

Ho Chi Minh City, March 9th, 2021

No : 17-21/CV/ALB-HBC

To : **HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY**

Recipient : Mr. Le Viet Hai – Chairman
Mr. Le Viet Hieu – General Director

Address : No. 235 Vo Thi Sau, Ward 7, District 3, Ho Chi Minh City, Vietnam

Re. : Report on dispute resolution result between HBC and FLC

Dear Valued Client,

ALB & Partners Law Firm ("**ALB & Partners**") would like to extend our formal greetings to Valued Client.

Under the Legal Service Agreements signed on January 13th, 2020 between ALB & Partners and Hoa Binh Construction Group Joint Stock Company ("**HBC**"), we received and studied documents related to the disputes between HBC and FLC Group Joint Stock Company ("**FLC**") in relation to:

- (i) Construction Contract No. 57/2014/HĐTC/FLC-HBC dated October 15th, 2014 ("**Contract 57**"); and
- (ii) Construction Contract No. 18/2014/HĐTC/FLC-HBC dated December 1st, 2014 ("**Contract 18**").

On February 6th, 2020, ALB & Partners on behalf of HBC filed Petitions for Contract 57 at the People's Court of Cau Giay District, Hanoi City ("**Court**") and for Contract 18 at the Vietnam International Arbitration Center, Ho Chi Minh City Branch ("**VIAC**").

Since signing the Legal Service Agreements, many meetings between ALB & Partners together with representatives of HBC's departments have been held to collect information, consolidate evidences and documents for petitions at Court and VIAC. In addition, in the process of settlement of the cases, there were difficulties due to impact of the Covid-19 epidemic causing some disruptions to the schedule of legal proceedings. However, ALB & Partners together with HBC have overcome every obstacle to achieve the expected outcomes as follows:

- From September 1st, 2020 to September 4th, 2020, ALB & Partners represented HBC to participate in the first instance trial at the Court.
- On October 17th, 2020, ALB & Partners represented HBC to participate in the dispute resolution meeting at VIAC.

ALB & Partners is delighted to officially inform HBC of the results of dispute resolution up to March 9th, 2021 as follows:



A. With regard to the dispute over Contract 57:

According to the First-instance Judgment No. 21/2020/KDTM-ST dated September 4th, 2020 of the Court ("**Judgment**"), HBC's entire petitions have been accepted by the Court to force FLC to pay HBC the outstanding debts arising out of Contract 57 with the total value of **VND 42,005,931,757** (*In words: forty-two billion five million, nine hundred thirty one thousand, seven hundred fifty seven dong*).

Concurrently, the Court rejected all counter-claims from FLC with the amount of **VND 2,290,339,416** (*In words: two billion, two hundred and ninety million, three hundred thirty nine thousand, four hundred and sixteen dong*).

The dispute related to Contract 57 are currently being resolved under appellate procedures at the People's Court of Hanoi City at FLC's request for appeal.

B. With regard to the dispute over Contract 18:

According to VIAC's Arbitral award No. 13/20 HCM dated November 14th, 2020 ("**Arbitral award**"), all HBC's claims and requests have been accepted and forced FLC to pay HBC an amount of **VND 234,854,719,177** (*In words: two hundred thirty four billion, eight hundred and fifty four million, seven hundred and nineteen thousand, one hundred and seventy-seven dong*).

The Arbitral award shall be final and legally binding on the Parties, effective from November 14th, 2020. In addition, in case the FLC fails to pay the aforesaid amount more than 30 days from the effective date specified in award, FLC must also pay interest on late payment, which is 12% per year (for the principal debt of over 163 billion dong) and 10% per year (for the remaining amount).

Especially, on March 9th, 2021, the People's Court of Ho Chi Minh City officially did not accept FLC's request for cancellation of the Arbitral award. Therefore, it continues to be effective and legally binding for enforcement since November 14th, 2020.

Above is ALB's report on the results regarding the disputes between HBC and FLC. We will continue making every effort to take necessary legal measures to work with the judgment enforcement authority to recover all debts from FLC, protecting the legitimate rights and interests of HBC.

ALB & Partners would truly appreciate HBC for the trust and support during the process of dealing with the cases. Especially, sincere gratitude would be extended to Mr. Le Viet Hai – Chairman of HBC, Mr. Le Viet Hieu – General Director and Mr. Le Viet Hoa for creating the most favorable conditions for us to resolve the disputes.

Furthermore, ALB & Partners would like to express our appreciation not only to the Heads of construction work at Sam Son FLC Project but to Departments of HBC as well for accompanying and supporting us in the process of legal proceedings.



Should HBC need clarifications or further discussions on the above contents of report, feel free to contact us at the following address:

ALB & PARTNERS LAW FIRM

- Address: No. 32 Xo Viet Nghe Tinh Street, Ward 19, Binh Thanh District, Ho Chi Minh City, Vietnam
- Tel: (+84) 902 738 762 (Mr. Hieu)
- Email: info@alb-partners.com
- Website: alb-partners.com

Best regards./.

Recipients:

- As above;
- For archive.

Per Procurationem of Director
ALB & PARTNERS LAW FIRM



NGO TRONG HIEU

Head of Corporate Dispute Resolution & Control