,207,620
Vietnam Prosperity Joint Stock Commercial Bank (iv)	190,000,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	151,731,436,000	-
Vietnam Prosperity Joint Stock Commercial Bank - HCMC Branch (vi)	94,666,000,000	100,002,000,000
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (vii)	48,125,000,000	-
Military Commercial Joint Stock Bank - North Sai Gon Branch (viii)	7,191,352,244	-
Vietnam Prosperity Joint Stock Commercial Bank	-	897,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	-	451,800,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center	-	250,000,000,000
Tien Phong Commercial Joint Stock Company - Sai Gon Branch	-	200,000,000,000
	1,788,874,788,035	2,400,572,207,620

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

	31.12.2018 VND	31.12.2017 VND
(b) Long-term borrowings		
Vietnam Prosperity Joint Stock Commercial Bank (ix)	2,000,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - HCMC Branch (i)	732,325,455,084	846,433,940,112
Vietnam Prosperity Joint Stock Commercial Bank (iv)	570,000,000,000	-
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (vii)	317,625,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank (x)	208,441,000,000	232,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	113,798,571,753	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	-	306,885,000,000
Maybank International Labuan Branch (ii)	-	184,131,000,000
The Shanghai & Savings Bank, Ltd. - Offshore Banking Branch (ii)	-	61,377,000,000
Chailease International Financial Services Co., Ltd (ii)	-	40,918,000,000
Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch (ii)	-	20,016,000,000
Vietnam Prosperity Joint Stock Commercial Bank - HCMC Branch (vi)	-	99,998,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	50,000,000,000
	3,942,190,026,837	1,841,758,940,112

- (i) These are borrowings in Vietnamese Dong with a credit limit of VND3,400,000,000,000, which are due for repayment within forty-eight (48) months duration since the first drawdown on 3 August 2016. The interest rates of these borrowings are equal to basic interest rate plus a margin of 4% per annum. These borrowings are secured by the total value of assets formed in the future of Binh Khanh Project.
- (ii) This is syndicated loan between Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch, Maybank International Labuan Branch, Vietinbank Filiale Deutschland, The Shanghai & Savings Bank - Offshore Banking and Chailease International Financial Service. Maybank - Ho Chi Minh Branch is the agent and representative to receive and deal with collaterals. In 2017, Maybank International Labuan Branch transferred a portion of borrowing to The Shanghai Commercial & Savings Bank, Ltd. - Offshore Banking Branch Bank and Chailease International Financial Services Co., Ltd., respectively. Borrowing amount is USD30 million, in which with respective parties as Maybank - Ho Chi Minh Branch (USD1 million, equivalent to VND22.24 billion), Maybank Labuan (USD9 million), Vietinbank Filiale Deutschland (USD15 million), The Shanghai & Savings Bank - Offshore Banking (USD3 million) and Chailease International Financial Service (USD2 million) for a term of 30 months. The borrowing in USD is bearing an interest of 3-month LIBOR plus a margin of 5.5% per annum and borrowing in Vietnamese Dong is bearing an interest of basic lending interest of Maybank - Ho Chi Minh Branch plus a margin of 3.04% per annum. These borrowings are secured by parking areas of three (3) Sunrise City projects (South, Central, North) and two (2) commercial blocks of Sunrise City South project.
- (iii) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of twelve months (12) to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 31 December 2018, the Group had the outstanding balance of VND226,342,014,763 which bears an interest rate from 7.5% to 7.6% per annum. These borrowings are guaranteed by the Company's deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, not exceed 10%.

- (iv) These are borrowings in Vietnamese Dong with a credit limit of VND760,000,000,000 for a term of 60 months since the drawdown on 27 December 2017. The interest is applied at a rate of the twelve-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 4% per annum. These borrowings are secured by the land use right of a real estate in District 2, HCMC and the shares owned by the Company in a subsidiary.
- (v) These are borrowings in Vietnamese Dong with a credit limit of VND800,000,000,000, which are due for repayment within 36 months duration since the first drawdown on 28 September 2017. The interest rates of these borrowings are equal to basic interest rate plus a margin of 3.5% per annum. These borrowings are secured by the land use right and assets formed in the future of a Project in District 4, HCMC.
- (vi) These are borrowings in Vietnamese Dong with a credit limit VND200,000,000,000 for a period of thirty-six (36) months duration since the first drawdown on 22 August 2016. The interest rate of these borrowings is 11% per annum and adjusted every three (3) months. These borrowings are secured by shares of the Company owned by shareholders.
- (vii) These are borrowings in Vietnamese Dong with a credit limit of VND385,000,000,000 for a term of 60 months since the drawdown date. Interest rate is 9.65% per annum for the first month and 10.5% per annum for the next two months, then adjusted every three (3) months at a rate of the thirteen-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 3.69% per annum and not lower than current interest rate quoted at the time of adjustment (for loans with the same type and method). As at 31 December 2018, the Group had the outstanding balance of VND365,750,000,000 which bears an interest rate of 10.5% per annum. These borrowings are secured by a real estate in District 1, HCMC.
- (viii) These are borrowings in Vietnamese Dong with the amount of VND24,123,740,240, maturing in June 2019. Interest rates are being specified in each drawdown. As at 31 December 2018, the Group had the outstanding balance of VND7,191,352,244 which bears an interest rate of 7.0% per annum. These borrowings are secured by deposit contracts at the lender.
- (ix) These are borrowings in Vietnamese Dong with the amount of VND2,000,000,000,000 for a term of forty eight (48) months since the first drawdown. As at 31 December 2018, the Group had outstanding balance of VND2,000,000,000,000. The interest rate is applied at the bank's highest rate of the twelve-month normal saving deposit to individuals (paid in arrears) plus a margin of 4.7% to 4.8% per annum. These borrowings are secured by the shares and contributed capital of the Group's subsidiary and associate, and the property rights arising from compensation for land clearance in District 2, HCMC.
- (x) These are borrowings in Vietnamese Dong with a credit limit of VND232,000,000,000 for a term of 60 months and the grace period is 12 months since the drawdown date. The principal are paid on a three-month basis. Interest rate is 10.5% per annum for the first three-month period, and at a rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3.5% per annum from the fourth (4th) month onwards. These borrowings are secured by parking areas of Tropic 1 and Lexington project and a part of commercial blocks of three Sunrise City projects (South, Central, North).

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

() Details of issued bonds are:**

	31.12.2018 VND	31.12.2017 VND
(a) Short-term borrowings		
Bonds issued at discount		
Techcom Securities Limited Company	-	450,000,000,000
Bonds issued at par		
Vietnam Technological and Commercial Joint Stock Bank (i)	1,500,000,000,000	-
Indovina Bank Limited (i)	1,050,000,000,000	-
Techcom Securities Limited Company (i)	750,000,000,000	-
Military Commercial Joint Stock Bank (ii)	500,000,000,000	-
MB Securities Joint Stock Company (iii)	400,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - HCMC Branch (iv)	295,000,000,000	275,000,000,000
IB Securities Limited Company (v)	346,840,000,000	-
VietinBank Insurance Joint Stock Company (vi)	100,000,000,000	-
VietinBank Gold & Jewellery Company Limited (vi)	100,000,000,000	-
Techcom Securities Limited Company	-	500,000,000,000
Bao Viet Commercial Joint Stock Bank	-	300,000,000,000
Military Commercial Joint Stock Bank - North Sai Gon Branch	-	250,000,000,000
Tien Phong Commercial Joint Stock Bank	-	125,000,000,000
	5,041,840,000,000	1,900,000,000,000
(b) Long-term borrowings		
Bonds issued at par		
The Bank of New York Mellon, London Branch (vii)	5,555,555,000,000	-
Tien Phong Commercial Joint Stock Bank (viii)	1,500,000,000,000	-
Military Commercial Joint Stock Bank - North Sai Gon Branch (ix)	1,000,000,000,000	-
Military Commercial Joint Stock Bank (x)	400,000,000,000	-
Bao Viet Group (xi)	200,000,000,000	200,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - HCMC Branch (iv)	146,000,000,000	441,000,000,000
Vietnam Technological and Commercial Joint Stock Bank (i)	-	1,500,000,000,000
Indovina Bank Limited (i)	-	1,050,000,000,000
Techcom Securities Limited Company (i)	-	750,000,000,000
Military Commercial Joint Stock Bank	-	750,000,000,000
Military Commercial Joint Stock Bank (ii)	-	500,000,000,000
Tien Phong Commercial Joint Stock Bank	-	375,000,000,000
	8,801,555,000,000	5,566,000,000,000

(i) Bonds issued at par value in Vietnamese Dong, include:

- Bonds with a par value of VND500,000,000,000, maturing in February 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The reference rate is calculated by average of the interest rates determined period by four (4) banks including: Bank for Investment and Development of Vietnam - Head office 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head office, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development - Head office. These bonds are secured by shares of the Company owned by shareholders. The initial buyer was Indovina Bank Limited.
- Bonds with a par value of VND1,800,000,000,000, maturing in March 2019, bearing an interest rate of 10.9% per annum for the first two (2) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus a margin of 4.5% per annum. The reference rate is calculated by average of the interest rates determined period by four (4) banks including: Bank for Investment and Development of Vietnam - Head office 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head office, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development - Head office. These bonds are secured by shares of the Company owned by shareholders. The initial buyers were Indovina Bank Limited, Vietnam Technology and Commercial Joint Stock Bank and Techcom Securities Company Limited with value of VND550,000,000,000, VND1,000,000,000,000 and VND250,000,000,000, respectively.
- Bonds issued at par value in Vietnamese Dong with total par value of VND1,000,000,000,000, maturing in August 2019 and bearing an interest of 10.9% per annum for the first two (2) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Company Limited with value of VND500,000,000,000 and VND500,000,000,000, respectively.

(ii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank - North Sai Gon Branch with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10.0% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders.

(iii) Bonds issued at par value of VND400,000,000,000 in Vietnamese Dong, maturing in February and May 2019, bearing an interest rate of 10.8% per annum. These bonds are secured by shares of the Company owned by shareholders.

(iv) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - HCMC Branch. These bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three (3) months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) on the date of interest rate determination. As at 31 December 2018, the Company repurchased total VND295,000,000,000 of par value, the remaining balance of bonds is VND441,000,000,000. These bonds are secured by shares of the Company owned by shareholders, receivables relating to a Company's project, part of shares owned by the Company in subsidiary.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(v) Bonds issued at par value in Vietnamese Dong, include:

- Bonds with a par value of VND200,000,000,000 in Vietnamese Dong, maturing in June 2019, bearing an interest rate of 10.6% per annum. These bonds are secured by shares of the Company owned by shareholders.
- Bonds with a par value of VND146,840,000,000 in Vietnamese Dong, advised by IB Securities Joint Stock Company, maturing in November 2019, bear an interest rate of 10.6% per annum and are secured by shares of the Company owned by shareholders.

(vi) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, advised by VietinBank Insurance Joint Stock Company which will be matured in July 2019, bearing an interest rate of 10.5% per annum. These bonds are secured by shares of the Company owned by shareholders.

(vii) These are 800 convertible bonds issued on 27 April 2018 ("Issue Date") and additional 400 convertible bonds issued on 14 December 2018 at par value in USD to international investors which The Bank of New York Mellon - London Branch is trustee, Credit Suisse - Singapore Branch is arranger and issuance agents. These convertible bonds amounted of USD240,000,000 with a par value of USD200,000 per bond will mature on 27 April 2023 ("Maturity Date"), subject to a bond coupon interest of 5.5% per annum which will be repaid every six (6) months and a redemption yield of 6.25% per annum which is calculated on a six (6) month basis. These bonds are unsecured and could be converted into shares of the Company since the 41st day from the Issue Date until the 10th day before the Maturity Date. The initial conversion price was determined at VND74,750 per share, and was adjusted to VND71,000 per share on 27 October 2018, corresponding to the conversion rate of 64,149.3 shares per convertible bond and may be adjusted in the following cases: (1) Business events resulting in a change in the share value, and/or (2) adjustment corresponding to the decrease in NVL share price with an adjustment not exceeding 75% of the Initial Conversion Price, VND56,062.5 per share.

(viii) Bonds issued at par value in Vietnamese Dong, including three (3) bonds with total par value of VND1,500,000,000,000. The details as follows:

- Bond A: par value of VND500,000,000,000 with a term of eighteen (18) months, maturing in 2020.
- Bond B: par value of VND300,000,000,000 with a term of twenty four (24) months, maturing in 2020.
- Bond C: par value of VND700,000,000,000 with a term of thirty six (36) months, maturing in 2021.

The interest rate of these bonds is 10.5% per annum for the first period. The interest period is three (3) months. The interest rate applied for the remaining period will be defined at a rate of the twelve-month saving deposits in Vietnamese Dong from individuals (paid in arrears) of TPBank plus a margin of 4.0% per annum. These bonds are secured by the development right of the Grand Manhattan project and shares owned by the shareholders of the Grand Manhattan project.

(ix) Bonds issued at par value in Vietnamese Dong, advised by MB Securities Joint Stock Company, with a total par value of VND1,730,000,000,000, maturing in December 2022. In December 2018, a par value amount of VND1,000,000,000,000 was issued with an interest rate of 7.5% per annum for the first 3 months. Then, the interest rate is adjusted to 10.0% per annum for the following 9 months and after that, it is adjusted every three (3) months and defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Military Joint Stock Commercial Bank. These bonds are secured by the capital contribution of the Company at the issuing company.

(x) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank - North Sai Gon Branch ("MB"). The package of bonds with a par value of VND400,000,000,000, maturing in 2021 and bearing an interest rate of 10.0% per annum for the first year. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including assets of The 21st Century International Development Company Limited relating to Lakeview City project, part of shares owned by the Company in subsidiaries and shares of the Company owned by shareholders.

(xi) Bonds issued at par value in Vietnamese Dong to Bao Viet Group, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest period. The interest rate applied for the remaining period will be adjusted every twelve (12) months and defined as a reference rate plus 2.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by HCMC branches of four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders.

(***) Details for the balances of third parties were as follows:

	31.12.2018 VND	31.12.2017 VND
(a) Short-term borrowings		
Credit Suisse AG - Singapore Branch (i)	1,627,150,000,000	-
Nova Homes Trading Joint Stock Company (ii)	1,563,454,440,896	3,340,306,773,026
GW Supernova Pte. Ltd. (iii)	1,162,250,000,000	-
Credit Suisse AG- Singapore Branch (iv)	286,225,500,000	-
Crane Investment .Ltd. (iv)	144,837,000,000	-
Others (ii)	49,300,000,000	108,000,000,000
	4,833,216,940,896	3,448,306,773,026
(b) Long-term borrowings		
Credit Suisse AG - Singapore Branch (iv)	1,621,944,500,000	750,255,000,000
GPI3 Co., Ltd. (v)	1,392,000,000,000	-
Crane Investment Ltd. (iv)	820,743,000,000	954,870,000,000
GW Supernova Pte. Ltd. (iii)	-	1,136,750,000,000
	3,834,687,500,000	2,841,875,000,000

(i) These are borrowings with the credit facility of USD150,000,000 between Nova Hospitality Joint Stock Company and Credit Suisse AG - Singapore Branch, who is the lender and the facility agent. The loan duration is six (6) months from the first date of drawdown and could be extended to nine (9) months with the principal is repayable on the maturity date. The interest rate is defined as: (a) LIBOR rate plus a margin of 1.75% per annum for the first 3 months, (b) LIBOR rate plus a margin of 3.25% per annum from the 4th month to the 6th month, (c) LIBOR rate plus a margin of 5.5% per annum for the 7th month, (d) LIBOR rate plus a margin of 6.5% per annum for the 8th month and (e) LIBOR rate plus a margin of 7.5% per annum for the 9th month. Interest will be repayable every month. These borrowings are secured by shares of the Company owned by shareholders and are guaranteed for payment by the Company. As at 31 December 2018, these borrowings was disbursed partially by USD70 million to Nova Hospitality Joint Stock Company.

24 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(ii) These are borrowings in Vietnamese Dong, maturing in 5 months, bearing interest at the rate from 4.7% to 11.0% per annum and are unsecured.

(iii) This borrowing is denominated in USD from GW Supernova Pte. Ltd. ("the Lender"), with a credit facility of USD50,000,000, maturing in thirty-six (36) months since the first drawdown in December 2016, including a portion of non-convertible borrowing amounting to USD20,000,000 and the other portion of convertible borrowing amounting to USD30,000,000. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. The principal is repaid at the maturity date. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 15%. The borrowing is unsecured. The Lender may elect to convert the convertible borrowing component into shares of the Company at any time after ten (10) months since the first drawdown date or six (6) months since the conversion date of the borrowing from Credit Suisse AG - Singapore Branch (was converted on 28 June 2017), depending on which date comes first. As at 31 December 2018, the Company's Board of Management estimated that the value of the convertible debt component was the same as the principal of the borrowing. Accordingly, there was no equity component recognised.

As at 31 December 2018, these borrowings were fully disbursed. In case the debt conversion option is exercised, the maximum shares to be converted will be 22,978,142 shares of the Company. As at the date of these separate financial statements, the loan has not yet been converted.

(iv) These are borrowings according to the borrowing agreement and appendices with a credit facility of USD125,000,000, which Credit Suisse AG - Singapore Branch is the facility agent and the guarantee agent. In 2017, Credit Suisse AG - Singapore Branch transferred a portion of borrowing amounting to USD42,000,000 to Crane Investments Limited In Respect Of Series 211. The loan duration is forty-two (42) months from the first date of drawdown, the principal is repayable every six (6) months from the eighteenth (18th) month since the first date of drawdown to maturity. Interest rate is defined as LIBOR rate plus a margin of 5.5% per annum and repayable every three (3) months. At maturity or early repayment, the Company would pay an additional amount to ensure that lender receives a target internal rate of return of 13%. The borrowings are unsecured. As at 31 December 2018, these borrowings were disbursed fully of USD125 millions.

(v) These are borrowings in Vietnamese Dong with a credit limit of USD90 million, in which Standard Chartered Bank is the arranger and bookrunner and Standard Chartered Bank (Hong Kong) Limited is the facility agent and security agent. The borrowings will be matured in September 2020 with the principal being paid on the maturity date. The interest of these borrowings is paid on every six (6) month at the rate of 6% per annum. At maturity or early repayment, the Company would pay an additional amount to ensure that lender receives a target internal rate of return of 11%. These borrowings are secured by shares of the Company owned by shareholders. As at 31 December 2018, an amount of USD60 million was disbursed fully by GPI3 Co., Ltd.

25 OWNERS' CAPITAL

(a) Number of shares

	31.12.2018		31.12.2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	930,446,674	6,830,000	642,828,788	6,830,000
Number of shares issued	930,446,674	6,830,000	642,828,788	6,830,000
Number of existing shares in circulation	930,446,674	6,830,000	642,828,788	6,830,000

(b) Movement of share capital

	Ordinary shares	Preference shares	Total
As at 1 January 2017	589,369,234	6,830,000	596,199,234
New shares issued for converting debts	33,459,554	-	33,459,554
New shares issued for employee stock ownership plan ("ESOP")	20,000,000	-	20,000,000
As at 31 December 2017	642,828,788	6,830,000	649,658,788
New shares issued for ESOP 2017	9,809,962	-	9,809,962
Bonus shares issued	202,317,178	-	202,317,178
Issuance of ordinary shares	52,500,000	-	52,500,000
New shares issued for converting bonds	320,746	-	320,746
New shares issued for ESOP 2018	22,670,000	-	22,670,000
As at 31 December 2018	930,446,674	6,830,000	937,276,674

Par value per share: VND10,000.

26 MOVEMENTS IN OWNERS' EQUITY

	Ordinary shares VND	Preference shares VND	Share premium VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2017	5,893,692,340,000	68,300,000,000	2,174,026,445,400	952,449,830,514	9,088,468,615,914
Issuance of ordinary shares for converting debts	334,595,540,000	-	1,032,804,460,000	-	1,367,400,000,000
Issuance of ordinary shares for ESOP	200,000,000,000	-	-	-	200,000,000,000
Profit for the year	-	-	-	2,033,481,810,322	2,033,481,810,322
Dividends paid	-	-	-	(24,765,000,000)	(24,765,000,000)
Transferring the loss previously recognised in undistributed earnings	-	-	-	102,000,000,000	102,000,000,000
Change in ownership of subsidiaries	-	-	-	(155,948,534,184)	(155,948,534,184)
As at 31 December 2017	6,428,287,880,000	68,300,000,000	3,206,830,905,400	2,907,218,106,652	12,610,636,892,052
Issuance of ordinary shares for ESOP (i)	98,099,620,000	-	-	-	98,099,620,000
Bonus shares issued from share premium (ii)	2,023,171,780,000	-	(2,023,171,780,000)	-	-
Issuance of ordinary shares (iii)	525,000,000,000	-	2,793,725,115,626	-	3,318,725,115,626
Issuance of ordinary shares for converting bonds (iv)	3,207,460,000	-	19,565,540,000	-	22,773,000,000
Issuance of ordinary shares for ESOP 2018 (v)	226,700,000,000	-	(110,000,000)	-	226,590,000,000
Profit for the year	-	-	-	3,227,004,714,155	3,227,004,714,155
Dividends paid	-	-	-	(20,490,000,000)	(20,490,000,000)
Change in ownership of subsidiaries	-	-	-	(6,038,193,225)	(6,038,193,225)
As at 31 December 2018	9,304,466,740,000	68,300,000,000	3,996,839,781,026	6,107,694,627,582	19,477,301,148,608

- (i) According to Annual Resolution No. 09/2017-NQ-NVLG on 27 April 2017, the General Meeting of shareholders approved the issuance of shares under the Employee Stock Ownership Plan ("ESOP") with the maximum number of 29,809,962 shares. In 2017, the Company completed the issue of 20,000,000 ordinary shares to employees. Besides, according to Decision No. 004/2018-QĐ.HĐQT-NVLG dated 12 January 2018, the Board of Directors approved the issuance of the remaining shares of 9,809,962 to employees at par value of VND10,000 per share under the Resolution of the Annual General Meeting of shareholders.
- (ii) According to the Resolution of the Board of Directors No.18/2018-QĐ-NVLG dated 1 March 2018, the Board of Directors has implemented a plan to issue shares to increase the share capital from share premium which was approved by the Annual General Meeting of shareholders in 2017.
- (iii) According to the Resolution of the General Meeting of shareholders No. 05/2018-NQ-NVLG dated 28 February 2018, Resolution No. 28/2018-QĐ-NVLG dated 9 April 2018 and Resolution No. 34/2018-CV-NVLG dated 23 April 2018, the Company approved the issuance of shares to increase the share capital in accordance with the private placement plan of 2018 with the total share number of 52,500,000.

- (iv) Under the convertible bond agreement dated 19 April 2018, the bond conversion notification dated 16 November 2018 from bondholders and the Resolution of the Board of Directors No. 87/2018-NQ.HĐQT-NVLG dated 27 November 2018, the Board of Directors has approved the issuance of 320,746 ordinary shares to convert 5 convertible bonds with a total value of USD1,000,000. The conversion of bonds into shares was calculated according to the exchange rate stipulated in the convertible bond agreement.
- (v) According to the Resolution of the Annual General Meeting of Shareholders No. 18/2018-NQ.DHĐCĐ-NVLG dated 26 April 2018 and the Resolution of the Board of Directors No. 75/2018-NQ.HĐQT-NVLG dated 24 October 2018, the Board of Directors approved the issuance of 22,670,000 shares under the Employee Stock Ownership Plan with the issue price of VND10,000 per share.

27 NON-CONTROLLING INTERESTS

The non-controlling interests represent the holdings of the other shareholders for the value of the net assets and results of operations of the subsidiaries at year end:

	31.12.2018 VND	31.12.2017 VND
Charter capital	828,870,312,041	500,423,132,544
Other funds	19,720,759	19,705,357
Share premium	(20,938,383)	38,495
Post tax undistributed earnings	153,956,242,753	145,310,734,972
Non-controlling interests	982,825,337,170	645,753,611,368

Movements in non-controlling interests during year are as below:

	31.12.2018 VND	31.12.2017 VND
Beginning of year	645,753,611,368	958,421,521,157
Net profit attributable to non-controlling interest for the year	40,065,474,562	28,161,421,934
Increase due to acquisition of new subsidiaries	453,995,837,235	269,039,884,157
Decrease due to change ownership percentage during the year	(144,080,939,285)	(489,372,722,733)
Decrease due to divestment of subsidiaries	115,202	(77,096,396,147)
Decrease due to dividends received	(12,908,761,912)	(43,400,097,000)
End of year	982,825,337,170	645,753,611,368

28 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares.

	2018	2017
Net profit attributable to shareholders (VND)	3,227,004,714,155	2,033,481,810,322
Dividend on preference shares (VND)	(20,490,000,000)	(20,490,000,000)
Profit calculation of basic earnings per share (VND)	3,206,514,714,155	2,012,991,810,322
Weighted average number of ordinary shares in issue (shares)	887,112,850	794,745,443
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Weighted average number of ordinary share including mandatorily convertible shares (shares)	907,602,850	815,235,443
Basic earnings per share (VND)	3,533	2,469

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued.

	2018	2017
Net profit attributable to shareholders (VND)	3,227,004,714,155	2,033,481,810,322
Dividend on preference shares (VND)	(20,490,000,000)	(20,490,000,000)
Adjustment (VND) (*)	129,145,431,230	-
Profit calculation of diluted earnings per share (VND)	3,335,660,145,385	2,012,991,810,322
Weighted average number of ordinary shares in issue (shares)	887,112,850	794,745,443
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Potential shares (shares) (*)	76,658,408	-
Weighted average number of ordinary shares including potential shares (shares)	984,261,258	815,235,443
Diluted earnings per share (VND)	3,389	2,469

(*) The Company considered each issue or series of potential ordinary shares in determining whether potential ordinary shares are dilutive. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

In the year 2018, these are the adjustments of net profit attributable to shareholders corresponding with the adjustments of potential shares with assumption they will be converted in the future from convertible bonds. In the year 2017, there were potential ordinary shares but they are not dilutive.

29 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

	2018	2017
Gold (tael of gold)	-	2.4
Foreign currencies US\$	132,996,989	2,053,377

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were VND352,534,973,216 and VND77,118,717,840 for the year ended 31 December 2018 and 31 December 2017, respectively (Note 42).

30 REVENUE

	2018 VND	2017 VND
Revenue from sales of goods and rendering of services		
Revenue from sales of real estates	15,208,973,643,057	11,052,768,852,428
Rendering of services for corporate management, project development and sales consultancy	270,159,443,179	573,152,244,351
Revenue from leasing properties	93,784,549,745	88,333,076,089
Others	62,503,652,804	45,139,783,280
	15,635,421,288,785	11,759,393,956,148
Sales deductions		
Trade discounts	(129,481,199,377)	(115,752,929,282)
Sales returns	(215,546,180,923)	(11,304,997,693)
	(345,027,380,300)	(127,057,926,975)
Net revenue from sales of goods and rendering of services		
Net revenue from sales of real estates	14,863,946,262,757	10,925,710,925,453
Net revenue from rendering of services for corporate management, project development and sales consultancy	270,159,443,179	573,152,244,351
Net revenue from leasing properties	93,784,549,745	88,333,076,089
Others	62,503,652,804	45,139,783,280
	15,290,393,908,485	11,632,336,029,173

31 COST OF SALES

	2018 VND	2017 VND
Cost of real estates sold	9,795,542,246,989	7,742,490,495,967
Cost of rendering of services for corporate management, project development and sales consultancy	190,496,577,252	524,448,993,318
Cost of leasing properties	66,485,446,940	76,829,508,148
Others	79,916,164,957	31,736,077,468
	10,132,440,436,138	8,375,505,074,901

32 FINANCIAL INCOME

	2018 VND	2017 VND
Revaluation of investments at each business combination stage (*)	803,210,831,450	967,130,690,742
Interest income from deposits at banks	214,248,334,818	206,823,488,341
Interest income from lending	82,178,294,689	191,749,654,634
Interest income from late payment	64,998,281,511	128,106,141,828
Interest income from business co-operation contracts	64,553,619,208	100,834,558,219
Gain from disposal of subsidiaries	61,630,398,838	92,463,785,575
Realised foreign exchange gains	2,400,193,750	76,031,931
Gain on bargain purchase	874,114,025	2,458,392,327
Unrealised foreign exchange gains	408,741,677	5,881,810,757
Others	2,181,903,188	999,571,235
	1,296,684,713,154	1,696,524,125,589

(*) This is the revaluation of the initial investment of the Group in Sun City Real Estate Investment and Development Company Limited and Thai Binh Real Estate Trading Joint Stock Company at the acquisition date (Note 3).

33 FINANCIAL EXPENSES

	2018 VND	2017 VND
Interest expenses	1,381,414,621,001	1,205,387,997,120
Borrowings related costs	209,071,622,381	96,991,551,724
Unrealised foreign exchange losses	136,106,936,679	797,896,356
Interest expenses for business co-operation contracts	66,424,277,992	95,185,121,202
Cost of issuing bonds	60,323,561,822	45,772,375,981
Expenses on cross currency swap contracts	43,611,441,769	-
Realised foreign exchange losses	21,523,980,173	4,574,531,071
Payment discounts	4,101,055,850	12,516,681,896
Loss on disposal of subsidiaries	-	789,770,893
Others	7,618,496,526	1,293,575,852
	1,930,195,994,193	1,463,309,502,095

34 SHARE OF PROFIT FROM ASSOCIATES

In the year ended 31 December 2018, share of profit from associates included VND1,311,089,626,408 which is the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment in Thai Binh Real Estate Trading Joint Stock Company and Dat Viet Development Joint Stock Company at the investment date (Note 5(b)).

35 SELLING EXPENSES

	2018 VND	2017 VND
Staff costs	29,079,769,779	36,034,631,422
Material, package costs	79,851,600	118,847,858
Tools and supplies	1,720,366,776	902,913,104
Depreciation expense	1,366,951,618	685,652,426
Outside services expenses	236,580,019,305	96,745,923,391
Other expenses	155,390,350,048	123,804,428,829
	424,217,309,126	258,292,397,030

36 GENERAL AND ADMINISTRATION EXPENSES

	2018 VND	2017 VND
Staff costs	53,648,750,116	62,917,354,083
Tools and supplies	345,452,957	700,745,057
Stationary expenses	1,498,026,447	3,561,124,297
Depreciation expense	5,923,595,071	5,777,153,496
Tax and other fees	2,628,120,186	4,239,846,620
Provisions/(reversal of provisions)	2,530,435,437	(7,545,666,905)
Outside services expenses	124,981,931,819	103,610,834,995
Other expenses	126,161,437,263	97,059,860,567
Goodwill allocation (Note 17)	426,009,024,290	405,872,501,548
	743,726,773,586	676,193,753,758

37 OTHER INCOME AND OTHER EXPENSES

	2018 VND	2017 VND
Other income		
Fines received on contract violation	65,880,231,420	51,705,401,436
Income from sales of tools and scrap	1,187,595,050	4,127,751,204
Gains on disposal of fixed assets	451,323,798	529,135,163
Others	3,564,496,300	6,060,328,215
	71,083,646,568	62,422,616,018
Other expenses		
Fines paid on contract violation	56,010,884,822	20,560,400,132
Losses on disposal of fixed assets	15,189,551,130	4,895,131,202
Others	3,281,103,998	16,106,914,136
	74,481,539,950	41,562,445,470

38 BUSINESS INCOME TAX

(a) Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Movements in deferred income tax were as follows:

	31.12.2018 VND	31.12.2017 VND
Deferred income tax assets	115,783,534,333	66,869,015,901
Deferred income tax liabilities	(1,659,990,918,872)	(1,477,768,084,442)
Beginning of year	(1,544,207,384,539)	(1,410,899,068,541)
Income statement charged	(422,133,052,602)	283,791,739,656
Impact of business combination during the year (*)	(660,719,779,496)	(421,674,326,488)
Disposal of subsidiaries	-	4,574,270,834
End of year	(2,627,060,216,637)	(1,544,207,384,539)
In which:		
Deferred income tax assets	70,055,011,414	115,783,534,333
Deferred income tax liabilities	(2,697,115,228,051)	(1,659,990,918,872)

(*) This is deferred tax liabilities incurred from business combination during the year (Note 3).

The deferred income tax assets and liabilities mainly arise from the temporary differences relating to unrealised profits from business combination.

The Group uses tax rate of 20% in year 2018 (2017: 20%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

38 BUSINESS INCOME TAX (continued)

(b) Business income tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2018 VND	2017 VND
Net accounting profit before tax	4,675,374,768,538	2,588,499,024,119
Tax calculated at a rate of 20%	935,074,953,708	517,699,804,824
Effect of:		
Goodwill allocation	85,201,804,858	51,846,323,460
Expenses not deductible for tax purposes	8,911,014,814	8,783,268,783
Income not subject to tax	(780,912,000)	(425,597,168)
Tax losses utilisation	(45,801,020,818)	(12,774,267,142)
Temporary difference for which no deferred tax asset is recognised	-	(35,167,794)
Tax loss for which deferred tax asset is not recognised	425,561,295,916	219,585,217,475
Difference on gain from shares transfers of subsidiaries	(292,488,368)	(18,338,870,057)
Share of profit from associates	(2,236,985,383)	(2,415,885,319)
Gain from subsidiaries acquisitions	(174,822,805)	(491,678,465)
Adjustments for business income tax of previous years	2,841,739,899	29,323,733
Adjustment for merger of subsidiaries	-	(236,606,680,467)
Business income tax charge (*)	1,408,304,579,821	526,855,791,863
Charged to income statement:		
Business income tax - current	986,171,527,219	810,647,531,519
Business income tax - deferred (Note 38(a))	422,133,052,602	(283,791,739,656)
	1,408,304,579,821	526,855,791,863

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

39 COST OF OPERATIONS BY FACTOR

	2018 VND	2017 VND
Real estate development costs	15,371,487,334,784	18,164,816,676,192
Labour costs	673,783,996,538	874,350,989,106
Outside services expenses	452,717,935,614	321,671,391,223
Depreciation expenses and goodwill allocation	517,923,431,973	466,146,740,507
Other expenses	287,823,605,276	230,387,766,332
	17,303,736,304,185	20,057,373,563,360

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

(a) Significant non-cash transactions affect of cash flows statement

	2018 VND	2017 VND
Bonus shares issued from share premium	2,023,171,780,000	-
Issuance of ordinary shares for converting debts	22,773,000,000	1,367,400,000,000

(b) Amount of borrowings actually withdrawn during the year

	2018 VND	2017 VND
Proceeds for borrowings under normal borrowing contracts	13,159,007,736,734	12,263,222,658,255
Issuing bonds	9,001,741,752,275	4,944,103,000,000

(c) Amount of borrowings actually repaid during the year

	2018 VND	2017 VND
Repayments for borrowings under normal borrowing contracts	(11,754,563,168,477)	(11,183,500,855,745)
Repayments for bonds	(3,025,000,000,000)	(2,316,000,000,000)

41 RELATED PARTY DISCLOSURES

During the year, the Group has transactions and balances with following related parties:

Relationship	Name
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Ben Thanh Housing Service and Development Joint Stock Company
Associate	Thai Binh Real Estate Trading Joint Stock Company (*)
Associate	Dat Viet Development Joint Stock Company
Associate	Thanh My Loi Joint Stock Company
Company owned by shareholders	Diamond Properties Joint Stock Company

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2018 VND	2017 VND
i) Sales of goods and services		
Huy Minh Real Estate Joint Stock Company	-	110,000,003
ii) Purchase of services		
Ben Thanh Housing Service and Development Joint Stock Company	55,056,246,652	31,456,615,428
iii) Interest on lending		
Sai Gon Electronics and Industrial Service Joint Stock Company	-	4,553,310,664
Thanh My Loi Joint Stock Company	5,181,762,538	-
	5,181,762,538	4,553,310,664
iv) Interest on borrowings		
Thai Binh Real Estate Trading Joint Stock Company (*)	5,032,465,753	-
Huy Minh Real Estate Joint Stock Company	-	415,276,875
	5,032,465,753	415,276,875
v) Compensation of key management		
Gross salaries and other benefits	23,726,625,300	35,024,121,743

(*) During the year and as at 31 December 2018, this company became the Group's subsidiary and was consolidated in the consolidated financial statement of the Group.

(b) Year end balances with related parties

	2018 VND	2017 VND
i) Short-term trade account receivables (Note 6)		
Diamond Properties Joint Stock Company	40,024,130,644	40,024,130,644
Ben Thanh Housing Service and Development Joint Stock Company	149,745,844	159,103,170
	40,173,876,488	40,183,233,814
ii) Short-term lendings (Note 8(a))		
Sai Gon Electronics and Industrial Service Joint Stock Company	7,520,000,000	43,420,000,000
Thanh My Loi Joint Stock Company	49,629,003,300	-
	57,149,003,300	43,420,000,000
iii) Other short-term receivables (Note 9(a))		
Ben Thanh Housing Service and Development Joint Stock Company	38,324,741,374	39,827,672,410
Thanh My Loi Joint Stock Company	6,462,414,402	-
Sai Gon Electronics and Industrial Service Joint Stock Company	26,740,105,439	23,907,772,634
	71,527,261,215	63,735,445,044
iv) Other long-term receivables (Note 9(b))		
Dat Viet Development Joint Stock Company	46,000,000,000	-
Ben Thanh Housing Service and Development Joint Stock Company	5,682,317,455	1,398,776,000
	51,682,317,455	1,398,776,000
v) Short-term trade accounts payable (Note 18)		
Ben Thanh Housing Service and Development Joint Stock Company	489,425,295	-
vi) Short-term accrued expenses (Note 22)		
Ben Thanh Housing Service and Development Joint Stock Company	-	124,900,350

42 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases were as follows:

	Office rental	
	2018 VND	2017 VND
Within one year	31,642,142,336	51,798,974,424
From one to five years	52,541,621,124	25,319,743,416
Over five years	268,351,209,756	-
Total minimum payments	352,534,973,216	77,118,717,840

43 CAPITAL COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the consolidated financial statements was as follows:

	2018 VND	2017 VND
Construction cost of projects	3,579,134,581,403	6,081,197,094,885

44 SEGMENT REPORTING

Business activity segments:

As the Group's revenue and profit are mainly derived from the business activities of the real estate while other sources of revenue are not material as a whole, the Board of Management accordingly believes that the Group's real estate and supporting activities for real estate are in a sole business segment only.

Geographical segments:

The Group's activities are mainly segmented by domestic activities. The Group does not monitor its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

45 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

46 EVENTS AFTER THE BALANCE SHEET DATE

Capital investment to Van Phat Real Estate Investment Company Limited ("Van Phat"):

According to the Resolution No. 11/2019-NQ.HDQT-NVLG dated 12 March 2019, the Board of Directors approved the capital investment to Van Phat Real Estate Investment Company Limited ("Van Phat") with the amount of VND85,833,000,000, accounting for 49% of charter capital of Van Phat. As at the date of these consolidated financial statements, the contribution of capital has been implemented.

The consolidated financial statements were approved by the Board of Management on 25 March 2019.



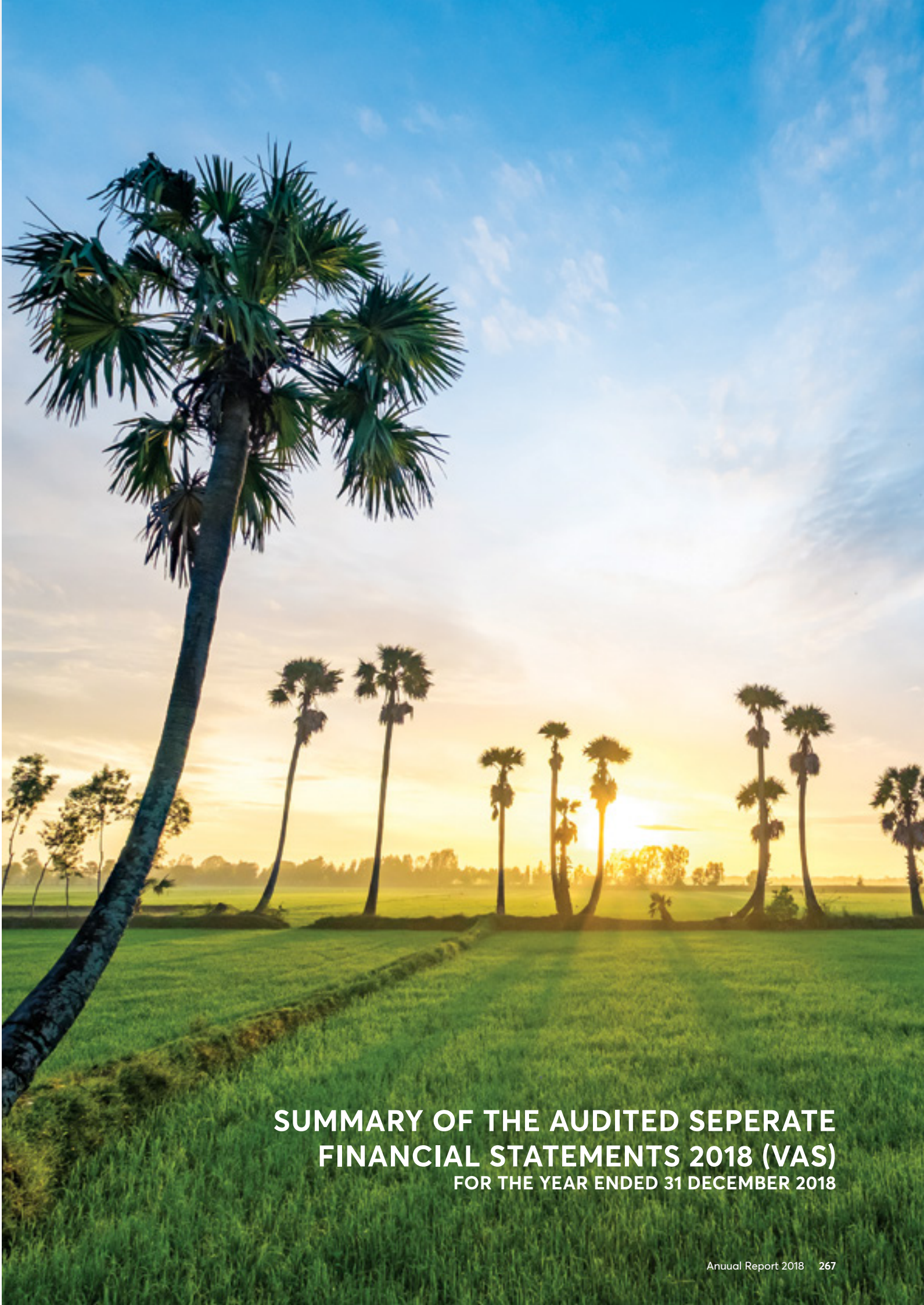
NGUYEN NGOC BANG
Preparer
25 March 2019



TRAN THI THANH VAN
Chief Accountant



BUI XUAN HUY
General Director



SUMMARY OF THE AUDITED SEPERATE
FINANCIAL STATEMENTS 2018 (VAS)
FOR THE YEAR ENDED 31 DECEMBER 2018

Code	ASSETS	Note	As at 31 December	
			2018 VND	2017 VND
100	CURRENT ASSETS		9,842,808,514,571	7,336,717,166,620
110	Cash and cash equivalents	3	6,307,617,528,607	1,455,689,692,352
111	Cash		4,364,094,540,471	290,577,542,976
112	Cash equivalents		1,943,522,988,136	1,165,112,149,376
120	Short-term investments		3,317,247,322	430,671,476,752
123	Investments held-to-maturity		3,317,247,322	430,671,476,752
130	Short-term receivables		978,301,813,696	2,341,407,152,135
131	Short-term trade accounts receivable	5	141,867,503,918	109,056,528,946
132	Short-term prepayments to suppliers	6	374,209,855,850	385,683,515,155
135	Short-term lending	7	7,520,000,000	232,671,600,222
136	Other short-term receivables	8(a)	454,704,453,928	1,613,995,507,812
140	Inventories	10	2,357,821,074,991	2,835,253,744,542
141	Inventories		2,357,821,074,991	2,835,253,744,542
150	Other current assets		195,750,849,955	273,695,100,839
151	Short-term prepaid expenses	11(a)	58,028,744,567	33,811,409,608
152	Value Added Tax to be reclaimed	18(a)	133,012,370,674	176,502,020,418
153	Tax and other receivables from the State Budget	18(a)	4,709,734,714	63,381,670,813

Code	ASSETS (continued)	Note	As at 31 December	
			2018 VND	2017 VND
200	LONG-TERM ASSETS		29,777,511,680,692	19,658,383,070,708
210	Long-term receivables		25,087,340,239	193,670,726,330
216	Other long-term receivables	8(b)	25,087,340,239	193,670,726,330
220	Fixed assets		567,016,293,701	134,599,843,385
221	Tangible fixed assets	12(a)	485,494,214,215	89,870,796,906
222	Historical cost		542,192,578,806	124,401,270,278
223	Accumulated depreciation		(56,698,364,591)	(34,530,473,372)
227	Intangible fixed assets	12(b)	81,522,079,486	44,729,046,479
228	Historical cost		91,532,544,197	50,149,950,044
229	Accumulated amortisation		(10,010,464,711)	(5,420,903,565)
230	Investment properties	13	1,292,989,706,133	1,314,479,799,383
231	Historical cost		1,316,000,730,094	1,331,862,308,547
232	Accumulated depreciation		(23,011,023,961)	(17,382,509,164)
240	Long-term assets in progress		263,991,199,358	292,558,067,073
241	Long-term work in progress	14	181,962,136,884	224,136,375,352
242	Construction in progress	15	82,029,062,474	68,421,691,721
250	Long-term investments		27,496,490,177,977	17,648,684,947,467
251	Investments in subsidiaries	4(a)	27,411,298,117,977	16,617,792,887,467
252	Investments in associates	4(b)	85,192,060,000	1,030,892,060,000
260	Other long-term assets		131,936,963,284	74,389,687,070
261	Long-term prepaid expenses	11(b)	130,961,089,712	73,413,813,498
262	Deferred income tax assets	23	975,873,572	975,873,572
270	TOTAL ASSETS		39,620,320,195,263	26,995,100,237,328

Code	RESOURCES	Note	As at 31 December	
			2018 VND	2017 VND
300	LIABILITIES		23,324,963,926,892	15,815,002,083,930
310	Short-term liabilities		11,617,464,209,775	6,482,181,340,468
311	Short-term trade accounts payable	16	132,842,393,354	109,079,438,699
312	Short-term advances from customers	17	376,442,933,681	541,931,205,610
313	Tax and other payables to the State Budget	18(b)	302,622,383,493	15,397,184,292
314	Payable to employees		32,093,345,384	114,616,082,625
315	Short-term accrued expenses	19	1,183,462,917,145	570,338,370,866
318	Short-term unearned revenue	20	1,489,172,289	1,505,790,703
319	Other short-term payables	21(a)	1,001,628,405,420	822,614,019,388
320	Short-term borrowings and finance lease liabilities	22(a)	8,581,333,793,714	4,301,150,382,990
322	Bonus and welfare funds		5,548,865,295	5,548,865,295
330	Long-term liabilities		11,707,499,717,117	9,332,820,743,462
336	Long-term unearned revenue	20	64,377,614,795	65,749,720,031
337	Other long-term payables	21(b)	1,540,932,195	244,556,717,870
338	Long-term borrowings and finance lease liabilities	21(b)	11,641,581,170,127	9,022,514,305,561
400	OWNERS' EQUITY		16,295,356,268,371	11,180,098,153,398
410	Capital and reserves		16,295,356,268,371	11,180,098,153,398
411	Owners' capital	24, 25	9,372,766,740,000	6,496,587,880,000
411a	- Ordinary shares with voting rights		9,304,466,740,000	6,428,287,880,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	24	3,996,839,781,026	3,206,830,905,400
421	Undistributed earnings	24	2,925,749,747,345	1,476,679,367,998
421a	- Undistributed post-tax profits of		1,456,189,367,998	1,054,789,149,570
421b	- Post-tax profit of current year		1,469,560,379,347	421,890,218,428
440	TOTAL RESOURCES		39,620,320,195,263	26,995,100,237,328



DO PHUONG THUY
Preparer
25 March 2019



TRAN THI THANH VAN
Chief Accountant



BUI XUAN HUY
General Director

Code		Note	Year ended at 31 December	
			2018 VND	2017 VND
01	Revenue from sales of goods and rendering of services		3,803,674,313,262	2,997,814,436,871
02	Less deductions		-	(4,395,144,584)
10	Net revenue from sales of goods and rendering of services	27	3,803,674,313,262	2,993,419,292,287
11	Cost of goods sold and services rendered	28	(1,546,772,564,425)	(2,736,582,160,890)
20	Gross profit from sales of goods and rendering of services		2,256,901,748,837	256,837,131,397
21	Financial income	29	1,938,004,182,314	1,676,500,005,991
22	Financial expenses	30	(2,157,483,807,684)	(1,311,898,120,465)
23	- Including: Interest expenses	30	(1,696,283,554,055)	(1,166,913,635,086)
25	Selling expenses	31	(90,133,019,101)	(70,744,142,906)
26	General and administration expenses	32	(143,489,558,924)	(115,451,349,858)
30	Net operating profit		1,803,799,545,442	435,243,524,159
31	Other income		14,239,428,402	10,657,894,231
32	Other expenses		(8,644,806,475)	(24,011,199,962)
40	Net other income/(expenses)	33	5,594,621,927	(13,353,305,731)
50	Net accounting profit before tax		1,809,394,167,369	421,890,218,428
51	Business income tax - current	34	(339,833,788,022)	-
52	Business income tax - deferred	23, 34	-	-
60	Net profit after tax		1,469,560,379,347	421,890,218,428



DO PHUONG THUY
Preparer
25 March 2019



TRAN THI THANH VAN
Chief Accountant



BUI XUAN HUY
General Director

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Form B 03 - DN

Code	Note	Year ended 31 December	
		2018 VND	2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	1,809,394,167,369	421,890,218,428
	Adjustments for:		
02	Depreciation and amortisation	33,690,947,426	28,497,320,448
04	Unrealised foreign exchange losses/(gain)	136,061,065,597	(5,156,804,641)
05	Profits from investing activities	(1,897,940,148,655)	(1,664,913,840,881)
06	Interest expense and bond issuance fee	1,772,653,667,492	1,207,436,011,071
08	Operating profit/(loss) before changes in working capital	1,853,859,699,229	(12,247,095,575)
09	Decrease in receivables	1,293,779,330,507	3,388,267,647,438
10	Decrease/(increase) in inventories	51,030,948,391	(272,243,758,657)
11	Increase/(decrease) in payables	543,381,565,363	(2,013,503,312,520)
12	(Increase)/decrease in prepaid expenses	(8,750,393,929)	121,842,254,160
14	Interest paid	(1,286,700,996,193)	(798,960,863,057)
15	Business income tax paid	(5,000,000,000)	(1,167,942,963)
20	Net cash inflows from operating activities	2,441,600,153,368	411,986,928,826
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(68,872,576,324)	(1,042,079,304,474)
22	Proceeds from disposals of fixed assets and other long-term assets	585,107,136	3,782,828,295
23	Loans granted, purchases of debt instruments of other entities	(3,317,247,322)	(898,268,929,392)
24	Collection of loans, proceeds from sales of debt instruments of other entities	655,823,076,974	1,978,105,773,232
25	Investments in other entities	(11,579,859,830,510)	(7,497,424,490,000)
26	Proceeds from divestment in other entities	1,061,304,600,000	669,138,898,895
27	Dividends and interest received	1,987,420,867,693	1,337,650,118,231
30	Net cash outflows from investing activities	(7,946,916,002,353)	(5,449,095,105,213)

Code	Note	Year ended 31 December		
		2018 VND	2017 VND	
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Proceeds from issue of shares	3,643,414,735,626	200,000,000,000	
33	Proceeds from borrowings	14,470,993,767,038	12,515,475,954,629	
34	Repayments of borrowings	(7,757,081,605,185)	(8,358,606,729,136)	
36	Dividends paid	-	(17,100,000,000)	
40	Net cash inflows from financing activities	10,357,326,897,479	4,339,769,225,493	
50	Net increase/(decrease) in cash and cash equivalents	4,852,011,048,494	(697,338,950,894)	
60	Cash and cash equivalents at beginning of year	3	1,455,689,692,352	
61	Effect of foreign exchange differences		2,153,027,696,086	
		(83,212,239)	947,160	
70	Cash and cash equivalents at end of year	3	6,307,617,528,607	
			1,455,689,692,352	

DO PHUONG THUY
Preparer
25 March 2019

TRAN THI THANH VAN
Chief Accountant



BUI XUAN HUY
General Director

SUMMARY OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENT 2018 UNDER IFRS FOR THE YEAR ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2018 and 31 December 2017

Unit: VND

	2018	2017
Revenue from contracts with customers	15,936,093,848,985	11,557,731,039,124
Cost of sales	(11,394,045,126,251)	(8,878,471,479,175)
Gross profit	4,542,048,722,734	2,679,259,559,949
Selling and distribution expenses	(428,896,943,320)	(245,102,115,457)
Administrative expenses	(562,154,613,297)	(590,617,373,096)
Other operating income	935,376,013,272	793,119,030,981
Other operating expenses	(74,481,539,950)	(42,439,591,417)
Operating profit	4,411,891,639,439	2,594,219,510,960
Finance income	936,874,191,645	913,490,998,339
Finance costs	(1,964,214,991,076)	(1,487,922,278,287)
Finance costs - net	(1,027,340,799,431)	(574,431,279,948)
Share of profit of associates	1,322,274,553,324	12,079,426,593
Profit before tax	4,706,825,393,332	2,031,867,657,605
Income tax expense	(1,501,867,491,474)	(561,331,848,842)
Profit for the year	3,204,957,901,858	1,470,535,808,763
<i>Profit is attributable to:</i>		
Equity holders of the parent	3,179,632,746,800	1,444,741,958,933
Non-controlling interests	25,325,155,058	25,793,849,830
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Change in cashflow hedge	(39,967,333,224)	-
Other comprehensive income for the year, net of tax	(39,967,333,224)	-
Total comprehensive income for the year	3,164,990,568,634	1,470,535,808,763
<i>Total comprehensive income is attributable to:</i>		
Equity holders of the parent	3,139,665,413,576	1,444,741,958,933
Non-controlling interests	25,325,155,058	25,793,849,830
<i>Earning per share for profit attributable to the ordinary equity holders of the Company:</i>		
Basic earnings per share	3,481	1,747
Diluted earnings per share	3,341	1,747

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018 and 31 December 2017

Unit: VND

	2018	2017
NON-CURRENT ASSETS		
Property, plant and equipment	953,817,404,221	418,742,041,484
Intangible assets	6,914,200,818,225	2,543,454,547,999
Investment properties	3,030,645,866,642	2,917,914,582,418
Investment in associates	7,548,298,670,121	1,042,972,935,246
Deferred income tax assets	81,624,037,017	118,475,260,607
Financial asset at fair value through profit and loss	7,939,750,000	-
Long-term prepaid expenses	325,444,051,411	270,088,505,750
Long-term lending	-	496,155,947,900
Long-term financial assets at amortised cost	26,370,481,511	-
Other long-term receivables	209,403,896,052	204,757,116,832
Total non-current assets	19,097,744,975,200	8,012,560,938,236
CURRENT ASSETS		
Inventories	34,519,577,422,694	27,579,164,400,707
Contract assets	635,417,513,521	-
Trade receivables	113,354,207,211	390,715,866,371
Short-term prepayments to suppliers	1,501,273,791,900	1,771,344,474,280
Short-term prepaid expenses	253,908,315,032	308,451,669,695
Short-term lending	-	2,733,754,024,831
Short-term financial assets at amortised cost	556,433,379,836	-
Short-term deposits at banks	98,491,475,237	526,238,868,213
Tax receivables and other receivables from the State Budget	812,974,514,447	772,308,606,472
Other short-term receivables	1,846,300,060,552	1,019,281,690,586
Restricted cash	754,343,049,202	508,835,577,318
Cash and cash equivalents	11,582,373,221,558	6,163,551,980,186
Total current assets	52,674,446,951,190	41,773,647,158,659
TOTAL ASSETS	71,772,191,926,390	49,786,208,096,895

Unit: VND

	2018	2017
LIABILITIES		
Non-current liabilities		
Long-term borrowings	18,450,852,767,683	12,141,945,599,771
Long-term unearned revenue	2,273,231,407	2,163,153,496
Deferred income tax liabilities	2,826,648,880,978	1,684,771,452,626
Other long-term payables	3,981,870,100	3,753,825,075
Total non-current liabilities	21,283,756,750,168	13,832,634,030,968
Current liabilities		
Short-term borrowings	13,920,003,917,050	8,667,364,730,239
Trade payable	4,440,952,009,455	3,508,763,425,904
Deposits and down payment from customers	-	8,888,651,329,594
Contract liabilities	8,807,327,517,503	-
Derivative financial liabilities	36,842,333,224	-
Other short-term payables	850,448,246,679	664,731,289,851
Current income tax liabilities	510,495,602,928	207,324,266,996
Other tax payables	47,747,365,189	381,337,754,436
Total current liabilities	28,613,816,992,028	22,318,172,797,020
Total Liabilities	49,897,573,742,196	36,150,806,827,988
Net assets	21,874,618,184,194	13,635,401,268,907
EQUITY		
Share capital	9,191,066,740,000	6,466,587,880,000
Share premium	6,406,846,176,796	4,513,289,961,170
Other capital	219,428,884,932	33,717,914,439
Other reserves	(39,967,333,224)	-
Retained earnings	5,133,684,216,032	1,980,826,428,701
Equity attributable to equity holders of the parent	20,911,058,684,536	12,994,422,184,310
Non-controlling interests	963,559,499,658	640,979,084,597
Total equity	21,874,618,184,194	13,635,401,268,907

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018 and 31 December 2017

Unit: VND

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,706,825,393,332	2,031,867,657,605
Adjustments for:		
Depreciation and amortisation	91,351,945,977	81,995,503,986
Impairment of goodwill	156,490,802,017	240,188,843,231
Provisions	10,321,013,452	2,126,014,068
Gain on bargain purchase	(874,114,025)	(2,458,392,327)
Unrealised foreign exchange losses/(gain)	166,284,095,002	(5,083,914,401)
Loss on disposal of investment properties, intangible assets and property, plant and equipment	14,738,227,332	4,365,996,039
Gain on settlement of convertible loan	-	(216,650,611,900)
Gain on disposal of subsidiaries	(60,207,421,229)	(247,550,202,788)
Interest income	(866,885,071,519)	(561,776,872,528)
Interest expenses	1,726,604,135,929	1,460,894,694,917
Dividend income	-	(212,400,000)
Share of profit of associates	(1,322,274,553,324)	(12,079,426,593)
Loss from disposal of associates	-	20,293,763
Revaluation of investments at each business combination stage	(803,210,831,450)	(472,285,300,759)
ESOP expense	704,459,178,129	619,526,656,517
Operating profit before changes in working capital	4,523,622,799,623	2,922,888,538,830
Decrease in trade and other receivables	2,891,029,024,806	2,349,245,262,263
Decrease/(Increase) in inventories	127,667,292,027	(1,963,235,562,101)
(Decrease)/Increase in trade and other payables	(5,844,779,097,516)	1,813,437,976,685
Decrease/(Increase) in prepaid expenses	57,024,116,441	(202,817,536,812)
Interest receipt	362,861,390,314	528,290,594,005
Interest paid	(2,028,006,028,317)	(1,427,991,005,225)
Business income tax paid	(647,084,574,232)	(652,457,047,620)
Net cash (outflows)/inflows from operating activities	(557,665,076,854)	3,367,361,220,025

Unit: VND

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, equipment and investment properties	(170,699,012,647)	(1,129,651,141,626)
Proceeds from sale of property, plant, equipment and investment properties	44,855,532,242	8,353,511,141
Payment for short-term deposits	(98,275,336,096)	(522,607,303,316)
Receipt from short-term deposits	557,810,603,115	974,920,069,469
Loan granted to other parties	(647,378,266,786)	(4,775,551,762,397)
Collection of loan from other parties	3,019,115,684,999	4,821,131,231,088
Cash advance to other parties	(680,910,100,000)	(1,160,044,273,138)
Collection of cash advances to other parties	133,305,155,559	3,755,842,309,649
Payment for acquisition of subsidiaries, net of cash acquired	(7,789,755,967,704)	(5,086,532,181,862)
Proceeds on disposal of subsidiaries, net of cash disposal	833,835,774,717	1,222,009,780,643
Payment for acquisition of associates	(1,341,481,075,000)	(955,500,000,000)
Proceed from disposal of associates	-	10,110,000,000
Received from collection of financial assets through profit and loss	270,000,000	561,335,281,840
Dividends receipt from associates	1,800,000,000	2,400,000,000
Dividends receipt from investments in other equity instrument	-	212,400,000
Net cash outflows from investing activities	(6,137,507,007,601)	(2,273,572,078,509)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares and capital contribution	3,643,414,735,626	200,000,000,000
Capital withdrawal of non-controlling interests, buying back issued stocks	(50,046,482,000)	(405,000,000,000)
Proceeds from borrowings	25,105,677,866,628	17,617,361,038,758
Repayment of borrowings	(16,226,843,568,477)	(14,863,455,287,745)
Restricted bank deposits	(245,507,471,884)	628,445,422,682
Dividend paid	-	(24,765,000,000)
Dividend paid to non-controlling interests	(12,908,761,912)	(43,400,097,000)
Payment for further acquisition of non-controlling interest	(101,004,450,510)	(325,962,778,467)
Capital contribution from non-controlling interests	931,800,000	86,871,900,000
Net cash inflows from financing activities	12,113,713,667,471	2,870,095,198,228
Net increase in cash and cash equivalents	5,418,541,583,016	3,963,884,339,744
Effects of translation differences	279,658,356	(20,792,349)
Cash and cash equivalents at beginning of year	6,163,551,980,186	2,199,688,432,791
Cash and cash equivalents at end of year	11,582,373,221,558	6,163,551,980,186

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