



# INNOVATIVE MINDSET FOR SUSTAINABLE GROWTH



ANNUAL REPORT 2023

## LIST OF ABBREVIATIONS

<b>The Company/ Khang Dien / The Group</b>	Khang Dien House Trading and Investment Joint Stock Company
<b>GSM</b>	General Shareholder Meeting
<b>BOD</b>	Board of Directors
<b>GDT</b>	General Director Team
<b>IC</b>	Inspection Committee
<b>IR</b>	Investor Relations
<b>JSC</b>	Joint Stock Company
<b>Co., Ltd.</b>	Company Limited
<b>HCMC</b>	Ho Chi Minh City



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## VISION AND MISSION

Our vision is to become one of the leaders in real estate development. We firmly uphold our sustainable development philosophy, with a transparent legal footing and a solid financial structure, as embodied in our motto, “We build your trust, we build your home,” Khang Dien aims to be a good companion for our shareholders, partners, customers, and the community.

Our mission is to create modern urban areas, green living spaces, civilized communities and to bring the most practical values to all stakeholders.





## BUSINESS ORIENTATION

### GOALS

- » To be the number one real estate brand by partner and customer trust;
- » To maintain stable growth, not lower than the average long-term economic growth rate;
- » To be one of the most attractive workplaces in the real estate industry.

### ENVIRONMENTAL, SOCIAL AND COMMUNITY GOALS

- » To contribute to environmental protection by complying with Vietnam's laws on the environment and practicing resource conservation, adopting minimal environmental impact solutions in construction;
- » To ensure sustainable human resources through policies of attracting, training and retaining talents as well as complying with the Labor Code to create the best working environment;
- » To fulfill corporate social responsibility through charity events, community health care and life improvement programs.

### MEDIUM AND LONG-TERM DEVELOPMENT STRATEGIES

- » Developing property projects and products that are positively welcomed by customers and partners;
- » Efficiently managing costs and cash flows to optimize capital and profits;
- » Investing in development and completing land bank; promoting research to develop on-trend products;
- » Focusing financial resources on investment opportunities and bringing practical values to shareholders;
- » Making a breakthrough with integrated real estate projects;
- » Ensuring effective financial resource allocation for strengthening and developing our brand to create sustainable values for shareholders;
- » Upholding the Company's core values: Transparency - Commitment - Sustainability.





## CORE VALUES - COMPETITIVE ADVANTAGES

### CORE VALUES

#### TRANSPARENCY

Transparent in code of business conducts as well as the relations with customers, partners, shareholders and stakeholders.

#### QUALITY

Commitment to high-quality products and services as well as enhancing customer satisfaction.

#### SUSTAINABILITY

Business is built on a solid legal footing, product quality, dedicated service, social responsibility and environmental friendliness.

### COMPETITIVE ADVANTAGES

#### BRAND REPUTATION

Khang Dien Group was honored as the Vietnam National Brands in 2022, organized by the Ministry of Industry and Trade, and has received many prestigious awards for consecutive years. The awards have recognized the Group's efforts during the past 23 years of development, completing many real estate projects, creating value for customers, shareholders and partners.

#### EXPERIENCE

With 23 years of dedication to real estate, Khang Dien Group has accumulated valuable know-hows and in-depth insights in land bank assembly and project implementation.

#### FINANCE

Khang Dien Group has a solid financial structure supported by the long-term shareholders including the largest foreign investment funds in Vietnam such as VinaCapital, Dragon Capital, Viet Capital, PYN Elite,...

#### LAND BANK

Khang Dien Group has a large land bank in Ho Chi Minh City area and the capability to effectively grow it.





## MESSAGE FROM CHAIRWOMAN

Dear our valued shareholders,

In 2023, amidst a challenging real estate industry marked by constrained product supply and diminished liquidity, Khang Dien Group demonstrated resilience. Upholding a commitment to sustainable growth, Khang Dien leveraged its transparent legal footing and robust financial structure, fostering trust among shareholders, partners, and customers. This dedication solidified its position as a reputable and preferred professional real estate brand.

Given a mission of creating good urban areas, civilized communities, with social values in practice, Khang Dien places legal compliance at the forefront, we prioritize projects with robust legal foundations, delivering quality products and attentive services. Khang Dien brand has affirmed its prestige and market prominence through townhouses, villas, high-rise condos projects which have been built, handed over pink books in a timely manner, contributing to civilized, modern residential areas with green living spaces, enhancing urban landscapes, improving residential community's living standards. Appreciated by the experts, we have received prestigious awards and certifications over the years, such as Top 50 Best Listed Companies in Vietnam in 8 consecutive years by Forbes (2016-2023), Outstanding Real Estate Developer in 4 consecutive years (2020-2023) by Nhip Cau Dau Tu Newspaper, National Brand Award 2022, Vietnam Gold Stars Award 2021, and so on.

In addition to advancing current projects, Khang Dien Group also completes compensation for clean land bank in Ho Chi Minh City, restructuring its investment portfolio, analyzing business models and products that best meet market demands. Alongside residential development, Khang Dien's industrial infrastructure business segment undergoes restructuring for operational optimization. In organizational matters, the Executive Leadership continually reviews and streamlines its business operations, strengthens its operational system, improves its management quality. Beyond internal capabilities, Khang Dien is bolstering partnerships with reputable domestic and international entities, such as VinaCapital, Dragon Capital, Viet Capital, Vietnam Holdings, CapitalLand, Prudential, Indochina, and Keppel Corporation Limited. These collaborations aim to optimize resources and prepare for future large-scale projects.

Over the past 23 years, Khang Dien has emphasized ethical business values and community engagement. Actively involved in sponsoring charitable initiatives, healthcare, education, and social welfare programs, the Group supports underprivileged children, elderly individuals, and families in need. Additionally, Khang Dien regularly contributes to infrastructure projects such as bridge construction, road development, landscape beautification, and environmental enhancements.

With the dedication of the Board of Directors and Executive Leadership, coupled with the determination of our staff, Khang Dien Group persistently pursues sustainable development, aiming to deliver enduring value and stable long-term benefits to shareholders, partners, customers, and the community. For and on behalf of the Board of Directors, I sincerely thank you for your continued support of Khang Dien Group over the years, and we look forward to continuing our journey together in the future.

Yours sincerely,  
Chairwoman



Mai Tran Thanh Trang

Over the past 23 years, Khang Dien has emphasized ethical business values and community engagement.





# 01 | GENERAL INFORMATION





## OVERVIEW



<b>Stock ticker</b>	KDH
<b>Abbreviation</b>	KHADIHOUSE JSC
<b>Business name</b>	Khang Dien
<b>Business registration</b>	No. 0302588596 initially granted on 02 May 2007 and amended for the 30 <sup>th</sup> time on 19 October 2023 by the Department of Planning and Investment in Ho Chi Minh City.
<b>Charter capital</b>	VND 7,993,119,710,000
<b>Head Office</b>	Suite 1 and 2, 11 <sup>th</sup> Floor Saigon Center, 67 Le Loi, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
<b>Tel</b>	+(84.28) 3820 8858
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<b>Email</b>	info@khangdien.com.vn
<b>Website</b>	www.khangdien.com.vn

## CORE BUSINESS AND MARKETPLACES

### CORE BUSINESS

- » Real estate business, land use rights of owner, user, or lessee
- » Civil construction
- » Architectural activities and related technical consultancy
- » Consultancy, brokerage, real estate auction, and land use rights auction
- » Management consultancy
- » Preschool education, primary education

### MARKETPLACES

Currently, Khang Dien Group's marketplaces include Thu Duc City (the East of Ho Chi Minh City) and Binh Tan, Binh Chanh Districts (the West and Southwest of Ho Chi Minh City).





## KEY MILESTONES



### 2001

- Khang Dien was established as a Limited Liability Company

### 2007

- Increased capital and scaled up to form a Joint Stock Company

Khang Dien scaled up and executed its IPO at VND 332 billion worth of charter capital. VinaCapital and Prudential contributed equity and became shareholders.

### 2010

- Khang Dien shares were listed on Ho Chi Minh City Stock Exchange

Khang Dien increased its charter capital to VND 439 billion and listed 43.9 million common shares (Stock ticker: KDH) on the Ho Chi Minh City Stock Exchange (HSX).

### 2014

- Dragon Capital became a majority shareholder
  - » Khang Dien increased its charter capital to VND 750 billion and welcomed Dragon Capital as a majority shareholder.
  - » Launched townhouse projects - Mega Ruby and Mega Residence located in Vo Chi Cong Street (Thu Duc City).

### 2015

- Launched high-end villa projects Lucasta and The Venica in the East and expanded the land bank in the South of Ho Chi Minh City
  - » Launched two high-end villa projects Lucasta and The Venica located at Lien Phuong and Do Xuan Hop Streets (Thu Duc City).
  - » Launched two townhouse projects Mega Village and Melosa Garden located at Vo Chi Cong and D2 Streets (Thu Duc City).
  - » Increased its charter capital to VND 1,800 billion and accumulated large-scale land bank in the South of Ho Chi Minh City.

### 2018

- Launched condo projects Jamila and Safira and integrated land bank in the South of Ho Chi Minh City
  - » Launched Jamila and Safira projects, adjacent to Vo Chi Cong Street (Ring Road 2) and the HCMC - Long Thanh - Dau Giay Expressway.
  - » Increased its charter capital to more than VND 4,140 billion and integrated over 500 hectares land in the South of Ho Chi Minh City.

### 2019-2020

- Launched the outstanding villa and townhouse project Verosa Park in the East and positioned Khang Dien Group's market in the Southwest with condo project Lovera Vista
  - » Launched townhouse and villa project Verosa Park located in the center of District 9, Lien Phuong - Vo Chi Cong Intersection, adjacent to District 2 (Thu Duc City).
  - » Launched condo project Lovera Vista, affirming Khang Dien's market share in the Southwest of HCMC.

### 2021

- Marked the 20-year milestone
  - » Celebrated 20 years of establishment and development with a portfolio of 50 real estate projects, bringing to the marketplaces over 20,000 diverse products with absorption rates above 90%.
  - » Proactive in Corporate Social Responsibility activities, making efforts to care for employees, and making practical contributions to the public healthcare force and local communities in the Covid-19 pandemic prevention.
  - » Received Third-class Labor Medal, Certificate of Merit from Prime Minister and other prestigious awards.

### 2022

- Launched The Classia project and honored as Vietnam National Brand by the Ministry of Industry and Trade
  - » Launched the high-end townhouse project The Classia in Thu Duc City.
  - » Honored as Vietnam National Brand organized by the Ministry of Industry and Trade.
  - » Increased its charter capital to more than VND 7,168 billion, aiming to sustainable development.

### 2023

- Launched The Privia project and partnered with Keppel Corporation Limited (Singapore) in form of joint venture to develop residential projects in Thu Duc City
  - » The successful launch of The Privia project (Binh Tan District) with more than 1,000 condos achieved full absorption rate within three months.
  - » Partnered with Keppel Corporation Limited (Singapore) in form of joint venture to develop more than 200 high-end townhouses and villas and more than 600 high-rise condos in Thu Duc City.
  - » Increased its charter capital to more than VND 7,993 billion.
  - » Proactive in local communities' activities and projects. Sponsored many items at Saigon Riverfront Park, a cultural and spiritual symbol of Thu Duc City.



## LIST OF PROJECTS

### COMPLETED PROJECTS



#### Khang Dien - Phuoc Long B

Khang Dien - Phuoc Long B is a residential area consisting of 247 villas and townhouses which are built on a land area of 10.4 hectares located in the center of Phuoc Long B Ward, Thu Duc City. Currently, almost all customers have moved into the project and formed an existing residential area. The project has had Certificates of land use rights and the buyers will receive Certificates for ownership of the land, the house, and other assets attached to the land after the house construction is completed.



#### Mega Residence

Mega Residence is a garden townhouse project of 3.2 hectares located in Vo Chi Cong Street, Phu Huu Ward, Thu Duc City. Mega Residence is a peaceful life with 24/7 security and full amenities. The project has 158 townhouses designed in classic and modern mixed styles and has also received Certificates for ownership of the land, the house, and other assets attached to the land. The residents have also moved into the project and formed a civilized community.

#### River Town

River Town is a residential area of 7.1 hectares including 197 villas and townhouses which are built next to Rach Chiec River, located in Phuoc Long B Ward, Thu Duc City. Currently, the residents have moved into the project and formed a civilized community. The project has had Certificates of land use rights and the buyers will receive Certificates for ownership of the land, the house, and other assets attached to the land after the house construction is completed.



#### Mega Village

Located in Vo Chi Cong Street, Phu Huu Ward, Thu Duc City, Mega Village has 323 garden townhouses and villas which are built in a land area of 5.7 hectares and designed in modern style with green space and 24/7 security. Currently, Certificates for ownership of the land, the house, and other assets attached to the land have been delivered to the buyers.



#### Topia Garden

Topia Garden consists of 225 villas and townhouses built on a land area of 6 hectares located in Phu Huu Ward, Thu Duc City. Currently, the project has become an existing residential area. The project has had Certificates of land use rights and the buyers will receive Certificates for ownership of the land, the house, and other assets attached to the land after the house construction is completed.



#### Mega Ruby

Mega Ruby has 222 townhouses which are built on a land area of 5 hectares adjacent to Vo Chi Cong Street, Phu Huu Ward, Thu Duc City where it takes 15 minutes to travel to HCMC center. Mega Ruby is designed as a 24/7 security residential area, harmoniously between public and private spaces, including a wide range of amenities to serve the need for rest. Certificates for ownership of the land, the house, and other assets attached to the land have been delivered to the buyers.



## LIST OF PROJECTS (Continued)

### COMPLETED PROJECTS (Continued)



#### Melosa Garden

Providing 567 garden townhouses and villas located in Phu Huu Ward, Thu Duc City, Melosa Garden stands out for its green living space among a 4-hectare central park and a unique 9-terrace infinity pool. Melosa Garden has obtained Best Housing Development (Ho Chi Minh City) - Vietnam Property Awards 2016. The buyers also received Certificates for ownership of the land, the house, and other assets attached to the land.



#### Merita

Merita consists of 131 garden townhouses and shophouses which are designed in state-of-the-art and luxurious style with high-end amenities on a land area of 3.1 hectares located in Lien Phuong Street. It takes only 10 minutes to drive to District 1 center and surrounding area, especially Merita is very near high-tech park, universities and commercial centers. The project has had Certificates for ownership of the land, the house, and other assets attached to the land.

#### The Venica

Bordered by a river on three sides, the Venica is located on a private peninsula, hidden by nature and isolated from the surrounding busy urban life in Thu Duc City. Consisting of 43 high-end villas which are built in a land area of 3.1 hectares and designed in semi-classical architectural style with charm and luxurious lines, the Venica is considered a worthy place to live for the upper class. Certificates for ownership of the land, the house, and other assets attached to the land of each villa are available.



#### Rosita Garden

Rosita Garden has 118 garden townhouses in a 3.1-hectare campus located in Nguyen Thi Tu Street, 500 meters far away from Nguyen Duy Trinh Street and belonging to the existing residential area of Phu Huu Ward, Thu Duc City. Each unit is designed in modern style with a large garden. The project has had Certificates for ownership of the land, the house, and other assets attached to the land.



#### Lucasta

Lucasta is an outstanding eco-villa in Thu Duc City, includes 140 villas in an 8.2-hectare campus, surrounded by 1 hectare of man-made lake and harmonious natural landscapes, offering green living spaces to the sophisticated residents. Each villa is designed with elegant and modern lines. Over 65% of the project area is used for high-end amenities such as infinity pool, fitness center, playground and entertainment services. The project has had Certificates for ownership of the land, the house, and other assets attached to the land.



#### Jamila

Jamila - a busy condo complex including 867 condos and 16 shophouses which are built in a land area of 1.7 hectares located on Song Hanh Street, the HCMC - Long Thanh - Dau Giay Expressway (Do Xuan Hop Intersection). It takes only 5 minutes to drive to Thu Thiem New Urban Area and 10 minutes to go to the center of District 1. The project has 2 sides facing the river and excellent amenities. The project has had Certificates for ownership of the land, the house, and other assets attached to the land and has established the Board of Condominium.



## LIST OF PROJECTS (Continued)

### COMPLETED PROJECTS (Continued)



#### Safira

Safira's outstanding feature is a big condo complex with high-rise buildings designed in a modern and youthful style. The project provides 1,570 condos and 23 shophouses which are built in a 2.7-hectare land area, located in Phu Huu Ward, Thu Duc City. Safira brings a comfortable living space with high-end public amenities such as infinity swimming pool - pool bar - Jacuzzi, commercial center, supermarket, kid's playground, etc. The project has had Certificates for ownership of the land, the house, and other assets attached to the land and has established the Board of Condominium.

#### Le Minh Xuan Industrial Park and Handicraft Industrial Park

Le Minh Xuan Industrial Park and Handicraft Industrial Park of 116 hectares of land area which is located in Le Minh Xuan Commune, Binh Chanh District is one of the few industrial parks having scale of more than 100 hectares in Ho Chi Minh City. The project is near the major transport axes. Currently, Le Minh Xuan Industrial Park and Handicraft Industrial Park is operating with a 100% occupancy rate with more than 200 enterprises.



#### Verosa Park

Verosa Park consists of 293 garden townhouses and 3 high-end villas in a land area of 8.1 hectares, which are designed in a neo-classical architectural style in harmony with a green space of 1.6 hectares. Verosa Park includes 2 parks and a sports court of more than 10,000 m<sup>2</sup>. Verosa Park was honored to win Best Housing Landscape Architectural Design and Highly Commended Best Housing Development (Ho Chi Minh City) at the Asia Property Awards 2019. The project has had Certificates for ownership of the land, the house, and other assets attached to the land.



#### Lovera Vista

Lovera Vista is the first project developed by Khang Dien in the South of HCMC. This is a big condo project with 1,310 condos in a land area of 1.8 hectares belonging to Phong Phu 4 Urban Area, Binh Chanh District. Lovera Vista is invested in a close-to-nature landscape and modern amenities including fitness center, infinity swimming pool - Jacuzzi, etc. The project has Certificates for ownership of the land, the house, and other assets attached to the land and has established the Board of Condominium.



**Best Housing Development HCMC**



**Best Housing Architectural Design**



#### The Classia

The Classia is a townhouse and villa project in Phu Huu Ward, Thu Duc City. The project consists of 176 garden townhouses and villas including 1 ground floor and 3 floors on an area of 4.3 hectares with a wide range of amenities such as tennis courts, swimming pools, fitness center, etc. The project has launched for sale and handed over houses and had Certificates for ownership of the land, the house, and other assets attached to the land. The Classia is honored to win the awards of Best Housing Development HCMC and Best Housing Architectural Design - Vietnam Property Awards 2021.



# LIST OF PROJECTS (Continued)

## ON-GOING PROJECTS



### The Privia

The Privia consists of 1,043 condos and 20 shophouses located in An Duong Vuong Street, An Lac Ward, Binh Tan District, connecting to the center of District 1 via Vo Van Kiet Avenue. The project is located in a bustling existing residential area, near markets and schools. The project is honored to win the awards of Best Mid End Condo Development - HCMC and Best Condo Interior Design - Vietnam Property Awards 2022. The Privia commenced in 2022, has been topped out and is in the process of completion. The project is expected to hand over to buyers in the Fourth quarter of 2024. The project's design obtains EDGE green building certificate.



**Best Mid End Condo Development - HCMC**



**Best Condo Interior Design**



### Residence area in Binh Trung Dong Ward of 5.8 hectares (BTD1)

Residence area in Binh Trung Dong Ward (BTD1) of 5.8 hectares of land area located in Vo Chi Cong Street, Binh Trung Dong Ward, Thu Duc City. The project is developed by a joint venture with Keppel Corporation Limited (Singapore). Currently, the project is under infrastructure construction.

### Residence area in Binh Trung Dong Ward of 6 hectares (BTD2)

Residence area in Binh Trung Dong Ward (BTD2) of 6 hectares of land area located in Vo Chi Cong Street, Binh Trung Dong Ward, Thu Duc City. The project is developed by a joint venture with Keppel Corporation Limited (Singapore). Currently, the project is under infrastructure construction.



### The Solina

The Solina is a complex residential project including high-end condos, townhouses and villas, adjacent to Nguyen Van Linh Street, Binh Chanh District and Binh Tien Bridge that will be built in the future. This is a large-scale project in the South of HCMC. Currently, the project is completing legal and licensing works.



## LIST OF PROJECTS (Continued)

### ON-GOING PROJECTS (Continued)

#### Le Minh Xuan Industrial Park (Expansion)

Le Minh Xuan Industrial Park (Expansion) has a land area of 109.9 hectares adjacent to Le Minh Xuan Industrial Park and Handicraft Industrial Park in Binh Chanh District. The project is expected to create 10,000 jobs. The project is completing legal and licensing works and plans to construct infrastructure in 2024.

### FUTURE PROJECTS

#### Binh Trung Project Cluster

Binh Trung project cluster is developed on the land area near BTD1 and BTD2 projects in Binh Trung Dong Ward, Thu Duc City. The cluster includes townhouses, villas and condos with modern design... to meet the ever-increasing demand for housing in the East of HCMC. The project is completing legal and licensing works.

#### Mega Township in Binh Tan District (Tan Tao Residential Area)

Mega Township is located in Tan Tao A Ward, Binh Tan District. The project is built in a land area of approximately 330 hectares with the full amenities of an urban area. Currently, the project is completing legal and licensing works.

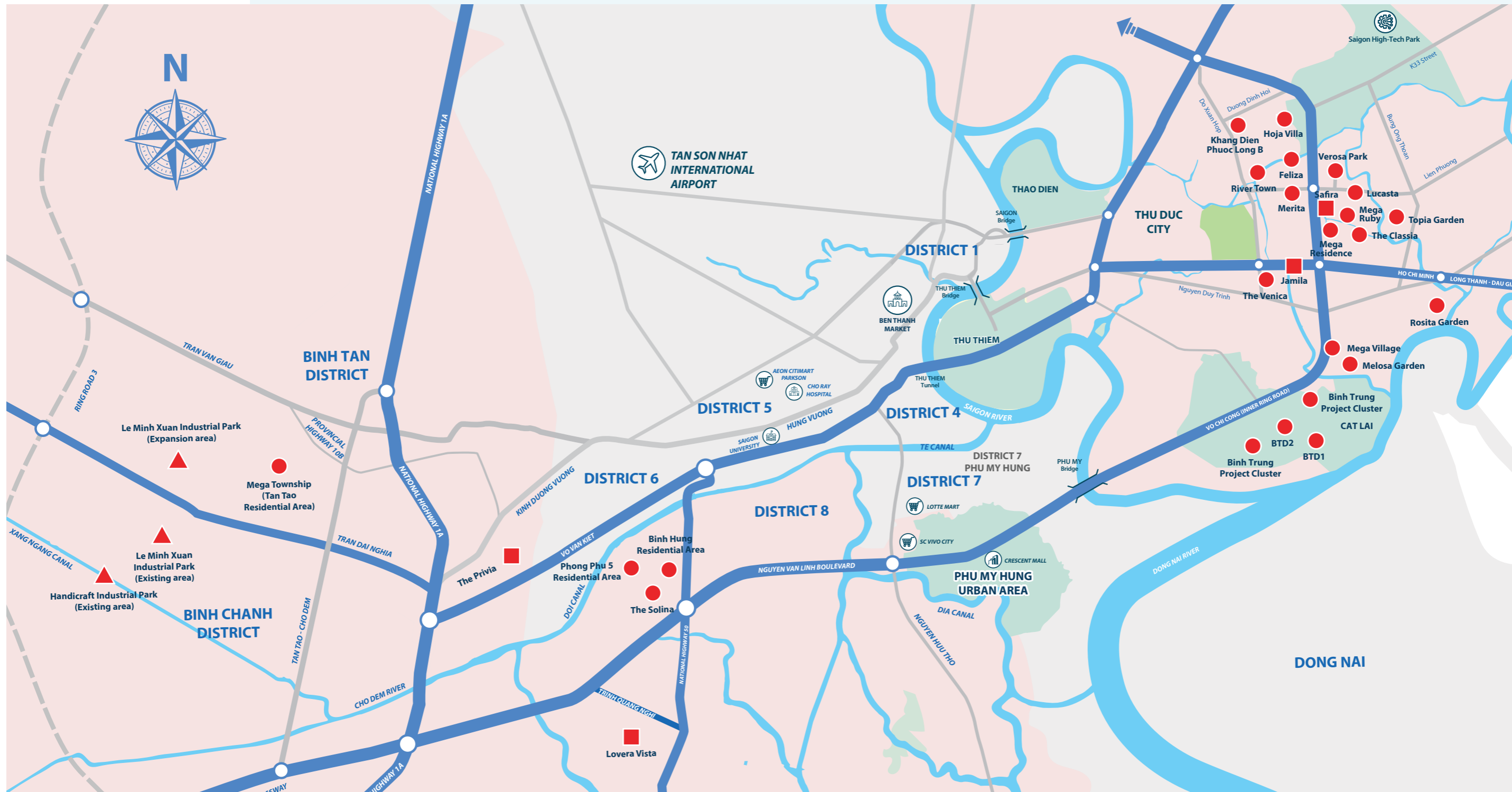
#### Phong Phu 2 Project Cluster

Phong Phu 2 project cluster consists of a number of mixed-use residential projects near Phong Phu 4 Urban Area, Binh Chanh District. The cluster's master plan is expected to include low-rise housing and condo buildings in a close-to-nature style with many green areas. The project is completing legal and licensing works.





# PROJECT LOCATIONS



Notes:

- 
**High-rise Building**
- 
**Low-rise Housing**
- 
**Industrial Park**



## 2023 MAJOR EVENTS

In 2023, proved to be a challenging year for the real estate sector, characterized by constrained product supply and diminished liquidity. Amidst this backdrop, Khang Dien Group has persevered with a sustainable growth policy, based on transparent legality and a solid financial structure, in order to achieve outstanding and encouraging results.



### Partnered with Keppel Corporation Limited to develop real estate projects in Ho Chi Minh City

In February 2023, during Prime Minister Pham Minh Chinh's official visit to Singapore, Khang Dien Group and Keppel Corporation Limited signed a Memorandum of Understanding (MOU) to cooperate on developing sustainable residential and urban area projects in Ho Chi Minh City. The event took place solemnly in the presence of the Prime Minister and the representatives of Khang Dien Group and Keppel Corporation Limited.

In May 2023, Khang Dien Group partnered with Keppel Corporation Limited and Keppel Vietnam Fund (KVF) (referred to as Keppel Consortium) to jointly develop a residential area

of approximately 11.8 hectares of land located in Thu Duc City, HCMC. The project including more than 200 landed housing and more than 600 high-rise apartments is currently undergoing infrastructure construction and planned to launch in 2024.

This partnership brings together Keppel Corporation Limited's global property development experience and long-term commitment to Vietnam with Khang Dien Group's deep market understanding, domestic expertise, and focus on sustainable development. This is an important milestone, unlocking the potential cooperation with international real estate enterprises of Khang Dien Group and establishing a precondition for the large-scale project development in the future.

### Successfully launched The Privia project, received positive feedback from the market

In November 2023, The Privia was officially launched after obtaining the license "Off the Plan House" and at the same time, reaching the 23<sup>rd</sup> floor construction. The various mockup units were also available at Khang Dien Sales Gallery for visitors. Thanks to the professional preparation in line with the regulations, The Privia has received positively welcomed by home buyers. Within 3 months from the launching, the project was successfully sold out, enhancing the reputation and capacity of Khang Dien Group.

In January 2024, the project was topped-out of all 3 towers. The Privia was built with quality guarantee at each stage by the reputable constructions partners such as An Phong Construction Joint Stock Company, Saigon Construction Inspection Joint Stock Company, AWP Architect Company (Singapore), One Landscape (Hong Kong). Currently, The Privia is in the completion progress and is expected to be handed over to home buyers in the Fourth Quarter of 2024.





## 2023 MAJOR EVENTS (Continued)

### Sponsoring Saigon Riverfront Park (Thu Duc City)

For 23 years, Khang Dien Group has valued social responsibility, actively participating in community activities. In 2023, Khang Dien is honored to partner with the People's Committee of Thu Duc City to accompany the city development through the Saigon Riverfront Park project. As a key sponsor, the Group contributed to beautifying the city landscape, creating a green living space, and enhancing the quality of life for local people in Thu Duc City and Ho Chi Minh City in general.

Saigon Riverfront Park serves the community activities of entertainment - culture - sports for up to 40,000 people. The park is expected to create a new look for the city besides the increasing development of a busy economic center and creative young city where gathering the big event of HCMC in the coming years.



### Handed over houses and certificates for ownership of the land, the house, and other assets attached to the land of The Classia to home buyers

The Classia was launched in 2022 and, currently, most of houses have been handed over to the home buyers. With the transparent legality and the high sense of responsibility, Khang Dien always fulfills its role as the developer in applying for Certificates for ownership of the land, the house, and other assets attached to the land (Pink book). Accordingly, the majority of pink books of The Classia project were handed over to home buyers in 2023.



## 2023 AWARDS AND RECOGNITIONS



### TOP 50 EXCELLENT VIETNAMESE ENTERPRISES

In 2023, Khang Dien Group was honored to receive the annual awards for excellent Vietnamese enterprises which were organized by Vietnam Report and Vietnamnet. The awards are chosen based on the international assessment criteria of Vietnam Report on positive contributions to the property development in Vietnam. The enterprises in the Top have a firm financial capacity, intense experience and brand reputation. The Group was honored as “**Top 50 Excellent Vietnamese Enterprises**” in January 2023 and “**Top 10 Real Estate Investors 2023**” in May 2023. The prestigious awards have shown the reputation and capability of Khang Dien Group. With a transparent legality, quality products, modern architecture, affordable prices and creating the livable residential areas in Thu Duc City, Binh Chanh District, etc., Khang Dien Group is ready for new era full of opportunities, moving forwards to the vision of large-scale project development.

### TOP 10 REAL ESTATE INVESTORS 2023

### TOP 50 BEST LISTED COMPANIES - FORBES VIETNAM

In August 2023, Khang Dien Group was honored to be named in “**Top 50 Best Listed Companies 2023**” by Forbes Vietnam for the 8<sup>th</sup> consecutive year. This is the list of leading companies in Vietnam in many sectors. The rankings are based on the audited consolidated financial reports of the companies listed on the Ho Chi Minh Stock Exchange (HSX) and the Hanoi Stock Exchange (HNX) with 5 criteria i.e., compound growth rate of revenue, profit, ROE, ROC and EPS in the period 2018 - 2022; sustainability of the enterprises such as the position in the industry, profit source, corporate governance quality, and industry prospects, etc. Capitalization of the Top 50 was finalized as of 30 May 2023.

### BEST UNDER A BILLION IN ASIA-PACIFIC REGION BY FORBES ASIA

In addition, on 21 November 2023 Khang Dien Group (KDH) was named as the “**Best Under A Billion in Asia-Pacific region 2021**”, announced by Forbes Asia at the ceremony to honor the enterprises on the list in 2021, 2022 and 2023 in Manila, Philippines. “Best Under A Billion in Asia-Pacific region” award is to honor the enterprises with sustainable business in a long period based on different financial figures. Forbes has selected 200 out of 20,000 public companies with annual revenue from USD 10 million to under USD 1 billion in the Asia-Pacific region with outstanding and sustainable performance based on many different indicators (in both quantitative and qualitative factors).





## 2023 AWARDS AND RECOGNITIONS (Continued)



### VIETNAM'S TOP 50 BEST-PERFORMING COMPANIES IN 2023

In September 2023, Khang Dien Group ranked in “Vietnam’s Top 50 Best-Performing Companies in 2023” for the 6<sup>th</sup> consecutive year. This is a reputable award annually co-organized by Nhip Cau Dau Tu Magazine and Thien Viet Securities Company with consultation from the leading economic experts. Top 50 has been released for 12 consecutive years (2010-2023) to successfully rank the companies with best performance in Vietnam’s security market. Maintaining a transparent legality and safe financial structure over many years has helped Khang Dien affirm its position as a professional real estate developer in the market.

### TYPICAL REAL ESTATE DEVELOPER

In November 2023, Khang Dien Group was honored to receive “Typical Real Estate Developer” awarded by Nhip Cau Dau Tu Magazine for the 7<sup>th</sup> consecutive year. The award is to honor the sustainable true values and the contributions the real estate enterprises. Khang Dien Group is recognized for its increasing efforts in providing quality products, modern architecture, affordable prices and dedicated services to the customers. The Group highly respected business ethics and community sharing and is always proactive in social security activities such building gratitude houses, constructing bridges and roads, sponsoring scholarship funds in localities and contributing to the country’s social security fund.





## STOCK AND SHAREHOLDER INFORMATION

### STOCK INFORMATION

Charter capital	VND 7,993,119,710,000
Type of share	Common share
Par value per share	VND 10,000/share
Number of outstanding shares	799,311,971 shares (In which: Number of unrestricted shares: 788,511,971 shares; Number of restricted shares: 10,800,000 shares)
Market capitalization as of 29 December 2023	VND 25,098,395,889,400

### SHAREHOLDER STRUCTURE BY SHARE OWNERSHIP PERCENTAGE

According to the list of shareholders on 29 December 2023 provided by Vietnam Securities Depository and Clearing Corporation

No.	Shareholder	Domestic shareholder		Foreign shareholder		Total number of shares	
		Number of shares	Percentage/ charter capital (%)	Number of shares	Percentage/ charter capital (%)	Number of shares	Percentage/ charter capital (%)
1	State-owned shareholder	-	-	-	-	-	-
2	Shareholders holding 5% or more	226,298,372	28.31	55,937,072	7.00	282,235,444	35.31
3	Shareholders holding from 1% to less than 5%	136,154,681	17.03	136,761,231	17.11	272,915,912	34.14
4	Shareholders holding less than 1%	135,112,931	16.91	109,047,684	13.64	244,160,615	30.55
<b>Total</b>		<b>497,565,984</b>	<b>62.25</b>	<b>301,745,987</b>	<b>37.75</b>	<b>799,311,971</b>	<b>100.00</b>

### SHAREHOLDER STRUCTURE BY TYPE OF SHAREHOLDER

According to the list of shareholders on 29 December 2023 provided by Vietnam Securities Depository and Clearing Corporation

No.	Shareholder	Number of shares	Ownership percentage (%)	Number of shareholders	Shareholder structure	
					Institutions	Individuals
1	Government	-	-	-	-	-
2	Major shareholders	282,235,444	35.31	4	4	-
	• Domestic	226,298,372	28.31	3	3	-
	• Foreign	55,937,072	7.00	1	1	-
3	Others	517,076,527	64.69	9,123	192	8,931
	• Domestic	271,267,612	33.94	8,704	80	8,624
	• Foreign	245,808,915	30.75	419	112	307
<b>Total</b>		<b>799,311,971</b>	<b>100.00</b>	<b>9,127</b>	<b>196</b>	<b>8,931</b>
	• Domestic	497,565,984	62.25	8,707	83	8,624
	• Foreign	301,745,987	37.75	420	113	307

Maximum foreign ownership ratio: **50%**





## STOCK AND SHAREHOLDER INFORMATION (Continued)

### CHANGES OF SHAREHOLDER EQUITY

No.	Time	Number of shares issued	Issuance value (at par value)	Subjects of offer for sale
1	December 2001	-	-	-
2	May 2007	-	-	-
3	01 February 2010	-	-	-
4	October 2010	10,700,000	107,000,000,000	Offering to existing shareholders
5	December 2012	4,169,974	41,699,740,000	Paying dividends to existing shareholders
6	May 2014	26,930,026	269,300,260,000	Private offering
7	January 2015	48,480,000	484,800,000,000	Private offering
		2,520,000	25,200,000,000	Employees
8	December 2015	3,600,000	36,000,000,000	Employees
9	December 2015	50,400,000	504,000,000,000	Offering to existing shareholders
10	November 2016	53,999,892	539,998,920,000	Bonus to existing shareholders
11	October 2017	8,400,151	84,001,510,000	Employees
12	November 2017	93,599,957	935,999,570,000	Offering to existing shareholders
13	March 2018	51,832,317	518,323,170,000	Issuing shares to swap shares of Binh Chanh Construction Investment Shareholding Company (BCI)
14	September 2018	19,391,036	193,910,360,000	Paying dividends to existing shareholders
15	October 2018	6,800,000	68,000,000,000	Employees
16	June 2019	124,205,756	1,242,057,560,000	Paying dividends and bonus to existing shareholders
17	July 2019	6,200,000	62,000,000,000	Employees
18	August 2020	26,228,110	262,281,100,000	Paying dividends to existing shareholders
		8,000,000	80,000,000,000	Employees
19	June 2021	55,879,850	558,798,500,000	Paying dividends to existing shareholders
		8,400,000	84,000,000,000	Employees
20	July 2022	64,292,926	642,929,260,000	Paying dividends to existing shareholders
		9,600,000	96,000,000,000	Employees
21	October 2023	71,681,976	716,819,760,000	Paying dividends to existing shareholders
		10,800,000	108,000,000,000	Employees

### MAJOR SHAREHOLDERS

According to the list of shareholders on 29 December 2023 provided by Vietnam Securities Depository and Clearing Corporation

No.	Shareholder name	Number of shares	Ownership percentage (%)
1	Tien Loc Investment JSC.	86,578,905	10.83
2	Gam Ma Investment Consulting Service JSC.	70,015,669	8.76
3	A Au Trading Investment JSC.	69,703,798	8.72
4	Vietnam Enterprise Limited	55,937,072	7.00
<b>Total</b>		<b>282,235,444</b>	<b>35.31</b>

#### Notes:

» The above ownership rate is calculated under the charter capital: VND 7,993,119,710,000

» Total ownership of VinaCapital is around 11%.

» Total ownership of Dragon Capital is around 11%.

### TREASURY SHARE

Number of treasury shares: 0 share

In 2023, Khang Dien had no treasury shares' transaction.

### OTHER SECURITIES

In 2023, there was no securities additionally issued by Khang Dien.





## STOCK AND SHAREHOLDER INFORMATION (Continued)

### SHARES OWNED BY INSIDERS

According to the list of shareholders on 29 December 2023 provided by Vietnam Securities Depository and Clearing Corporation

Shareholders	No.	Name	Position	Total of shares	Ownership percentage (%)
<b>Board of Directors</b>	1	Mai Tran Thanh Trang	Chairwoman of BOD	23,778,966	2.97
	2	Ly Dien Son	Deputy Chairman of BOD	13,512,529	1.69
	3	Nguyen Thi Dieu Phuong	Member of BOD	-	-
	4	Nguyen Thi Cam Van	Independent member of BOD	2,425,445	0.30
	5	Vuong Van Minh	Member of BOD cum General Director	6,019,309	0.75
<b>General Director Team</b>	1	Vuong Van Minh	Member of BOD cum General Director	6,019,309	0.75
	2	Truong Minh Duy <i>(resigning from his position of Deputy General Director from 20 December 2023)</i>	Deputy General Director	886,632	0.11
	3	Nguyen Thuy Trang <i>(resigning from her position of Deputy General Director from 08 December 2023)</i>	Deputy General Director	3,029,574	0.38
	4	Le Hoang Khoi	Deputy General Director	2,495,490	0.31
	5	Nguyen Thuy Duong	Deputy General Director	117,545	0.015
<b>Inspection Committee</b>	1	Nguyen Phuong Nam	Head of Inspection Committee	6,987	0.0009
	2	Vuong Hoang Thao Linh	Member of IC	5,342	0.0007
	3	Luu Thi Xuan Lai	Member of IC	-	-
<b>Chief Accountant</b>	1	Pham Thi Thu Thuy	Chief Accountant	100,000	0.013
<b>Internal Audit Division</b>	1	Lo Nguyen Thuy Phuong	Head of Internal Audit	46,835	0.006
	2	Nguyen Van Dung	Internal Auditor	11,000	0.0014
	3	Dang The Luong	Internal Auditor	13,200	0.0017
<b>Others</b>	1	Huynh Chi Tam	In charge of Corporate Governance, Secretary of the BOD and authorized to disclose information	63,000	0.008





## 2023 SHAREHOLDER AND INVESTOR RELATIONS



Given the globalization of markets, Khang Dien Group's leaders always prioritize effectively managing relationships with shareholders and investors as well as focusing on ensuring information disclosure in a transparent, comprehensive, rigorous and timely manner.

For investors who are shareholders of Khang Dien Group, we aim to protect and upholding the rights of all our shareholders, ensuring transparent information disclosure and equitable treatment of all shareholders and investors.

Khang Dien Group actively participates in seminars, face-to-face and online exchanges with investment funds, institutional and individual investors to communicate goals, vision, operations and business performance, helping investors access current information. News about the Group's activities is posted according to regulations on the shareholder relations at the website [www.khangdien.com.vn](http://www.khangdien.com.vn). Besides, Khang Dien continues to develop other official information channels such as social network, telephones, and hotlines to facilitate efficient and timely communication with our investors. Continuously, we strive to stay updated, gather feedback, and promptly address investor inquiries and requests.

In addition, Khang Dien Group is constantly looking for opportunities for joint ventures, associates, and investment cooperation with reputable and capable enterprises/corporations in Vietnam or abroad to create resonant resources and share risks for mutual development. In 2023, Khang Dien Group partnered with Keppel Corporation Limited (Singapore) to jointly develop a cluster of residential projects with an area of nearly 12 hectares in Binh Trung Dong Ward, Thu Duc City. This is a step forward in Khang Dien Group's long-term business strategy, aiming to develop comprehensive and quality large-scale urban areas, bringing true values and optimizing benefits for shareholders, partners and customers.

### MAIN EVENTS OF INVESTOR RELATIONS

#### 16 February 2023

SSI x Citi Vietnam C-Suite 2023

#### 14 June 2023

HSC Emerging Vietnam 2023 Event.

#### 28 February 2023

VCSC Vietnam Access Day 2023.

#### 29 August 2023

SSI Corporate Day 2023.

#### 16 March 2023

Virtual J.P. Morgan's Vietnam 1x1 Forum.

### SECURITIES BROKERS ISSUING REPORTS ON KDH

#### VCSC

Viet Capital Securities Joint Stock Company

#### SSI

SSI Securities Corporation

#### HSC

Ho Chi Minh City Securities Corporation

#### VNDS

VNDirect Securities Joint Stock Company



## LIST OF SUBSIDIARIES

	Name of subsidiaries	Head office	Core business	Operating status	Charter capital actually contributed	Ownership rate	
						31 December 2023	31 December 2022
1	Thanh Phuc Investment Co., Ltd	Ho Chi Minh City	Real estate trading	In operation	430,000,000,000	99.90	99.90
2	Tri Minh Real Estate Trading and Investment JSC	Ho Chi Minh City	Real estate trading	In operation	285,000,000,000	99.80	99.80
3	Gia Phuoc Real Estate Trading and Investment Co., Ltd.	Ho Chi Minh City	Real estate construction, consulting and trading	In operation	600,000,000,000	99.90	99.90
4	Spring Saigon Real Estate Trading JSC	Ho Chi Minh City	Real estate trading	In operation	100,000,000,000	99.80	99.80
5	International Consulting Co., Ltd.	Ho Chi Minh City	Real estate construction, consulting and trading	In operation	1,550,000,000,000	99.95	99.95
6	Long Phuoc Dien Housing and Infrastructure Development Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	140,000,000,000	99.95	99.95
7	Hao Khang One Member Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	123,600,000,000	100.00	100.00
8	Saphire Real Estate Investment and Trading Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	395,000,000,000	99.90	99.90
9	Lien Minh Real Estate Trading and Investment Co., Ltd.	Ho Chi Minh City	Real estate trading	Dissolved	-	-	99.70
10	Song Lap Real Estate Trading and Investment Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	305,000,000,000	99.70	99.70
11	Tri Kiet Real Estate Trading and Investment Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	20,000,000,000	99.90	99.90
12	Mega City Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	60,000,000,000	99.85	99.85
13	Vi La JSC	Ho Chi Minh City	Real estate trading	In operation	760,000,000,000	99.47	99.47
14	Thap Muoi Real Estate Trading and Construction Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	150,000,000,000	99.80	99.80
15	Viet Huu Phu JSC	Ho Chi Minh City	Real estate trading	Dissolved	-	-	99.00
16	Khong Gian Xanh Real Estate Investment and Trading Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	280,000,000,000	99.00	98.01
17	Binh Trung Real Estate Investment Trading Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	1,660,000,000,000	99.90	99.90
18	Khang Phuc House Trading Investment Co., Ltd.	Ho Chi Minh City	Real estate trading; House construction; Investment in construction and operation of industrial park's infrastructure	In operation	3,400,000,000,000	100.00	100.00
19	BCCI Development Investment Co., Ltd	Ho Chi Minh City	Real estate trading	In operation	30,000,000,000	100.00	100.00
20	Minh Phat Real Estate Investment Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	20,000,000,000	51.00	51.00
21	Kim Phat Real Estate Investment Trading Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	600,000,000,000	99.90	99.90
22	Nam Phu Real Estate Development Co., Ltd.	Ho Chi Minh City	Real estate trading	In operation	100,000,000,000	99.00	99.00
23	Thuy Sinh Real Estate JSC	Ho Chi Minh City	Real estate trading	In operation	600,000,000,000	99.43	99.43
24	Nguyen Phat Real Estate Investment Co., Ltd	Ho Chi Minh City	Real estate trading	In operation	20,000,000,000	99.80	99.80
25	Phu Hai Real Estate Development Co., Ltd	Ho Chi Minh City	Real estate trading	Dissolved	-	-	99.80
26	Nguyen Thu Real Estate Development JSC	Ho Chi Minh City	Real estate trading	In operation	400,000,000,000	98.90	98.90
27	Phuoc Nguyen Real Estate Investment JSC	Ho Chi Minh City	Real estate trading	In operation	610,000,000,000	99.70	84.92
28	Doan Nguyen House Trading Investment Co.,Ltd	Ho Chi Minh City	Real estate trading	In operation	1,197,000,000,000	50.85	84.92
29	New Binh Trung Real Estate Co.,Ltd	Ho Chi Minh City	Real estate trading	In operation	3,390,000,000,000	50.95	-
30	Loc Minh Real Estate Investment JSC	Ho Chi Minh City	Real estate trading	In operation	300,000,000,000	98.90	-



## GOVERNANCE MODEL



Khang Dien operates under the Joint Stock Company governance model. In addition to complying with the laws, the Company strictly follows its charter and as approved by General Shareholder Meeting

The Company's organizational structure complies with Point a, Clause 1, Article 137 of the Law on Enterprise 2020, including:

### GENERAL SHAREHOLDER MEETING

According to the Law on Enterprises and the Company's Charter, the General Shareholder Meeting (GSM) is the highest governing body of the Company. The GSM holds annual meetings to approve policies, provide orientation and business plans for the year. In addition, the GSM can approve extraordinary meetings in accordance with the law and Company's Charter.

### BOARD OF DIRECTORS

The Board of Directors (BOD) is a management body elected by GSM. The BOD has full rights to make decisions and implement the Company's rights and obligations, unless those under GSM. The incumbent BOD of Khang Dien consists of 05 members, including the Chairwoman and 04 other members, who are appointed for five-year terms. Among these 05, 01 are independent non-executive, 03 are non-executive and 01 is executive.

### GENERAL DIRECTOR TEAM

As of 31/12/2023, the incumbent General Director Team consists of 01 General Director and 02 Deputy General Directors. General Director runs the Company's daily business activities, is supervised by BOD and takes responsibility to the BOD and the law for the implementation of the rights and duties assigned. The Deputy General Directors directly manage business operations and give advice to the General Director on making strategic decisions for the Company.

### INSPECTION COMMITTEE

The incumbent Inspection Committee consists of 03 members, including 01 Head of IC and 02 Members of IC. The Inspection Committee operates under a 5-year term. The IC is elected by the GSM to be responsible for supervising the activities of the BOD and the General Director Team (GDT) in managing and running the Company, verifying business reports and financial statements, and reviewing accounting books and management works. The IC operates independently of the BOD and the GDT.







## BOARD OF DIRECTORS



**Mrs. Mai Tran Thanh Trang**

**Chairwoman of BOD**

- Year of birth: 1976
- Qualification: Bachelor's Degree in Laws, Land Management Engineer

**Experience**

With many years of experience in real estate project related legal practice, Mrs. Trang has made significant contributions to Khang Dien through her roles in several key positions: Assistant to Chairman of BOD, Deputy General Director cum Member of BOD, respectively. At present, Mrs. Trang role is as Chairwoman of BOD in charge of strategic management, especially in project legal practice, which is the foundation for Khang Dien to grow its business based on transparent and solid legal footing. Mrs. Trang has been instrumental in this achievement.

**Working history**

- » **2001 - 2005:** Legal consultant - Law Office.
- » **October 2005 - July 2007:** Administration Manager - Member of BOD of Khang Dien House Trading and Investment JSC.
- » **July 2007 - May 2008:** Assistant to the Chairman of BOD of Khang Dien House Trading and Investment JSC.
- » **June 2008 - April 2017:** Member of BOD cum Deputy General Director of Khang Dien House Trading and Investment JSC.
- » **April 2017 - present:** Chairwoman of BOD of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.



**Mr. Ly Dien Son**

**Deputy Chairman of BOD**

- Year of birth: 1966
- Qualification: Bachelor's Degree from the University of Culture

**Experience**

Prior to his current role as Deputy Chairman of BOD, Mr. Son held the role of Chairman of BOD cum General Director and has directly managed the Company since its establishment. With passion, dedication, and experience, he has led the Company in overcoming challenges and achieving breakthrough success, successfully developing Khang Dien to become one of the leading real estate developers in HCMC. At present, Mr. Ly Dien Son undertakes the position of Deputy Chairman of BOD, assisting the Chairwoman in strategic management and supervising the General Director Team.

**Working history**

- » **2001 - 2012:** Chairman of BOD cum General Director of Khang Dien House Trading and Investment JSC.
- » **2012 - 2013:** Deputy Chairman of BOD cum General Director of Khang Dien House Trading and Investment JSC.
- » **2013 - March 2017:** Chairman of BOD cum General Director of Khang Dien House Trading and Investment JSC.
- » **April 2017 - present:** Deputy Chairman of BOD of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.



**Mrs. Nguyen Thi Cam Van**

**Member of BOD**

- Year of birth: 1960
- Qualification: Master's Degree in Land Management

**Experience**

With her extensive working experience in real estate project related legal practice, Mrs. Van has contributed to the sustainable development and business direction of the Company in accordance with the law.

**Working history**

- » **1984 - 1997:** HCMC Department of Land Administration.
- » **1998 - 2003:** HCMC Department of Land Administration and Housing Land.
- » **2003 - 2015:** HCMC Department of Natural Resources and Environment; Retired in December 2015.
- » **April 2017 - present:** Member of BOD of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.



**Mrs. Nguyen Thi Dieu Phuong**

**Member of BOD**

- Year of birth: 1980
- Qualification: Bachelor's Degree in Economic - Finance, FCCA Auditor

**Experience**

With many years of experience and achievements at prestigious financial institutions, in October 2009, Mrs. Phuong was invited to join Khang Dien as a member of the Board of Directors. During the last times, Mrs. Phuong has made great contributions to the Company's development. In addition, Mrs. Phuong has participated in consulting and supporting divisions in building financial strategies suitable for each stage of development as well as the general market situation.

**Working history**

- » **2002 - 2005:** KPMG Vietnam.
- » **2006 - 2010:** VinaCapital Fund Management JSC.
- » **July 2010 - present:** Investment Director, Deputy General Director of VinaCapital Fund Management JSC.
- » **October 2009 - present:** Member of BOD - Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » **November 2022 - present:** Member of BOD - Tam Tri Medical JSC.
- » **September 2020 - present:** Member of BOD - IN Holdings JSC.
- » **April 2017 - present:** Member of BOD - Hung Vuong JSC.
- » **June 2020 - present:** Member of BOD - An Cuong Wood Working Materials JSC.
- » **July 2010 - present:** Deputy General Director of VinaCapital Fund Management JSC.



**Mr. Vuong Van Minh**

**Member of BOD**

- Year of birth: 1985
- Qualification: Bachelor's Degree in Auditing and Accounting, Auditor with ACCA and CPA Vietnam

**Experience**

Mr. Vuong Van Minh has more than 17 years of experience in Finance - Accounting. He joined Khang Dien from 2018 and has made great contributions to the Company's finance, accounting and investment. He has dedicated to the management for the Company's growth.

**Working history**

- » **August 2007 - November 2018:** Auditor, Audit Team Leader, Auditing Manager and Auditing Director - Ernst & Young Vietnam Ltd.
- » **December 2018 - August 2019:** Holding many positions at Investment Division of Khang Dien House Trading and Investment JSC.
- » **August 2019 - February 2021:** Investment Director cum Assistant to BOD of Khang Dien House Trading and Investment JSC.
- » **February 2021 - March 2021:** Deputy General Director of Khang Dien House Trading and Investment JSC.
- » **March 2021 - present:** General Director of Khang Dien House Trading and Investment JSC.
- » **April 2021 - present:** Member of BOD cum General Director of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.



## GENERAL DIRECTOR TEAM



**Mr. Vuong Van Minh**

**General Director**

- Year of birth: 1985
- Qualification: Bachelor's Degree in Auditing and Accounting, Auditor with ACCA and CPA Vietnam



**Mrs. Nguyen Thuy Trang**

**Deputy General Director**

- (resigning from her position of Deputy General Director from 08 December 2023)
- Year of birth: 1985
  - Qualification: Bachelor's Degree in Finance, Bachelor's Degree in Law



**Mr. Truong Minh Duy**

**Deputy General Director**

- (resigning from his position of Deputy General Director from 20 December 2023)
- Year of birth: 1973
  - Qualification: Construction Engineer



**Mr. Le Hoang Khoi**

**Deputy General Director**

- Year of birth: 1988
- Qualification: Construction Engineer



**Mrs. Nguyen Thuy Duong**

**Deputy General Director**

- Year of birth: 1986
- Qualification: Bachelor's Degree in International Economics - Master's Degree in Business Administration



**Mrs. Pham Thi Thu Thuy**

**Chief Accountant**

- Year of birth: 1983
- Qualification: Master's Degree in Finance - Banking

(See the "Board of Directors" on page 54-55 for more information about Mr. Vuong Van Minh).

**Experience**

Ms. Nguyen Thuy Trang has more than 17 years of experience in Finance. Ms. Trang joined Khang Dien in 2010 and was Deputy General Director in charge of managing all financial - accounting activities of the Company. Ms. Trang has made many great contributions in developing financial solutions and capital plans suitable to each development stage of the Company.

**Working history**

- » **2007 - 2010:** Credit Appraisal at Saigon Commercial Joint Stock Bank.
- » **2010 - 2012:** Financial Specialist at Khang Dien House Trading and Investment JSC.
- » **2013 - 2014:** Credit Appraisal at Ho Chi Minh City Housing Development Commercial Joint Stock Bank.
- » **2014 - March 2020:** Khang Dien House Trading and Investment JSC, respectively holding the positions of Financial Specialist (from 2014) - Head of Finance Department (from 2015) - Deputy Chief Financial Officer (from 2018) - Chief Financial Officer (from 2019).
- » **March 2020 - December 2023:** Deputy General Director of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.

**Experience**

Mr. Duy has many years of experience in project management. Prior to joining Khang Dien, Mr. Duy held senior positions at real estate trading and investment companies. He has made many positive contributions in advising and operating the construction management at Khang Dien's projects.

**Working history**

- » **1997 - 2004:** Design Engineer, Design Manager, and Technical Manager at TH Hydraulics Construction Consultant Co., Ltd.
- » **2005 - 2009:** Head of Construction Center - Construction Technology & Building Material JSC (Cotec).
- » **2009 - 2014:** Head of Project Management Division - Sai Gon Thuong Tin Real Estate (Sacomreal).
- » **2014 - 2016:** Regional Managing Director of Nova Real Estate Investment Corporation (Novaland).
- » **April 2017 - December 2023:** Deputy General Director of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.

**Experience**

Mr. Le Hoang Khoi has more than 13 years of experience in valuation and project legal practice. He joined Khang Dien from 2017 and has made many contributions to the Company's project legal practice. He currently holds the position of Deputy General Director in charge of Project Legal Division.

**Working history**

- » **May 2010 - April 2017:** Valuation Specialist, Deputy General Director - Valuation Officer of Southwest Information and Valuation Corporation - SIAC.
- » **April 2017 - October 2018:** Legal Specialist of Khang Dien House Trading and Investment JSC.
- » **November 2018 - April 2020:** Deputy Head of Project Legal Department of Khang Dien House Trading and Investment JSC.
- » **April 2020 - February 2021:** Director in charge of Project Legal of Khang Dien House Trading and Investment JSC.
- » **February 2021 - present:** Deputy General Director of Khang Dien House Trading and Investment Joint Stock Company.

**Positions in other organizations:**

- » None.

**Experience**

Ms. Nguyen Thuy Duong has more than 15 years of experience in real estate in Hanoi and HCMC. Ms. Duong joined Khang Dien in 2021 and has made many contributions to the Company's Investment and Sales & Marketing - Customer Services activities.

**Working history**

- » **August 2008 - November 2009:** Auditor at PricewaterhouseCoopers Ltd. (Vietnam)
- » **December 2009 - November 2020:** Working at CapitaLand Real Estate Management (Vietnam) Ltd as the positions of Specialist and Senior Specialist of Investment and Asset Management, Portfolio Director in HCMC, and Sales and Marketing Director in HCMC.
- » **2021-2022:** Head of Sales - Customer Services Division of Khang Dien House Trading and Investment JSC.
- » **November 2022 - present:** Deputy General Director of Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » Chairwoman of BOD of Doan Nguyen House Trading Investment Company Limited.
- » Chairwoman of BOD of New Binh Trung Real Estate Company Limited.

**Experience**

Mrs. Pham Thi Thu Thuy has more than 17 years holding accounting positions at real estate companies. Joining Khang Dien from 2011, she currently holds the position of Chief Accountant in charge of Accounting Department.

**Working history**

- » **April 2007 - July 2009:** Accountant at Vietnam Real Estate Business Investment Joint Stock Company.
- » **August 2009 - March 2011:** Chief Accountant of Quang Minh Tien Joint Stock Company.
- » **April 2011 - August 2019:** Accountant - Chief Accountant of member companies under Khang Dien.
- » **September 2019 - August 2020:** Deputy Head of Accounting Department of Khang Dien House Trading and Investment Joint Stock Company.
- » **September 2020 - present:** Chief Accountant of Khang Dien House Trading and Investment Joint Stock Company.

**Positions in other organizations:**

- » None.

**Changes in the General Director Team in 2023**

- » Ms. **Nguyen Thuy Trang** resigned from her position of Deputy General Director from 08 December 2023.
- » Mr. **Truong Minh Duy** resigned from his position of Deputy General Director from 20 December 2023.



## INSPECTION COMMITTEE



**Mr. Nguyen Phuong Nam**

**Head of Inspection Committee**

- Year of birth: 1989
- Qualification: Bachelor's Degree in Economics



**Mrs. Vuong Hoang Thao Linh**

**Member of Inspection Committee**

- Year of birth: 1974
- Qualification: Bachelor's Degree in Economics, Bachelor's Degree in Laws, and Master's Degree in Business Administration



**Mrs. Luu Thi Xuan Lai**

**Member of Inspection Committee**

- Year of birth: 1978
- Qualification: Bachelor's Degree in Finance - Accounting

**Experience**

Mr. Nam has 13-year experience in accounting and auditing in the field of real estate. He is responsible for managing Inspection Committee to evaluate business performance and supervise in order for the Company to run in accordance with law.

**Working history**

- » 2011 - 2013: Audit Executive at RSM Vietnam Auditing & Consulting Company Limited.
- » 2013 - 2016: Audit Team Leader at RSM Vietnam Auditing & Consulting Company Limited.
- » 2016 - 2018: Deputy Head of Audit at RSM Vietnam Auditing & Consulting Company Limited.
- » August 2018 - 2020: Accountant at Sapphire Real Estate Business Investment Company Limited.
- » June 2020 - present: Head of Inspection Committee for Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.

**Experience**

Ms. Linh has many years of experience in accounting, auditing, finance, and investment. She previously worked as a Senior Auditor at the Accounting and Consulting Co., Ltd. (A&C) and as Chief Accountant at Air Energy Vietnam and Avon Cosmetics Vietnam. At present, she is the Investment General Director at VinaCapital.

**Working history**

- » 2003 - 2004: Chief Accountant at Air Energy Vietnam.
- » 2004 - 2006: Chief Accountant at Avon Cosmetics Vietnam
- » 2006 - 2014: Investment Manager at VinaCapital Corporate Finance Vietnam
- » 2014 - present: Investment Director at VinaCapital Fund Management Joint Stock Company.
- » September 2017 - present: Member of IC at Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » Member of BOD at Vina Construction Machine JSC
- » Head of IC at Hung Vuong Plaza JSC

**Experience**

Mrs. Lai has more than many years of experience in accounting. She previously held the position of Manager of the Accounting Department at the following companies: Traffic Work Construction Company No.507, Thai Thinh Capital JSC and as Chief Accountant for Song Lap Real Estate Investment and Trading Co., Ltd.

With her extensive working experience in large real estate enterprises, Mrs. Lai has made positive contributions in supporting the review and control of construction costs, ensuring the quality of the Company's projects and compliance to law.

**Working history**

- » 2007 - 2009: Accountant for Thai Thinh Capital JSC.
- » 2010 - 2011: Accountant for Eastern Real Estate Investment and Trading Co., Ltd.
- » 2012 - 2013: General Accountant for Lam Vien Investment and Construction JSC.
- » 2014 - April 2017: Chief Accountant for Song Lap Real Estate Investment and Trading Co., Ltd.
- » April 2017 - present: Member of IC at Khang Dien House Trading and Investment JSC.

**Positions in other organizations:**

- » None.





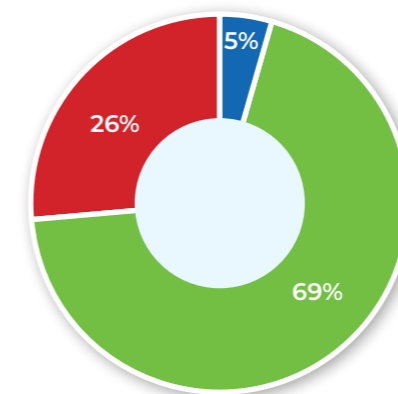
## HUMAN RESOURCES

At Khang Dien Group, human factor is placed above all. The success and development of the Group over the past 23 years is the collective achievement of a group of highly capable and responsible employees. Leaders always care for and comply with the Labor Code in giving full benefits to all employees. In 2023, the Company deployed extracurricular programs and sponsor sport training courses, encouraging people to take care of their health. At the end of 2023, with the purpose of optimizing resources and improving labor efficiency, the Company has restructured its personnel in a more professional and scientific way. Accordingly, the total number of employees is 258 (a 22% reduction from 2022). In which, the number of employees with over 5-year seniority accounts for 68% (175 people). The educational level of employees is mostly from university and post-university, diverse in age to match the accumulated experience and important tasks assigned, mainly from 31 - 45 years of age.



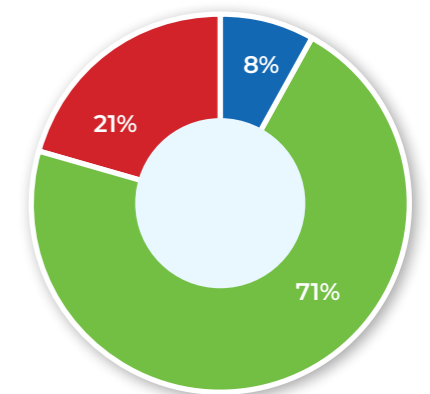
<b>Human resources structure by qualifications</b>	Post graduate	12
	University	178
	College and below	68
<b>Human resources structure by age</b>	Under 30 years old	21
	31 to 45 years old	184
	Over 45 years old	53
<b>Human resources structure by gender</b>	Male	134
	Female	124
<b>Percentage of employees with over 5-year seniority</b>	Over 5 years	68%
	Under 5 years	32%
<b>Total</b>		<b>258</b>

Number of employees reduced compared to 2022: 88 employees  
Employee reduction rate compared to 2022: 22%



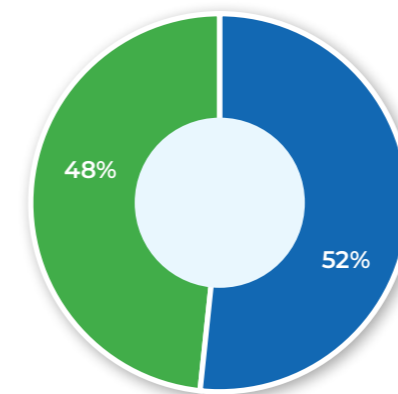
Human resources structure by qualifications

- Post graduate
- University
- College and below



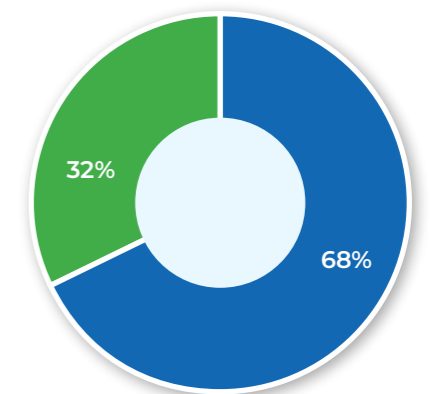
Human resources structure by age

- Under 30 years old
- 31 to 45 years old
- Over 45 years old



Human resources structure by gender

- Male
- Female



Percentage of employees with over 5-year seniority

- Over 5 years
- Under 5 years



# 02 | PERFORMANCE REPORT





## BUSINESS PERFORMANCE

### BUSINESS PERFORMANCE IN 2023

In 2023, proved to be a challenging year for the real estate sector, characterized by constrained product supply and diminished liquidity. Amidst this backdrop, Khang Dien Group has diligently surmounted market challenges, unwavering in its pursuit of business objectives anchored on a transparent legal framework and a robust financial structure. As a result, it has achieved outstanding outcomes, including:

#### Enhancing sales of remaining products of The Classia townhouse project in Thu Duc City.

The Classia includes 176 garden townhouses of which houses and pink books have been handed over to the buyers since 2022. In 2023, the Company continued to enhance the sale of remaining products. By the end of 2023, 95% of the units of the project have been sold. This is considered a great success in the difficult situation of real estate market currently.



#### The Privia condo project was officially opened for sales in the end of 2023 and received positive response from the customers and the market.

The Privia is located in An Duong Vuong Street, Binh Tan District among a bustling residential area, including 1,043 condos which are designed in modern style. The project was launched in the Fourth Quarter of 2023 when its legal documents were completed, for instances, construction permit, certificate of land use right, written approval on selling houses to be formed in the future, and bank guarantee for selling houses to be formed in the future, and the construction progress was at top-out of 2 towers. Within 3 months since launch, 100% of condos of The Privia have been sold out. The project is under completion phase and is expected to hand over in the Fourth Quarter of 2024. This is an impressive outcome that affirm the success of a property brand meeting all factors of legal transparency, quality product and committed schedule.

Beside business result, The Privia is recognized by the experts through two reputable awards i.e., “Best Mid End Condo Development HCMC” and “Best Condo Interior Design” by PropertyGuru Vietnam Property Awards 2022. In addition, The Privia is applied with EDGE (a system to evaluate construction works with resource efficiency), showing Khang Dien's attention to environment protection and creating a green living environment for the community.



## BUSINESS PERFORMANCE (Continued)

### BUSINESS PERFORMANCE IN 2023 (Continued)



**Deployed 2 projects of 6 hectares and 5.8 hectares of area in Binh Trung Dong Ward, Thu Duc City, HCMC in the Fourth Quarter of 2023 in a joint venture with Keppel Corporation Limited (Singapore).**

With the partnership of Keppel Corporation Limited (Singapore), two residential projects of 6 hectares and 5.8 hectares of area in Binh Trung Dong Ward, Thu Duc City, HCMC were granted construction permit and officially commenced in the Fourth Quarter of 2023. The projects are expected to provide the market with townhouses, villas and condos.

**The Company continues to focus on land clearance and compensation as well as proceeding legal procedures for deployment of the existing projects.**

### PERFORMANCE SUMMARY

Unit: VND billion

ITEMS	2023 PLAN	2023 ACTUAL	COMPLETED
Net revenue	3,100	2,088	67%
Profit after tax	1,000	716	72%

Given the difficulties of the economy, the real estate market in 2023 was still in slow growth and low liquidity, causing many obstacles and challenges to the property enterprises in general and Khang Dien in particular to complete the business plan. Getting consistency in core values of Transparency - Quality - Sustainability, the Company has maintained its stable operation and achieved certain outcomes. By the end of 2023, total net revenue and profit after tax respectively reached VND 2,088 billion and VND 716 billion, completing 67% and 72% of the plan assigned by GSM.





## BUSINESS PERFORMANCE (Continued)

### FINANCIAL STATUS

#### Financial status

Unit: VND billion

Items	2022	2023	% change
Total assets	21,539	26,481	23%
Net revenue	2,912	2,088	-28%
Operating profit	992	1,122	13%
Other profits	418	(53)	-113%
Profit before tax	1,410	1,069	-24%
Profit after tax	1,103	716	-35%
Dividend payout ratio	65%		

#### Key financial ratios

Financial ratios	2022	2023
<b>1. Solvency ratios</b>		
» Current ratio	5.85	4.63
» Quick ratio	2.30	1.11
<b>2. Capital structure ratios</b>		
» Total liabilities/Total assets	0.45	0.41
» Total liabilities/Total equity	0.83	0.71
<b>3. Operational efficiency ratios</b>		
» Inventory turnover	0.12	0.03
» Total assets turnover	0.14	0.08
<b>4. Profitability ratios</b>		
» Net margin (Unit: %)	38%	34%
» Return on Equity (ROE) (Unit: %)	9%	5%
» Return on Assets (ROA) (Unit: %)	5%	3%
» Operating margin (Unit: %)	34%	54%

#### Solvency ratios

Decrease due to the increase in inventory to prepare for deployment, investment and construction of projects serving the business in the coming years. This is a safe ratio in the industry and the Company still takes the initiative in maintaining cash and cash equivalents at a reasonable amount of VND 3,729 billion, increasing by 35% from 2022 to ensure liquidity and ready for payment due dates.

#### Capital structure ratios

The fact that total liabilities/total assets decreases from the same period shows the Company's reducing dependence on borrowings in the period of high risk market. Total liabilities/total assets less than 0.5 and total liabilities/total equity less than 1.0 to ensure a safe financial structure and financial autonomy.

#### Operational efficiency ratios

Decrease because the inventory increases while sales and cost of goods sold decrease. Given the quiet market during the last year, most of the enterprises in real estate face to difficulties in business operation, affecting the sales and cost of goods sold, and Khang Dien is not an exception. On the other hand, the Company has pushed land clearance and compensation to increase land bank for the future projects, leading to increase in the inventory value. However, the positive result of The Privia project at the end of 2023 will contribute to improve this ratio when handing over houses to buyers at the end of 2024 as expected.

#### Profitability ratios

Since early this year, the Company has focused on the goal of cost optimization to ensure profitability of the existing projects. To be specific, ROS, ROA and ROE reached 34%, 3% and 5%, respectively. These ratios slightly decreased from the previous year due the constant difficulties of the real estate market during the year, leading to the Company's failure to complete the business plan, while total equity and assets increased from the previous year to create business resource in the future. These ratios will improve when the market has positive signals in the coming time.



## REPORT AND ASSESSMENT BY THE BOARD OF DIRECTORS

### BOARD OF DIRECTOR'S ASSESSMENT ON BUSINESS OPERATIONS

#### Corporate governance report

2023 continued a difficult year for the real estate companies. Complying with the laws and the Company's Charter, the BOD has performed corporate governance and built development orientation and strategy in a careful manner, but still ensuring flexibility to respond to the market fluctuations, maintaining the Company's stable operation.

In 2023, the Company fully implemented the regulations on corporate governance as well as making report on corporate governance in the first 06 months of the year and in the whole year as regulated. This content is disclosed in the Company website at [www.khangdien.com.vn](http://www.khangdien.com.vn).

#### Board of Director's assessment on business operations

2023 continued a difficult year of the real estate market upon the lacking of supply source and low liquidity.

Given that situation, Khang Dien has made every effort to overcome the difficulties and challenges from the market, getting consistency on the goal of sustainability, based on the transparent legal foundation and safe financial structure build for several years, along with the determination of the Company's leaders and employees, Khang Dien has implemented right solutions to ensure stable business operation and achieve good outcomes.

#### Assessment of 2023 Business performance

##### Revenues and profits

Net revenue in 2023 reached VND 2,088 billion; profit after tax reached VND 716 billion, completing 72% of the plan. Given the market fluctuations, these figures are encouraging result, showing the best effort, consensus and determination of the entire Company.

##### Financial situation

The Company always maintains a safe financial structure with Total liabilities/Total equity less than 1. The owner's equity in 2023 reached VND 15,523 billion, occupying 59% of total capital, and is the major source of capital to form the Company's assets.



#### Product lines

In November 2023, the Company successfully opened The Privia project for sales, including 1,043 condos located at An Lac Ward, Binh Tan District. The project has marked the Company's new development stage in the Southwest of HCMC. Given the difficulties in real estate market, the customers' attention to The Privia project shows the strong attraction and reputation of Khang Dien brand, motivating the Company to bring more values to customers, based on legal transparency, quality product and dedicated services.

In addition, Khang Dien has cooperated with Keppel Corporation Limited (Singapore) to deploy projects in Binh Trung Dong Ward, Thu Duc City in the coming time.



## REPORT AND ASSESSMENT BY THE BOARD OF DIRECTORS (Continued)

### BOARD OF DIRECTOR'S ASSESSMENT ON BUSINESS OPERATIONS (Continued)

#### Assessment of 2023 Business performance (Continued)

#### Environmental and corporate social responsibilities

During its 23 years of establishment and development, Khang Dien has always attached importance to business ethics and community sharing. The Company actively participates in charity activities as well as giving support to health and education programs and social security funds at the localities.

In 2023, the Company contributed to the charity activities through Vietnam Red Cross Society, Vietnam Fatherland Front, Vietnam Fatherland Front of HCMC and provinces, and Vietnam Fatherland Front of districts, Fund for the Poor, Fund for homeland seas and islands - For frontline of the Fatherland. The Company has also sponsored for building solidarity houses, giving gifts to the people with difficult circumstances, caring for disabled children with difficult circumstances, donating Green Summer volunteer campaign, supporting Tet gifts for children and poor families, funding thousands of humanitarian eye surgeries, and so on. The total amount of support is more than VND 25 billion which is extracted from Management Bonus Fund and Bonus and Welfare Fund of the Company.

Particularly, in 2023, the Company funded for many projects of infrastructure improvement such as constructing and renovating parks, river banks and urban landscape in Thu Duc City (i.e. Thu Thiem - along Saigon River, Vo Chi Cong Street, etc.), positively contributing to creating a green and clean landscape for the people and contributing to the development of the city. The total amount supported is around VND 30 billion.

For environment, Khang Dien is aware that protecting environment in business will contribute to the sustainable development of the community and society. Accordingly, in all phases of our projects, the Company pays high attention to design solutions to ensure harmony among building density and green space in the entire project to provide the residents with a clean and healthy environment, living close to nature. In addition, the Company always complies with the legal regulations on environment and sets up standards for selecting contractors who have solutions of effectively and economically using resources and ensuring the construction process with the least impact on the environment.

It can be said that, apart from business operation, actively promoting and implementing corporate social responsibility is an essential part of the Company's sustainability.

#### Board of Director's assessment on General Director Team's activities

- » Given the difficulties and fluctuations of the real estate market, the General Director Team has made every effort to effectively implement the orientations and policies from BOD, timely giving instruction and performing business strategies during the year. The General Director Team has also taken initiative in arranging and enforcing human resources to ensure stable operation and business efficiency.
- » The BOD highly appreciates the solidarity and determination of General Director Team and expected the Team to continue to maintain and promote the strengths, bringing higher operational efficiency and enhancing Khang Dien brand value in the market.

#### SUPERVISION RESULT ON GENERAL DIRECTOR AND THE OTHER MANAGERS

- » GDT and other managers have coordinated more effectively and closely, thanks to that, each member of GDT and other managers have affirmed their roles in operating the Company in a more effective way.
- » GDT and other managers have actively made right decisions to bring a high efficiency, eliminating risks and increasing benefits for the Company.
- » The decisions of General Director and other managers are always complied with the Resolutions of the BOD, the Company's Charter and the legal regulations.





## REPORT AND ASSESSMENT BY THE BOARD OF DIRECTORS (Continued)

### PLANS AND DIRECTIONS BY BOARD OF DIRECTORS

Overcoming the difficult year 2023, with the goal of sustainable development, the BOD has set out plan and orientation for 2024 as follows:

- » Continuing to build a transparent legal foundation as a basis for all the Company's activities towards the sustainability goal.
- » Fostering cooperation with suitable reputable partners at home and abroad to develop the projects; diversifying forms of partnership suitable to the available resources to increase project value and maximize profits for the Company.
- » Closely controlling financial plan for each project; ensuring optimization in arranging, mobilizing and allocating resources to implement the projects; building an appropriate capital structure to ensure access and effective use of capital sources.
- » Continuing land clearance and compensation, completing the legal procedures of the existing project in HCMC to prepare for construction and sales in the coming years; focusing on the product lines of condos and low-rise buildings which are oriented as the major products in the coming time; planning to exploit the existing industrial land bank in an effective way.
- » Paying attention to managing the Company's cash flows, maintaining an optimal and safe capital structure to ensure financial autonomy, avoiding effects from the market fluctuations; continuing to review and simplify apparatus as well as consolidating the system; focusing on building successors for the coming development stage.





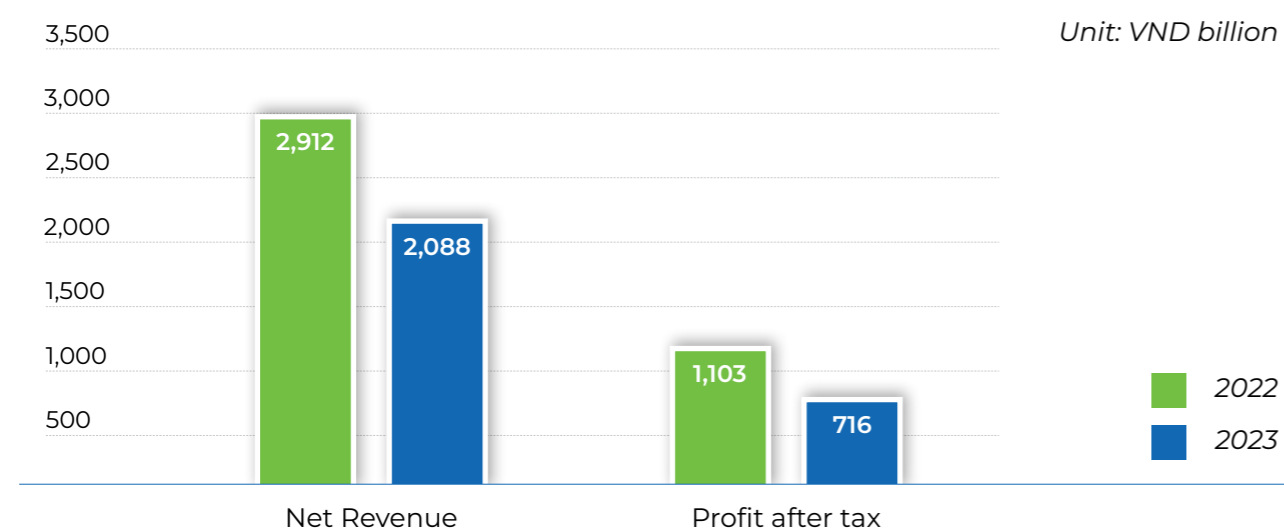
## REPORT OF GENERAL DIRECTOR TEAM

### ASSESSMENT ON BUSINESS PERFORMANCE

#### 2023 business performance

Unit: VND billion

ITEMS	2022	2023	2023 vs 2022	
			CHANGE	%
Net Revenue	2,912	2,088	(824)	-28%
Profit before tax	1,410	1,069	(341)	-24%
Profit after tax	1,103	716	(387)	-35%



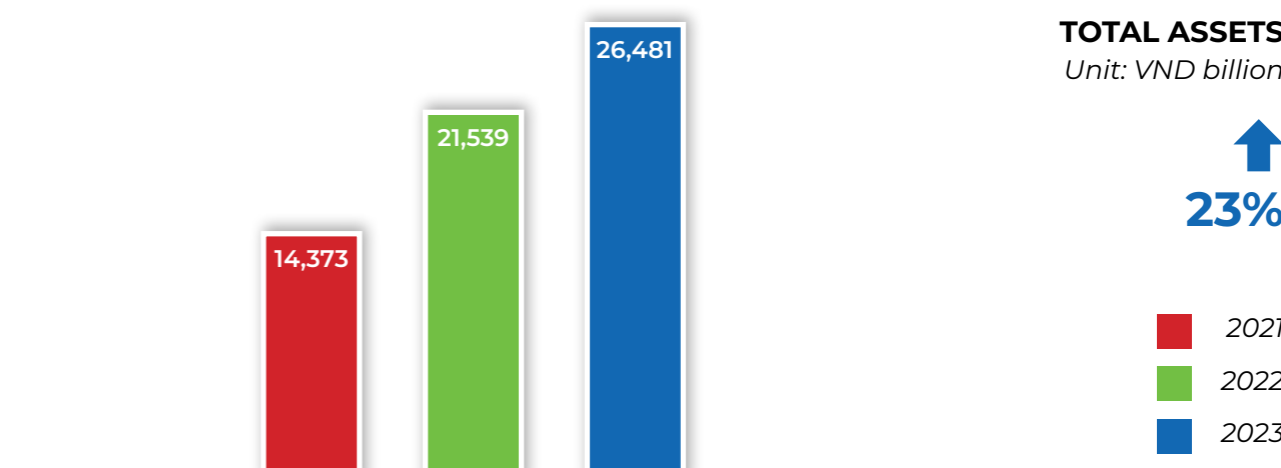
**Revenue:** Total net revenue reached VND 2,088 billion, decreasing by 28% from the previous year, in the context of difficulties and challenges of the real estate market.

**Profit:** Profit after tax reached VND 716 billion. This outcome is mainly resulted from The Classia - the project receiving positive response from customers.

The Privia project was launched in the end of 2023 and gained an encouraging business result when 100% of the units were sold out after 03 months. At present, the project is completed at top-out phase and is expected to hand over in the Fourth Quarter of 2024. The performance of this project will be reflected in the business result of 2024.

### FINANCIAL STATUS

#### Assets



Asset scale has continued to increase by the end of 2023 with total assets of VND 26,481 billion, up 23% from the same period, mainly due to the increase in cash and cash equivalents and inventories. Details are as follows:

Unit: VND billion

ITEMS	2022	2023	PROPORTION	2023 vs 2022	
				CHANGE	%
Cash and cash equivalents	2,753	3,729	14%	976	35%
Receivables	5,208	1,831	7%	(3,377)	-65%
Inventories	12,453	18,787	71%	6,334	51%
Long-term assets	1,033	1,744	7%	711	69%
Other assets	92	390	1%	298	324%
<b>TOTAL ASSETS</b>	<b>21,539</b>	<b>26,481</b>	<b>100%</b>	<b>4,942</b>	<b>23%</b>



## REPORT OF GENERAL DIRECTOR TEAM (Continued)

### FINANCIAL STATUS (Continued)

#### Assets (Continued)

##### Cash and cash equivalents

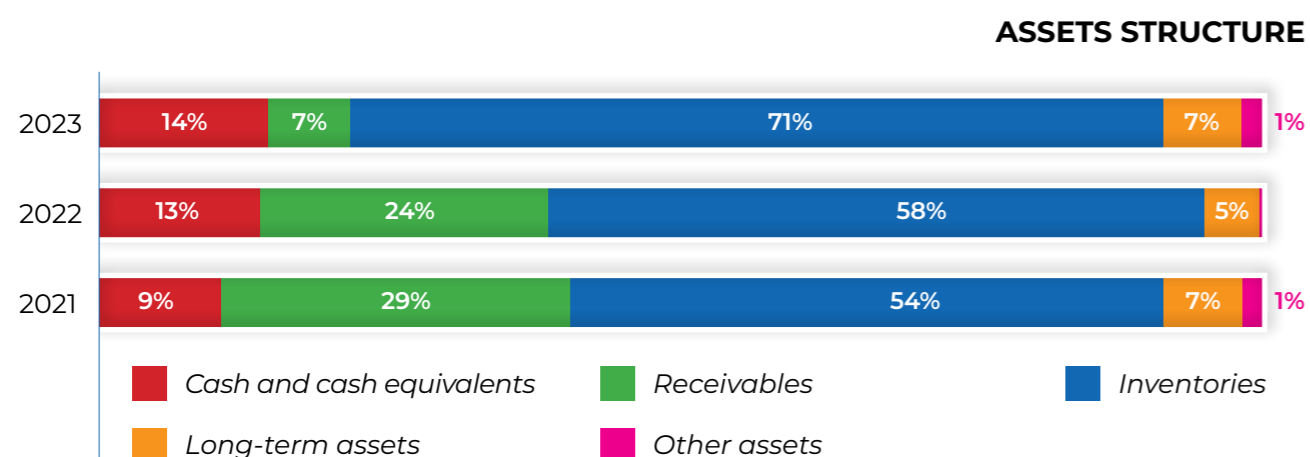
Continued to increase in 2023. To be specific, ending balance of cash and cash equivalents was valued at VND 3,729 billion, up 35% from 2022, accounting for 14% of total assets. The cash at the end of the year was maintained at a high amount to ensure liquidity and timely serve the land clearance and compensation for land bank expansion.

##### Receivables

Decreased by VND 3,377 billion mainly due to the Company's receiving the transfer of land use right according to the progress of land clearance and compensation to increase inventories during the year.

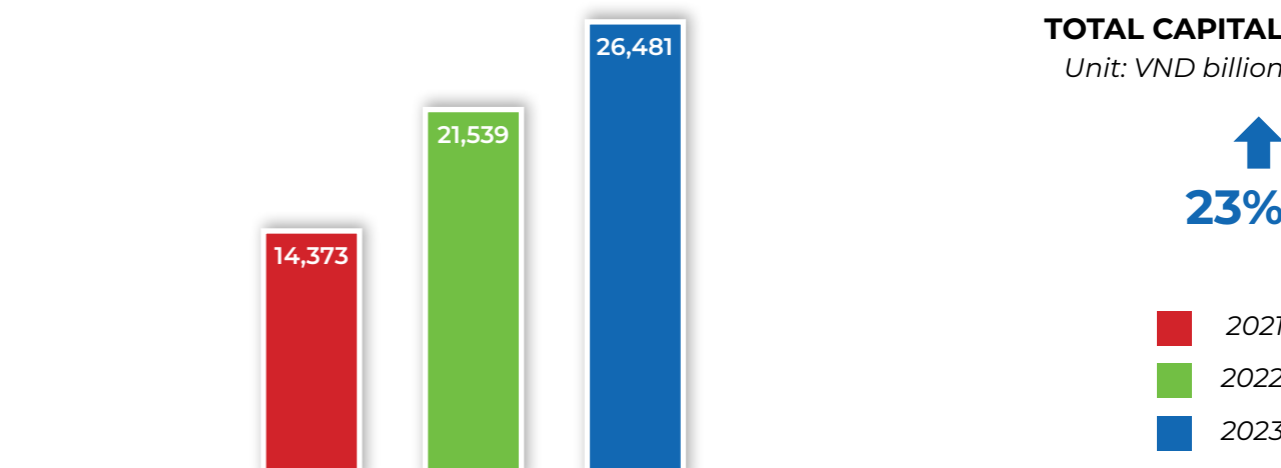
##### Inventories

As of 31 December 2023, the inventories reached VND 18,787 billion, increasing by VND 6,334 billion, up 51% from the same period, making with 71% of total assets. The increase in the inventories is mainly come from the projects under construction and land clearance such as The Privia, Binh Trung Project Cluster, Tan Tao Project, The Solina, etc.



The inventories, cash and cash equivalents occupied 92% of total assets. This structure is completely suitable to the nature of real estate business, showing the balance, fairness and safety.

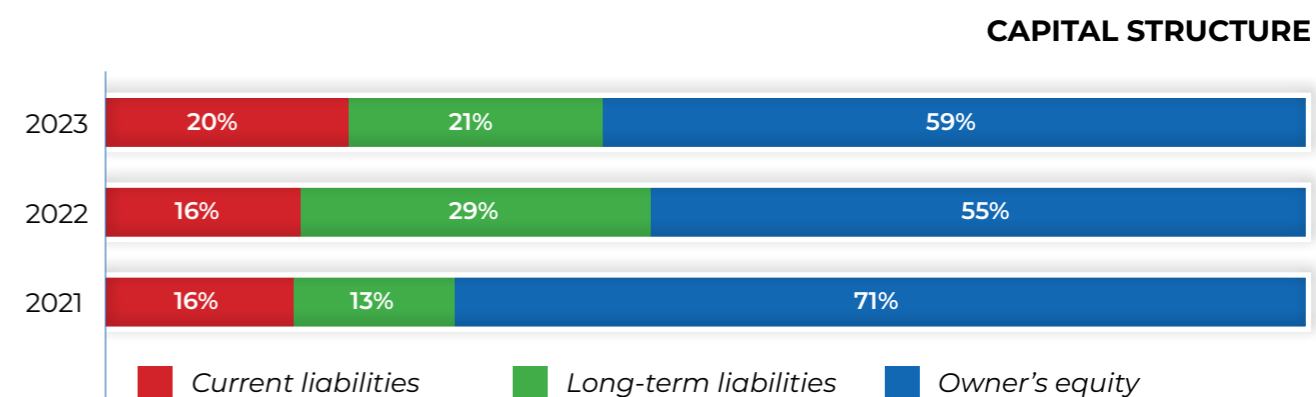
#### Capital



Corresponding to the increase in total assets, ending balance of total capital of the Company in 2023 reached VND 26,481 billion, increasing by VND 4,942 billion, up 23% from the same period. Capital structure changed in the alignment of increasing current liabilities while decreasing of long-term loans. Owner's equity occupied the highest proportion, equal to 59% of total capital.

Unit: VND billion

ITEMS	2022	2023	PROPORTION	2023 vs 2022	
				CHANGE	%
Current liabilities	3,503	5,346	20%	1,843	53%
Long-term liabilities	6,242	5,612	21%	(630)	-10%
Owner's equity	11,794	15,523	59%	3,729	32%
<b>TOTAL CAPITAL</b>	<b>21,539</b>	<b>26,481</b>	<b>100%</b>	<b>4,942</b>	<b>23%</b>





## REPORT OF GENERAL DIRECTOR TEAM (Continued)

### FINANCIAL STATUS (Continued)

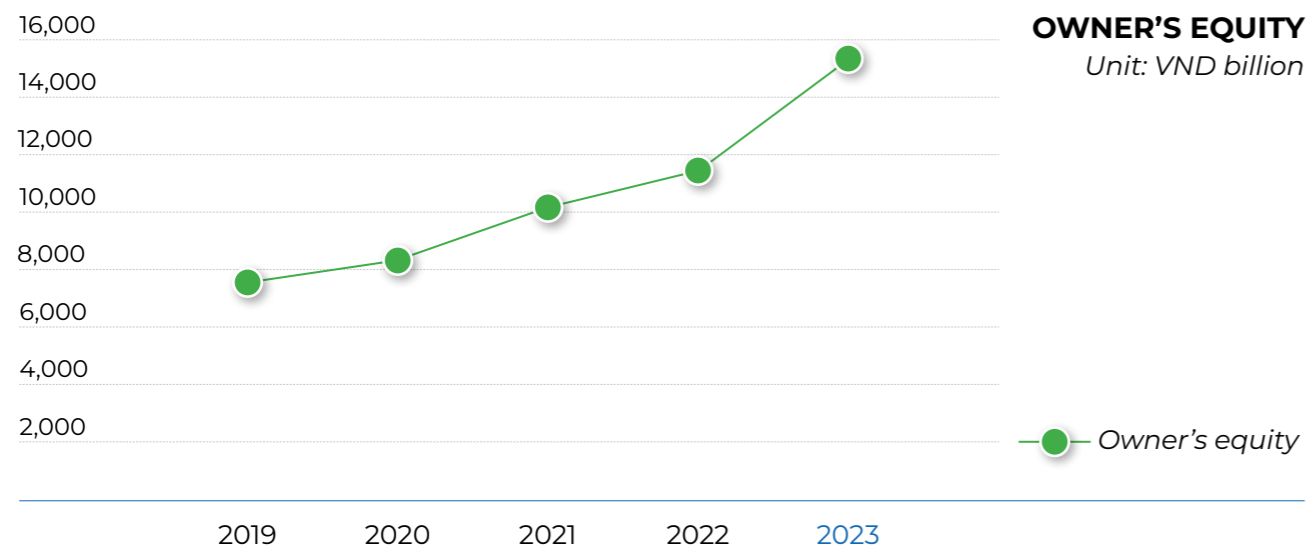
#### Capital (Continued)

##### Liabilities

- » **Current liabilities:** is valued at VND 5,346 billion, increasing by VND 1,843 billion from the previous year, mainly due to the increase in advances from customers of The Privia project opened for sales at the end of 2023. This amount will be recorded in the revenues from the project when completing construction and handing over to customers.
- » **Long-term liabilities:** amounted to VND 5,612 billion, decreasing by VND 630 billion, down 10% from the previous year. The proportion of long-term liabilities decreased from 29% down to 21%, showing the Company's policy on reducing loans in the context of high-risk market but still ensuring the goal of sustainable growth.

##### Owner's equity

Reached VND 15,523 billion, increasing by VND 3,729 billion, up 32% from the same period to meet the need of business expansion of the Company. The increase was mainly resulted from the profits of 2023 and the capital increase upon the ESOP. Accounting for 59% of total capital, the equity has become the major source of capital forming the Company's total assets. This has demonstrated the Company's direction in alignment with a safe capital structure and high financial autonomy.



Ending 2023, even though low liquidity in the market caused certain effects to the business situation, with a complete legal foundation, solid financial structure, quality products and dedicated services, Khang Dien reached profit after tax of more than VND 700 billion and liquidation indicators were within safe limit, ensuring the goal of sustainable growth and optimizing benefits of shareholders.

### MANAGEMENT AND ORGANIZATIONAL INNOVATION

In 2023, the GDT continued to conduct corporate governance solutions to be suitable to the new situation, to be specific:

#### Enhancing management policies to handle operational risks

- » Strengthening inspection and supervision, frequently coordinating with the departments to review processes and procedures to timely make reasonable adjustments to be suitable to the actual situation, in compliance with the legal regulations and ensuring the Company's effective operation.
- » Focusing on internal control, helping employees identify and prevent the risks arisen.
- » Pushing the solutions for cost optimization and business maximization but still maintaining and enhancing customers' satisfaction.
- » Actively coordinating and making plan for new projects to be deployed in 2024.

#### Improving knowledge and qualification of employees and creating a healthy working environment.

- » Building a positive and friendly working environment is always one of the most important objectives because this is a factor directly affecting the productivity and work quality. Therefore, the GDT always attaches importance to creating an ideal working environment that can inspire the employees in self-improvement and good performance.
- » In addition, in 2023, the Company carried out extra curricular activities for all staff in the park along the banks of Saigon River or organized charity trips and travels to increase the solidarity and friendship among the departments, spreading the positive energy and motivating employees in their work.
- » Attaching high importance to the role of on-the-spot training and learning from the previous generations to improve knowledge and experience of both manager level and staff level towards a better performance.



## REPORT OF GENERAL DIRECTOR TEAM (Continued)

### MANAGEMENT AND ORGANIZATIONAL INNOVATION (Continued)

#### Continuing to improve selling strategies suitable to each stage.

- » Expanding the network of distributors that are professional, reputable and experienced to intensify sales to customers. Developing official marketing communication channels, using digital platforms and social networks for communication, etc. to increase brand recognition and approach customers.
- » Understanding and capturing customer information as well as classifying customers to apply appropriate sales strategies.
- » The most important sales strategy is post-sales service and customer care. Therefore, the Company focuses on post-sales policies, listening to the customers to more and more improve the quality of products and services, maintaining a number of loyal customers who may be referred by new potential customers.
- » Developing effective financial support programs which are suitable to income and cash flow of customers as well as supporting customers with appropriate financial solutions to own a house for a stable life. Actively collaborating with reputable domestic and foreign banks to give more choices for customers and affirm the reputation of the Investor.



### DEVELOPMENT PLAN FOR 2024

#### General direction

- » In 2024, the Company continues to set the goal of stable and effective business operation as a key task and will carry out business strategies suitable to the market, to be specific:
  - › Completing construction and handing over house and pink book to the residents at The Privia condos project in Binh Tan District, HCMC.
  - › Constructing projects of 6 hectares and 5.8 hectares of area in the partnership with Keppel Corporation Limited (Singapore) in Binh Trung Dong Ward, Thu Duc City, HCMC, which are expected to open for sales in the end of 2024 when satisfying the conditions as regulated.
  - › Continuing to complete land clearance and compensation and proceeding legal procedures for the current projects in HCMC, preparing for commencement and sales in the coming years.
- » Strengthening risk management in association with business operation, increasing the flexibility with the market fluctuations, ensuring sustainable growth and profit optimization.
- » Restructuring portfolio in the alignment of optimizing benefits of shareholders. Seeking domestic and overseas partners who are reputable investors with strong financial resource to deploy the projects. Absorbing selectively the values and experiences of the partners to create breakthrough in products, gaining the best business result.
- » Continuing to review and simplify the apparatus, consolidate the system, improve the process and enhance management quality. Building a professional working environment, motivating the employees to increase productivity and work efficiency. Focusing on on-the-spot training to improve qualification and skills of the staff.

#### 2024 business plan

Based on the market situation and the business orientation as mentioned above, the Company has made plan for revenues, profits and dividends of 2024 as follows:

No.	Items	2024 (VND billion)
1	Revenue	3,900
2	Profit after tax	790
3	Expected dividend rate	10%



## REPORT OF GENERAL DIRECTOR TEAM (Continued)

### ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

With the motto of sustainability since its beginning, Khang Dien Group is highly aware of environmental protection and complies with the material respects of environment regulations. For all our projects, the Group has strictly conducted environmental impact assessment, calculating and forecasting the effects on the surrounding environment as well as preparing solutions for environmental protection before implementation, and ensuring that, after being constructed, handed over and put into use, the projects will comply the relevant legal regulations on the environment and local communities.

Khang Dien Group applies EDGE in designing and building The Privia project, which was commenced in the middle of 2022 until end of 2023. EDGE is a system used to evaluate a construction work with resource use

efficiency, saving energy, water and energy for producing the materials to serve the work. The Privia uses unburnt bricks (occupying 80% of total number of bricks used for the project), one of the green and eco-friendly building materials. The Group also uses other green appliances such as energy-saving LED lights or touch lights, sanitary equipment with water-saving design, etc. as well as designing an appropriate ratio among glass wall, glass window and constructed wall to ensure both energy efficiency and aesthetic requirement, capturing natural light and wind ventilation.

At Khang Dien, people are the most important resource; therefore, occupational safety and health is essential for a sustainable foundation in human resources. To be specific in 2023, The Privia project was constructed in line with the regulations on labor safety. To implement that



goal, Khang Dien has chosen contractors with high sense of responsibility, regularly trained the workers at site for occupational safety and health and continuously inspected safety practices.

In addition, the Group always complies with the Labor Code on welfare and benefits for employees such as annual leaves, public holiday leaves, social insurance, etc. The Company also organizes periodic health check for all employees and supports the cases with long-term treatment. In 2023, the Group fully implemented its responsibilities to the employees both at office and at site (including the contractors' workers). Moreover, the Group encourages all employees to keep healthy and play sports. In 2023, the Company sponsored membership cards or sport court rentals for the employees desiring to go to the gym or play sports at free time after working hours.

In parallel with caring for the life of employees, Khang Dien has made every effort to implement corporate social responsibility. During its 23 years of development, Khang Dien has always respected business ethics and community sharing spirit, actively sponsoring charity programs.

In 2023, the Company spent more than VND 25 billion for charity work, which was extracted from management team bonus fund and bonus and welfare fund of the Company. Particularly, the Company have funded many landscape's innovation projects such as building park along Saigon River or beautifying streets in many localities with the total value up to VND 30 billion.



# 03 | CORPORATE GOVERNANCE





## STRUCTURE AND ACTIVITIES OF BOARD OF DIRECTORS

### MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

No.	Member of BOD	Positions at Khang Dien	Number of shares held (shares)	Ownership percentage (%)	Positions in other organizations
1	Mrs. Mai Tran Thanh Trang	Chairwoman - Non-executive	23,778,966	2.97	None
2	Mr. Ly Dien Son	Deputy Chairman - Non-executive	13,512,529	1.69	None
3	Mrs. Nguyen Thi Cam Van	Independent member of BOD	2,425,445	0.30	None
4	Mrs. Nguyen Thi Dieu Phuong	Member of BOD - Non-executive	0	0	Member of BOD - Tam Tri Medical JSC.; Member of BOD - IN Holdings JSC.; Member of BOD - Hung Vuong JSC.; Member of BOD - An Cuong Wood Working Materials JSC.; Deputy General Director of VinaCapital Fund Management JSC.
5	Mr. Vuong Van Minh	Member of BOD cum General Director	6,019,309	0.75	None

### ACTIVITIES OF BOARD OF DIRECTORS

In regard to corporate governance in 2023, BOD has closely followed up the Company's operations and managed the Company's activities in alignment with the policies and plans approved by the General Shareholder Meeting. BOD has also provided important and effective solutions to maintain a stable operation for the Company. In 2023, BOD organized 27 meetings and issued 27 Resolutions on the Company's major matters. The content and results of the meetings are as follows:

No.	Resolution/ Decision ref. no.	Date	Meeting contents	Rate of approval
01	01/2023/ NQ_HĐQT	11 January 2023	Approving the policy on Khang Dien's signing and implementing contracts and transactions with related parties in 2023.	100%
02	02/2023/ NQ_HĐQT	20 February 2023	Approving the recommendations on Internal Audit in the Internal Audit Result Report 2022.	100%
03	02A/2023/ NQ_HĐQT	28 February 2023	Approving the appointment of Mr. Pham Minh Nhut to hold the position of Chairman, Legal Representative and General Director of Khang Phuc House Trading Investment Co., Ltd. for the term from 08 March 2023 to 08 March 2028.	100%
04	03/2023/ NQ_HĐQT	07 March 2023	Approving the Closing of the list of shareholders for the Company's Annual General Meeting of Shareholders 2023.	100%
05	04/2023/ NQ_HĐQT	13 March 2023	Approving Gia Phuoc Real Estate Investment and Trading Co., Ltd. to receive 14.8% of shares transferred by the shareholders of Phuoc Nguyen Real Estate Investment JSC.	100%



## STRUCTURE AND ACTIVITIES OF BOARD OF DIRECTORS (Continued)

### ACTIVITIES OF BOARD OF DIRECTORS (Continued)

No.	Resolution/ Decision ref. no.	Date	Meeting contents	Rate of approval
06	05/2023/NQ_HĐQT	29 March 2023	Approving the policy that Gia Phuoc Real Estate Investment and Trading Co., Ltd. agrees with the charter capital increase of Phuoc Nguyen Real Estate JSC and transferring 49% of charter capital of Doan Nguyen House Trading Investment Co., Ltd. to VN Victory PTE., LTD to co-develop the residence of 60,732 m <sup>2</sup> of the area at Binh Trung Dong Ward, Thu Duc City, HCMC.	100%
07	06/2023/NQ_HĐQT	05 April 2023	Approving the plan to organize the 2023 Annual General Meeting of Shareholders.	100%
08	07/2023/NQ_HĐQT	05 April 2023	Approving the policy that International Consulting Co., Ltd. receives the capital contribution of Binh Trung Real Estate Trading Investment Co., Ltd. in the form of land use right of the residence of 57,700 m <sup>2</sup> area at Binh Trung Dong Ward, Thu Duc City, HCMC to establish a subsidiary and transferring 49% of charter capital at the subsidiary to VN Success PTE., LTD to co-develop the project.	100%
09	08/2023/NQ_HĐQT	07 April 2023	Approving the policy that Khang Phuc House Trading Investment Co., Ltd. shares and mortgages property rights arising from the Le Minh Xuan Industrial Park Expansion Project at Le Minh Xuan Commune, Binh Chanh District, HCMC - Phase 1 to guarantee the loans at Orient Commercial Joint Stock Bank - District 4 Branch.	100%
10	09/2023/NQ_HĐQT	14 April 2023	Approving the policy that International Consulting Co., Ltd. allows Binh Trung Real Estate Trading Investment Co., Ltd. to get a loan from Orient Commercial Joint Stock Bank - District 4 Branch.	100%

No.	Resolution/ Decision ref. no.	Date	Meeting contents	Rate of approval
11	10/2023/NQ_HĐQT	11 May 2023	Approving the policy that Nam Phu Real Estate Development Co., Ltd. agrees to dissolve Nguyen Thu Real Estate Development JSC and that Tri Minh Real Estate Investment and Trading JSC agrees to dissolve Lien Minh Real Estate Trading and Investment Co., Ltd.	100%
12	11/2023/NQ_HĐQT	29 May 2023	Approving Khang Phuc House Trading Investment Co., Ltd. to get a loan from Orient Commercial Joint Stock Bank - District 4 Branch.	100%
13	12/2023/NQ_HĐQT	20 June 2023	Approving the implementation of stock issuance plan for 2022 dividend payment and ESOP in accordance with the Resolution no. 01/2023/NQ_ĐHĐCĐ dated 26 April 2023 of the General Shareholder Meeting.	100%
14	13/2023/NQ_HĐQT	23 June 2023	Approving that Hao Khang One member Co., Ltd. receives the capital contribution of Green Space Real Estate Trading and Investment Co., Ltd. at Viet Huu Phu JSC and dissolves Viet Huu Phu JSC.	100%
15	14/2023/NQ_HĐQT	10 July 2023	Approving the amendment and supplementation of some contents in the Resolution no. 12/2023/NQ_HĐQT dated 20 June 2023 on the implementation of ESOP.	100%
16	15/2023/NQ_HĐQT	14 July 2023	Approving the selection of PwC (Vietnam) Limited as the auditor for 2023 financial statements.	100%



## STRUCTURE AND ACTIVITIES OF BOARD OF DIRECTORS (Continued)

### ACTIVITIES OF BOARD OF DIRECTORS (Continued)

No.	Resolution/ Decision ref. no.	Date	Meeting contents	Rate of approval
17	16/2023/ NQ_HĐQT	18 July 2023	Approving the recommendations from Internal Audit Division on internal audit for the first 6 months of 2023.	100%
18	17/2023/ NQ_HĐQT	05 September 2023	Approving the amendment and supplementation of some contents relating to stock issuance for dividend payment and ESOP.	100%
19	18/2023/ NQ_HĐQT	11 September 2023	Approving the registration and centralized depository of individual bonds (Bond codes KDHH2125001 and KDHH2225001) at Vietnam Securities Depository and Clearing Corporation and the registration of bond trading at Hanoi Stock Exchange.	100%
20	19/2023/ NQ_HĐQT	22 September 2023	Approving the closing of the list of shareholders to exercise the right to pay dividends in 2022 in form of shares to existing shareholders in accordance with the plan approved by the Annual General Meeting of Shareholders 2023.	100%
21	20/2023/ NQ_HĐQT	04 October 2023	Approving the signature guarantee for the loan repayment obligation of Khang Phuc House Trading Investment Co., Ltd. at Vietcombank - Ha Noi Branch.	100%
22	21/2023/ NQ_HĐQT	11 October 2023	Approving the stock issuance for 2022 dividend payment, handling fractional shares arising from the stock issuance for 2022 dividend payment, the result of ESOP, and the increase of charter capital and amending the Company's Charter related to charter capital.	100%

No.	Resolution/ Decision ref. no.	Date	Meeting contents	Rate of approval
23	21A/2023/ NQ_HĐQT	05 December 2023	Approving the policy of empowering the Company's General Director to make decisions on appointing representative or changing authorized representative to manage capital contributions and shares, joining in the Board of Members and the General Shareholder Meetings at subsidiaries where the Company holds over 50% of charter capital, paying the remuneration and benefits for these people.	100%
24	22/2023/ NQ_HĐQT	08 December 2023	Approving the resignation letter of Ms. Nguyen Thuy Trang, according to which, she will resign from her position of Deputy General Director of the Company from 08 December 2023.	100%
25	23/2023/ NQ_HĐQT	08 December 2023	Approving the Internal Audit Plan 2024 of the Internal Audit Division.	100%
26	24/2023/ NQ_HĐQT	20 December 2023	Approving the resignation letter of Mr. Truong Minh Duy, according to which, he will resign from his position of Deputy General Director of the Company from 20 December 2023.	100%
27	25/2023/ NQ_HĐQT	20 December 2023	Approving the share transfer valued at 99% of charter capital from Loc Minh Real Estate Development JSC to Sapphire Real Estate Trading Investment Co., Ltd. (in which Khang Dien holds 99.9% of charter capital).	100%



## STRUCTURE AND ACTIVITIES OF BOARD OF DIRECTORS (Continued)

### PERFORMANCE OF INDEPENDENT MEMBER OF BOD AND ASSESSMENT RESULT

#### Assessment on BOD meetings

- » In 2023, the BOD had totally 27 meetings which were organized in compliance with the legal regulations and the Company's Charter. BOD members fully participated in the meeting, gave opinions and made decisions on the matters in line with the policies and the plans approved by the General Shareholder Meeting.
- » Requisite information and documents have been meticulously prepared and disseminated prior to meetings, enabling BOD members to adequately prepare, deliberate, and decide. Consequently, matters addressed during these meetings are thoroughly discussed and ultimately resolved by majority consensus.

#### Assessment on BOD performance

- » BOD members, with defined roles and responsibilities, have demonstrated astute leadership and close oversight throughout operations, resulting in strategic and optimal decisions for the Company.
- » The Board of Directors closely monitors the operational activities led by the General Director Team to timely align all company endeavors with the approved directives and plans outlined by the General Shareholder Meeting.
- » The Board of Directors consistently demonstrates a high level of commitment and responsibility, adhering to the operational regulations, the Company's Charter, and current legal provisions.

#### Assessment on BOD's supervision to the performance of General Director Team

- » The Board of Directors has effectively fulfilled its supervisory role over the General Director Team by conducting assessments and providing expert opinions on the General Director Team's operational plans.
- » The Board of Directors always accompanies the General Director Team in management activities to ensure the Company's operations comply with legal regulations while maintaining effectiveness and transparency.

### SUBCOMMITTEES UNDER BOD

#### Internal Audit Team

Established in December 2020, the Internal Audit Team (IA) operates under the Regulations on Internal Audit of Khang Dien House Trading and Investment JSC.

#### Member of Internal Audit Team

No.	Internal Auditor	Position
1	Mrs. Lo Nguyen Thuy Phuong	Head of Internal Audit
2	Mr. Nguyen Van Dung	Internal Auditor
3	Mr. Dang The Luong	Internal Auditor

#### Activities of Internal Audit Team in 2023

In 2023, Internal Audit Team had 05 meetings, fully attended by the team members, to be specific:

No.	Minutes of Meeting No.	Date	Meeting contents	Rate of approval
1	01/2023/BBH_KTNB	05 January 2023	» Summarizing IA Result of Fourth Quarter of 2022 » Getting a consensus on IA Report 2022 » Implementing IA Plan 2023	100%
2	02/2023/BBH_KTNB	31 March 2023	Summarizing IA Result of First Quarter of 2023 and implementing IA Plan in Second Quarter of 2023	100%
3	03/2023/BBH_KTNB	30 June 2023	» Summarizing IA Result of Second Quarter of 2023 » Getting a consensus of IA Report in the first 6 months of 2023 » Implementing IA Plan in Third Quarter of 2023	100%
4	04/2023/BBH_KTNB	29 September 2023	Summarizing IA Result of Third Quarter of 2023 and implementing IA Plan in Fourth Quarter of 2023	100%
5	05/2023/BBH_KTNB	04 December 2023	Getting a consensus on IA Plan 2024	100%



## STRUCTURE AND ACTIVITIES OF BOARD OF DIRECTORS (Continued)

### SUBCOMMITTEES UNDER BOD (Continued)

#### Internal Audit Team (Continued)

##### Activities of Internal Audit Team in 2023 (Continued)

- » Operating in line with the functions and tasks as described in the Company's Regulation on Internal Audit.
- » Supervising the compliance with the Company's procedures, giving recommendations on improving the Company's internal processes. Accordingly, the detailed supervision plan and the implementation upon the approved Internal Audit Plan 2023 are as follows:
  - › Assessing the compliance and the effectiveness of the process of preparing and amending master plan of the residence project in Phu Huu Ward, Thu Duc City, invested by Thuy Sinh Real Estate JSC and the High-rise residence project at No. 158 An Duong Vuong, An Lac Ward, Binh Tan District, HCMC (The Privia Project), invested by Khang Phuc House Trading Investment Co., Ltd.
  - › Assessing the updating of legal regulations relating to project legality and the Company's business activities.
  - › Assessing the compliance and the effectiveness of Design Management Process of The Privia Project.
  - › Inspecting the use for the right purpose of the remaining bonus of the year 2020 and the amount equal to 2% of profit after tax of the year 2021 which were rewarded to BOD and General Director Team according to Resolution no. 02/2022/NQ\_ĐHĐCĐ dated 22 April 2022 of the General Shareholder Meeting.
- » Monitoring and inspecting the results of implementing post-audit recommendations.
- » Reporting to BOD on performance of IA Division, IA results and IA recommendations.
- » Assessing risks, preparing and submitting to BOD for approval on Internal Audit Plan in 2024.

In addition, the Internal Audit Team is always aware of self-learning, accumulating experience, updating legal regulations and laws to enhance their own professional capability.

Thanks to the increasing efforts in learning and developing, the Internal Audit Team is expected to improve the audit quality and complete the Company's internal procedures, contributing to enhancing risk management and corporate governance.

## INSPECTION COMMITTEE

### MEMBERS AND STRUCTURE OF THE INSPECTION COMMITTEE

The IC is elected by the GSM to conduct supervision activities in accordance with the laws and the Company's Charter; the IC consists of 03 members:

No.	Member of IC	Title	Number of shares held (shares)	Number of shares held by related persons (shares)	Violation of law	Conflict of interest with the Company	Benefits from to the Company
1	Mr. Nguyen Phuong Nam	Head of IC	6,987	-	None	None	None
2	Mrs. Vuong Hoang Thao Linh	Member of IC	5,342	86,163,863	None	None	None
3	Mrs. Luu Thi Xuan Lai	Member of IC	-	-	None	None	None

### SUMMARY OF THE INSPECTION COMMITTEE'S ACTIVITIES

In 2023, the IC had 04 meetings, fully attended by the inspectors, to be specific:

No.	Minutes of Meeting No.	Date	Meeting contents	Rate of approval
1	01/2023/BBH_BKS	27 March 2023	<ul style="list-style-type: none"> <li>» Discussing and reviewing the implementation of the BOD Resolutions in First Quarter of 2023 and reviewing the implementation of information disclosure;</li> <li>» Reviewing and verifying consolidated and separate financial statements for 2022;</li> <li>» Assessing the preparation for the Annual General Meeting of Shareholders 2023;</li> <li>» Preparing the report on IC performance and appraisal in 2023;</li> <li>» Reviewing the Company's project implementation.</li> </ul>	100%



## INSPECTION COMMITTEE (Continued)

### MEMBERS AND STRUCTURE OF THE INSPECTION COMMITTEE (Continued)

No.	Minutes of Meeting No.	Date	Meeting contents	Rate of approval
2	02/2023/BBH_ BKS	26 June 2023	<ul style="list-style-type: none"> <li>» Reviewing the implementation of Resolution dated 26 April 2023 of the Annual General Meeting of Shareholders 2023, the implementation of the BOD Resolutions in Second Quarter of 2023 and reviewing the implementation of information disclosure;</li> <li>» Reviewing and verifying consolidated and separate financial statements for First Quarter of 2023.</li> </ul>	100%
3	03/2023/BBH_ BKS	11 September 2023	<ul style="list-style-type: none"> <li>» Checking the implementation of the BOD Resolutions in Third Quarter of 2023 and reviewing the implementation of information disclosure;</li> <li>» Reviewing and verifying of consolidated and separate financial statements for the first 6 months in 2023;</li> <li>» Supervising the notice of signing a contract with PwC (Vietnam) Limited on the audit for the financial statements in 2023;</li> <li>» Reviewing the Company's project implementation.</li> </ul>	100%
4	04/2023/BBH_ BKS	19 December 2023	<ul style="list-style-type: none"> <li>» Inspecting the implementation of the BOD Resolutions in Fourth Quarter of 2023 and reviewing the implementation information disclosure;</li> <li>» Reviewing and verifying consolidated and separate financial statements for Third Quarter of 2023.</li> <li>» Reviewing the Company's project implementation.</li> </ul>	100%

In addition to the official meetings, the member of IC held many discussions to complete the assigned tasks.

### COORDINATION BETWEEN INSPECTION COMMITTEE AND BOARD OF DIRECTORS, GENERAL DIRECTOR TEAM, OTHER MANAGERS

#### For Board of Directors

- » IC and BOD always maintain a close cooperation on the principle of the mutual benefit of the Company and shareholders, complying with the law and the Company's Charter but keeping independence in implementing the assigned functions and duties. At the same time, IC are provided with comprehensive meeting documents, resolutions, and decisions of the Board of Directors.

#### For General Director Team

- » In 2023, General Director Team has provided comprehensive information on business operations, financial status, and necessary documents for the supervision and monitoring activities of IC.
- » The IC closely collaborated with the General Director Team to successfully fulfill the planned targets approved by the 2023 Annual General Meeting of Shareholders.

#### For other managers

The IC along with other departments within the Company have closely coordinated to conduct inspections and controls aimed at enhancing efficiency in the Company's management and operations. Simultaneously, they refined the Company's internal governance procedures and risk management.





# TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR TEAM AND INSPECTION COMMITTEE

## SHARE TRANSACTIONS OF INSIDERS AND RELATED PERSON

No.	Transactions conducted by	Relationships with internal shareholders	Beginning number of shares		Ending number of shares		Reasons for increase/decrease (purchasing, selling, transferring, bonus, etc.)
			Number of shares	Percentage (*)	Number of shares	Percentage (**)	
1	Vietnam Ventures Ltd	Related institution	24,841,172	3.47%	20,054,289	2.51%	Investment portfolio restructuring and receiving share dividend
2	Vietnam Enterprise Limited	Related institution	50,851,884	7.09%	55,937,072	7.00%	Receiving share dividend
3	Vietnam Investment Property Limited	Related institution	7,131,978	0.99%	7,845,175	0.98%	Receiving share dividend
4	Vietnam Investment Limited	Related institution	25,666	0.004%	28,232	0.004%	Receiving share dividend
5	VinaCapital Equity Special Access Fund	Related institution	1,245,963	0.17%	1,370,559	0.17%	Receiving share dividend
6	Vinacapital Equity Opportunity Fund	Related institution	463,119	0.06%	509,430	0.06%	Receiving share dividend
7	Hanwha Life Insurance Company Limited (Vietnam)	Related institution	45,650	0.006%	31,702	0.004%	Investment portfolio restructuring and receiving share dividend
8	VinaCapital Fund Management Joint Stock Company	Related institution	148,400	0.021%	152,097	0.019%	Investment portfolio restructuring and receiving share dividend
9	VOF Investment Limited	Related institution	8,770,000	1.22%	0	0%	Investment portfolio restructuring
10	ETF VINACAPITAL VN100	Related institution	78,970	0.011%	120,607	0.015%	Investment portfolio restructuring and receiving share dividend
11	Generali Vietnam Life Insurance Limited Liability Company	Related institution	187,000	0.026%	114,700	0.014%	Investment portfolio restructuring and receiving share dividend
12	Mai Tran Thanh Trang	Chairwoman	20,344,515	2.84%	23,778,966	2.97%	Receiving share dividend, purchasing ESOP
13	Mai Tran Thuy Trang	Chairwoman's sister	18,900	0.003%	22,700	0.003%	Receiving share dividend, purchasing ESOP, investment portfolio restructuring
14	Ly Dien Son	Deputy Chairman	11,193,209	1.56%	13,512,529	1.69%	Receiving share dividend, purchasing ESOP
15	Doan Thi Nguyen	Deputy Chairman's mother	97,209	0.014%	106,929	0.013%	Receiving share dividend
16	Ly Van Hung	Deputy Chairman's brother	97,209	0.014%	106,929	0.013%	Receiving share dividend
17	Ly Tuan Kiet	Deputy Chairman's son	170,500	0.02%	237,550	0.030%	Receiving share dividend, purchasing ESOP
18	Ly Tuan Khang	Deputy Chairman's son	44,000	0.006%	48,400	0.006%	Receiving share dividend
19	Nguyen Thi Cam Van	Member of BOD	2,204,951	0.31%	2,425,445	0.30%	Receiving share dividend
20	Nguyen Thi Bach Tuyet	Member of BOD's sister	3,811	0.0005%	4,192	0.0005%	Receiving share dividend

No.	Transactions conducted by	Relationships with internal shareholders	Beginning number of shares		Ending number of shares		Reasons for increase/decrease (purchasing, selling, transferring, bonus, etc.)
			Number of shares	Percentage (*)	Number of shares	Percentage (**)	
21	Vuong Van Minh	Member of BOD cum General Director	4,563,009	0.64%	6,019,309	0.75%	Receiving share dividend, purchasing ESOP
22	Vuong Thi Ngoc Anh	Member of BOD cum General Director's sister	10,000	0.001%	12,270	0.002%	Receiving share dividend, purchasing ESOP, investment portfolio restructuring
23	Truong Minh Duy (***)	Deputy General Director	715,120	0.10%	886,632	0.11%	Receiving share dividend, purchasing ESOP
24	Le Hoang Khoi	Deputy General Director	1,495,900	0.21%	2,495,490	0.31%	Receiving share dividend, purchasing ESOP
25	Nguyen Thuy Trang (****)	Deputy General Director	2,549,614	0.36%	3,029,574	0.38%	Receiving share dividend, purchasing ESOP
26	Nguyen Thuy Duong	Deputy General Director	15,950	0.002%	117,545	0.015%	Receiving share dividend, purchasing ESOP
27	Cao Tuan Dung	Deputy General Director's husband	2,860	0.0004%	3,146	0.0004%	Receiving share dividend
28	Pham Thi Thu Thuy	Chief Accountant	138,200	0.019%	100,000	0.013%	Investment portfolio restructuring, purchasing ESOP
29	Huynh Chi Tam	In charge of corporate governance, BOD's Secretary, authorized person for information disclosure	132,305	0.018%	63,000	0.008%	Investment portfolio restructuring, purchasing ESOP
30	Lo Nguyen Thuy Phuong	Head of Internal Audit	29,850	0.004%	46,835	0.006%	Receiving share dividend, purchasing ESOP
31	Nguyen Van Dung	Internal Auditor	33,000	0.005%	11,000	0.001%	Investment portfolio restructuring, purchasing ESOP
32	Dang The Luong	Internal Auditor	13,000	0.002%	13,200	0.002%	Receiving share dividend, purchasing ESOP, investment portfolio restructuring
33	Nguyen Phuong Nam	Head of IC	6,352	0.0009%	6,987	0.0009%	Receiving share dividend
34	Vuong Hoang Thao Linh	Member of IC	4,857	0.0007%	5,342	0.0007%	Receiving share dividend
35	Tien Loc Investment JSC.	Related institution	78,708,096	10.98%	86,578,905	10.83%	Receiving share dividend

### Notes:

\* Based on charter capital of VND 7,168,299,950,000

\*\* Based on charter capital of VND 7,993,119,710,000

\*\*\* Mr. Truong Minh Duy resigned from his position of Deputy General Director from 20 December 2023.

\*\*\*\* Ms. Nguyen Thuy Trang resigned from her position of Deputy General Director from 08 December 2023.

Investment funds: Vietnam Ventures Ltd, Vietnam Enterprise Limited, Vietnam Investment Property Limited, Vietnam Investment Limited, VinaCapital Equity Special Access Fund, Vinacapital Equity Opportunity Fund, ETF VinaCapital VN100, Hanwha Life Insurance Company Limited (Vietnam), Generali Vietnam Life Insurance Limited Liability Company, and VOF Investment Limited under management of VinaCapital Corporate Finance Vietnam Co., Ltd, are related to 02 key officers: Mrs. Nguyen Thi Dieu Phuong - Member of BOD and Mrs. Vuong Hoang Thao Linh - Member of IC of Khang Dien House Trading and Investment JSC.



## TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR TEAM AND INSPECTION COMMITTEE (Continued)

### TRANSACTIONS BETWEEN INSIDERS OF LISTED COMPANY/ RELATED PERSONS OF INSIDERS AND SUBSIDIARIES/COMPANIES HELD BY THE LISTED COMPANY

No.	Transactions conducted by	Relationships with internal shareholders	Names of subsidiaries and companies held by the listed company	Transaction date	Content, quantity and value of transaction
1	Mai Tran Thuy Trang	Chairwoman's sister	Khang Phuc House Trading Investment Co., Ltd.	05 December 2023	Buying a condo at the value of VND 2,869,900,000
2	Ly Tuan Kiet	Deputy Chairman's son	Khang Phuc House Trading Investment Co., Ltd.	01 December 2023	Buying a condo at the value of VND 2,913,200,000
3	Ly Tuan Khang	Deputy Chairman's son	Khang Phuc House Trading Investment Co., Ltd.	01 December 2023	Buying a condo at the value of VND 2,913,200,000
4	Nguyen Thuy Trang (*)	Deputy General Director	Khang Phuc House Trading Investment Co., Ltd.	27 November 2023	Buying a condo at the value of VND 3,760,900,000
5	Nguyen Thuy Duong	Deputy General Director	Khang Phuc House Trading Investment Co., Ltd.	29 November 2023	Buying a condo at the value of VND 2,856,800,000
6	Nguyen Duc Chinh	Deputy General Director's father	Khang Phuc House Trading Investment Co., Ltd.	05 December 2023	Buying a condo at the value of VND 2,220,800,000
7	Pham Thi Thu Thuy	Chief Accountant	Khang Phuc House Trading Investment Co., Ltd.	05 December 2023	Buying a condo at the value of VND 4,273,000,000
8	Ngo Thi Thanh Tam	Chief Finance Officer	Khang Phuc House Trading Investment Co., Ltd.	04 December 2023	Buying a condo at the value of VND 3,849,000,000

#### Notes:

\* Ms. Nguyen Thuy Trang resigned from her position of Deputy General Director from 08 December 2023.

### ASSESSMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS

In general, in 2023, the Company fully complied with the law on corporate governance. In addition to building a strong governance structure in compliance with Vietnamese laws, the Company will build and release an internal regulation system to create a consistent governance mechanism to control and supervise the Company's activities in a professional, transparent and effective manner, contributing to ensuring interests of shareholders and investors.

### SALARY, BONUS, REMUNERATIONS AND OTHER BENEFITS

#### Remunerations of BOD

In 2023, the Company has paid a total of VND 480,000,000 to the members of BOD and the BOD's secretary.

#### Remunerations of Inspection Committee (IC)

In 2023, the Company has paid a total of VND 240,000,000 to members of Inspection Committee.

A total of remunerations and bonuses paid to members of BOD, GDT and IC are presented in the 2023 Notes to the consolidated Financial Statements, presented on page 185 in Chapter 5.





## RISK MANAGEMENT

At Khang Dien Group, risk management is considered an important and essential activity for sustainable development. Therefore, risk management is always placed in all the Group's investment, construction and business activities.

### RISK MANAGEMENT ACTIVITIES



1 Identifying	2 Analyzing	3 Mitigating	4 Monitoring
What are negative risks in the Group's goals?	What are root causes of the risk? What are the consequences? What are the current treatment methods?	What should the Group do, how to manage the risk?	What warning signs and phenomena should the company monitor?
	What does the Group lack? In which area is the Group weak?		

### MAJOR RISKS AND MITIGATIONS

#### Market risk

Khang Dien Group's business performance is associated with the cycle of the real estate market and housing market in HCMC. In 2023, the property market showed positive signs but challenges remained.

The Group has had solutions to manage the risks from the market and reduced losses thanks to effectively implementing the following works:

- » Planning project implementation and sales in a careful manner, corresponding to the needs of the market.
- » Researching and developing products linked to the real needs of the market.
- » Flexibly adjust product options to meet the needs of customer at each time.
- » Building a network of quality and reputable partners in construction, banking, distribution, and project management.
- » Being consistent with a solid legal foundation when making investment in projects.
- » Focusing on communication about brand reputation.
- » Building and taking good care of long-term customer network.
- » Expanding joint venture and association with reputable companies and Groups at home and abroad.





## RISK MANAGEMENT (Continued)

### MAJOR RISKS AND MITIGATIONS (Continued)

#### Investment, business and financial risks

Investment risk is identified during the progress of collecting the land areas suitable for project development and developing the strategic land bank with the risks of delay, prolongation and (or) unexpected expenses arisen from objective reasons, including partners. In addition, business risk is necessary to strictly studied because it is mainly the result from the mistakes in the time for sales opening, product structure and selling prices which make it difficult to achieve business goals. Finally, financial risk comes from the credit institutions' tightening capital supply or loan interest increase which may cause effects to the capital source of Khang Dien for long-term and medium-term projects and cash provided in the declining cycle of real estate demand. The Group may also face short-term liquidity risk when cash flow is not enough for related obligations.

To effectively handle these objective risks, the Group has measures to minimize losses as follows:

- » Having a strategy to integrate available land and develop land bank in accordance with the Government's policies on economic and urban development.
- » Carefully studying pre-feasibility stage of the projects, focusing on competitive products and product marketability.
- » Always evaluating and reviewing, modifying business strategy to make it close to the market.
- » Always preparing for the unexpected situations in the market; maintaining a safe debt ratio; ensuring a sufficient cash balance for business activity and getting credit commitment for project development from the big and safe banks.
- » Proactively managing operating cash flow, prioritizing interest payment, paying off early, and restructuring loans with fixed and preferential interest rates.

#### Regulatory risks

Changes and discrepancies in regulations of licenses for real estate investment, construction, business, management and operation increase the necessary workload and the time to handle affairs, putting Khang Dien at disadvantage and lateness in compliance with regulations.

To avoid these risks, the Group has strived to regularly implement the following measures:

- » Carefully reviewing internal processes on project legal documents and requiring an absolute compliance.
- » Regularly updating changes in policies and legal regulations related to real estate and project investment in order to timely have appropriate plans and comply with the law.

#### Risks in design and build schedule

Design and build always hide the risk of delay and unpredictable costs that may cause negative impact on the Group's reputation. There are also risks relating to the ineffective management of contractors and suppliers.

To minimize impact from these risks, the Group has the following measures:

- » Cooperating with reputable consultants and contractors along with cross-checking and hiring independent supervisor.
- » Establishing long-term strategic relationships with contractors and suppliers.
- » Being stricter in progress, quality, and commitment in contracts.
- » Effectively managing contractors and suppliers.
- » Regularly updating control procedures.

#### Risks in environmental, occupational health and safety

Ensuring labor safety and health is always an important responsibility of Khang Dien Group, especially the workforce at project construction sites. The Group focuses on raising awareness of labor safety and health of workers and related parties by regularly training and giving notifications.

Absolutely avoiding labor accidents and affecting the environment during the construction progress:

- » Strictly complying with specifications and standards in construction and legal regulations on labor safety, firefighting and prevention during the project implementation.
- » Proactively giving guidance and encouraging the contractors to put labor safety above all, protecting labor health and focusing on firefighting and prevention.
- » Avoiding interfering with natural terrain geography, we take advantages of those available conditions in our house development, preserving land for green trees and natural water surface, limiting concretization, contributing to reducing flooding and improving the quality of living environment.



# 04 | SUSTAINABILITY REPORT





## SUSTAINABILITY MESSAGE

Sustainable development is a motto that Khang Dien Group has maintained since the first days of its establishment. Consistently pursuing that goal, the Group has been operating on a transparent legality to bring quality products and dedicated services to customers while accompanying the community in social activities and environmental protection. In 2023, the Group continued to promote the good achievements of previous years and had new initiatives to contribute more and more to the community in the fields of culture and society, creating a clean and green landscape for the city as well as contributing to environmental protection.

## OVERVIEW OF SUSTAINABILITY REPORT

The report is based on Point 6, Chapter II, Appendix IV of Circular 96/2020/TT-BTC on environment and society related impacts with reference to GRI standards (Global Reporting Initiative Standards). The report is prepared in Ho Chi Minh City, Vietnam, relating to real estate development in financial sector from 1 January 2023 to 31 December 2023. The report's content includes a refining scope of stakeholders as well as material factors for sustainability.

## CONTACT

We welcome feedback and suggestion to improve our practice of sustainability. Please reach out, write or call us at:

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**Tel:** +84 28 3820 8858

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**Head office:**

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## STAKEHOLDERS

Khang Dien Group annually refines scope of stakeholders and their interactions with the Company for sustainability. Although the macroeconomy in general and the real estate market in particular still faced challenges in 2023, the Group has set up a scope of stakeholders and maintained interactions with stakeholders in the spirit of long-term cooperation and companionship.

Stakeholders	Engagement methods	Sustainability concerns	Notes for 2023
<b>Distributors, Partners, Suppliers, Consultants, Contractors</b>	<ul style="list-style-type: none"> <li>» Meeting in person or online upon important events</li> <li>» Visiting projects, model houses and construction sites</li> <li>» Regularly communicating via phone and email throughout the cooperation process</li> </ul>	<ul style="list-style-type: none"> <li>» Coaching and training on product knowledge</li> <li>» Performance assessment</li> <li>» Learning from work for continuous improvement</li> <li>» Task planning and implementation</li> </ul>	<ul style="list-style-type: none"> <li>» Market situation update</li> <li>» Training for new product launching</li> <li>» Discussion on service and product quality improvement</li> <li>» Sharing necessary information at work</li> </ul>





## STAKEHOLDERS (Continued)

Stakeholders	Engagement methods	Sustainability concerns	Notes for 2023
<b>Customers, residents and enterprises in industrial parks</b>	<ul style="list-style-type: none"> <li>» Notifications in written</li> <li>» Consulting and communication in person, via phone or email</li> <li>» Receiving petitions</li> </ul>	<ul style="list-style-type: none"> <li>» Resolving product and service requests</li> <li>» Implementing sales and rental contracts</li> </ul>	<ul style="list-style-type: none"> <li>» Customer satisfaction assessment</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>» Monthly internal notifications</li> <li>» Notifications upon important events</li> <li>» Letters from the leaders on important occasions</li> <li>» New year meeting</li> <li>» Giving gifts on holidays</li> <li>» Periodic health check-up, membership cards at the gym and sponsoring outdoor sports</li> <li>» Organizing team building activities to build a good coworker relationship</li> </ul>	<ul style="list-style-type: none"> <li>» Business situation of the Company</li> <li>» Development orientation</li> <li>» Occupational safety and health</li> <li>» Salary, bonus, remuneration and working conditions</li> <li>» Coworker relationship</li> </ul>	<ul style="list-style-type: none"> <li>» Encouraging, directly guiding and changing working processes to be suitable for the market</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>» Annual General Meeting of Shareholders, Extraordinary General Meeting of Shareholders</li> <li>» Attending investor forums organized by securities companies</li> <li>» Welcoming investors at the Company</li> <li>» Visiting projects, model houses, and construction sites</li> <li>» Meeting to update quarterly business performance</li> </ul>	<ul style="list-style-type: none"> <li>» Business performance</li> <li>» Operation updates and operational efficiency</li> <li>» Development direction and strategy</li> <li>» Updating market situation</li> </ul>	<ul style="list-style-type: none"> <li>» Organized the Annual General Meeting of Shareholders successfully in April 2023</li> <li>» Meetings with securities companies and investment funds</li> </ul>
<b>Authorities</b>	<ul style="list-style-type: none"> <li>» Written documentation</li> <li>» Coordination meeting</li> </ul>	<ul style="list-style-type: none"> <li>» Project legal and corporate law related matters</li> <li>» New policies and regulations</li> </ul>	<ul style="list-style-type: none"> <li>» Meeting on new policies</li> </ul>

## MATERIAL FACTORS

Given the consistency with sustainability, Khang Dien Group has been doing business in the spirit of respect for the law and placing the interests of shareholders, partners and customers above all. The Group has always accompanied the community in creating positive values and improving the quality of life for people.

In 2023, facing the challenges of the macroeconomy in general and the real estate market in particular, Khang Dien Group reviewed and modified several material factors for sustainability. The factors are developed based on the Group's strategy with reference to GRI Standards for ESG (Environmental, Social and Governance) and Point 6 Chapter II Appendix IV of Circular no.96/2020/TT-BTC on social and environmental impacts.

Strategy	Execution platform	Material Factors	GRI Standards	Point 6, Chapter II, Appendix IV, Circular 96/2020/TT-BTC	Stakeholders
<b>SUSTAINABLE GROWTH</b>	<b>Strong brand</b>	Trust from customers, community and authorities			Khang Dien Group, Customers, Authorities
		Economic Performance	GRI 201		
		Responsible marketing	GRI 417		
		Customer health and safety	GRI 416		Khang Dien Group, Customers, Local communities
		Customer privacy	GRI 418		
	<b>Sustainable human resource</b>	Jobs and remunerations	GRI 401		
		Labor/Management Relations	GRI 402		
		Labor safety and occupational health	GRI 403	Point 6.6	Khang Dien Group, Employees
		Recruitment and training	GRI 404		
		<b>ENVIRONMENTAL CONSERVATION</b>	<b>Environmentally friendliness</b>	Environmental impact	GRI 305
Material management	GRI 301			Point 6.2	Khang Dien Group, Contractors
Energy consumption	GRI 302			Point 6.3	Khang Dien Group, Enterprises in industrial parks
Water consumption	GRI 303			Point 6.4	Khang Dien Group, Contractors, Enterprises in industrial parks
Regulatory compliance	GRI 307			Point 6.5	Khang Dien Group
<b>SOCIAL RESPONSIBILITY</b>	<b>Community care</b>	<ul style="list-style-type: none"> <li>» Volunteer activities</li> <li>» Social health care</li> <li>» Improving quality of life in terms of education, culture, sports and society</li> </ul>	GRI 413	Point 6.7	Khang Dien Group, Local communities



## STRONG BRAND

### BUILDING A SOLID REPUTATION, CONSOLIDATING TRUST WITH SHAREHOLDERS, PARTNERS, CUSTOMERS AND COMMUNITY

Given the consistency with the goal of sustainable development based on core values, Khang Dien Group has been recognized by prestigious organizations and authorities in many years through awards and certificates of merits for outstanding achievement in business and sustainability in terms of people, environment, carbon emission management, water resource, material supply, climate change impact, social justice, labor management, community contribution and business ethics. Some typical awards include the Prime Minister's Certificate of Merit and the Third Class Labor Medal for "outstanding achievements in business and social charity", the Third Class Labor Medal for "outstanding achievements in the Covid-19 pandemic prevention", Vietnam Property Award, Top 50 Best Enterprises in Vietnam, Top 50 Best-performing companies in Vietnam, Top 10 Most Reputable Property Developers, Top 50 Best Listed Companies and so on. The Group is also honored to be named Vietnamese National Brand in 2022.

In 2023, Khang Dien Group continued to win prestigious awards such as Top 50 Best Enterprises in Vietnam, Top 10 Real Estate Investors 2023, Top 50 Best Listed Companies 2023, Asia's Best Under A Billion 2021, Top 50 Best-performing companies in Vietnam, Typical Property Developer 2023, etc. (please see Chapter 1, "Outstanding Awards 2023", page 36-39 for more details)

In addition to excellent achievements in business with prestigious awards, the Group's contributions to healthcare, education, charity work and supporting for cultural - social - environmental activities have been recognized through Certificates of Merit and Thank-you Letters from the local governments i.e., the People's Committee of HCMC, the People's Committees of provinces and cities and the Department of Health of HCMC.



## ECONOMIC PERFORMANCE

Thanks to an abundant land bank, Khang Dien Group's business activities mainly focus on property investment and development. During its 23 years of development, the Group has provided approximately 20,000 products in all segments of villas, townhouses and various segment's condos, building the livable interconnected residential areas in Thu Duc, Binh Tan and Binh Chanh, contributing to the city's urban appearance improvement and the regional economic development.

In 2023, despite suffering the negative impact of the market situation, Khang Dien Group's business plan was carried out effectively, to be specific, handing over houses and house title certificates of The Classia project; speeding up construction and successfully opening The Privia project for sales; officially cooperating with Keppel Group and deploying new projects upon the cooperation. The business performance in 2023 has demonstrated the trust of customers in Khang Dien's quality products with reasonable prices.

## RESPONSIBLE MARKETING

The Company has heavily invested in customer loyalty. To gain the trust we put responsibility in product marketing, project introduction and fully comply with regulations on organizing marketing events launching new projects. Promotion activities are registered with the Department of Industry and Trade in accordance with regulations. As a part of our commitment to customers, we have launched marketing internal procedures and policies including effective sales toolkit, subscription document, event planning guide, communication plan design and implementation. In 2023, Khang Dien Group did not receive any notification from authorities related to failure to comply with regulations on communication and marketing matters.



## STRONG BRAND (Continued)

### CUSTOMER HEALTH AND SAFETY

Khang Dien Group places the customer's health and safety above all. With the goal of continuous improvement, the Group always puts its heart into each project, paying high attention to each work item from designing, building, completing, handing over, operating to maintaining. To bring customers the best experience, caring for the health and safety of customers, the landscapes at the projects were designed with many green areas and places for physical exercise. The projects are also operated by professional and prestigious property management units to provide the residents with a safe and healthy living environment. In 2023, The Classia project was handed over to homebuyers and assigned to a professional management unit. In addition, The Privia project was designed and built in accordance with EDGE standards which is widely recognized green building certification system, aiming to reduce energy consumption, water consumption and the energy footprint of construction materials, thereby helping reduce greenhouse gas emissions to ensure health and safety for customers.



### CUSTOMER PRIVACY

We truly believe that confidentiality of information is about respecting the interests of customers and complying with legal regulations. These are principles to gain customer trust and loyalty in the long term. Accordingly, we ensure customer's data is safe guarded, and customer information will only be used for the purposes described and permitted by applicable laws. We are now applying privacy policy published on the website ([www.khangdien.com.vn](http://www.khangdien.com.vn)), and improving customer data privacy practices. In 2023, we did not receive any complaints or lawsuits from any related party or any notice from authorities relating to violation of customer data privacy.



## SUSTAINABLE HUMAN RESOURCE

During our 23 years of development since its establishment in 2001, Khang Dien Group is always proud of a professional and dedicated human resource. We have a team of excellent leaders and diligent employees who have engaged with the Group since the first days. As of the end of 2023, the Group has a total of 258 employees, and 175 of them have worked for more than 5 years (accounting for 68%). Given the challenges of the property market in 2023, the employees with the spirit of loyalty, creativity and innovation have made every effort to overcome the difficulties, finding new practices to enhance working efficiency. Each leader or each employee is a shareholder of the Company via annual ESOP. The Group is aware that people are the most valuable asset; therefore, the Group always spends time, force and money on developing a sustainable human resource.



### EMPLOYMENT

It can be said that Khang Dien Group is “a place to build a home” for our customers and is “a home” for our more than 250 employees. The Group always appreciates the commitment and dedication of long-term employees. We constantly strive to strengthen and optimize current human resources, flexibly innovating to build a cohesive and professional team, bringing the highest working efficiency. The Group is committed to creating jobs for laborers and building a friendly and healthy working environment where the spirit of learning and improvement are always encouraged. The leaders also set up business strategies and market expansion plans to create more jobs in the future. In 2023, despite difficulties in the real estate market, there was no staff cutting or salary cutting at the Group. The basic benefits were maintained for all employees.

### ANNUAL LEAVE AND PUBLIC HOLIDAYS

Our employees are legally entitled to a fully paid annual leave, Tet holidays and public holidays following the Labor Code. Employees working for a full 12 months will be entitled to 12 days of leave within a year. Apart from maternity leave stipulated in the Labor Code, we also arrange for flexible work schedules for our employees to balance their work and energy regeneration.

### WORKING CONDITIONS

In order to ensure both mental and physical health for employees, helping improve their working efficiency, Khang Dien Group is committed to providing the employees with the best working environment. Head office, branch offices, executive offices and offices for the management board at construction site always have a spacious, fresh and clean space with natural light and suitable temperature. Workers at construction sites are fully equipped with labor protection equipment and are ensured labor safety. The Group encourages all employees to keep a good health and improve the spirit of sport. The Group sponsors funds for employees to participate in sports activities outside of work hours such as gym membership cards at “California Fitness and Yoga Center” and regular soccer tournaments.



## SUSTAINABLE HUMAN RESOURCE (Continued)

### SALARY AND BONUS

Khang Dien Group pays salaries based on the experience, workload, capacity and position of employees. In addition, depending on the business situation, higher salaries and bonuses may be paid. To encourage the creativity and contribution of employees, the Group offers year-end bonuses based on performance. The Group also implemented ESOP in 2023 and spent welfare funds for all employees.

### INSURANCE AND WELFARE

Khang Dien Group fully participates in Social Insurance and Health Insurance regimes according to regulations and purchases additional insurance for employees. In addition, all employees attend annual health check at reputable hospitals. The cases requiring long-term health monitoring receive support from the Group. The Group also gives gifts and organizes parties on special occasions such as Women's Day, Mid-Autumn Festival, birthday, etc.

### DIVERSITY AND EQUALITY

In order to build interaction with employees and create conditions for employees to grasp information about Khang Dien Group's operations, internal newsletters are issued monthly to update the main activities of the Group, changes in policies and processes, volunteer activities as well as activities of departments. In addition, the leaders also take time to discuss and send emails or letters to all employees. The Group has a non-discrimination policy regarding background, age, gender, religion, ethnicity, appearance, etc. To help employees integrate and adapt to the working environment, the Company also organizes many sports activities and charity programs to connect employees across departments and divisions with different ages, life experiences and diverse cultural backgrounds to create conditions for them to learn, share and support each other, thereby helping them accumulate more knowledge for work and improve their life skills. In 2023, the Group organized many activities for employee connection such as "Giving love - Building home" charity program, Khang Dien football tournament, and "Khang Dien Imprint" extracurricular activity together with a lot of festivals of the entire Company, departments and divisions.



### TALENT ACQUISITION AND TRAINING

Khang Dien Group's talent acquisition focuses on meeting the need of manpower to serve the implementation of the Company's business and development strategies. Depending on each position and specific job requirements, the Group sets appropriate recruitment criteria in terms of professional qualifications, capacity, proactive spirit, self-study spirit, etc. For management positions, The Group sets higher recruitment criteria such as work experience, leadership skills, entrepreneurial spirit and especially professional ethics.

For training, The Group focuses on fostering knowledge for employees through professional and soft skills training. At the same time, employees receive regular internal training and guidance from managers and experts with intense experience. Departments are encouraged to discuss and learn from each other to improve multidisciplinary knowledge. The Group also builds corporate culture and accompanies employees to create a friendly and dynamic working environment.

### LABOR SAFETY AND OCCUPATIONAL HEALTH

We always rank labor safety and occupational health as an integral part in the workplace because human is always our most important resource. We also implement labor safety and occupational health policies at our offices and even construction sites.



## SUSTAINABLE HUMAN RESOURCE (Continued)

### AT OUR CONSTRUCTION SITES

When choosing contractors for projects, Khang Dien pays high attention to choosing partners with the similar core values and development orientation as the Group. The contractors have to commit to putting people above all and ensuring labor safety at construction sites. The Group strictly complies with occupational health and safety (OHS) policies and closely monitors the compliance with these policies. For project development, the Group applies construction standards and legal regulations on OHS and fire prevention throughout the project implementation process. In particular, OHS and fire prevention are always taken into account in design, architecture, structure, MEP and landscape stages. During the construction phase, the Group proactively guides, strictly requires and regularly reminds contractors to comply OHS policy, especially fire prevention in high-rise buildings.

In 2023, no cases of labor safety violations were recorded at Khang Dien's construction sites. OHS, environmental hygiene and fire prevention are always concerned. Project Management Boards regularly organize training sessions to enhance awareness and rehearsals on fire prevention, labor safety and first aid for all employees and workers at the project sites. Inspections and meetings with contractors are held weekly to promptly remind issues of OHS, environmental hygiene and fire prevention, ensuring compliance with the regulations and minimizing safety risks during construction.

### AT OUR OFFICES

To prevent office staff from occupational diseases associated with sitting posture, insufficient light or too cold air conditioning, the Group propagates and encourages employees to do simple exercises on the spot, regularly check the office lighting and temperature and relax their eyes after screen time. In addition, office staff also participate in mandatory fire rehearsals with Saigon Center (where Khang Dien Group's head office is located). The Group establishes a response team in case of fire to support colleagues and help others follow correct escape procedures upon the incidents.



## ENVIRONMENTALLY FRIENDLINESS

### ENVIRONMENTAL IMPACT

Khang Dien Group has researched and applied EDGE certification of IFC (International Finance Corporation - under World Bank) to our condo projects. To be specific, in 2023, EDGE was applied to The Privia project with a scale of 1,043 condos in Binh Tan District. EDGE certification is a system to evaluate and certify resource-efficient buildings, saving energy, water and energy consumption for materials, thereby reducing greenhouse gas emissions. The buildings designed and built according to EDGE can bring practical benefits to residents, helping save power, water and operating costs. This is a testament to Khang Dien's determination in aiming to the goal of environmental protection, resource preservation and sustainable development.

### MATERIAL MANAGEMENT

Khang Dien Group focuses on managing and using brick and architectural materials towards the goal of saving energy during the construction and use of projects. Accordingly, unburnt brick has been chosen for the Group's projects (accounting for 80% of the project's bricks). This is one of the eco-friendly building materials that can replace the burned bricks. Unburnt bricks have a lot of advantages such as sound insulation, heat insulation, fire resistance, and moisture wicking. In addition, the brick firing process, which creates air pollution, one of the causes of climate change, has been eliminated during the production process, thereby minimizing the environmental impacts. Construction using unburnt bricks can also help save 40% of electricity for air conditioning. Unburnt bricks are also expected to completely replace fired bricks thanks to their high durability.

In addition, the Group uses other green materials such as energy-saving LED lights and touch lights. Glass walls, windows and brick walls are arranged with an appropriate proportion to take advantage of natural light and wind ventilation, ensuring both energy efficiency and aesthetics. The projects also use sanitary equipment with water-saving design. These materials minimize environmental impacts and meet construction standards for material strength, structural safety and building architecture.



## ENVIRONMENTALLY FRIENDLINESS (Continued)

### ENERGY CONSUMPTION

Since the design, architects are required to pay attention to sustainability, especially energy consumption in daily activities at the projects. In 2023, the Group applied EDGE certification in designing and building The Privia project. This is a system to evaluate and certify resource-efficient buildings, saving energy, water and energy consumption for materials, thereby reducing greenhouse gas emissions. The Privia project with 1,043 condos has been certified for design according to green building standards and saved more than 20% of energy consumption, water and energy consumption in materials compared to other buildings.

At the Company's office, employees are encouraged to protect the environment by saving energy such as turning off lights in unnecessary areas, not turning on strong water faucets, saving paper by limiting printing and two-sided printing, etc. All staff and residents at the projects that have come into operation participate in Earth Hour - a worldwide environmental campaign by turning off lights for one hour. Everyone has agreed to turn off unnecessary lighting systems within an hour. The campaign helps raise awareness about the environment and climate change.

### WATER CONSUMPTION

Water resource protection is one of our top priorities because clean water is a finite resource. At projects, the Group invests in building wastewater treatment systems that are designed with new technology, complying with regulations on domestic wastewater before being discharged into the environment. Since 2001, the Group has pursued the goal of green construction, accordingly, the domestic faucets at The Privia project in Binh Tan District are water-saving ones and The Privia design has obtained EDGE certification.

During land clearance and construction, contractors take advantage of natural water sources in the construction to clean machinery and equipment, roads, grounds and construction items. In addition, the Site Steering Committee proactively checks and repairs the leaks in water supply pipes if any. To save water, the Group also plants grass and trees that can withstand heat and pays attention to keeping the construction site clean.

### COMPLIANCE WITH REGULATIONS ON ENVIRONMENTAL PROTECTION

Khang Dien Group is highly aware of environmental protection according to the goal of sustainable development. The Group always strictly conduct environmental impact assessment during our project implementation as well as project use after completion. The Group's projects comply with environmental standards and meet construction standards in terms of design and construction quality.

The Group complies with regulations on environmental protection, project legality and environmental impact assessment. The Group coordinates with authorities to periodically inspect the quality of discharge in residential areas and industrial parks. The Group complies with material factors in environmental standards in Vietnam. In 2023, there were no complaints or penalties for violations against environmental regulations and other legal regulations.





## SOCIAL RESPONSIBILITY

Khang Dien Group is consistent with our goal of sustainability. Apart from our responsibility to create value for shareholders, partners and customers, the Group made efforts to fulfill our corporate social responsibility, supporting the community in health and education, improving the quality of life for people, beautifying the urban landscape, and contributing to the prosperity of the country. Those are for a community of sustainability, holding the present and confidently moving forward to the future.

The Group always strives to improve the quality of life for the community by supporting the poor and building charity houses. In 2023, the Group had many positive activities such as accompanying the community in the projects of beautifying urban landscape and developing culture - society - environment. Some typical projects are planting trees to improve the landscape and environment on Vo Chi Cong Street (Thu Duc City), supporting the restoration of Thanh Phuoc Communal House - a Historical - Cultural Relic in Go Dau, Tay Ninh, sponsoring many items of Saigon Riverfront Park Project (Thu Duc City) and so on.

In 2023, Khang Dien Group spent more than VND 25 billion for charity programs and community activities, to be specific:

### Health

- » Supporting the activities of Vietnam Red Cross Society
- » Supporting 1,000 underprivileged patients to have eye surgeries by Southwest Eye Hospital.
- » Funding to buy Health Insurance for the elderly and orphans in Cai Lay, Tien Giang.
- » Renovating some construction items at Cho Ray Hospital.



### Education

- » Contributing to study promotion funds and scholarships to children orphaned by Covid-19 and poor children with good study, disadvantaged children, etc. under the programs by the Central Vietnam Student Association, Vietnam Farmers' Union, the Vietnam Fatherland Front Committee of provinces and cities.
- » Funding rental and tuition for shelters such as Thien Than Shelter in Dong Nai.
- » Giving gifts to students and teachers in difficult circumstances under the programs of Ho Chi Minh Communist Youth Union.
- » Sponsoring computers for teaching and scholarships to the children of workers and employees in difficult circumstances under the program of HCM City Labor Federation

### Improving the quality of life for the community through Cultural - Social - Environmental activities

- » Funding to plant trees on Vo Chi Cong Street
- » Restoring Historical and Cultural Relic of Thanh Phuoc Communal House (Go Dau, Tay Ninh)
- » Sponsoring many items at Saigon Riverfront Park (Thu Duc City)
- » Building charity houses for disadvantaged families in Vinh Long, Tra Vinh and Tien Giang.
- » Accompanying social security funds such as Ho Chi Minh City Association of the Elderly, Vietnam Red Cross Society, Fund for the Poor, etc.
- » Supporting people in difficult circumstances, giving Tet gifts and sponsoring expenses for going back home on Tet holidays under the programs of Vietnam Fatherland Front Committees of Tra Vinh Province, Ben Tre Province, Dien Bien Province, Thu Duc City, etc.
- » Supporting the Fund "For the homeland seas and islands - For the frontline of the Fatherland" of Vietnam Fatherland Front Committee in Ho Chi Minh City.

In 2023, Khang Dien Group not only gave financial support to organizations and associations but also encouraged our employees to participate in the charity trip to give gifts to 700 poor families in Ma Noi Commune, Ninh Son District, Ninh Thuan Province. In addition, the Group's internal newsletter always provides information about Corporate Social Responsibility programs to spread Khang Dien's spirit of solidarity. In the coming time, the Group is committed to maintaining practical programs and searching for new projects in alignment with the country's development orientation.



# 05 | FINANCIAL STATEMENTS





## CORPORATE INFORMATION

<b>Business registration certificate</b>	No. 4103006559 dated 2 May 2007 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest 30 <sup>th</sup> amended Enterprise registration certificate No. 0302588596 dated 19 October 2023.	
<b>Board of Directors</b>	Ms. <b>Mai Tran Thanh Trang</b>	Chairwoman
	Mr. <b>Ly Dien Son</b>	Vice Chairman
	Ms. <b>Nguyen Thi Dieu Phuong</b>	Member
	Ms. <b>Nguyen Thi Cam Van</b>	Independent member
	Mr. <b>Vuong Van Minh</b>	Member
<b>Board of Supervision</b>	Mr. <b>Nguyen Phuong Nam</b>	Head
	Ms. <b>Vuong Hoang Thao Linh</b>	Member
	Ms. <b>Luu Thi Xuan Lai</b>	Member
<b>Board of Management</b>	Mr. <b>Vuong Van Minh</b>	General Director
	Mr. <b>Le Hoang Khoi</b>	Deputy General Director
	Ms. <b>Nguyen Thuy Duong</b>	Deputy General Director
	Ms. <b>Nguyen Thuy Trang</b>	Deputy General Director (until 7 December 2023)
	Mr. <b>Truong Minh Duy</b>	Deputy General Director (until 19 December 2023)
<b>Legal representative</b>	Mr. <b>Vuong Van Minh</b>	General Director
<b>Registered office</b>	Room 1 and 2, 11 <sup>th</sup> Floor, Saigon Centre, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	
<b>Auditor</b>	PwC (Vietnam) Limited	

## STATEMENT OF THE BOARD OF MANAGEMENT

### Statement of Responsibility of the Board of Management of the Company in respect of the Consolidated Financial Statements

The Board of Management of Khang Dien House Trading and Investment Joint Stock Company (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and the consolidated results of its operations and its consolidated cash flows for the year then 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 of the Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and enable the 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 of the Company is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

### Approval of the Consolidated Financial Statements

We hereby approve the accompanying consolidated financial statements as set out on pages 134 to 186 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and the consolidated cash flows for the year then 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



Vuong Van Minh  
General Director/ Legal Representative

Ho Chi Minh City, SR Vietnam  
15 March 2024



## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF KHANG DIEN HOUSE TRADING AND INVESTMENT JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Khang Dien House Trading and Investment Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2023 and approved by the Board of Management of the Company on 15 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, 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 134 to 186.

#### 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 of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the 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 presentation of 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 the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Group 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, its consolidated financial performance and its consolidated 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 Matter

The report on the review of consolidated financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam  
Audit Practising Licence No.  
0849-2023-006-1  
Authorised signatory

Report reference number: HCM14580  
Ho Chi Minh City, 15 March 2024



Doan Tran Phuong Thao  
Audit Practising Licence No.  
4701-2024-006-1



**CONSOLIDATED BALANCE SHEET**

		As at 31 December		
Code	ASSETS	Note	2023 VND'000	2022 VND'000
100	<b>CURRENT ASSETS</b>		<b>24,736,915,318</b>	<b>20,505,858,919</b>
110	Cash and cash equivalents	4	3,729,624,705	2,752,826,623
111	Cash		1,486,806,200	713,600,971
112	Cash equivalents		2,242,818,505	2,039,225,652
120	<b>Short-term investments</b>		<b>8,524,398</b>	<b>42,897,715</b>
123	Investments held to maturity	5(a)	8,524,398	42,897,715
130	<b>Short-term receivables</b>		<b>1,830,746,868</b>	<b>5,207,980,581</b>
131	Short-term trade accounts receivable	6(a)	72,779,241	405,136,203
132	Short-term prepayments to suppliers	7	636,308,683	2,584,156,330
136	Other short-term receivables	8(a)	1,121,658,944	2,218,688,048
140	<b>Inventories</b>		<b>18,786,885,579</b>	<b>12,453,290,901</b>
141	Inventories	9	18,786,885,579	12,453,290,901
150	<b>Other current assets</b>		<b>381,133,768</b>	<b>48,863,099</b>
151	Short-term prepaid expenses	10	342,216,680	6,674,610
152	Value added tax ("VAT") to be reclaimed	17(a)	34,475,666	41,272,476
153	Tax and other receivables from the State	17(a)	4,441,422	916,013

The notes on pages 140 to 186 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET (continued)**

		As at 31 December		
Code	ASSETS (continued)	Note	2023 VND'000	2022 VND'000
200	<b>LONG-TERM ASSETS</b>		<b>1,743,804,598</b>	<b>1,033,391,733</b>
210	<b>Long-term receivables</b>		<b>75,923,859</b>	<b>73,352,869</b>
211	Long-term trade accounts receivable	6(b)	63,426,176	60,707,593
212	Long-term prepayments to suppliers		1,728,585	1,612,102
216	Other long-term receivables	8(b)	12,769,098	13,033,174
219	Provision for doubtful debts – long-term	6(b)	(2,000,000)	(2,000,000)
220	<b>Fixed assets</b>		<b>81,327,029</b>	<b>81,055,428</b>
221	Tangible fixed assets	11	81,327,029	81,055,428
222	Historical cost		176,814,963	167,877,896
223	Accumulated depreciation		(95,487,934)	(86,822,468)
227	Intangible fixed assets		-	-
228	Historical cost		339,700	339,700
229	Accumulated amortisation		(339,700)	(339,700)
230	<b>Investment properties</b>	12	<b>130,878,739</b>	<b>101,993,708</b>
231	Historical cost		145,039,922	112,123,419
232	Accumulated depreciation		(14,161,183)	(10,129,711)
240	<b>Long-term assets in progress</b>		<b>932,612,542</b>	<b>749,824,985</b>
242	Construction in progress	13	932,612,542	749,824,985
250	<b>Long-term investments</b>		<b>12,000,000</b>	<b>14,300,000</b>
253	Investments in other entities		-	14,000,000
255	Investments held to maturity	5(b)	12,000,000	300,000
260	<b>Other long-term assets</b>		<b>511,062,429</b>	<b>12,864,743</b>
261	Long-term prepaid expenses		5,130,093	8,708,975
262	Deferred income tax assets	22	505,932,336	4,142,783
269	Goodwill	14	-	12,985
270	<b>TOTAL ASSETS</b>		<b>26,480,719,916</b>	<b>21,539,250,652</b>

The notes on pages 140 to 186 are an integral part of these consolidated financial statements.



Form B 01 – DN/HN

Form B 02 – DN/HN

**CONSOLIDATED BALANCE SHEET (continued)**

As at 31 December

Code	RESOURCES	Note	2023 VND'000	2022 VND'000
300	<b>LIABILITIES</b>		<b>10,957,815,586</b>	<b>9,744,717,268</b>
310	<b>Short-term liabilities</b>		<b>5,345,531,698</b>	<b>3,502,562,996</b>
311	Short-term trade accounts payable	15	92,146,883	108,934,963
312	Short-term advances from customers	16	2,387,640,249	892,021,429
313	Tax and other payables to the State	17(b)	497,387,968	427,255,255
315	Short-term accrued expenses	18	106,126,851	92,227,349
318	Short-term unearned revenue		37,144	96,045
319	Other short-term payables	19(a)	735,970,532	733,532,645
320	Short-term borrowings	20(a)	1,444,346,120	1,194,723,968
322	Bonus and welfare fund	21	81,875,951	53,771,342
330	<b>Long-term liabilities</b>		<b>5,612,283,888</b>	<b>6,242,154,272</b>
333	Long-term accrued expenses		3,677,513	3,844,363
336	Long-term unearned revenue		14,173,165	12,438,417
337	Other long-term payables	19(b)	33,087,983	31,888,685
338	Long-term borrowings	20(b)	4,901,499,893	5,576,290,560
341	Deferred income tax liabilities	22	658,020,331	615,788,248
342	Provision for long-term liabilities		1,825,003	1,903,999
400	<b>OWNERS' EQUITY</b>		<b>15,522,904,330</b>	<b>11,794,533,384</b>
410	<b>Capital and reserves</b>		<b>15,522,904,330</b>	<b>11,794,533,384</b>
411	Owners' capital	23, 24	7,993,119,710	7,168,299,950
412	Share premium	24	1,338,891,660	1,311,891,660
418	Investment and development fund	24	352,249,171	297,101,488
421	Undistributed earnings	24	3,766,498,965	2,780,172,037
421a	- Undistributed post-tax profits of previous years		3,050,825,131	1,677,218,370
421b	- Post-tax profits of current year		715,673,834	1,102,953,667
429	Non-controlling interests	25	2,072,144,824	237,068,249
440	<b>TOTAL RESOURCES</b>		<b>26,480,719,916</b>	<b>21,539,250,652</b>


Tran Thuy Diem  
Preparer

Pham Thi Thu Thuy  
Chief Accountant

  
Vuong Van Minh  
General Director  
Legal Representative  
15 March 2024
**CONSOLIDATED INCOME STATEMENT**

Year ended 31 December

Code		Note	2023 VND'000	2022 VND'000
01	Revenue from sales of goods and rendering of services		2,166,305,461	2,973,585,022
02	Less deductions		(78,534,784)	(61,621,819)
10	<b>Net revenue from sales of goods and rendering of services</b>	<b>28</b>	<b>2,087,770,677</b>	<b>2,911,963,203</b>
11	<b>Cost of goods sold and services rendered</b>	<b>29</b>	<b>(501,132,984)</b>	<b>(1,452,443,758)</b>
20	<b>Gross profit from sales of goods and rendering of services</b>		<b>1,586,637,693</b>	<b>1,459,519,445</b>
21	Financial income	30	49,704,916	17,711,841
22	Financial expenses	31	(147,648,608)	(91,011,692)
23	- Including: Interest expense	31	-	(9,345,992)
25	Selling expenses	32	(162,401,036)	(175,245,966)
26	General and administration expenses	33	(204,561,098)	(219,168,679)
30	<b>Net operating profit</b>		<b>1,121,731,867</b>	<b>991,804,949</b>
31	Other income	34	68,671,743	490,534,767
32	Other expenses	34	(121,375,191)	(71,750,362)
40	<b>Net other (expenses)/income</b>		<b>(52,703,448)</b>	<b>418,784,405</b>
50	<b>Accounting profit before tax</b>		<b>1,069,028,419</b>	<b>1,410,589,354</b>
51	<b>Corporate income tax ("CIT") - current</b>	<b>35</b>	<b>(816,375,391)</b>	<b>(349,324,730)</b>
52	<b>CIT - deferred</b>	<b>35</b>	<b>476,846,998</b>	<b>20,982,120</b>
60	<b>Profit after tax</b>		<b>729,500,026</b>	<b>1,082,246,744</b>
	<b>Attributable to:</b>			
61	Shareholders of the Company		715,673,834	1,102,953,667
62	Non-controlling interests		13,826,192	(20,706,923)
70	<b>Basic earnings per share</b>	<b>26(a)</b>	<b>0.84</b>	<b>1.31</b>
71	<b>Diluted earnings per share</b>	<b>26(b)</b>	<b>0.84</b>	<b>1.31</b>


Tran Thuy Diem  
Preparer

Pham Thi Thu Thuy  
Chief Accountant

  
Vuong Van Minh  
General Director  
Legal Representative  
15 March 2024



**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

Year ended 31 December

Code	Note	2023 VND'000	2022 VND'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Accounting profit before tax	1,069,028,419	1,410,589,354
	Adjustments for:		
02	Depreciation, amortisation, goodwill allocation and bargain gain	(4,530,661)	(254,949,072)
03	Provisions	(78,996)	(596,457)
05	Profits from investing activities	30 (49,704,916)	(17,711,841)
06	Interest expense	31 -	9,345,992
08	Operating profit before changes in working capital	1,014,713,846	1,146,677,976
09	Decrease/(increase) in receivables	3,204,234,787	(997,241,693)
10	Increase in inventories	(6,144,035,174)	(1,612,483,239)
11	Increase in payables	2,307,714,176	1,205,459,553
12	(Increase)/decrease in prepaid expenses	(331,963,188)	2,984,805
14	Interest paid	(739,644,645)	(496,390,580)
15	CIT paid	17 (805,127,814)	(235,734,901)
17	Other payments on operating activities	21 (49,102,147)	(60,010,352)
20	Net cash outflows from operating activities	(1,543,210,159)	(1,046,738,431)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(193,734,796)	(61,478,467)
23	Term deposits at banks	(22,034,397)	-
24	Collection of term deposits	44,707,714	26,502,285
25	Investments in other entities	(254,183,267)	(778,571,585)
26	Proceeds from divestment in other entities	3,190,249,246	-
27	Interest received	48,422,256	17,042,947
30	Net cash inflows/(outflows) from investing activities	2,813,426,756	(796,504,820)

The notes on pages 140 to 186 are an integral part of these consolidated financial statements.

**CONSOLIDATED CASH FLOW STATEMENT (continued)**

(Indirect method)

Year ended 31 December

Code	Note	2023 VND'000	2022 VND'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuance of shares and capital contribution	135,000,000	230,750,000
32	Payments for share repurchases	25 (3,250,000)	(100,000)
33	Proceeds from borrowings	20 4,094,629,713	4,208,523,948
34	Repayments of borrowings	20 (4,519,798,228)	(1,208,481,004)
40	Net cash (outflows)/inflows from financing activities	(293,418,515)	3,230,692,944
50	Net increase in cash and cash equivalents	976,798,082	1,387,449,693
60	Cash and cash equivalents at beginning of year	4 2,752,826,623	1,365,376,930
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	4 3,729,624,705	2,752,826,623

Additional information relating to the consolidated cash flow statement is presented in Note 38.

  
Tran Thuy Diem  
Preparer

  
Pham Thi Thu Thuy  
Chief Accountant

  
  
Vương Văn Minh  
General Director  
Legal Representative  
15 March 2024

The notes on pages 140 to 186 are an integral part of these consolidated financial statements.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

**1 GENERAL INFORMATION**

Khang Dien House Trading and Investment Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to Business registration certificate No. 4103006559 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 2 May 2007 and the 30th amended Enterprise Registration Certificate No. 0302588596 dated 19 October 2023.

The Company’s shares were officially listed on Ho Chi Minh City Stock Exchange (“HOSE”) on 1 February 2010 under the code “KDH” pursuant to Decision No. 11/QĐ-SGDHCM issued by the Director of HOSE on 21 January 2010.

The principal activities of the Company and its subsidiaries (“the Group”) are leasing, real estate trading, receiving land use rights to construct houses for sales and lease, investing in construction of infrastructure in compliance with residential construction scheme, construct houses to transfer land use right, civil and industrial construction and providing real estate consultancy services.

The normal business cycle of the Group’s projects is from 24 months to 36 months.

As at 31 December 2023, the Group had 258 employees (as at 31 December 2022: 342 employees).

As at 31 December 2023, the Group had 13 direct subsidiaries and 14 indirect subsidiaries, whose financial statements were consolidated to the consolidated financial statements of the Group (as at 31 December 2022: 13 direct subsidiaries and 15 indirect subsidiaries). The details were as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**1 GENERAL INFORMATION (continued)**

	No	Name	Place of incorporation and operation	Principal activities	2023		2022	
					Ownership %	Voting rights %	Ownership %	Voting rights %
		<b>Indirect subsidiaries</b>						
	1	Green Space Real Estate Trading and Investment Company Limited (Note 3.2)	Ho Chi Minh City	Real estate trading	99.00	99.00	98.01	99.00
	2	Thap Muoi Real Estate Trading and Construction Company Limited	Ho Chi Minh City	Real estate trading	99.80	99.90	99.80	99.90
	3	Binh Trung Real Estate Trading Investment Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.95	99.90	99.95
	4	Minh Phat Real Estate Investment Company Limited	Ho Chi Minh City	Real estate trading	51.00	51.00	51.00	51.00
	5	Spring Sai Gon Real Estate Trading Joint Stock Company	Ho Chi Minh City	Real estate trading	99.80	99.90	99.80	99.90
	6	Song Lap Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Real estate trading	99.70	99.90	99.70	99.90
	7	Thuy Sinh Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.43	99.96	99.43	99.96
	8	Nguyen Phat Real Estate Investment Company Limited	Ho Chi Minh City	Real estate trading	99.80	99.90	99.80	99.90
	9	BCCI Development Investment Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
	10	Phuoc Nguyen Real Estate Investment Joint Stock Company (Note 3.2)	Ho Chi Minh City	Real estate trading	99.70	99.80	84.92	85.00
	11	Doan Nguyen House Trading Investment Company Limited (Note 3.2)	Ho Chi Minh City	Real estate trading	50.85	51.00	84.92	100.00
	12	New Binh Trung Real Estate Company Limited (Note 3.1 and 3.2)	Ho Chi Minh City	Real estate trading	50.95	51.00	-	-
	13	Loc Minh Real Estate Development Joint Stock Company (Note 3.4)	Ho Chi Minh City	Real estate trading	98.90	99.00	-	-
	14	Nguyen Thu Real Estate Development Joint Stock Company (Note 3.3)	Ho Chi Minh City	Real estate trading	98.90	99.90	98.90	99.90
	15	Lien Minh Real Estate Trading and Investment Company Limited (Note 3.3)	Ho Chi Minh City	Real estate trading	-	-	99.70	99.90
	16	Viet Huu Phu Joint Stock Company (Note 3.3)	Ho Chi Minh City	Real estate trading	-	-	99.00	99.00
	17	Phu Hai Real Estate Development Company Limited (Note 3.3)	Ho Chi Minh City	Real estate trading	-	-	99.80	99.90



Form B 09 – DN/HN

Form B 09 – DN/HN

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**1 GENERAL INFORMATION (continued)**

No	Name	Place of incorporation and operation	Principal activities	2023		2022	
				Ownership %	Voting rights %	Ownership %	Voting rights %
<b>Direct subsidiaries</b>							
1	Khang Phuc House Trading Investment Company Limited	Ho Chi Minh City	Real estate trading, house constructing, construction investment, infrastructure of industrial parks trading	100.00	100.00	100.00	100.00
2	International Consulting Co., Ltd	Ho Chi Minh City	Consulting, constructing and real estate trading	99.95	99.95	99.95	99.95
3	Thanh Phuc Investment Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
4	Saphire Real Estate Trading Investment Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
5	Tri Minh Real Estate Trading and Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.80	99.80	99.80	99.80
6	Tri Kiet Real Estate Trading and Investment Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
7	Hao Khang Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
8	Gia Phuoc Real Estate Trading Investment Company Limited	Ho Chi Minh City	Consulting, constructing and real estate trading	99.90	99.90	99.90	99.90
9	Me Ga City Company Limited	Ho Chi Minh City	Real estate trading	99.85	99.90	99.85	99.90
10	Kim Phat Real Estate Trading Investment Company Limited	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
11	Long Phuoc Dien Housing and Infrastructure Development Company Limited	Ho Chi Minh City	Real estate trading	99.95	99.95	99.95	99.95
12	Nam Phu Real Estate Development Company Limited	Ho Chi Minh City	Real estate trading	99.00	99.00	99.00	99.00
13	Vi La Joint Stock Company	Ho Chi Minh City	Real estate trading	99.47	99.47	99.47	99.47

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**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 except for business combination as presented in Note 2.5.

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 SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Group. The consolidated financial statements in the English language have been translated from the Vietnamese version.

**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 in Vietnamese Dong ("VND" or "Dong") and presented in thousands of Vietnamese Dong ("VND'000" or "thousand Dong"), which is the Company's accounting currency.

**2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates prevailing 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 banks with which the Group regularly transacts. Foreign currencies deposited in banks at the consolidated balance sheet date are translated at the buying exchange rate of the commercial banks where the Group opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation***Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities 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.

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purposes. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting year and differences in reporting date must be consistent between periods.

*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.

Transactions leading to the change in the Group's ownership interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of the Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation (continued)***Non-controlling transactions and interests (continued)*

Transactions leading to the change in the Group's ownership interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

**2.6 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 at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding a period of 10 years.

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

Goodwill is carried at cost less accumulated amortisation and is tested annually for impairment. 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 period.

**2.7 Cash and cash equivalents**

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

**2.8 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## 2.9 Inventories

**Properties under construction**

Properties acquired or being constructed for sale under the ordinary course of business of the Group, rather than to be held for rental or capital appreciation are recognised as properties under construction. Inventories are stated at the lower of cost incurred in bringing inventories to their present location and condition, and net realisable value.

Cost of properties under construction includes:

- » Land use rights and land rent;
- » Construction costs payable to contractors; and
- » Borrowing costs, planning and design costs, costs of site clearance, professional fees for construction management and other direct related costs.

Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the consolidated balance sheet date and less costs to completion and the estimated costs to sale.

Inventories are recognised in the consolidated income statement for the sale transaction at the specific costs of the properties sold and allocated overheads based on the volume of properties sold.

**Other inventories**

Inventories including raw materials are stated at the lower of costs incurred in bringing the inventories to their present location and condition and net realisable value.

Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method system for inventories. Cost is determined by the weighted average method.

**Provision for decline in value of inventories**

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## 2.10 Investments

**(a) Investments held to maturity**

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits and others held to maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to be recognised at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

**(b) Investments in other entities**

Investments in 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. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to be recognised at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end or when the entities make losses leading to loss of investor's capital.

Changes in the provision balance during the fiscal year recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.11 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

- » Plant and buildings 10 - 20 years
- » Machinery 3 - 10 years
- » Motor vehicles 6 - 10 years
- » Office equipment 3 years
- » Computer software 3 - 10 years

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

*Disposals*

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

*Construction in progress*

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, which are recorded at cost and comprise of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; equipment cost; compensation; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

**2.12 Operating leases**

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 consolidated income statement on a straight-line basis over the term of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.13 Investment properties**

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of another consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

*Depreciation*

Investment properties held for lease are depreciated on a straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Infrastructure	25 - 50 years
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*Disposals*

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

**2.14 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period exceeding 12 months from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives, except for projects's direct selling expenses which are waiting for allocation 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 their nature as follows:

- » Trade accounts payable are trade payables arising from purchase of goods and services; and
- » Other payables are non-trade payables and payables not relating to purchases of goods and services.

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 Borrowings**

Borrowings include borrowings from banks and individuals, and bonds issued at par value.

Borrowings from banks and individuals are stated at cost of the consolidated balance sheet date. Issued bonds are recorded at the issue price.

Borrowings are classified into short-term and long-term borrowings on the consolidated balance sheet based on remaining period from the consolidated 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. In respect of general-purpose borrowings, a portion of which is used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

**2.17 Accrued expenses**

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

**2.18 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 in 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 year on the basis that each employee is entitled to a half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for six-month period prior to the consolidated balance sheet date.

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

**2.19 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods relating to asset leasing. The Group records unearned revenues for the future obligations that the Group has to fulfill. Unearned revenue is recognised as revenue in the consolidated income statement during the year to the extent that revenue recognition criteria have been met.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

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.

Treasury shares bought before the effective date of the Securities Law No.54/2019/QH14 (1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Group's results after CIT at the reporting date.

**2.21 Appropriation of profit**

The Group's dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the General Meeting of shareholders.

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

The Group's funds are as below:

*Investment and development fund*

The investment and development fund is appropriated from profit after CIT of the Group and approved by shareholders in the General Meeting of shareholders. This fund is used for the Group's expansion of its operation or of in-depth investment.

*Bonus and welfare fund*

The bonus and welfare fund is appropriated from the Group's profit after CIT as proposed by the Board of Directors and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the consolidated balance sheet. This fund is set aside for rewarding, increasing general benefits and improving the welfare for officers and employees.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## 2.22 Revenue recognition

## (a) Revenue from real estate sale

Revenue from real estate sale is recognised in the consolidated income statement when the real estate is completed and ready for transfer to customers, and when all five (5) of the following conditions are satisfied:

- » The Group has transferred to the buyer the significant risks and rewards of ownership of the real estate asset;
- » The Group no longer holds the right to manage the real estate asset as the real estate's owner nor the right to control the real estate asset;
- » The amount of revenue can be measured reliably;
- » The Group has received or entitled to receive economic benefits from the sale of the real estate asset; and
- » The costs incurred or to be incurred in respect of the real estate asset can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sale obligation. If the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the consolidated income statement.

## (b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated 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) of the 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 consolidated 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## 2.22 Revenue recognition (continued)

## (c) Revenue from leasing land with developed infrastructure

Revenue from leasing land with developed infrastructure is recorded to the consolidated income statement and accounted for on a straight-line basis over the terms of lease.

According to Official Letter No. 17239/BTC-CDKT dated 20 December 2017 issued by the Ministry of Finance guiding the accounting for revenue from real estate leasing, in the first 5 years from the time of commencement of lease, if the Group has not satisfied the conditions to collect at least 90% of the lease amount expected to be collected under the lease contract during the lease term, the Group must allocate of the lease amount received in accordance with the rental period. The recognition of the entire remaining revenue is only made when the Group collects the entire lease amount and must simultaneously satisfy the following conditions:

- » The lease period accounts for more than 90% of the useful life of the asset;
- » The lessee has no right to cancel the lease contract and the Group is not obliged to return the amount received in advance in any case and in any form;
- » Almost all the risks and benefits associated with ownership of the leased asset are transferred to the lessee; and
- » The Group must estimate reliably the full cost of the lease.

## (d) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- » It is probable that economic benefits will be generated; and
- » Income can be measured reliably.

## (e) Dividends/profits income

Income from dividends/profits is recognised when the Group has established receiving rights from investees.

## 2.23 Sales deductions

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

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.24 Cost of goods sold and services rendered**

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

**2.25 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including interest expense; expenses relating to financial activities and bond issuance and payment discounts.

**2.26 Selling expenses**

Selling expenses represent expenses that are incurred in process of selling products, goods and providing services.

**2.27 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes.

**2.28 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.29 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 Group, key management personnel, including the Board of Directors, the Board of Supervision and the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Group considers the substance of the relationships, not merely the legal form.

**2.30 Segment reporting**

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of 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.

**2.31 Critical accounting estimates**

The preparation of the 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 requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the fiscal year.

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**3 BUSINESS COMBINATION****3.1 Establishment of a subsidiary***New Binh Trung Real Estate Company Limited (“New Binh Trung”)*

According to Resolution of the Board of Directors No. 7A/2023/NQ\_HDQT dated 5 April 2023, the Group has approved the capital contribution by land use rights of the project in Binh Trung Dong Ward, Thu Duc City to establish New Binh Trung. Thereby, the ownership rate of the Group in Binh Trung Moi is 99.8%.

**3.2 Purchase and transfer without loss of control in an existing subsidiary***Purchase additional ownership in existing group of subsidiaries - Phuoc Nguyen Real Estate Investment Joint Stock Company (“Phuoc Nguyen”) and Doan Nguyen House Trading Investment Company Limited*

On 15 March 2023, the Group completed the acquisition of an additional 9,028,000 shares of Phuoc Nguyen from non-controlling shareholders with a consideration of VND’000 230,880,000, equivalent to 14.8% of equity interest of Phuoc Nguyen. The differences arising from the consideration and the book value of the additional shares are recognized as an undistributed post-tax profits in the consolidated balance sheet, amounting to VND’000 10,851,721 (Notes 24).

*Transfer of contributed capital in Doan Nguyen House Trading Investment Company Limited (“Doan Nguyen”)*

On 6 June 2023, the Group transferred 49% of contributed capital in Doan Nguyen to a corporate partner with a total transfer price of VND’000 1,515,149,246. The differences arising from the total transfer price and the book value of net assets are recognized as an undistributed post-tax profits in the consolidated balance sheet, amounting to VND’000 255,961,488 (Notes 24).

*Transfer of contributed capital in New Binh Trung Real Estate Company Limited (“New Binh Trung”)*

On 27 July 2023, the Group transferred 49% of contributed capital in New Binh Trung to a corporate partner with a total transfer price of VND’000 1,661,100,000. The differences arising from the total transfer price and the book value of net assets are recognized as an undistributed post-tax profits in the consolidated balance sheet, amounting to VND’000 874,717,526 (Notes 24).

*Transfer of contributed capital in Green Space Real Estate Trading and Investment Company Limited (“Green Space”)*

On 6 July 2023, Viet Huu Phu Joint Stock Company transferred 99% of contributed capital in Green Space to Hao Khang Company Limited. Accordingly, the ownership of the Group in Green Space increased from 98.01% to 99.00%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**3 BUSINESS COMBINATION (CONTINUED)****3.3 Dissolution of subsidiaries***Phu Hai Real Estate Development Company Limited (“Phu Hai”)*

According to Resolution of the Board of Directors No. 34/2022/NQ\_HDQT dated 23 December 2022, the Group approved the dissolution of Phu Hai. The dissolution was completed on 14 April 2023.

*Nguyen Thu Real Estate Development Joint Stock Company (“Nguyen Thu”) and Lien Minh Real Estate Trading and Investment Company Limited (“Lien Minh”)*

In accordance with Resolution of the Board of Directors No. 10/2023/NQ\_HDQT dated 11 May 2023, the Group approved the dissolution of Nguyen Thu and Lien Minh. The dissolution of Lien Minh was completed on 28 July 2023. As at 31 December 2023, the dissolution procedures of Nguyen Thu were in progress.

*Viet Huu Phu Joint Stock Company (“Viet Huu Phu”)*

In accordance with Resolution of the Board of Directors No. 13/2023/NQ\_HDQT dated 23 June 2023, the Group approved the dissolution of Viet Huu Phu. The dissolution was completed on 20 November 2023.

**3.4 Acquisition of a subsidiary***Loc Minh Real Estate Development Joint Stock Company (“Loc Minh”)*

According to Resolution of the Board of Directors No. 25/2023/NQ\_HDQT dated 20 December 2023, the Group approved the acquisition of Loc Minh. Thereby, on 31 December 2023, the Group completed the acquisition of 99% interest in Loc Minh with a consideration of VND’000 350,000,000.

This business combination impacts to the net assets of the Group at the acquisition date as follows:



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**3 BUSINESS COMBINATION (CONTINUED)**

## 3.4 Acquisition of a subsidiary (continued)

*Loc Minh Real Estate Development Joint Stock Company (“Loc Minh”) (continued)*

	<b>Fair value recognised at acquisition date VND'000</b>
<b>Assets</b>	
Cash and cash equivalents	151,696,733
Inventories	239,672,800
Other assets	18,003
	<b>391,387,536</b>
<b>Liabilities</b>	
Short-term liabilities	831,948
Deferred tax liabilities	17,289,528
	<b>18,121,476</b>
<b>Total identifiable net assets</b>	<b>373,266,060</b>
Bargain gain (Note 34)	(19,513,866)
Non-controlling interests (Note 25)	(3,752,194)
Purchase consideration transferred	350,000,000
Cash acquired	(151,696,733)
<b>Net cash outflow on acquisition</b>	<b>198,303,267</b>

Net revenue and loss of Loc Minh from 1 January 2023 to the date of purchase are nil and VND'000 3,322,458 respectively.

**4 CASH AND CASH EQUIVALENTS**

	<b>2023 VND'000</b>	<b>2022 VND'000</b>
Cash on hand	18,711,562	18,587,398
Cash at banks	1,468,094,638	695,013,573
Cash equivalents (*)	2,242,818,505	2,039,225,652
	<b>3,729,624,705</b>	<b>2,752,826,623</b>

(\*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earned interest at the rates from 2.7% per annum to 4.3% per annum (as at 31 December 2022: from 4.6% per annum to 6.0% per annum).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**5 INVESTMENTS HELD TO MATURITY**

## (a) Short-term

These represent cash at bank including term deposits with original maturity from more than 3 months to less than one year and earned interest at the rates from 2.8% per annum to 7.05% per annum (as at 31 December 2022: 7.2% per annum).

## (b) Long-term

As at 31 December 2023, long-term investments held to maturity included 120 certificates of deposit at par value of VND'000 100 with an original maturity of 15 months and earned interest at the rates of 6.3% per annum.

As at 31 December 2022, long-term investments held to maturity included 30 bonds at par value of VND'000 10,000 with an original maturity of 10 years and earned interest at the rate referred to saving account rate of Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch plus 0.8% per annum.

**6 TRADE ACCOUNTS RECEIVABLE**

## (a) Short-term

	<b>2023 VND'000</b>	<b>2022 VND'000</b>
Third parties	72,779,241	405,136,203

As at 31 December 2023 and 31 December 2022, there was no balance of short-term trade accounts receivables that was past due or not past due but doubtful.

## (b) Long-term

	<b>2023 VND'000</b>	<b>2022 VND'000</b>
Third parties	63,426,176	60,707,593

As at 31 December 2023 and 31 December 2022, the balances of long-term trade accounts receivable which were past due, amounted to VND'000 2,000,000.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**7 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	2023 VND'000	2022 VND'000
Prepayments for purchasing land use rights (*)	460,740,580	2,319,400,006
Prepayments for construction services	101,700,291	44,547,101
Prepayments for capital transfer	-	175,000,000
Others	73,867,812	45,209,223
	636,308,683	2,584,156,330

(\*) The prepayments are for promising of transferring land use rights contracts under projects of the Group. At the date of these consolidated financial statements, the Group was in the process of completing the procedures to transfer these land use rights.

As at 31 December 2023 and 31 December 2022, there was no balance of short-term prepayments to suppliers that was past due or not past due but doubtful.

**8 OTHER RECEIVABLES****(a) Short-term**

	2023 VND'000	2022 VND'000
Advances for projects implementation (*)	1,081,354,087	2,175,000,000
Advances to employee	11,019,382	17,740,627
Provisional CIT (**)	10,531,015	10,659,873
Others	18,754,460	15,287,548
	1,121,658,944	2,218,688,048

(\*) This balance represents the advances to organisations and individuals to implement site compensation and site clearance under the Service Contract for the Group's ongoing projects in the areas of Thu Duc City, Binh Chanh District and Binh Tan District.

(\*\*) In accordance with Circular No. 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 which provides guidelines for implementation of the Law on CIT, the Group provisionally pays CIT at the rate of 20% on cash revenue from its customers less corresponding expenses, or at the rate of 1% on cash revenue received from its customers.

**(b) Long-term**

	2023 VND'000	2022 VND'000
Land use fee	6,399,496	6,399,496
Deposits	5,554,216	4,404,942
Others	815,386	2,228,736
	12,769,098	13,033,174

As at 31 December 2023 and 31 December 2022, there was no balance of other short-term and long-term receivables that was past due or not past due but doubtful.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**9 INVENTORIES**

	2023 VND'000	2022 VND'000
Properties under construction (*)	18,786,457,488	12,452,321,135
Raw materials	428,091	969,766
	18,786,885,579	12,453,290,901

(\*) Properties under construction mainly include compensation costs, land clearance costs, construction costs, capitalised interest and other development costs incurred for the following projects:

	2023 VND'000	2022 VND'000
Khang Phuc – Tan Tao Residential Zone	6,352,762,469	5,315,399,568
Doan Nguyen – Binh Trung Dong	3,380,912,183	3,257,921,179
Binh Trung – Binh Trung Dong (**)	3,157,292,866	125,040,169
Khang Phuc – Residential Zone Phong Phu 2 (**)	1,675,414,967	162,839,724
Khang Phuc – An Duong Vuong	1,233,153,756	588,621,421
New Binh Trung – Binh Trung Dong	965,249,608	963,293,368
Khang Phuc – Binh Hung 11A Residential Zone (**)	609,928,632	539,103,578
Thuy Sinh – Phu Huu	120,663,867	412,531,519
Others	1,291,079,140	1,087,570,609
	18,786,457,488	12,452,321,135

(\*\*) Land use rights and their associated assets of these projects were pledged to obtain loans from banks (Note 20).

Borrowing cost which was capitalised in inventories during the fiscal year ended 31 December 2023 was VND'000 759,396,764 (year 2022: VND'000 552,662,552). The interest rate used to determine the amount of interest expense capitalized on a particular project is the actual interest rate arising from the Group's loans for the purpose of developing that project.

**10 SHORT-TERM PREPAID EXPENSES**

	2023 VND'000	2022 VND'000
Support expenses for customers	239,173,080	5,069,275
Commission fees	83,050,067	-
Others	19,993,533	1,605,335
	342,216,680	6,674,610



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**11 TANGIBLE FIXED ASSETS**

	Plants and buildings VND'000	Machinery VND'000	Motor vehicles VND'000	Office equipment VND'000	Total VND'000
<b>Historical cost</b>					
As at 1 January 2023	51,486,142	87,456,506	25,408,387	3,526,861	167,877,896
New purchases	294,317	-	10,401,624	83,627	10,779,568
Disposals	-	(80,909)	(1,761,592)	-	(1,842,501)
As at 31 December 2023	51,780,459	87,375,597	34,048,419	3,610,488	176,814,963
<b>Accumulated depreciation</b>					
As at 1 January 2023	18,508,124	43,698,374	21,419,889	3,196,081	86,822,468
Charge for the year	4,557,619	2,405,200	3,006,715	271,591	10,241,125
Disposals	-	(20,176)	(1,555,483)	-	(1,575,659)
As at 31 December 2023	23,065,743	46,083,398	22,871,121	3,467,672	95,487,934
<b>Net book value</b>					
As at 1 January 2023	32,978,018	43,758,132	3,988,498	330,780	81,055,428
As at 31 December 2023	28,714,716	41,292,199	11,177,298	142,816	81,327,029

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2023 was VND'000 56,705,961 (as at 31 December 2022: VND'000 40,621,727).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**12 INVESTMENT PROPERTIES**

	Infrastructure VND'000
<b>Historical cost</b>	
As at 1 January 2023	112,123,419
Transfer from inventory	50,113,296
Additions	1,797,684
Disposals	(2,553,235)
Others	(16,441,242)
As at 31 December 2023	145,039,922
<b>Accumulated depreciation</b>	
As at 1 January 2023	10,129,711
Charge for the year	4,729,095
Disposals	(697,623)
As at 31 December 2023	14,161,183
<b>Net book value</b>	
As at 1 January 2023	101,993,708
As at 31 December 2023	130,878,739

These are mainly properties held for lease. As at 31 December 2023, the fair value of investment properties has not been officially assessed and determined. However, based on the leaseability of these assets, the Board of Management of the Company believes that the fair value of the investment properties is greater than their carrying amount during the fiscal year.

Rental income from leasing during the fiscal year ended 31 December 2023 was VND'000 7,252,878 (year 2022: VND'000 10,817,792).

As at 31 December 2023 and 31 December 2022, there were no investment properties held for lease that fully depreciated but still leasing.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**13 CONSTRUCTION IN PROGRESS**

	2023 VND'000	2022 VND'000
Le Minh Xuan Expansion Industrial Park (*)	931,175,915	746,815,067
Others	1,436,627	3,009,918
	932,612,542	749,824,985

(\*) Land use rights and their associated assets of this project were pledged to obtain the loan from bank (Note 20).

Movements in the construction in progress during the year were as follows:

	2023 VND'000	2022 VND'000
Beginning of year	749,824,985	751,368,193
Increase during the year	182,787,557	46,748,744
Transfers to tangible fixed assets	-	(48,291,952)
End of year	932,612,542	749,824,985

Borrowing cost which was capitalised during the fiscal year ended 31 December 2023 was VND'000 26,875,742 (year 2022: VND'000 37,363,451). The interest rate used to determine the amount of interest expense capitalized on a particular project is the actual interest rate arising from the Group's loans for the purpose of developing that project.

**14 GOODWILL**

Movements in goodwill during the year were as follows:

	Goodwill VND'000
<b>Historical cost</b>	
As at 1 January 2023 and at 31 December 2023	34,008,874
<b>Accumulated allocation</b>	
As at 1 January 2023	33,995,889
Allocation during the year	12,985
As at 31 December 2023	34,008,874
<b>Residual value</b>	
As at 1 January 2023	12,985
As at 31 December 2023	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**15 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2023 VND'000	2022 VND'000
An Phong Construction Company Limited	22,627,642	36,040,506
Others	65,519,241	72,894,457
	92,146,883	108,934,963

**16 SHORT-TERM ADVANCES FROM CUSTOMERS**

	2023 VND'000	2022 VND'000
Third parties		
Advances received for transfer of real estate properties (*)	2,367,314,712	880,600,429
Others	3,723,360	11,421,000
Related parties (Noted 39(b))		
Advances received for transfer of real estate properties (*)	16,602,177	-
	2,387,640,249	892,021,429

(\*) The advances from customers mainly include advance amounts according to the property transfer agreements of the Group's projects. The amount is recognised as revenue when the Group completes and hands over properties to customers.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

Movements in tax and other receivables from/payables to the State were as follows:

	As at 1.1.2023 VND'000	Receivables/ payables during the year VND'000	Payment during the year VND'000	Net off during the year VND'000	As at 31.12.2023 VND'000
<b>a) Receivables</b>					
VAT to be reclaimed	41,272,476	52,116,084	-	(58,912,894)	34,475,666
CIT - current	702,283	-	-	3,576,231	4,278,514
PIT	213,730	-	-	(50,822)	162,908
	42,188,489	52,116,084	-	(55,387,485)	38,917,088
<b>b) Payables</b>					
CIT - current	353,071,582	816,375,391	(805,127,814)	3,576,231	367,895,390
VAT on domestic sales	72,614,812	311,347,576	(197,460,781)	(58,912,894)	127,588,713
Personal income tax	1,561,294	13,428,479	(13,049,599)	(50,822)	1,889,352
Land use tax	-	11,603,124	(11,603,124)	-	-
Others	7,567	9,249,833	(9,242,887)	-	14,513
	427,255,255	1,162,004,403	(1,036,484,205)	(55,387,485)	497,387,968

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**18 SHORT-TERM ACCRUED EXPENSE**

	2023 VND'000	2022 VND'000
Interest expense	96,236,745	76,652,297
Others	9,890,106	15,575,052
	106,126,851	92,227,349

**19 OTHER PAYABLES****(a) Short-term**

	2023 VND'000	2022 VND'000
Principle Contracts (i)	405,957,069	362,000,000
Maintenance fund	248,555,077	264,895,575
Deposits received	38,772,317	32,150,614
Others	42,686,069	74,486,456
	735,970,532	733,532,645

**(b) Long-term**

	2023 VND'000	2022 VND'000
Land compensation payables (ii)	8,613,640	8,613,640
Deposits received	1,895,924	2,750,652
Others	22,578,419	20,524,393
	33,087,983	31,888,685

(i) These are contribution capital received from Phuc Dat Real Estate Joint Stock Company and Nam Hung Real Estate Investment and Development Limited Company amounting to VND'000 252,000,000 and VND'000 110,000,000 respectively related to the Principle Contracts to develop residential and public projects with area of 164,226 m<sup>2</sup> in Binh Hung Ward, Binh Chanh District, Ho Chi Minh City. As at 31 December 2023, the Group terminated such Principle Contracts with total liquidation amount of VND'000 405,957,069 including the expenses of contract termination with the amount of VND'000 43,957,069.

(ii) This represents land compensation payable to owners of raw land that the Group is going to develop at Hamlet 2 Tan Tao Residential Project. This payable will be subsequently paid out of the developed land lots from the aforementioned project.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20	BORROWINGS	(a)	Short-term	As at		Increase VND'000	Decrease VND'000	Reclassify VND'000	As at 31.12.2023 VND'000
				1.1.2023 VND'000	31.12.2023 VND'000				
				198,400,000	1,067,244,120	1,454,649,669	(585,805,549)	-	1,067,244,120
			Short-term borrowings (*)						
			Current portion of long-term borrowings (**)	937,823,968	377,102,000	-	(937,823,968)	377,102,000	377,102,000
			Borrowings from individuals	58,500,000	-	-	(58,500,000)	-	-
				1,194,723,968	1,444,346,120	1,454,649,669	(1,582,129,517)	377,102,000	1,444,346,120
		(b)	Long-term						
			Borrowings from banks (**)	4,476,290,560	3,801,499,893	2,639,980,044	(2,937,668,711)	(377,102,000)	3,801,499,893
			Bonds (***)	1,100,000,000	1,100,000,000	-	-	-	1,100,000,000
				5,576,290,560	4,901,499,893	2,639,980,044	(2,937,668,711)	(377,102,000)	4,901,499,893

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20	BORROWINGS (CONTINUED)	(*)	Details of short-term borrowings from banks are as follows:	As at					
				31.12.2023 VND'000	31.12.2022 VND'000	Maturity date	Purpose	Interest % per annum	Collateral
			Vietnam Joint Stock Commercial Bank For Industry And Trade – Ha Noi City Branch						
			Loan 1	1,067,244,120	-	17 October 2024	To finance project at Binh Chanh District, Ho Chi Minh City	10.50	Land use rights and asset rights arising from contract of transferring land use rights at Phong Phu commune, Binh Chanh District, Ho Chi Minh City
			Orient Commercial Joint Stock Bank – District 4 Branch						
			Loan 1	-	198,400,000	20 July 2023	To contribute capital	12-month saving deposits rate (paid in arrears) + margin of 4.5% per annum	Land use rights at Binh Trung Dong Ward, Thu Duc City, Ho Chi Minh City
				1,067,244,120	198,400,000				



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**20 BORROWINGS (CONTINUED)**

Details of long-term borrowings from banks are as follows:

As at						
	31.12.2023 VND'000	31.12.2022 VND'000	Maturity date	Purpose	Interest % per annum	Collateral
Orient Commercial Joint Stock Bank – District 4 Branch						
Loan 1	1,695,313,044	-	From 5 April 2026 to 24 April 2030	To finance Binh Trung Dong residential area project	12-month base rate + margin of 3.7% per annum	Land use rights and asset rights arising from contract of transferring land use rights at Binh Trung Dong Ward and Cat Lai Ward, Thu Duc City, Ho Chi Minh City
Loan 2	994,899,849	994,899,849	From 25 March 2026 to 24 March 2029	To finance Le Minh Xuan expansion project, 11A residential area in Binh Hung commune and Tan Tao – Zone A' residential center project	12-month saving deposits rate (paid in arrears) + margin of 5.1% per annum	Asset rights arising from 11A residential area project, Binh Hung commune, Binh Chanh District, Ho Chi Minh City
Loan 3	944,667,000	-	From 25 May 2026 to 31 May 2030	To finance Tan Tao – Zone A' residential center project	12-month base rate + margin of 3.5% per annum	Asset rights belongs to Le Minh Xuan expansion project

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(\*\*)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**20 BORROWINGS (CONTINUED)**

Details of long-term borrowings from banks are as follows (continued):

As at						
	31.12.2023 VND'000	31.12.2022 VND'000	Maturity date	Purpose	Interest % per annum	Collateral
Orient Commercial Joint Stock Bank – District 4 Branch (continued)						
Loan 4	499,972,000	833,324,000	From 25 January 2024 to 6 April 2025	To contribute capital	12-month base rate + margin of 3.4% per annum	Asset rights arising from 11A Residential Area project, Binh Hung Commune, Binh Chanh District, Ho Chi Minh City
Loan 5	43,750,000	218,750,000	9 March 2024	To finance Tan Tao – Zone A' residential center project	12-month base rate + margin of 3.4% per annum	Asset right belongs to Le Minh Xuan expansion project
Loan 6	-	1,153,650,000	28 September 2026	To contribute capital	12-month base rate + margin of 3.23% per annum	Land use rights at Binh Trung Dong Ward, Thu Duc City, Ho Chi Minh City
Loan 7	-	95,570,000	From 25 March 2023 to 25 June 2023	To finance Le Minh Xuan expansion project and Tan Tao – Zone A' residential center project	12-month base rate + margin of 4.3% per annum	Assets right belongs to Le Minh Xuan expansion project

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(\*\*)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**20 BORROWINGS (CONTINUED)**

(\*\*) Details of long-term borrowings from banks are as follows (continued):

		As at			
		31.12.2023	31.12.2022		
		VND'000	VND'000	Maturity date	Purpose
Vietnam Joint Stock Commercial Bank For Industry And Trade – Branch 11					
Loan 1	-	667,803,936		From 25 January 2023 to 23 December 2024	To finance Tan Tao – Zone A' residential center project
					12-month saving deposits rate (paid in arrears) + margin of 3.5% per annum
					Land use rights at Binh Trung Dong Ward, Thu Duc City, Ho Chi Minh City
Loan 2	-	450,385,000		From 26 March 2024 to 26 May 2026	To finance Binh Trung Dong - residential area project
					12-month saving deposits rate (paid in arrears) + margin of 3.5% per annum
					Land use rights at Binh Trung Dong Ward, Thu Duc City, Ho Chi Minh City
Vietnam Joint Stock Commercial Bank For Industry And Trade – Ho Chi Minh City Branch					
Loan 1	-	999,731,743		From 25 August 2025 to 20 June 2029	To finance Tan Tao – Zone A' residential center project
					12-month saving deposits rate (paid in arrears) + margin of 3.5% per annum
					Asset rights arising from component project, belongs to Tan Tao – Zone A' residential center project
<b>Total</b>		<u>4,178,601,893</u>	<u>5,414,114,528</u>		
<i>In which:</i>					
Current portion		377,102,000	937,823,968		
Non-current portion		3,801,499,893	4,476,290,560		
		<u>4,178,601,893</u>	<u>5,414,114,528</u>		

**20 BORROWINGS (CONTINUED)**

(\*\*\*) All bonds are issued to third parties. Details of issued bonds are as follows:

		As at			
		31.12.2023	31.12.2022		
		VND'000	VND'000	Maturity date	Purpose
Bonds issued at par value					
Long-term					
KDHH2125001		300,000,000	300,000,000	14 June 2025	To increase the scale of business
					12.00
					Unsecured
KDHH2225001		800,000,000	800,000,000	23 August 2025	To increase the scale of business
					12.00
					Unsecured
		<u>1,100,000,000</u>	<u>1,100,000,000</u>		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**21 BONUS AND WELFARE FUND**

	2023 VND'000	2022 VND'000
Beginning of year	53,771,342	29,608,505
Increase during the year (Note 24):	77,206,756	84,173,189
<i>Bonus and welfare fund</i>	55,147,683	60,123,707
<i>Remuneration of the Board of Directors and Supervision</i>	22,059,073	24,049,482
Utilisation during the year	(49,102,147)	(60,010,352)
End of year	81,875,951	53,771,342

**22 DEFERRED INCOME TAX**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details were as follows:

	2023 VND'000	2022 VND'000
Deferred tax assets	505,932,336	4,142,783
Deferred tax liabilities	(658,020,331)	(615,788,248)
	(152,087,995)	(611,645,465)

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	2023 VND'000	2022 VND'000
Beginning of year	(611,645,465)	(91,490,395)
Consolidated income statement credit (Note 35)	476,846,998	20,982,120
Adjustment due to business combination	(17,289,528)	(541,137,190)
End of year	(152,087,995)	(611,645,465)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**22 DEFERRED INCOME TAX (CONTINUED)**

Details of deferred tax assets are as follows:

	2023 VND'000	2022 VND'000
Assets revaluation	445,341,326	-
Divestment in a subsidiary	51,192,298	-
Accrued expenses	9,814,997	4,646,008
Provisions	400,000	400,000
Provision for severance allowance	362,188	377,987
Net off with deferred tax liabilities	(1,178,473)	(1,281,212)
	505,932,336	4,142,783

Details of deferred tax liabilities are as follows:

	2023 VND'000	2022 VND'000
Assets revaluation when acquisition	(593,803,808)	(559,206,718)
Adjustment due to consolidation of subsidiaries	(39,038,388)	(23,499,316)
Accrued interest income	(26,356,608)	(34,363,426)
Net off with deferred tax assets	1,178,473	1,281,212
	(658,020,331)	(615,788,248)

The Group used a tax rate of 20% in 2023 and 2022 to determine deferred income tax assets and deferred income tax liabilities.

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

The Group's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in consolidated financial statements. As at 31 December 2023, the estimated amount of tax losses available for offset against the Group's future taxable profits are VND'000 420,679,233 (as at 31 December 2022: VND'000 531,118,864). The Group did not recognise deferred income tax assets relating to the tax losses carried forward, as the realisation of the related tax benefits through future taxable profits currently cannot be assessed as probable.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**23 OWNERS' CAPITAL**

## (a) Number of shares

	2023		2022	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	799,311,971	-	716,829,995	-
Number of shares issued	799,311,971	-	716,829,995	-
Number of existing shares in circulation	799,311,971	-	716,829,995	-

## (b) Movement of share capital

	Number of shares	Owners' capital VND'000	Total VND'000
As at 1 January 2022	642,937,069	6,429,370,690	6,429,370,690
New shares issued	9,600,000	96,000,000	96,000,000
Share dividends	64,292,926	642,929,260	642,929,260
As at 31 December 2022	716,829,995	7,168,299,950	7,168,299,950
New shares issued	10,800,000	108,000,000	108,000,000
Share dividends	71,681,976	716,819,760	716,819,760
As at 31 December 2023	799,311,971	7,993,119,710	7,993,119,710

Par value per share is VND10,000.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

**24 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND'000	Share premium VND'000	Investment and development fund VND'000	Undistributed earnings VND'000	Total VND'000
As at 1 January 2022	6,429,370,690	1,177,491,660	236,977,781	2,341,800,132	10,185,640,263
Capital increased during the year	96,000,000	134,400,000	-	-	230,400,000
Net profit for the year	-	-	-	1,102,953,667	1,102,953,667
Appropriation to investment and development fund	-	-	60,123,707	(60,123,707)	-
Appropriation to bonus and welfare fund (Note 21)	-	-	-	(60,123,707)	(60,123,707)
Appropriation to remuneration of the Board of Directors and Supervision (Note 21)	-	-	-	(24,049,482)	(24,049,482)
Acquisition of non-controlling interest	-	-	-	122,644,394	122,644,394
Share dividends	642,929,260	-	-	(642,929,260)	-
As at 31 December 2022	7,168,299,950	1,311,891,660	297,101,488	2,780,172,037	11,557,465,135
Capital increased during the year (*)	108,000,000	27,000,000	-	-	135,000,000
Net profit for the year	-	-	-	715,673,834	715,673,834
Appropriation to investment and development fund (**)	-	-	55,147,683	(55,147,683)	-
Appropriation to bonus and welfare fund (Note 21) (**)	-	-	-	(55,147,683)	(55,147,683)
Appropriation to remuneration of the Board of Directors and Supervision (Note 21) (**)	-	-	-	(22,059,073)	(22,059,073)
Acquisition of non-controlling interest (Note 3.2)	-	-	-	(10,851,721)	(10,851,721)
Change of equity interest in subsidiaries without losing control (Note 3.2)	-	-	-	1,130,679,014	1,130,679,014
Share dividends (*)	716,819,760	-	-	(716,819,760)	-
As at 31 December 2023	7,993,119,710	1,338,891,660	352,249,171	3,766,498,965	13,450,759,506



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**24 MOVEMENTS IN OWNERS' EQUITY (CONTINUED)**

(\*) According to Resolution No. 12/2023/NQ\_HDQT dated 20 June 2023, the Company has issued 71,681,976 ordinary shares to pay dividends to existing shareholders with a par value of VND10,000 per share and issued 10,800,000 ordinary shares to employees under the ESOP program with the issue price of VND12,500 per share. Accordingly, the total number of shares of the Company after the issuance is 799,311,971 shares. On 19 October 2023, the Company received the 30th amended Enterprise registration certificate issued by the Department of Planning and Investment of Ho Chi Minh City approving an increase in charter capital from VND'000 7,168,299,950 to VND'000 7,993,119,710.

(\*\*) According to the Resolution No. 01/2023/NQ\_DHDCCD of the Annual General Meeting dated 26 April 2023:

- » 5% of post-tax profit of the year 2022 was appropriated to investment and development fund;
- » 5% of post-tax profit of the year 2022 was appropriated to bonus and welfare fund;
- » 2% of post-tax profit of the year 2022 was appropriated to the remuneration of the Board of Directors and Supervision.

**25 NON-CONTROLLING INTERESTS**

	2023 VND'000	2022 VND'000
Owners' capital	2,274,620,000	278,529,444
Undistributed profits	(202,475,594)	(41,461,613)
Investment and development fund	418	418
	2,072,144,824	237,068,249

Movements in non-controlling interests during the year were as follows:

	2023 VND'000	2022 VND'000
Beginning of year	237,068,249	35,564,627
Increase of owners' capital during year	-	350,000
Decrease of owners' capital during year	(3,250,000)	(100,000)
Effects of business combination (Note 3.4)	3,752,194	593,321,031
In which:		
<i>Increase of owners' capital from acquisition of subsidiaries</i>	3,000,000	244,366,000
<i>Increase from business combination</i>	752,194	348,955,031
Change in ownership of subsidiaries	1,825,541,953	(370,644,394)
Dividend paid during year	(4,793,764)	(716,092)
Net profit/(loss) attributable to non-controlling interests for the year	13,826,192	(20,706,923)
End of year	2,072,144,824	237,068,249

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**26 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, adjusted for bonus shares issued during the year and excluding treasury shares. The details were as follows:

	2023	2022 (**)
Net profit attributable to shareholders (VND'000)	715,673,834	1,102,953,667
Less amount appropriated to bonus and welfare fund (VND'000) (*)	(35,783,692)	(55,147,683)
Less amount appropriated to remuneration of the Board of Directors and Board of Supervision (VND'000) (*)	(14,313,477)	(22,059,073)
Net profit after adjustments attributable to shareholders (VND'000)	665,576,665	1,025,746,911
Weighted average number of ordinary shares in issue (shares)	790,760,738	783,093,889
Basic earnings per share (VND'000)	0.84	1.31

(\*) For the fiscal year ended 31 December 2023, the Company estimated the amount appropriated to bonus and welfare funds and remuneration of the Board of Directors and Supervision based on the percentage of profit distribution of 2022 which were approved by shareholders at the Annual General Meeting dated 26 April 2023.

(\*\*) The underlying share interest for the year ended 31 December 2022 has been recalculated to reflect the payment of stock dividends to existing shareholders on 17 October 2023, the details were as follows:

	For the year ended 31 December 2022		
	As previously reported	Adjustments	As restated
Net profit after adjustments attributable to shareholders (VND'000)	1,025,746,911	-	1,025,746,911
Weighted average number of ordinary shares in issue (shares)	711,411,913	71,681,976	783,093,889
Basic earnings per share (VND'000)	1.44		1.31

**(b) Diluted earnings per share**

The Group did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements. Therefore, diluted earnings per share equals to basic earnings per share.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**27 CONSOLIDATED OFF BALANCE SHEET ITEMS**

Precious metals, gems

Including in cash and cash equivalents is covered amount of gold as at the year ended:

	2023 VND'000	2022 VND'000
Gold	409,028	310,838

**28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	2023 VND'000	2022 VND'000
<b>Revenue from sales of goods and rendering of services</b>		
Revenue from sales of properties	2,104,805,472	2,913,246,771
Revenue from rendering of services	47,196,919	57,698,958
Revenue from operating lease	14,303,070	2,639,293
	<u>2,166,305,461</u>	<u>2,973,585,022</u>
<b>Sales deductions</b>		
Sales returns	(77,080,304)	(54,246,665)
Trade discounts	(1,454,480)	(7,375,154)
	<u>(78,534,784)</u>	<u>(61,621,819)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of properties	2,032,302,109	2,851,624,952
Net revenue from rendering of services	47,196,919	57,698,958
Net revenue from operating lease	8,271,649	2,639,293
	<u>2,087,770,677</u>	<u>2,911,963,203</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**29 COST OF GOODS SOLD AND SERVICES RENDERED**

	2023 VND'000	2022 VND'000
Cost of properties sold	450,386,924	1,397,389,385
Cost of services rendered	43,250,033	53,938,386
Cost of operating lease	7,496,027	1,115,987
	<u>501,132,984</u>	<u>1,452,443,758</u>

**30 FINANCIAL INCOME**

	2023 VND'000	2022 VND'000
Interest income from deposits	47,704,916	16,618,352
Others	2,000,000	1,093,489
	<u>49,704,916</u>	<u>17,711,841</u>

**31 FINANCIAL EXPENSES**

	2023 VND'000	2022 VND'000
Payment discounts	147,186,146	80,689,691
Interest expense	-	9,345,992
Others	462,462	976,009
	<u>147,648,608</u>	<u>91,011,692</u>

**32 SELLING EXPENSES**

	2023 VND'000	2022 VND'000
Support expenses for customers	117,943,858	71,380,953
Commission fees	17,504,430	73,997,370
Staff costs	7,189,853	9,231,085
Advertising expenses	4,593,759	19,746,379
Others	15,169,136	890,179
	<u>162,401,036</u>	<u>175,245,966</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**33 GENERAL AND ADMINISTRATION EXPENSES**

	2023 VND'000	2022 VND'000
Staff costs	97,323,512	112,042,401
Outside service expenses	84,846,526	79,949,992
Others	22,391,060	27,176,286
	204,561,098	219,168,679

**34 OTHER INCOME AND OTHER EXPENSES**

	2023 VND'000	2022 VND'000
<b>Other income</b>		
Management services	29,055,976	33,389,141
Gains from contract termination	17,348,883	166,997,008
Gain on bargain purchase (*)	19,513,866	269,307,603
Others	2,753,018	20,841,015
	68,671,743	490,534,767
<b>Other expenses</b>		
Contract termination	52,120,569	-
Management services	51,853,483	67,058,885
Others	17,401,139	4,691,477
	121,375,191	71,750,362

(\*) For the year ended 31 December 2023, gain on bargain purchase is the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment in Loc Minh (Note 3.4).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**35 CORPORATE INCOME TAX ("CIT")**

The CIT on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND'000	2022 VND'000
Accounting profit before tax	1,069,028,419	1,410,589,354
Tax calculated at a rate of 20%	213,805,684	282,117,871
Effect of:		
Income not subject to tax	-	(218,698)
Other income subject to tax	-	10,763,424
Expenses not deductible for tax purposes	12,187,944	47,901,950
Deductible interest expenses according to Circular 132/2020/TT-BTC carried from previous years	(28,747,710)	-
Tax losses for which no deferred income tax asset was recognised	37,248,902	46,047,326
Income from divestment in subsidiary	87,491,551	-
Over provision from prior years	(3,321,968)	(4,575,309)
Consolidation adjustments	20,863,990	(53,693,954)
CIT charge (*)	339,528,393	328,342,610
Charged/(credited) to the consolidated income statement		
CIT – current	816,375,391	349,324,730
CIT – deferred (Note 22)	(476,846,998)	(20,982,120)
CIT charge	339,528,393	328,342,610

(\*) The CIT charge for the fiscal year is based on estimated taxable profit and is subject to review and possible adjustments by the tax authorities.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**36 COSTS OF OPERATION BY FACTOR**

Costs of operation by factor represent all costs incurred during the year from the Group's operating activities, excluding cost of merchandises for trading activities. The details are as follows:

	2023 VND'000	2022 VND'000
Real estate development costs	6,768,274,097	6,106,298,473
Outside service expenses	275,634,633	300,129,067
Staff costs	104,513,365	121,273,486
Depreciation, amortisation and goodwill allocation	14,983,205	14,358,531
Others	38,284,496	25,330,395
	<u>7,201,689,796</u>	<u>6,567,389,952</u>

**37 SEGMENT REPORTING***Geographical segments*

The Group operates mainly in SR Vietnam. Therefore, the Group's risks and returns are not materially affected by product or geographical differences. Accordingly, the Board of Management determines that the Group has only one geographical division.

*Business activity segments*

As the Group's revenue and profit are mainly derived from the business activities in real estate segment, the Board Management accordingly determines that the Group operates in a sole business segment.

**38 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**

## Non-cash transactions affecting the consolidated cash flow statement

	2023 VND'000	2022 VND'000
Share dividends	716,819,760	642,929,260

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**39 RELATED PARTY DISCLOSURES**

## (a) Related party transactions

The primary transactions with related parties incurred in the year are:

		2023 VND'000	2022 VND'000
<i>(i) Compensation for key management</i>			
<i>Name</i>	<i>Position</i>		
Ms. Mai Tran Thanh Trang	Chairwoman	2,765,046	3,166,200
Mr. Ly Dien Son	Vice Chairman	2,698,379	3,099,533
Mr. Vuong Van Minh	Member of the Board of Directors cum General Director	1,477,125	1,716,495
Ms. Nguyen Thuy Trang	Deputy General Director (resigned)	1,403,964	1,696,291
Mr. Truong Minh Duy	Deputy General Director (resigned)	2,100,000	2,450,000
Mr. Bui Quang Huy	Deputy General Director (resigned)	-	1,141,512
Mr. Le Hoang Khoi	Deputy General Director	1,364,014	1,499,057
Ms. Nguyen Thuy Duong	Deputy General Director	1,364,014	113,373
Ms. Pham Thi Thu Thuy	Chief Accountant	1,089,049	1,148,015
Mr. Nguyen Phuong Nam	Head of Board of Supervision	133,333	133,333
Ms. Vuong Hoang Thao Linh	Member of Board of Supervision	66,667	66,667
Ms. Luu Thi Xuan Lai	Member of Board of Supervision	66,667	66,667
		<u>14,528,258</u>	<u>16,297,143</u>
<i>(ii) Receipt of an advance from customers</i>			
	Key management and related individuals	18,009,760	-

## (b) Year-end balances with related parties

	2023 VND'000	2022 VND'000
<b>Short-term advances from customers (Note 16)</b>		
Key management and related individuals	16,602,177	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

FOR THE YEAR ENDED 31 DECEMBER 2023

**40 COMMITMENTS UNDER OPERATING LEASES***The Group as a lessee*

The future minimum lease payments under non-cancellable operating leases were as follows:

	2023 VND'000	2022 VND'000
Within one year	32,731,116	27,398,196
Between one and five years	61,938,865	1,115,484
Total minimum payments	94,669,981	28,513,680

The consolidated financial statements were approved by the Board of Management on 15 March 2024.



Tran Thuy Diem  
Preparer



Pham Thi Thu Thuy  
Chief Accountant



Wang Van Minh  
General Director  
Legal Representative  
15 March 2024





**KHANG DIEN HOUSE TRADING AND INVESTMENT JOINT STOCK COMPANY**

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