

**SEAPRODEX REFRIGERATION INDUSTRY CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

# **SEAPRODEX REFRIGERATION INDUSTRY CORPORATION**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Board of Directors	2
Independent auditor's report	3
Consolidated balance sheet (Form B 01 – DN/HN)	5
Consolidated income statement (Form B 02 – DN/HN)	7
Consolidated cash flow statement (Form B 03 – DN/HN)	8
Notes to the consolidated financial statements (Form B 09 – DN/HN)	9

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

### CORPORATE INFORMATION

**Business registration certificate  
joint stock company**

No. 0301825452 dated 18 September 1999 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 17<sup>th</sup> amendment dated 21 December 2017.

**Board of Management**

Mr. Nguyen Huu Thinh	Chairman
Mr. Le Tan Phuoc	Member
Mr. Nguyen Thanh Son	Member
Mr. Nguyen The Hung	Member
Mr. Yoshinobu Tamura	Member
Mr. Ryota Fukuda	Member

**Board of Supervision**

Mr. Bui Van Quyet	Chief Supervisor
Ms. Lam Hoang Vu Nguyen	Member
Mr. Do Trong Hiep	Member

**Board of Directors**

Mr. Le Tan Phuoc	General Director
Mr. Nguyen Quoc Cuong	Director of Searee
Mr. Huynh Khoi Binh	Director of Arico

**Legal representative**

Mr. Le Tan Phuoc	General Director
------------------	------------------

**Registered office**

14th Floor, Centec Tower  
72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3  
Ho Chi Minh City, Vietnam

**Auditor**

PwC (Vietnam) Limited

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION


### STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS OF THE COMPANY IN RESPECT OF CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Seaprodex Refrigeration Industry Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiary (together, "the Group") which give a true and fair view of the financial position of the Group as at 31 December 2017, and the results of its operations and its cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors 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 Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Directors is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 42 which give a true and fair view of the financial position of the Group as at 31 December 2017, and of the results of its operations and its 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 Directors



Le Tan Phuoc  
General Director

Ho Chi Minh City, SR Vietnam  
8 March 2018





## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS AND BOARD OF MANAGEMENT OF SEAPRODEX REFRIGERATION INDUSTRY CORPORATION**

We have audited the accompanying consolidated financial statements of Seaprodex Refrigeration Industry Corporation ("the Company") and its subsidiary (together, "the Group") which were prepared on 31 December 2017 and approved by the Board of Directors on 8 March 2018. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement and 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 5 to 42.

### **The Board of Directors' Responsibility**

The Board of Directors of the Group is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair 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 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 Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Auditor's Opinion

In our opinion, the consolidated financial statements give true and fair view of, in all material respects, the financial position of the Group as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

### Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

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



Mai Viet Hung Tran  
Audit Practising Licence No:  
0048-2018-006-1  
Authorised signatory



Nguyen Thi Cam Nhung  
Audit Practising Licence No:  
2636-2018-006-1

Report reference number: HCM6623  
Ho Chi Minh City, 8 March 2018

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



## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 01 – DN/HN

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,420,604,129,110</b>	<b>1,079,493,694,605</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>140,300,413,484</b>	<b>107,605,078,564</b>
111	Cash		23,900,413,484	29,460,430,564
112	Cash equivalents		116,400,000,000	78,144,648,000
<b>120</b>	<b>Short-term investment</b>		<b>177,001,437,800</b>	<b>230,500,000,000</b>
123	Investments held-to-maturity	4(a)	177,001,437,800	230,500,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>820,542,659,247</b>	<b>542,980,373,346</b>
131	Short-term trade accounts receivable	5	799,499,034,059	524,512,242,737
132	Short-term prepayments to suppliers	6	19,472,962,984	11,672,553,804
136	Other short-term receivables	7(a)	25,764,029,806	20,324,665,415
137	Provision for short-term doubtful debts	8	(24,193,367,602)	(13,529,088,610)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>260,543,848,892</b>	<b>185,564,251,620</b>
141	Inventories		264,932,813,824	189,675,927,274
149	Provision for decline in value of inventories		(4,388,964,932)	(4,111,675,654)
<b>150</b>	<b>Other current assets</b>		<b>22,215,769,687</b>	<b>12,843,991,075</b>
151	Short-term prepaid expenses	10(a)	3,162,690,554	1,980,370,974
152	Value Added Tax to be reclaimed		18,662,326,660	10,863,620,101
153	Other taxes receivables	15	390,752,473	-
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>280,849,932,863</b>	<b>255,652,935,140</b>
<b>210</b>	<b>Long-term receivable</b>		<b>1,445,751,840</b>	<b>1,374,501,840</b>
216	Other long-term receivables	7(b)	1,445,751,840	1,374,501,840
<b>220</b>	<b>Fixed assets</b>		<b>104,322,214,437</b>	<b>75,387,785,650</b>
221	Tangible fixed assets	11(a)	103,610,785,880	74,331,282,606
222	Historical cost		180,863,165,990	149,851,667,028
223	Accumulated depreciation		(77,252,380,110)	(75,520,384,422)
227	Intangible fixed assets	11(b)	711,428,557	1,056,503,044
228	Historical cost		2,264,776,660	2,189,176,660
229	Accumulated amortisation		(1,553,348,103)	(1,132,673,616)
<b>240</b>	<b>Long-term asset in progress</b>		<b>8,982,272,058</b>	<b>22,301,050,396</b>
242	Construction in progress	12	8,982,272,058	22,301,050,396
<b>250</b>	<b>Long-term investments</b>		<b>128,003,278,024</b>	<b>118,118,713,598</b>
252	Investments in associate	4(b)	110,407,278,024	99,118,713,598
253	Investments in other entity	4(c)	17,596,000,000	19,000,000,000
<b>260</b>	<b>Other long-term assets</b>		<b>38,096,416,504</b>	<b>38,470,883,656</b>
261	Long-term prepaid expenses	10(b)	34,960,491,737	35,505,915,567
262	Deferred income tax assets	22	3,135,924,767	2,964,968,089
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,701,454,061,973</b>	<b>1,335,146,629,745</b>

The notes on pages 9 to 42 are an integral part of these consolidated financial statements.


## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,219,876,539,614</b>	<b>887,328,463,987</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,200,437,071,443</b>	<b>868,061,017,737</b>
311	Short-term trade accounts payable	13	243,361,718,222	169,145,263,183
312	Short-term advances from customers	14	113,651,317,670	73,135,301,271
313	Tax and other payables to the State Budget	15	15,901,912,608	27,096,227,275
314	Payable to employees		44,860,633,333	33,135,473,845
315	Short-term accrued expenses	16	154,265,868,344	98,116,703,433
319	Other short-term payables	17	11,357,144,987	20,512,218,162
320	Short-term borrowings	18(a)	608,438,940,470	441,869,120,922
321	Provision for short-term liabilities	19	3,483,377,861	3,614,374,681
322	Bonus and welfare fund	20	5,116,157,948	1,436,334,965
<b>330</b>	<b>Long-term liabilities</b>		<b>19,439,468,171</b>	<b>19,267,446,250</b>
337	Other long-term payables		-	142,000,000
338	Long-term borrowings	18(b)	12,288,204,000	12,485,088,000
342	Provision for long-term liabilities	21	7,151,264,171	6,640,358,250
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>481,577,522,359</b>	<b>447,818,165,758</b>
<b>410</b>	<b>Capital and reserves</b>		<b>481,577,522,359</b>	<b>447,818,165,758</b>
411	Owners' capital	23, 24	324,953,970,000	243,749,160,000
411a	- Ordinary shares with voting rights		324,953,970,000	243,749,160,000
412	Share premium	24	284,019,059	42,217,165,031
414	Owners' other capital	24	4,415,811,246	-
415	Treasury shares	24	(284,019,059)	(284,019,059)
418	Investment and development fund	24	5,427,578,589	47,021,973,131
421	Undistributed earnings	24	130,438,270,951	115,113,886,655
421a	- Undistributed post-tax profits of previous years		68,918,855,088	38,378,231,834
421b	- Post-tax profits of current year		61,519,415,863	76,735,654,821
429	Non-controlling interest	25	16,341,891,573	-
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,701,454,061,973</b>	<b>1,335,146,629,745</b>


Pham Thanh Binh  
Preparer

Mai Thi Kim Dung  
Chief Accountant
  
 Le Tan Phuoc  
General Director  
8 March 2018

The notes on pages 9 to 42 are an integral part of these consolidated financial statements.



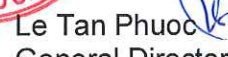
## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 02 – DN/HN

## CONSOLIDATED INCOME STATEMENT

Code		Note	Year ended 31 December	
			2017 VND	2016 VND
01	Revenue from sales of goods and rendering of services		1,449,515,061,543	1,316,477,341,794
02	Less deductions		(806,566,949)	(114,947,335)
10	Net revenue from sales of goods and rendering of services	29	1,448,708,494,594	1,316,362,394,459
11	Cost of goods sold and services rendered	30	(1,310,809,728,441)	(1,176,538,716,773)
20	Gross profit from sales of goods and rendering of services		137,898,766,153	139,823,677,686
21	Financial income	31	18,891,175,521	21,292,994,816
22	Financial expenses	32	(24,543,857,663)	(20,518,006,661)
23	- Including: Interest expense		(24,257,573,083)	(19,546,960,895)
24	Profit from investment in associate		19,521,404,426	16,287,153,884
25	Selling expenses		(110,184,672)	(22,743,663)
26	General and administration expenses	33	(84,137,248,801)	(83,625,578,300)
30	Net operating profit		67,520,054,964	73,237,497,762
31	Other income	34	30,620,835,742	41,684,911,511
32	Other expenses		(323,040,273)	(260,952,219)
40	Net other income		30,297,795,469	41,423,959,292
50	Net accounting profit before tax		97,817,850,433	114,661,457,054
51	Business income tax - current	35	(13,389,849,775)	(19,611,319,358)
52	Business income tax - deferred	35	170,956,678	1,175,017,925
60	Net profit after tax		84,598,957,336	96,225,155,621
61	Attributable to Owners of the parent company		84,257,065,763	-
62	Non-controlling interests		341,891,573	-
70	Earnings per share	27	2,117	2,505
71	Diluted earnings per share	27	2,117	2,505


Pham Thanh Binh  
Preparer

Mai Thi Kim Dung  
Chief Accountant
  
 Le Tan Phuoc  
 General Director  
 8 March 2018

The notes on pages 9 to 42 are an integral part of these consolidated financial statements.



## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 03 – DN/HN

**CONSOLIDATED CASH FLOW STATEMENT**  
**(Indirect method)**

		Year ended 31 December	
Code	Note	2017 VND	2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>97,817,850,433</b>	<b>114,661,457,054</b>
	Net accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	8,451,921,938	5,934,304,052
03	Provisions	11,321,477,371	12,509,760,669
04	Unrealised foreign exchange loss/(gains)	32 36,563,899	(292,043,540)
05	Profits from investing activities	(38,182,718,616)	(77,386,912,975)
06	Interest expense	32 24,257,573,083	19,546,960,895
07	Other adjustments	34 (29,899,921,566)	-
08	Operating profit before changes in working capital	<b>73,802,746,542</b>	<b>74,973,526,155</b>
09	Increase in receivables	(297,662,774,382)	(188,525,139,293)
10	Increase in inventories	(75,800,645,834)	(13,348,200,413)
11	Increase in payables	179,797,950,400	103,291,680,022
12	Increase in prepaid expenses	(509,738,750)	(303,927,361)
13	Decrease in trading securities	-	1,007,003,913
14	Interest paid	(24,215,783,467)	(19,230,022,771)
15	Business income tax paid	15 (18,701,221,671)	(16,599,174,277)
16	Other receipts from operating activities	3,166,381,796	-
17	Other payments on operating activities	20 (11,187,876,652)	(10,079,589,505)
20	Net cash outflows from operating activities	<b>(171,310,962,018)</b>	<b>(68,813,843,530)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(10,124,755,151)	(37,920,701,350)
22	Proceeds from disposals of fixed assets	1,000,000,000	39,861,300,908
23	Term deposits at banks	(180,001,437,800)	(215,500,000,000)
24	Collection of term deposits at banks	233,500,000,000	171,000,000,000
25	Investments in other entities	-	(12,700,000,000)
27	Dividends and interest received	28,857,334,745	22,473,369,232
30	Net cash inflows/(outflows) from investing activities	<b>73,231,141,794</b>	<b>(32,786,031,210)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from capital contribution	16,000,000,000	-
33	Proceeds from borrowings	18 1,205,963,066,500	1,003,153,318,608
34	Repayments of borrowings	18 (1,039,590,130,952)	(905,668,065,004)
36	Dividends paid	26 (51,587,356,153)	(56,041,599,026)
40	Net cash inflows from financing activities	<b>130,785,579,395</b>	<b>41,443,654,578</b>
50	Net increase/(decrease) in cash and cash equivalents	<b>32,705,759,171</b>	<b>(60,156,220,162)</b>
60	Cash and cash equivalents at beginning of year	3 <b>107,605,078,564</b>	<b>167,726,410,910</b>
61	Effect of foreign exchange differences	(10,424,251)	34,887,816
70	Cash and cash equivalents at end of year	3 <b>140,300,413,484</b>	<b>107,605,078,564</b>



Pham Thanh Binh  
Preparer



Mai Thi Kim Dung  
Chief Accountant



Le Tan Phuoc  
General Director  
8 March 2018

The notes on pages 9 to 42 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017****1 GENERAL INFORMATION**

Seaprodex Refrigeration Industry Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business registration certificate ("BRC") No. 063592 dated 18 September 1999 initially issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with the symbol "SRF" in accordance with License No. 117/QĐ-SGDHCM dated 29 September 2009, and the first trading date of the Company's shares was on 21 October 2009.

The registered activities of Company are to consult, survey, design, supply materials, equipment and provide installation services in relation to industrial refrigeration projects; air conditioning system, electricity system, fire prevention and fighting system, lift, water supply and drainage system, mechanics for industrial and household projects; produce and process, fabricate refrigeration machinery, equipment and materials; execute construction and interior, exterior decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machinery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Group is 12 months.

The Company has two branches as follows:

- Danang Refrigeration Electrical Engineering – Seaprodex Refrigeration Industry Corporation ("Searee") is incorporated under the Law on Enterprise of Vietnam pursuant to the Branch registration certificate No. 0301825452-001 dated 17 January 2000 initially issued by the DPI of Da Nang City, as amended. Searee's registered office is located at Street 10, Hoa Khanh Industry zone, Lien Chieu District, Da Nang City, Vietnam.
- Branch of Mechanical and Electrical Engineering – Seaprodex Refrigeration Industry Corporation ("Searefico M&E") is incorporated pursuant to the Branch registration certificate No. 0301825452-003 issued by the DPI of Ho Chi Minh City on 27 January 2014, as amended. Searefico M&E's registered office is located at 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City. From 1 October 2017, Searefico M&E was changed from a branch to a division of the Company.



**1 GENERAL INFORMATION (continued)**

As at 31 December 2017, the Company has a direct subsidiary, Asia Refrigeration Industry Joint Stock Company ("Arico"), an indirect subsidiary, Greenpan Joint Stock Company ("Greenpan"):

- (i) Arico is formerly a one-member limited liability company named Asia Refrigeration Industry Company Limited, incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4104002210 dated 22 October 2007 initially issued by the DPI of Ho Chi Minh City and the 5th amended Enterprise registration certificate one-member limited liability company No. 0305429178 dated 31 March 2015. On 2 August 2017, Arico was granted the Enterprise registration certification joint stock company ("ERCJSC") No. 0305429178 by the DPI of Ho Chi Minh City to transform Arico into a joint stock company.

Arico's registered office is located at Lot No. 25-27, Trung Tam Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The principal activities of Arico are to manufacture, process, fabricate equipment, machines, spare parts of refrigeration industry, to provide consulting service, to assemble, supply materials and equipment, to provide execution, installation and maintenance, to repair thermal mechanical-electrical systems and equipment, automatic and controlled equipment, lift and rolling leader, to construct industrial and civil projects, interior, exterior decoration, to produce insulated panels and materials.

- (ii) Greenpan was incorporated pursuant to the ERCJSC No. 0314809049 dated 28 December 2017 issued by the DPI of Ho Chi Minh City.

Greenpan's registered office is located at Lot No. 25-27, Trung Tam Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The principal activities of Greenpan is producing and trading of light materials.

The charter capital of Greenpan is VND40 billion, in which, the Company and Arico own 30% and 51%, respectively, of the charter capital. However, as at 31 December 2017, the Company, Arico and other owners of Greenpan have not fulfilled any capital contribution obligations.

and an associate, Thua Thien Hue Construction Joint Stock Corporation as presented in Note 4.

As at 31 December 2017, the Group had 813 employees (31 December 2016: 772 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of consolidated financial statements**

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

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

**2.2 Fiscal year**

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

The consolidated financial statements have been prepared for the year from 1 January 2017 to 31 December 2017.

**2.3 Currency**

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

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

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

**2.4 Basis of consolidation****(a) Subsidiary**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Basis of consolidation (continued)****(a) Subsidiary (continued)****Non-controlling transactions and interests**

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

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

**(b) Associate**

Associate is the entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting and is initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

**2.5 Cash and cash equivalents**

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

**2.6 Trade receivables**

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Directors of all outstanding amounts at the separate balance sheet date. Bad debts are written off after 100% provisioning and approval by the Board of Management.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost for each type of inventories is determined as follows:

Raw materials, tools and supplies	- cost of purchase on a weighted average basis.
Finished goods and work in progress	- cost of direct materials and labour plus manufacturing overheads directly attributable to specific projects.

Net realisable value represents the estimated selling price in the normal course of business less the estimated costs of completion and costs necessary to make the sale.

*Provision for decline in value of inventories*

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, deficiency, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

**2.8 Investments****(a) Trading securities**

Trading securities are securities, which are held for trading purpose to earn profit.

Trading securities are initially recorded at cost of acquisition. They are subsequently measured at cost less provision. The provision for diminution in value of trading securities is made when the cost is higher than its fair value.

Profit or loss from liquidation or disposal of trading securities is recorded in the consolidated income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments (continued)****(b) Investments held-to-maturity**

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

Investments held-to-maturity include bank term deposits. Those investments are accounted for at cost less provision.

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

**(c) Investments in equity of other entities**

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

**2.9 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives as follows:

Plants, buildings and structures	5 - 35 years
Machinery and equipment	5 - 20 years
Motor vehicles	6 - 10 years
Office equipment	3 - 8 years
Computer software	3 - 10 years
Others	2 - 20 years

*Disposals*

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Fixed assets (continued)***Construction in progress*

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes construction costs, machinery, equipment and professional fees. For qualifying assets, borrowing costs dealt with in accordance with the Group's accounting policy. Construction in progress only transfers to fixed assets and depreciation of these assets commences when the assets are ready for their intended use.

**2.10 Leased assets**

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

**2.11 Prepaid expenses**

Prepaid expenses include short-term or long-term prepayments on the consolidated balance sheet, mainly comprise of prepaid land rental, office rental, administration expenses, tools and supplies put in use. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives or the period which economic benefits are generated in relation to these expenses.

**2.12 Payables**

Classifications of payables are based on their nature as follows:

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

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

**2.13 Borrowing costs**

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

**2.14 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents; other payables to employees; accrued interest expenses and project costs in the reporting period. Accrued expenses are recorded as expenses in the reporting period.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Provisions**

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

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

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

**2.17 Share capital**

Contributed capital of the shareholders is recorded according to actual amount contributed and is recorded according to par value of the share.

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

Treasury shares are shares issued by the Company and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the Group's results after business income tax and appropriation of profit at the reporting date.

**2.18 Appropriation of net profit**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Appropriation of net profit (continued)**

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

The Group maintains the following reserves which are appropriated from the Group's net profit as proposed by the Board of Management and subject to approval by the Company's annual Shareholders' General Meeting:

**(a) Development and investment fund**

This fund is set aside for use in the Group's expansion or upgrading of its operation or in-depth investments.

**(b) Bonus and welfare fund**

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits and presented as a liability on the consolidated balance sheet.

**2.19 Revenue recognition****(a) Sales of goods**

Revenue from the sale of goods is recognised in the consolidated income statement when all five (5) following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction 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.

**(b) Revenue from construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose of use.

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers. Claimable receivable and other receivable are included in revenue to the extent that they have been agreed with customers, verified by the customers.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue recognition (continued)****(b) Revenue from construction contracts (continued)**

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that it is probable that contract costs incurred will be recoverable. Contract costs are only recognised when incurred during the year.

**(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividends and share of profits**

Income from dividend and profit sharing is recognised when the Group's entitlement as an investor to receive the dividend or profit is established.

**2.20 Sales deduction**

Sales deduction is allowance. Sales deduction incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

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

**2.21 Cost of goods sold and services rendered**

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

**2.22 Cost of construction contracts**

Cost of construction contracts is recognised based on amount of work completed of construction projects at the consolidated balance sheet date and the estimated gross profit of the projects, and recorded on the basis of matching with revenue and on prudent concept. The Board of Directors and Division Directors have the responsibility to follow up, update and adjust the gross profit periodically.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**2.23 Financial expenses**

Finance expenses are expenses incurred in the period for financial activities including interest expense, losses from securities selling transactions; provision for diminution in value of trading securities, losses from foreign exchange differences.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include expenses of administrative staffs, depreciation of fixed assets used for administration, provision for doubtful debts and outside services expenses.

**2.25 Current and deferred income tax**

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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.

**2.26 Related parties**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.27 Segment reporting**

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

**3 CASH AND CASH EQUIVALENTS**

	2017 VND	2016 VND
Cash on hand	2,087,554,947	176,174,887
Cash at bank	21,812,858,537	29,284,255,677
Cash equivalents (*)	116,400,000,000	78,144,648,000
Total	<u>140,300,413,484</u>	<u>107,605,078,564</u>

(\*) Cash equivalents include bank term deposits with the original maturity of three month or less.

**4 INVESTMENTS****(a) Investments held-to-maturity**

	2017		2016	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Bank deposits with original maturities of more than 3 months and within 12 months	<u>177,001,437,800</u>	<u>177,001,437,800</u>	<u>230,500,000,000</u>	<u>230,500,000,000</u>

**(b) Investment in associate**

	2017		2016	
	Cost of investment VND	% of ownership	Cost of investment VND	% of ownership
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	<u>110,407,278,024</u>	<u>36</u>	<u>99,118,713,598</u>	<u>36</u>

**4 INVESTMENTS (continued)****(b) Investment in associate (continued)**

Movements in investment in associate are presented as follows:

	<b>2017 VND</b>	<b>2016 VND</b>
Opening balance	99,118,713,598	87,821,159,714
Share of profit of associate	19,521,404,426	16,287,153,884
Dividend distributed	(8,232,840,000)	(4,989,600,000)
Closing balance	<u>110,407,278,024</u>	<u>99,118,713,598</u>

HCC is a joint stock company incorporated pursuant to the ERCJSC No. 3300101156 issued by the DPI of Thua Thien Hue Province on 5 January 2011, as amended.

HCC's registered office is located at Lot No. 9 Pham Van Dong Street, Hue City, Thua Thien Hue Province, Vietnam.

The principal activities of HCC are to construct civil, industrial, public, sport, traffic, irrigation and infrastructure projects; to provide services of consulting and supervision for the civil, industrial, traffic and irrigation projects; to engage in real estate trading, infrastructure of industrial zones and residential areas; to produce construction materials, and trade and exploit stones, sands and gravel; and to produce other wooden products.

**(c) Investment in other entity**

	<b>2017</b>		<b>2016</b>	
	<b>Cost of investment VND</b>	<b>% of ownership</b>	<b>Cost of investment VND</b>	<b>% of ownership</b>
International Investment and Water Technology Joint Stock Company ("Inwatek")	<u>17,596,000,000</u>	<u>19.55</u>	<u>19,000,000,000</u>	<u>19.00</u>

Inwatek is a joint stock company incorporated pursuant to the BRC No. 0313029247 issued by the Department of Planning and Investment of Ho Chi Minh City on 26 November 2014, amended.

Inwatek's registered office is located at 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

The principal activities of Inwatek are trading machinery and equipment for water production, installing water processing, exploiting systems and investment consulting services.

At the balance sheet date, the Group has not determined the fair value of the investment since the Group has no available information on the market value of this investment.

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2017 VND</b>	<b>2016 VND</b>
Third parties	783,693,125,847	486,031,837,139
<i>Construction Joint Stock Company No.1 (COFICO)</i>	153,057,556,861	22,008,785,993
<i>Viettel Real Estate Company</i>	33,431,836,048	65,913,818,909
<i>Others</i>	597,203,732,938	398,109,232,237
Related parties (Note 36(b)(i))	15,805,908,212	38,480,405,598
Total	<u>799,499,034,059</u>	<u>524,512,242,737</u>

As at 31 December 2017 and 31 December 2016, the past due balances of short-term trade accounts receivable were presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2017 VND</b>	<b>2016 VND</b>
Third parties	19,472,962,984	11,672,553,804
<i>Vietstar Industry Corporation</i>	4,716,835,506	-
<i>Yq-Vina Joint Stock Company</i>	-	1,577,560,941
<i>DOHOME Vietnam Trading and Construction Joint Stock Company</i>	-	1,332,485,338
<i>Others</i>	14,756,127,478	8,762,507,525
Total	<u>19,472,962,984</u>	<u>11,672,553,804</u>

**7 OTHER RECEIVABLES****(a) Other short-term receivables**

	<b>2017 VND</b>	<b>2016 VND</b>
Interest income receivable from banks	7,675,636,112	10,342,372,222
Advances to employees	5,328,566,911	4,235,050,347
Receivables from construction teams	4,841,545,246	3,079,918,511
Other receivables from employees	2,089,425,201	1,256,658,754
Receivables from associate (Note 36(b)(ii))	2,073,944,444	-
Receivable from the State for borrowing interest incentive	1,286,840,590	-
Deposits	561,117,668	445,421,557
Others	1,906,953,634	965,244,024
Total	<u>25,764,029,806</u>	<u>20,324,665,415</u>



**7 OTHER RECEIVABLES (continued)****(b) Other long-term receivables**

Other long-term receivables represent deposit for office rental and other long-term deposits.

As at 31 December 2017 and 31 December 2016, there was no balance of other receivables that was past due or not past due but doubtful.

**8 PROVISION FOR SHORT-TERM DOUBTFUL DEBTS**

	2017		2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that are past due	37,534,697,355	24,193,367,602	29,158,262,850	13,529,088,610

Movements in provision for short-term doubtful debt during the year are as follows:

	2017 VND	2016 VND
Opening balance	13,529,088,610	2,923,772,285
Increase (Note 33)	10,664,278,992	10,615,316,325
Reversal	-	(10,000,000)
Closing balance	24,193,367,602	13,529,088,610

**9 INVENTORIES**

	2017		2016	
	Cost VND	Provision VND	Cost VD	Provision VND
Raw materials	152,186,388,912	(1,858,590,223)	28,293,974,023	(1,732,214,430)
Work in progress	109,565,327,554	(2,427,693,665)	152,134,135,644	(2,246,889,135)
Finished goods	3,031,046,358	(102,681,044)	925,425,547	(132,572,089)
Goods in transit	150,051,000	-	8,322,392,060	-
Total	264,932,813,824	(4,388,964,932)	189,675,927,274	(4,111,675,654)
Provision for decline in value of inventories	(4,388,964,932)		(4,111,675,654)	
Total	260,543,848,892		185,564,251,620	

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

**9 INVENTORIES (continued)**

Movements in the provision for decline in value of inventories during the year are as follows:

	<b>2017 VND</b>	<b>2016 VND</b>
Opening balance	4,111,675,654	2,866,579,200
Increase (Note 30)	277,289,278	1,245,096,454
Closing balance	<u>4,388,964,932</u>	<u>4,111,675,654</u>

**10 PREPAID EXPENSES****(a) Short-term prepaid expenses**

	<b>2017 VND</b>	<b>2016 VND</b>
Tools and supplies	1,594,214,541	68,022,511
Others	1,568,476,013	1,912,348,463
Total	<u>3,162,690,554</u>	<u>1,980,370,974</u>

**(b) Long-term prepaid expenses**

	<b>2017 VND</b>	<b>2016 VND</b>
Land rental	31,428,196,431	32,390,284,083
Tools and supplies	1,699,120,237	1,880,736,963
Others	1,833,175,069	1,234,894,521
Total	<u>34,960,491,737</u>	<u>35,505,915,567</u>



**SEAPRODEX REFRIGERATION INDUSTRY CORPORATION**

Form B 09 – DN/HN

**11 FIXED ASSETS**

**(a) Tangible fixed assets**

	Plants, buildings and structures VND	Machinery and equipment VND	Motor Vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
As at 1 January 2017	73,919,924,316	56,939,510,764	13,336,909,963	3,928,198,126	1,727,123,859	149,851,667,028
Purchases	-	58,000,000	-	724,181,818	312,000,000	1,094,181,818
Transfers from construction in progress (Note 12)	-	36,216,568,907	-	-	-	36,216,568,907
Write-off	-	(6,113,462,585)	-	(185,789,178)	-	(6,299,251,763)
As at 31 December 2017	73,919,924,316	87,100,617,086	13,336,909,963	4,466,590,766	2,039,123,859	180,863,165,990
<b>Accumulated depreciation</b>						
As at 1 January 2017	27,595,323,250	34,114,578,706	8,906,189,929	3,531,874,036	1,372,418,501	75,520,384,422
Charge for the year	2,431,483,976	3,970,506,354	1,257,849,333	177,478,974	193,928,814	8,031,247,451
Write-off	-	(6,113,462,585)	-	(185,789,178)	-	(6,299,251,763)
As at 31 December 2017	30,026,807,226	31,971,622,475	10,164,039,262	3,523,563,832	1,566,347,315	77,252,380,110
<b>Net book value</b>						
As at 1 January 2017	46,324,601,066	22,824,932,058	4,430,720,034	396,324,090	354,705,358	74,331,282,606
As at 31 December 2017	43,893,117,090	55,128,994,611	3,172,870,701	943,026,934	472,776,544	103,610,785,880

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND12,944,677,153 (31 December 2016: VND16,749,909,710).

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

## 11 FIXED ASSETS (continued)

## (b) Intangible fixed assets

Computer software  
VND**Historical cost**

As at 1 January 2017

2,189,176,660

Purchases

75,600,000

As at 31 December 2017

2,264,776,660

**Accumulated amortisation**

As at 1 January 2017

1,132,673,616

Charge for the year

420,674,487

As at 31 December 2017

1,553,348,103

**Net book value**

As at 1 January 2017

1,056,503,044

As at 31 December 2017

711,428,557

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2017 was VND609,009,000 (31 December 2016: VND502,509,000).

## 12 CONSTRUCTION IN PROGRESS

	2017 VND	2016 VND
Purchases	6,061,706,681	2,900,969,463
ERP system	2,582,053,437	1,487,547,245
Machinery upgrading	275,511,940	17,849,533,688
Others	63,000,000	63,000,000
Total	8,982,272,058	22,301,050,396



## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

**12 CONSTRUCTION IN PROGRESS (continued)**

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

	2017 VND	2016 VND
Opening balance	22,301,050,396	5,174,726,745
Purchases	9,767,548,689	25,004,201,009
Increase from sub-granting	13,257,398,880	12,680,253,841
Transfers to tangible fixed assets (Note 11(a))	(36,216,568,907)	(20,052,833,494)
Transfers to prepaid expenses	(127,157,000)	(505,297,705)
Closing balance	<u>8,982,272,058</u>	<u>22,301,050,396</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2017 VND	2016 VND
Third parties	241,085,086,222	166,826,061,183
Related parties (Note 36(b)(iv))	2,276,632,000	2,319,202,000
Total	<u>243,361,718,222</u>	<u>169,145,263,183</u>

As at 31 December 2017 and 31 December 2016, the Group did not have any short-term trade payables were past due.

**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

	2017 VND	2016 VND
Third parties	113,651,317,670	72,977,801,271
<i>Hoa Binh Construction Group Joint Stock Company</i>	39,143,820,782	-
<i>Vietnam Dairy Products Joint Stock Company</i>	17,737,500,000	331,253,712
<i>Projects Construction and Management No.1 Joint Stock Company</i>	17,382,764,966	-
<i>Dai Quang Minh Real Estate Joint Stock Company</i>	15,368,835,039	-
<i>Viet Hung Urban Development and Investment Joint Stock Company</i>	-	16,753,200,000
<i>Construction Joint Stock Company No.1 (COFICO)</i>	-	12,784,006,024
<i>Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade</i>	-	10,004,775,000
<i>Cotecons Construction Joint Stock Company</i>	-	7,559,090,000
<i>Others</i>	24,018,396,883	25,545,476,535
Related party (Note 36(b)(v))	-	157,500,000
Total	<u>113,651,317,670</u>	<u>73,135,301,271</u>

**15 TAX AND OTHER PAYABLES TO THE STATE BUDGET**

Movements in tax and other payables to the State Budget during the year are as follows:

	Payables as at 1.1.2017 VND	Payable during the year VND	Payment during the year VND	Payables as at 31.12.2017 VND	Receivable as at 31.12.2017 VND
VAT on domestic sales	14,244,341,801	16,782,094,052	(22,129,499,174)	8,896,936,679	-
Business income tax (*)	11,016,731,124	13,460,720,298	(18,701,221,671)	6,166,982,224	390,752,473
Personal income tax	1,835,154,350	11,343,130,943	(12,340,291,588)	837,993,705	-
VAT on importation	-	9,647,904,642	(9,647,904,642)	-	-
Import tax	-	2,242,230,866	(2,242,230,866)	-	-
Excise tax	-	9,830,689	(9,830,689)	-	-
Business license tax	-	8,000,000	(8,000,000)	-	-
Total	27,096,227,275	53,493,911,490	(65,078,978,630)	15,901,912,608	390,752,473

(\*) Tax receivable as at 31 December 2017 represents the over-paid business income tax during the year at Arico.

**16 SHORT-TERM ACCRUED EXPENSES**

	2017 VND	2016 VND
Accrued project costs	151,545,728,424	91,197,299,153
Interest expense	358,727,740	316,938,124
Others	2,361,412,180	6,602,466,156
Total	154,265,868,344	98,116,703,433

**17 OTHER SHORT-TERM PAYABLES**

	2017 VND	2016 VND
Other payables to employees	1,002,765,530	304,042,591
Social, health and unemployment insurance and trade union fees	1,459,914,156	1,378,004,605
Dividends payable (Note 26)	964,095,847	579,550,900
Sub-granted fixed assets (Note 34)	-	12,642,643,578
Others	7,930,369,454	5,607,976,488
Total	11,357,144,987	20,512,218,162



SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

18 BORROWINGS

	As at 1.1.2017 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 31.12.2017 VND
(a) Short-term					
Bank loans	441,869,120,922	1,203,459,950,500	(1,039,090,130,952)	2,200,000,000	608,438,940,470
(b) Long-term					
Bank loans	12,485,088,000	2,503,116,000	(500,000,000)	(2,200,000,000)	12,288,204,000

Details of borrowings are as follows:

(a) Short-term borrowings (\*)

Vietnam Joint Stock Commercial Bank for Industry and Trade	285,513,341,839	263,428,854,072
Joint Stock Commercial Bank for Foreign Trade of Vietnam	214,632,410,287	150,040,720,700
HSBC Bank (Vietnam) Limited	105,210,247,499	19,193,569,935
Standard Chartered Bank (Vietnam) Limited	3,082,940,845	-
Joint Stock Commercial Bank for Investment and Development of Vietnam	-	9,205,976,215
Total	608,438,940,470	441,869,120,922

(b) Long-term borrowing (\*\*)

Joint Stock Commercial Bank for Foreign Trade of Vietnam	12,288,204,000	12,485,088,000
--	----------------	----------------

**18 BORROWINGS (continued)**

- (\*) These loans are unsecured and bear the floating interest rates in accordance with each draw-down. The purpose of these loans is to support the working capital of the Group.
- (\*\*) This loan has the term of 60 months, is secured by the assets forming from the loan. The loan bears the incentive interest rates in accordance with the investment stimulus program under the Decision No. 5592/QĐ-UBND dated 25 October 2016 of Ho Chi Minh City. The purpose of this loan is for investment in machinery upgrading and production technology transformation in Arico.

**19 PROVISION FOR SHORT-TERM LIABILITIES**

	2017 VND	2016 VND
Opening balance	3,614,374,681	3,519,755,991
Provision	2,653,688,651	3,543,691,199
Utilisation and reversal	(2,784,685,471)	(3,449,072,509)
Closing balance	<u>3,483,377,861</u>	<u>3,614,374,681</u>

Provision for short-term liabilities represents warranty for projects that have been completed and handed over at the balance sheet date.

**20 BONUS AND WELFARE FUND**

	2017 VND	2016 VND
Opening balance	1,436,334,965	4,669,888,419
Increase during the year (Note 24)	14,867,699,635	6,483,504,384
Utilisation during the year	(11,187,876,652)	(9,717,057,838)
Closing balance	<u>5,116,157,948</u>	<u>1,436,334,965</u>

**21 PROVISION FOR LONG-TERM LIABILITY**

Provision for long-term liability represents provision for severance allowance.

**22 DEFERRED INCOME TAX ASSETS**

	2017 VND	2016 VND
Deferred tax assets to be recovered after more than 12 months	1,430,252,834	1,328,071,650
Deferred tax assets to be recovered within 12 months	1,705,671,933	1,636,896,439
Total	<u>3,135,924,767</u>	<u>2,964,968,089</u>



**22 DEFERRED INCOME TAX ASSETS (continued)**

Movements in the deferred income tax assets are as follows:

	<b>2017 VND</b>	<b>2016 VND</b>
Opening balance	2,964,968,089	1,789,950,164
Income statement credit (Note 35)	170,956,678	1,175,017,925
Closing balance	<u>3,135,924,767</u>	<u>2,964,968,089</u>

Deferred income tax asset mainly arises from deductible temporary differences in relation to accrued expenses and provisions.

Tax rates used for determining deferred tax assets in year 2017 and 2016 of the Company and Arico are 20% and 7.5%, respectively.

**23 OWNERS' CAPITAL****(a) Number of ordinary shares**

	<b>2017</b>	<b>2016</b>
Number of shares registered	32,495,397	24,374,916
Number of shares issued	32,495,397	24,374,916
Number of shares repurchased	(13,040)	(13,040)
Number of existing shares in circulation	<u>32,482,357</u>	<u>24,361,876</u>

**(b) Details of owners' shareholding**

	<b>2017</b>		<b>2016</b>	
	<b>Ordinary shares</b>	<b>(%)</b>	<b>Ordinary shares</b>	<b>(%)</b>
Taisei Oncho Co., Ltd	8,099,506	24.92	6,074,630	24.92
Sao Phuong Nam Corporation	7,860,028	24.19	5,895,021	24.19
Vietnam Seaproducts Joint Stock Corporation	4,152,000	12.78	3,114,000	12.78
Other shareholders	12,370,823	38.07	9,278,225	38.06
Treasury shares	13,040	0.04	13,040	0.05
Total	<u>32,495,397</u>	<u>100.00</u>	<u>24,374,916</u>	<u>100.00</u>

**23 OWNERS' CAPITAL (continued)****(c) Movement of owners' capital**

	<b>Ordinary shares</b>	
	<b>Shares</b>	<b>VND</b>
At 1 January 2016	24,374,916	243,749,160,000
At 31 December 2016	24,374,916	243,749,160,000
New shares issued (Note 24)	8,120,481	81,204,810,000
At 31 December 2017	32,495,397	324,953,970,000

Par value per share: VND10,000. Each ordinary share represents the voting right at the Company's Shareholders' General Meeting. The shareholders receives dividend at any time the Company noticed. All the ordinary shares have the same priority with the remaining assets of the Company.



# SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

## 24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2016	243,749,160,000	42,217,165,031	-	(284,019,059)	46,249,834,636	82,176,688,713	414,108,829,321
Net profit for the year	-	-	-	-	-	96,225,155,621	96,225,155,621
Appropriation to funds	-	-	-	-	772,138,495	(7,255,642,879)	(6,483,504,384)
Dividends declared	-	-	-	-	-	(56,032,314,800)	(56,032,314,800)
As at 31 December 2016	243,749,160,000	42,217,165,031	-	(284,019,059)	47,021,973,131	115,113,886,655	447,818,165,758
Capital increase during the year (i)	81,204,810,000	(41,933,145,972)	-	-	(39,271,664,028)	-	-
Net profit for the year	-	-	-	-	-	84,257,065,763	84,257,065,763
Appropriation to funds	-	-	-	-	2,093,080,732	(16,960,780,367)	(14,867,699,635)
Dividends declared (i), (ii) (Note 26)	-	-	-	-	-	(51,971,901,100)	(51,971,901,100)
Other capital increase during the year (iii)	-	-	4,415,811,246	-	(4,415,811,246)	-	-
As at 31 December 2017	324,953,970,000	284,019,059	4,415,811,246	(284,019,059)	5,427,578,589	130,438,270,951	465,235,630,786

(i) The Shareholders' General Meeting Resolution No. 01/ĐHĐCĐ/NQ/17 dated 31 March 2017 of the Company approved:

- Issuance of shares to increase the owners' capital from the Share premium and Investment and development funds under exercise rate 3:1. Accordingly, the number of new shares issued is 8,120,481 shares, amounting to VND81,204,810,000;
- Declaration of the final 2016 dividends.

(ii) The Company announced the first 2017 dividends advance according to the Board of Management's Resolution No. 09/NQ/HDQT/17 dated 5 September 2017.

(iii) Owners' other capital represents the owners' capital of Arico increased from its investment and development fund pursuant to the Decision No. 115B/QĐ/KNL/17 dated 27 July 2017 of the Company.

**25 NON-CONTROLLING INTERESTS**

Details of non-controlling interests are as follows:

	2017 VND	2016 VND
Owners' capital	16,000,000,000	-
Undistributed post-tax profit	341,891,573	-
	<u>16,341,891,573</u>	<u>-</u>

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

	2017 VND	2016 VND
Opening balance	-	-
Capital increase during the year	16,000,000,000	
Net profit attributable to non-controlling interests during the year	341,891,573	-
Closing balance	<u>16,341,891,573</u>	<u>-</u>

**26 DIVIDENDS**

	2017 VND	2016 VND
Opening balance	579,550,900	588,835,126
Dividends payable during the year (Note 24)	51,971,901,100	56,032,314,800
<i>First dividend for year 2017: VND700 per share</i>	22,737,649,900	-
<i>Final dividend for year 2016: VND1.200 per share</i>	29,234,251,200	-
<i>First dividend for year 2016: VND800 per share</i>	-	19,489,500,800
<i>Final dividend for year 2015: VND1.500 per share</i>	-	36,542,814,000
Dividends paid in cash	(51,587,356,153)	(56,041,599,026)
Closing balance (Note 17)	<u>964,095,847</u>	<u>579,550,900</u>



**27 EARNINGS PER SHARE****(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares:

	2017	2016 (*)
Net profit attributable to shareholders (VND)	84,257,065,763	96,225,155,621
Less amount allocated to bonus and welfare funds (VND)	(15,491,328,565)	(14,867,699,635)
	<u>68,765,737,198</u>	<u>81,357,455,986</u>
Weighted average number of ordinary shares in issue (shares)	<u>32,482,357</u>	<u>32,482,357</u>
Basic earnings per share (VND)	<u>2,117</u>	<u>2,505</u>

(\*) Basic earnings per share of the year 2016 were recalculated as per Circular 200 as follows:

	Year ended 31 December 2016		
	As previously reported	Adjustment	As restated
Net profit attributable to shareholders (VND)	96,225,155,621		96,225,155,621
Less amount allocated to bonus and welfare fund (VND)	(14,000,218,375)	(867,481,260)	(14,867,699,635)
	<u>82,224,937,246</u>	<u>(867,481,260)</u>	<u>81,357,455,986</u>
Weighted average number of ordinary shares in circulation (shares)	<u>24,361,876</u>	8,120,481	<u>32,482,357</u>
Basic earnings per share (VND)	<u>3,375</u>		<u>2,505</u>

**(b) Diluted earnings per share**

The Company had no transactions relating to potential ordinary shares which can dilute earnings per share.

## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

## 28 OFF BALANCE SHEET ITEMS

	2017	2016
Bad debts written off (VND)	27,592,321,012	27,592,321,012
Foreign currencies		
United States Dollar (USD)	15,569.05	6,334,48
Euro (EUR)	1,232,49	4,648,81
Great British Pound (GBP)	7,16	7,16
Australia Dollar (AUD)	0,67	0,67
Yen (JPY)	-	10,000,00

## 29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2017 VND	2016 VND
<b>Revenue</b>		
Revenue from construction contracts	1,413,109,581,839	1,311,591,155,459
Revenue from sales of goods	36,405,479,704	2,092,753,608
Revenue from leasing	-	2,793,432,727
<b>Total</b>	<u>1,449,515,061,543</u>	<u>1,316,477,341,794</u>
<b>Deductions</b>		
Sales allowance from construction contracts	<u>(806,566,949)</u>	<u>(114,947,335)</u>
<b>Net revenue</b>		
Net revenue from construction contracts	1,412,303,014,890	1,311,476,208,124
Net revenue from sales of goods	36,405,479,704	2,092,753,608
Net revenue from leasing	-	2,793,432,727
<b>Total</b>	<u>1,448,708,494,594</u>	<u>1,316,362,394,459</u>



## SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

Form B 09 – DN/HN

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

	<b>2017 VND</b>	<b>2016 VND</b>
Cost of construction contracts	1,279,582,941,352	1,170,145,271,336
Cost of goods sold	30,949,497,811	725,136,624
Cost of leasing	-	4,423,212,359
Provision for decline in value of inventories (Note 9)	277,289,278	1,245,096,454
<b>Total</b>	<b>1,310,809,728,441</b>	<b>1,176,538,716,773</b>

**31 FINANCIAL INCOME**

	<b>2017 VND</b>	<b>2016 VND</b>
Interest income from deposits and loans	18,374,502,237	19,901,670,451
Dividends	286,811,953	24,002,000
Realised foreign exchange gains	225,435,253	758,102,341
Net gain from foreign currency translation at year-end	-	300,905,747
Gain from disposal of trading securities	-	308,314,277
Others	4,426,078	-
<b>Total</b>	<b>18,891,175,521</b>	<b>21,292,994,816</b>

**32 FINANCIAL EXPENSES**

	<b>2017 VND</b>	<b>2016 VND</b>
Interest expense	24,257,573,083	19,546,960,895
Realised foreign exchange losses	249,720,681	877,267,095
Net losses from foreign currency translation at year-end	36,563,899	8,862,207
Loss on sale of trading securities	-	17,184,597
Reversal of provision for diminution in value of trading securities	-	(34,207,267)
Others	-	101,939,134
<b>Total</b>	<b>24,543,857,663</b>	<b>20,518,006,661</b>

**33 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2017 VND</b>	<b>2016 VND</b>
Staff costs	58,827,176,248	52,599,852,459
Outside service expenses	14,083,993,725	13,394,901,095
Provision for doubtful debts (Note 8)	10,664,278,992	10,615,316,325
Depreciation and amortisation	1,882,136,166	2,118,301,310
Tools and equipment costs	850,058,861	830,134,401
Reversal of accrued staff costs	(5,216,350,804)	-
Others	3,045,955,613	4,067,072,710
<b>Total</b>	<b>84,137,248,801</b>	<b>83,625,578,300</b>

**34 OTHER INCOME**

	<b>2017 VND</b>	<b>2016 VND</b>
Sub-granted fixed assets (i)	29,899,921,566	-
Gains on disposal of fixed assets (ii)	-	41,174,086,640
Others	720,914,176	510,824,871
<b>Total</b>	<b>30,620,835,742</b>	<b>41,684,911,511</b>

(i) Machinery and equipment amounting to VND29,899,921,566 was sub-granted by the Multilateral Fund according to the sub-grant agreement between the Company and the Vietnam HCFC (hydrochlorofluorocarbon, an ozone depleting substance) Elimination Project Management Unit Phase I, belonging to the Ministry of Natural Resources and Environment of Vietnam relating to the conversion of the Polyure Insulation Foam from HCFC-141B to cyclo-pentane foaming technology in an attempt to eliminate HCFC.

(ii) Income from transferring assets associated with the land at 127 An Duong Vuong Street, District 6, Ho Chi Minh City.

**35 BUSINESS INCOME TAX***The Company*

Pursuant to Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance, the Company has the obligation to pay business income tax ("BIT") at the rate of 20% of taxable profit.



**35 BUSINESS INCOME TAX***Arico*

In accordance with the Investment certificate No. 41221000103 issued by the DPI of Ho Chi Minh City on 2 April 2008, tax inspection minutes dated 23 September 2013 for the period from 2010 to 2012 and other current tax regulations, the Board of Directors assessed that Arico is entitled to BIT incentives at tax rate of 15% for 12 years from the date of arising revenue from BIT incentive activities (2010), BIT exemption for 3 years from the date of arising taxable income (2010 – 2012) and a 50% BIT reduction for 7 years thereafter (2013 – 2019).

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

	2017 VND	2016 VND
Net accounting profit before tax	97,817,850,433	114,661,457,054
Tax calculated at a rate of 20%	19,563,570,086	22,932,291,411
Effect of:		
Income not subject to tax	(7,888,655,004)	(3,262,231,177)
Tax incentives	(756,757,823)	(1,823,080,732)
Expenses not deductible for tax purposes	1,315,861,341	553,733,916
Adjustment for previous year	433,120,082	35,588,015
Temporary differences	170,956,678	1,175,017,925
Tax losses for which no deferred income tax asset was recognised	551,754,415	-
Business income tax – current (*)	13,389,849,775	19,611,319,358
Business income tax – deferred (Note 22)	(170,956,678)	(1,175,017,925)
Total	13,218,893,097	18,436,301,433

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

**36 RELATED PARTY DISCLOSURES****(a) Related party transactions**

During the year, the following transactions were carried out with related parties:

Related party	Relationship	Nature of transaction	2017 VND	2016 VND
<b>i) Revenue from sales of goods and rendering of services</b>				
Sao Phuong Nam Investment Corporation	Related party	Providing construction services	1,895,999,640	34,118,846,666
Sao Phuong Nam Corporation	Major shareholders	Providing construction services	385,098,650	-
International Diplomat Corporation	Related party	Providing construction services	-	3,676,143,371
Total			2,281,098,290	37,794,990,037
<b>ii) Purchases of services</b>				
Sao Phuong Nam Corporation	Major shareholder	Office rental	4,558,470,840	4,443,999,120
Thua Thien Hue Construction Joint Stock Corporation	Associate	Purchase of construction services	-	21,083,659,182
Total			4,558,470,840	25,527,658,302
<b>iii) Compensation of key management</b>				
Salaries and benefits of the Board of Directors			9,241,291,991	9,490,456,918
Allowance for the Boards of Management and Supervision			1,932,000,000	966,000,000
Total			11,173,291,991	10,456,456,918
<b>iv) Other transactions</b>				
Thua Thien Hue Construction Joint Stock Corporation	Associate	Dividend declared	8,232,840,000	4,989,600,000

**(b) Year end balances with related parties**

Related party	Relationship	Nature of transaction	2017 VND	2016 VND
<b>i) Short-term trade accounts receivable (Note 5)</b>				
Sao Phuong Nam Investment Corporation	Related party	Providing construction services	15,313,414,079	37,530,731,334
International Diplomat Corporation	Related party	Providing construction services	476,665,213	949,674,264
Sao Phuong Nam Corporation	Major shareholder	Providing construction services	15,828,920	-
Total			15,805,908,212	38,480,405,598

**36 RELATED PARTY DISCLOSURES (continued)****(b) Year end balances with related parties**

Related party	Relationship	Nature of transaction	2017 VND	2016 VND
<b>ii) Other short-term receivables (Note 7(a))</b>				
International Investment and Water Technology Joint Stock Company	Related party	Capital collection	1,404,000,000	-
		Interest income	669,944,444	-
Total			<u>2,073,944,444</u>	<u>-</u>
<b>iii) Other long-term receivables</b>				
Sao Phuong Nam Corporation	Major shareholder	Deposits	<u>1,309,881,840</u>	<u>1,331,881,840</u>
<b>iv) Short-term trade accounts payable (Note 13)</b>				
Thua Thien Hue Construction Joint Stock Corporation	Associate	Purchase construction services	<u>2,276,632,000</u>	<u>2,319,202,000</u>
<b>v) Short-term advances from customers (Note 14)</b>				
Sao Phuong Nam Investment Corporation	Related party	Providing construction services	<u>-</u>	<u>157,500,000</u>

**36 COMMITMENT UNDER OPERATING LEASES**

The future minimum lease payments under non-cancellable operating leases as at 31 December 2017 are as follows:

	2017 VND	2016 VND
Within one year	4,745,208,093	4,449,213,693
Between one and five years	18,233,532,374	4,393,218,374
Over five years	24,911,593,252	26,099,691,614
Total minimum payments	<u>47,890,333,719</u>	<u>34,942,123,681</u>

**37 SEGMENT REPORT**

Segment information is presented in respect of business activity or geography. The Group is not operating in more than one segment of business activity nor geographic area other than mainly operating in the only activity to consult, supply and provide installation services in relation to industrial refrigeration projects, and in Vietnam only. Therefore, the Group does not present segmental information.



**38 EVENT AFTER THE CONSOLIDATED BALANCE SHEET DATE**

Pursuant to the Notice No. 07/TB/KNL/2018 dated 22 February 2018, the Company repurchased its 1,124,600 shares, accordingly, the number of ordinary shares with voting rights in circulation of the Company decreased from 32,482,357 shares to 31,357,757 shares.

The consolidated financial statements were approved by the Board of Directors on 8 March 2018.



Pham Thanh Binh  
Preparer



Mai Thi Kim Dung  
Chief Accountant



Le Tan Phuoc  
General Director