SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

SEPARATE FINANCIAL STATEMENTS

4th Quarter of 2019

Seaprodex Refrigeration Industry Corporation
72-74 Nguyen Thi Minh Khai Str., Ward 6, Dist.3, Ho Chi Minh City

Form: B 01-DN

SEPARATE BALANCE SHEET

as at 31 December 2019

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
100	**Current Assets (100 = 110+120+130+140+150)**		**1,216,767,423,464**	**1,173,361,653,481**
110	**Cash and cash equivalents**	4	**35,368,646,531**	**39,570,344,558**
111	Cash		35,368,646,531	21,370,344,558
112	Cash equivalents		-	18,200,000,000
120	**Short-term investments**		**151,703,107,647**	**163,600,928,908**
123	Held-to-maturity investments	5.1	151,703,107,647	163,600,928,908
130	**Current accounts receivable**		**801,620,249,755**	**735,674,145,088**
131	Short-term trade receivables	6.1	731,410,237,073	709,864,175,295
132	Short-term advances to suppliers	6.2	58,298,199,577	17,942,238,052
136	Other short-term receivables	7.1	42,596,851,686	24,995,677,108
139	Provision for short-term doubtful receivables	6.1	(30,685,038,581)	(17,127,945,367)
140	**Inventories**	8	**227,264,085,515**	**230,153,331,212**
141	Inventories		228,780,809,468	231,148,124,161
149	Provision for obsolete inventories		(1,516,723,953)	(994,792,949)
150	**Other current assets**		**811,334,016**	**4,362,903,715**
151	Short-term prepaid expenses	14	811,334,016	1,075,993,036
152	Value-added tax deductible		-	3,286,910,679
200	**Non - Current Assets (200 = 210+220+240+250+260)**		**208,484,945,686**	**193,345,139,968**
210	**Long-term receivable**		**1,530,901,840**	**1,329,151,840**
216	Other long-term receivables	7.2	1,530,901,840	1,329,151,840
220	**Fixed assets**		**2,483,860,107**	**3,393,717,286**
221	Tangible fixed assets	9	2,434,648,107	3,187,191,513
222	*Cost*		*15,774,957,651*	*15,586,430,378*
223	*Accumulated depreciation*		*(13,340,309,544)*	*(12,399,238,865)*
224	Fixed assets of financial leasing	10	-	-
227	Intangible assets	11	49,212,000	206,525,773
228	*Cost*		*1,712,426,260*	*1,712,426,260*
229	*Accumulated depreciation*		*(1,663,214,260)*	*(1,505,900,487)*
230	Investment property		-	-
240	**Long-term assets in progress**		**3,022,128,345**	**2,737,876,462**
242	Construction in progress	12	3,022,128,345	2,737,876,462
250	**Long-term investments**	13	**196,723,068,754**	**181,639,198,754**
251	Investment in a subsidiary	13.1	137,234,188,754	124,050,318,754
252	Investment in an associate	13.2	51,392,880,000	51,392,880,000
253	Investment in other entity	13.3	8,096,000,000	6,196,000,000

SEPARATE BALANCE SHEET (continued)

as at 31 December 2019

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
260	**Other long-term assets**		**4,724,986,640**	**4,245,195,626**
261	Long-term prepaid expenses	14	2,861,736,657	1,302,819,454
262	Deferred tax assets	15	1,863,249,983	2,942,376,172
270	**Total Assets (270 = 100 + 200)**		**1,425,252,369,150**	**1,366,706,793,449**

Code	Resources	Notes	Ending Balance	Beginning Balance
300	**Liabilities (300 = 310+330)**		**1,054,705,567,491**	**962,023,998,905**
310	**Current liabilities**		**1,051,233,788,241**	**958,136,864,655**
311	Short-term trade payables	16	295,515,912,755	240,348,576,704
312	Short-term advances from customers	17	73,845,741,196	59,823,696,803
313	Tax and other payables to the State Budget	19	12,393,729,809	18,727,128,405
314	Payables to employees		18,237,450,394	33,758,612,298
315	Short-term accrued expenses	20.1	65,673,184,219	102,355,723,525
319	Other short-term payables	21.1	52,873,403,410	19,916,691,973
320	Short-term loans	18	519,676,655,165	468,514,676,717
321	Short-term provision	22	212,161,483	687,182,168
322	Bonus and welfare fund	23	12,805,549,810	14,004,576,062
330	**Non-current liabilities**		**3,471,779,250**	**3,887,134,250**
342	Long-term provision	24	3,471,779,250	3,887,134,250
400	**Owners' Equity**		**370,546,801,659**	**404,682,794,544**
410	**Capital**	25	**370,546,801,659**	**404,682,794,544**
411	Share capital		324,953,970,000	324,953,970,000
411.1	*- Shares with voting rights*		*324,953,970,000*	*324,953,970,000*
412	Share premium		284,019,059	284,019,059
415	Treasury shares		(29,238,407,099)	(29,238,407,099)
418	Investment and development fund		5,427,578,589	5,427,578,589
421	Undistributed earnings		69,119,641,110	103,255,633,995
421.1	*Undistributed earnings up to prior year-end*		*41,599,651,037*	*29,051,408,003*
421.2	*Undistributed earnings of current year*		*27,519,990,073*	*74,204,225,992*
600	**Total Liabilities and Owners' Equity (600 = 300+400)**		**1,425,252,369,150**	**1,366,706,793,449**

Ho Chi Minh City, Jan 21 2020

PREPARER	CHIEF ACCOUNTANT	CHIEF EXECUTIVE OFFICER
Ly Quoc Tuan	Vuong Tran Quoc Thanh	Nguyen Thi Thanh Huong

CÔNG TY CỔ PHẦN KỸ NGHỆ LẠNH (SEAREFICO) QUẬN 3 - TP. HỒ CHÍ MINH

Seaprodex Refrigeration Industry Corporation
72-74 Nguyen Thi Minh Khai Str., Ward 6, Dist.3, Ho Chi Minh City

Form: B 02-DN

SEPARATE INCOME STATEMENT

For the period: 4th Quarter of 2019

Unit: VND

Code	Items	Notes	This period	Previous period	Current year	Previous year
01	**Revenues from sale of goods and rendering of services**	26.1	**476,796,484,729**	**640,505,881,916**	**1,406,557,457,383**	**1,526,972,640,040**
02	Deductions	26.1	-	-	-	-
10	**Net revenues from sale of goods and rendering of services (10= 01-02)**	**26.1**	**476,796,484,729**	**640,505,881,916**	**1,406,557,457,383**	**1,526,972,640,040**
11	Costs of goods sold and services rendered	27	452,083,211,530	581,735,197,280	1,304,872,104,372	1,410,462,464,481
20	**Gross profit from sale of goods and rendering of services (20=10 - 11)**		**24,713,273,199**	**58,770,684,636**	**101,685,353,011**	**116,510,175,559**
21	Finance income	26.2	21,406,049,871	15,598,986,758	44,649,757,176	41,143,147,123
22	Finance expenses	29	8,865,485,855	8,605,062,697	31,373,300,201	33,864,346,857
23	*In which: interest expense*		*8,884,320,215*	*8,587,763,454*	*31,270,061,258*	*31,807,425,082*
26	General and administrative expenses	28	23,208,990,308	19,235,175,328	61,748,661,309	50,480,664,546
30	**Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}**		**14,044,846,907**	**46,529,433,369**	**53,213,148,677**	**73,308,311,279**
31	Other income	30	545,191,536	17,597,352,612	1,171,573,603	18,133,459,166
32	Other expenses	30	555,011,175	110,468,548	556,170,044	603,402,183
40	**Other profit (40 = 31 - 32)**	**30**	**(9,819,639)**	**17,486,884,064**	**615,403,559**	**17,530,056,983**
50	**Accounting profit before tax (50 = 30 + 40)**		**14,035,027,268**	**64,016,317,433**	**53,828,552,236**	**90,838,368,262**
51	Current corporate income tax expense	31	(549,716,183)	12,103,554,686	3,728,658,074	16,429,342,676
52	Deferred tax income (expense)	31	(62,157,862)	491,770,312	1,079,126,189	204,799,594
60	**Net profit after tax (60 = 50 – 51 - 52)**		**14,646,901,313**	**51,420,992,435**	**49,020,767,973**	**74,204,225,992**

Ho Chi Minh City, Jan 21 2020

PREPARER	CHIEF ACCOUNTANT	CHIEF EXECUTIVE OFFICER
Ly Quoc Tuan	Vuong Tran Quoc Thanh	Nguyen Thi Thanh Huong

CÔNG TY CỔ PHẦN KỸ NGHỆ LẠNH (SEAREFICO) QUẬN 3 - TP. HỒ CHÍ MINH

SEPARATE CASH FLOW STATEMENT

(Indirect method)

For the period ended 31 December 2019

Unit: VND

Code	Items	Notes	Current period	Previous period
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**53,828,552,236**	**90,838,368,262**
	Adjustments for:			
02	Depreciation and amortisation		1,098,384,452	2,983,955,018
03	(Reversal of) provisions		13,188,648,533	2,041,852,798
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts		(75,319,470)	55,518,403
05	Profits from investing activities		(44,496,612,609)	(57,967,286,692)
06	Interest expense	29	31,270,061,258	31,807,425,082
07	Other Adjustments		-	-
08	**Operating profit before changes in working capital**		**54,813,714,400**	**69,759,832,871**
09	Increase (decrease) in receivables		(58,540,360,858)	70,172,835,304
10	Decrease (increase) in inventories		2,367,314,693	(11,232,940,277)
11	Increase (decrease) in payables		29,395,128,070	(84,213,313,765)
12	(Increase) decrease in prepaid expenses		(1,294,258,183)	339,612,943
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(30,472,338,802)	(31,383,442,899)
15	Corporate income tax paid	19	(14,292,035,764)	(10,720,148,757)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(16,781,913,710)	(5,763,295,556)
20	**Net cash flows from (used in) operating activities**		**(34,804,750,154)**	**(3,040,860,136)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(9,784,127,273)	(542,242,027)
22	Proceeds from disposals of fixed assets		-	-
23	Loans and purchases of debt instruments of other entities		(90,965,000,000)	(157,000,000,000)
24	Collections of bank deposits		102,965,000,000	170,500,000,000
25	Payments for investments in other entities		(15,083,870,000)	(12,000,000,000)
26	Recieves from investments in other entities		11,800,000,000	11,000,000,000
27	Interest and dividends received		26,573,664,452	31,115,054,062
30	**Net cash flows used in investing activities**		**25,505,667,179**	**43,072,812,035**

SEPARATE CASH FLOW STATEMENT (continued)

For the period ended 31 December 2019

Unit: VND

Code	Items	Notes	Current period	Previous period
	CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares		-	-
32	Capital redemption		-	(28,954,388,040)
33	Drawdown of borrowings		1,275,038,865,731	1,326,323,050,519
34	Repayment of borrowings		(1,223,876,887,283)	(1,395,810,179,988)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	(46,064,593,500)	(25,470,904,647)
40	**Net cash flows from financing activities**		**5,097,384,948**	**(123,912,422,156)**
50	**Net decrease in cash and cash equivalents**		**(4,201,698,027)**	**(83,880,470,257)**
60	**Cash and cash equivalents at beginning of period**	**4**	**39,570,344,558**	**123,450,814,815**
61	Impact of exchange rate fluctuation		-	-
70	**Cash and cash equivalents at end of period**	4	**35,368,646,531**	**39,570,344,558**

Ho Chi Minh City, Jan 21 2020

PREPARER	CHIEF ACCOUNTANT	CHIEF EXECUTIVE OFFICER
Ly Quoc Tuan	Vuong Tran Quoc Thanh	Nguyen Thi Thanh Huong

M.S.D.N: 0301825452-C.T.C.P
CÔNG TY CỔ PHẦN KỸ NGHỆ LẠNH (SEAREFICO)
QUẬN 3 - TP. HỒ CHÍ MINH

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 December 2019

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 and subsequent amendments.

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-SGĐHCM dated 29 September 2009, and the first trading date of the Company's shares was on 21 October 2009.

The Company's registered activities are to consult, survey, design, supply materials and 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 decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machiery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Company is 12 months.

The Company has one branch as follows:

- Danang Refrigeration Electrical Engineering Company – Seaprodex Refrigeration Industry Corporation ("Searee") incorporated pursuant to the BRC No. 3213000275 issued by the DPI of Da Nang City on 17 January 2000 and the amendments. Searee's registered office is located at Road 10, Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City.

The Company has four direct subsidiaries, Asia Refrigeration Industry Joint Stock Company ("Arico"), Searee Refigeration Electrical Engineering Corporration ("Searee Corporation"), Seareal Real Estate JSC ("Seareal") and SEAREFICO Engineering and Construction JSC ("SEC"); an indirect subsidiary, Greenpan Joint Stock Company ("Greenpan") and an associate, Thua Thien Hue Construction Joint Stock Corporation ("HCC").

As at 31 December 2019, the Company had 340 employees (As at 31 December 2018: 358 employees).

2 BASIS OF PREPARATION

2.1 Basis of preparation of separate financial statements

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

The accompanying separate 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.

Separately, the Company has also prepared the consolidated financial statements for the Company and its subsidiary ("the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings – which is company over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the six-month period ended 30 June 2016 in order to obtain full information of the financial position and results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

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

2.3 Currency

The seperate 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 separate income statement.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 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 full provisioning of 100% and approval by the Board of Management.

3.3 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 attributable manufacturing overheads for 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 Company, 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 separate income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 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 separate income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

(b) Investments held to maturity

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

Investments held to maturity include 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) Investment in subsidiary

Subsidiary is entity over which the Company 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 Company controls another entity.

Investment in subsidiary is accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(d) Investment in associate

Associate is investment that the Company has significant influence but not control and would generally have from 20% to under 50% voting shares of the investee.

Investment in associate is accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments.

(e) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 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:

Buildings and structures	5 – 25 years
Machinery and equipment	5 – 20 years
Motor vehicles	6 – 10 years
Office equipment	3 – 8 years
Computer software	3 years
Others	5 – 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 separate income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes construction costs, machinery, equipment and professional fees. For qualifying assets, borrowing costs dealt with in accordance with the Company'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.

3.6 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 separate income statement on a straight-line basis over the period of the lease.

3.7 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the separate balance sheet, mainly comprise of prepaid land rental, office rental, 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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 separate balance sheet based on remaining period from the separate balance sheet date to the maturity date.

3.9 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 separate income statement when incurred.

3.10 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.

3.11 Provisions

Provisions are recognised when: the Company 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.

3.12 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company 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 Company 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 Company.

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 six-month period prior to the balance sheet date.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Share capital

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

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

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 Company's results after business income tax and the appropriation of profit at the reporting date.

3.14 Appropriation of net profit

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

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

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

(a) Development and investment fund

This fund is set aside for use in the Company'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 separate balance sheet.

3.15 Revenue recognition

(a) Sales of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

(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 at the balance sheet date. Claimable receivable and other receivable are included in revenue to the extent that they have been agreed with customers, verified by the customers and issued invoices.

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 period.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividends and appropriation of profits

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

3.16 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 accounting period.

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

3.17 Cost of construction contracts

Cost of construction contracts is recognised based on amount of work completed of construction projects at the 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 Directors of the Company's Divisons 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.

3.18 Financial expenses

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, depreciation of fixed assets used for administration, provision for doubtful debts, outside services and other cash expenses.

3.20 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 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 separate 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 separate 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.

3.21 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company 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 Company considers the substance of the relationship not merely the legal form.

4. CASH AND CASH EQUIVALENTS

Unit: VND

	Ending balance	Beginning balance
Cash on hand	290,399,254	177,390,296
Cash at banks	35,078,247,277	21,192,954,262
Cash equivalents (*)	-	18,200,000,000
TOTAL	**35,368,646,531**	**39,570,344,558**

(*) Cash equivalents represent bank term deposits with the original maturity of less than three months.

5. SHORT-TERM INVESTMENTS

5.1 Held-to-maturity securities

Held-to-maturity securities include term bank deposits with original maturity of more than three months and less than one year as follows:

Unit: VND

	Ending balance		Beginning balance	
	Cost	Fair value	Cost	Fair value
Short- term				
- Term bank deposit with the original maturity of more than three months.	151,703,107,647	151,703,107,647	163,600,928,908	163,600,928,908
TOTAL	**151,703,107,647**	**151,703,107,647**	**163,600,928,908**	**163,600,928,908**

6. SHORT-TERM TRADE RECEIVABLES AND SHORT-TERM ADVANCE TO SUPPLIERS

6.1 Short-term trade receivables

Unit: VND

	Ending balance	Beginning balance
Third parties	727,980,304,279	709,864,175,295
Related parties *(Note 32)*	3,429,932,794	-
TOTAL	**731,410,237,073**	**709,864,175,295**
Provision for doubtful short-term receivables	(30,685,038,581)	(17,127,945,367)
NET	**700,725,198,492**	**692,736,229,928**

6.2 Short-term advance to suppliers

Unit: VND

	Ending balance	Beginning balance
Advances to suppliers	58,218,920,113	17,942,238,052
Advances to related parties (Note 32)	79,279,464	-
TOTAL	**58,298,199,577**	**17,942,238,052**

7. OTHER SHORT-TERM RECEIVABLES

Unit: VND

7.1 Other short - term receivables

	Ending balance	Beginning balance
- Advance to employees	6,970,274,109	5,563,913,803
- Other receivables from construction teams	4,371,588,533	2,803,291,656
- Other receivables from employees	3,321,478,649	3,391,324,892
- Short-term deposit	1,865,252,438	905,457,403
- Interest income receivables	5,668,482,740	6,207,112,876
- Distributed profit	-	3,613,577,955
- Others	2,717,275,217	2,510,998,523
TOTAL	**42,596,851,686**	**24,995,677,108**
In which:		
- Other receivables from related parties (Note 32)	*17,892,774,696*	*4,584,288,895*
- Other receivables from other parties	*24,704,076,990*	*20,411,388,213*

7. OTHER RECEIVABLES (continued)

7.2 Other long - term receivables

Unit: VND

	Ending balance	Beginning balance
- Long-term deposit	1,530,901,840	1,329,151,840
TOTAL	**1,530,901,840**	**1,329,151,840**

8. INVENTORIES

Unit: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
- Work in process	181,588,676,272	-	187,852,390,603	-
- Raw materials	24,533,633,511	(1,516,723,953)	8,580,501,437	(994,792,949)
- Goods in transit	1,210,923,000	-	34,704,921,880	-
- Finished goods	10,310,241	-	10,310,241	-
- Goods;	21,437,266,444	-	-	-
TOTAL	**228,780,809,468**	**(1,516,723,953)**	**231,148,124,161**	**(994,792,949)**

Details of movements of provision for obsolete inventories are as follows:

Unit: VND

	Ending balance	Beginning Balance
Beginning balance	(994,792,949)	(794,732,656)
Add: Provision created during the year	(523,566,122)	(200,060,293)
Less: Utilisation and reversal of provision during the year	1,635,118	-
Ending balance	**(1,516,723,953)**	**(994,792,949)**

9. TANGIBLE FIXED ASSETS

Unit: VND

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	TOTAL
Cost						
Beginning balance	67,000,000	2,879,083,961	8,973,459,478	2,639,308,734	1,027,578,205	**15,586,430,378**
- New purchase	-	84,000,000	-	104,527,273	-	**188,527,273**
Ending balance	67,000,000	2,963,083,961	8,973,459,478	2,743,836,007	1,027,578,205	**15,774,957,651**
In which:						
Fully depreciated	67,000,000	2,486,164,959	4,820,466,751	1,858,626,916	506,578,205	***9,738,836,831***
Accumulated depreciation:						
Beginning balance	67,000,000	2,529,589,240	6,992,435,921	2,019,988,280	790,225,424	**12,399,238,865**
- Depreciation for the period	-	89,774,281	470,192,604	190,334,338	190,769,456	**941,070,679**
Ending balance	67,000,000	2,619,363,521	7,462,628,525	2,210,322,618	980,994,880	**13,340,309,544**
Net carrying amount:						
Beginning balance	-	349,494,721	1,981,023,557	619,320,454	237,352,781	**3,187,191,513**
Ending balance	-	343,720,440	1,510,830,953	533,513,389	46,583,325	**2,434,648,107**

10. FIXED ASSETS OF FINANCIAL LEASING

The Company has no fixed assets of financial leasing in the period.

11. INTANGIBLE ASSETS

Unit: VND

	Computer software	Total
Cost:		
Beginning balance	1,712,426,260	**1,712,426,260**
- New purchase	-	-
Ending balance	**1,712,426,260**	**1,712,426,260**
In which:		
Fully amortised	*1,422,266,260*	***1,422,266,260***
Accumulated amortisation:		
Beginning balance	1,505,900,487	**1,505,900,487**
- Amortisation for the year	157,313,773	**157,313,773**
Ending balance	**1,663,214,260**	**1,663,214,260**
Net carrying amount:		
Beginning balance	**206,525,773**	**206,525,773**
Ending balance	**49,212,000**	**49,212,000**

12. CONSTRUCTION IN PROGRESS

Unit: VND

	Ending balance	Beginning balance
ERP System	2,959,128,345	2,674,876,462
Other	63,000,000	63,000,000
TOTAL	**3,022,128,345**	**2,737,876,462**

12. CONSTRUCTION IN PROGRESS (continued)

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

Unit: VND

	Ending balance	Beginning balance
Opening balance	2,737,876,462	2,645,053,437
Purchases	284,251,883	92,823,025
Closing balance	**3,022,128,345**	**2,737,876,462**

13. LONG-TERM INVESTMENTS

13.1 Investment in a subsidiary

	Ending balance		Beginning balance	
	Cost of investment	*% of ownership*	*Cost of investment*	*% of ownership*
Asia Refrigeration Industry Company Limited	79,584,188,754	84.00%	79,584,188,754	84.00%
Greenpan Joint Stock Company	21,000,000,000	72.84%	12,000,000,000	72.84%
Searee Refigeration Electrical Engineering Corporration	36,650,000,000	73.30%	32,466,130,000	65.00%
Total	**137,234,188,754**		**124,050,318,754**	

(a) Asia Refrigeration Industry Company Limited ("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.

(b) Greenpan Joint Stock Company ("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 Company owns directly 30% and indirectly 42.84% of the charter capital through Arico (Arico owns 51% of Greenpan's charter capital).

(c) Searee Refigeration Electrical Engineering Corporration ("Searee Corporation") was incorporated pursuant to the ERCJSC No. 0401917298 dated 8th August 2018 issued by the DPI of Da Nang City. Searee Corporation's registered office is located at Street No.10, Hoa Khanh Industrial Park, Bac Hoa Khanh Ward, Lien Chieu District, Da Nang City, Vietnam.

(d) Seareal Real Estate Joint Stock Company ("Seareal") was incorporated pursuant to the ERCJSC No. 0315917167 dated 21 September 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. The charter capital of Seareal is VND 100 billion, in which, the Company owns 98.4% of the charter capital. As at 31 December 2019, the Company is being process of capital contribution.

(e) SEAREFICO Engineering and Construction Joint Stock Company ("SEC") was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. The charter capital of Seareal is VND 70 billion, in which, the Company owns 100% of the charter capital. As at 31 December 2019, the Company is being process of capital contribution.

13.2 Investment in an associate

Unit: VND

	Ending balance		Beginning balance	
	Cost of investment	*% of ownership*	*Cost of investment*	*% of ownership*
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	51,392,880,000	36%	51,392,880,000	36%

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

HCC's office is located at 9 Pham Van Dong Street, Hue City, Thua Thien Hue Province, Vietnam.

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in an associate (continued)

The current 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.

13.3 Investment in other entity

Unit: VND

	Ending balance		Beginning balance	
	Cost of investment	*% of ownership*	*Cost of investment*	*% of ownership*
International Investment and Water Technology Joint Stock Company ("Inwatek")	6,196,000,000	6.88%	6,196,000,000	6.88%
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00%	-	0.00%
	8,096,000,000		**6,196,000,000**	

(a) Inwatek is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0313029247 issued by the DPI of Ho Chi Minh City on 26 November 2014, with its office located at Room No.802, 8th Floor, Area B, Waseco building, No. 10 Pho Quang, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam. The current major business lines of Inwatek are trading machinery and equipment to be used for water production, installing water processing and exploiting systems.

(b) Formtek is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 0314622964 issued by the DPI of Ho Chi Minh City on 13 September 2017, with its office located at the 8th Floor, Area B, Waseco building, No. 10 Pho Quang, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam. The current major business lines of Formtek are manufacturing metal tools and domestic appliances, installation of the system water supply and other construction.

14. PREPAID EXPENSES

Unit: VND

	Ending balance	Beginning balance
Short-term		
- Tools and supplies	67,705,848	235,184,896
- Others	743,628,168	840,808,140
Total	**879,039,864**	**1,311,177,932**
Long-term		
- Tools and supplies	756,922,347	336,839,058
- Others	2,104,814,310	965,980,396
Total	**2,861,736,657**	**1,302,819,454**

15. DEFERRED TAX ASSETS

Deferred income tax asset mainly arises from deductible temporary differences in relation to accrual expense and provisions. The movement of deferred income tax assset during the period is as follows:

Unit: VND

	Ending balance	Beginning balance
Opening balance	2,942,376,172	3,147,175,766
Income statement credit	(1,079,126,189)	(204,799,594)
Closing balance	**1,863,249,983**	**2,942,376,172**

16- SHORT-TERM TRADE PAYABLES

Unit: VND

	Ending balance	Beginning balance
Third parties	251,915,638,104	229,438,599,307
Related parties *(Note 32)*	43,600,274,651	10,909,977,397
TOTAL	**295,515,912,755**	**240,348,576,704**

17- SHORT-TERM ADVANCES FROM CUSTOMERS

Unit: VND

	Ending balance	Beginning balance
Third parties	73,845,741,196	59,823,696,803
TOTAL	**73,845,741,196**	**59,823,696,803**

18. LOANS

18.1 Short-term Loans from banks

Unit: VND

	Beginning balance	Increase in year	Payment in year	Ending balance
Short-term loans from banks	**468,514,676,717**	**1,260,038,865,731**	**1,223,876,887,283**	**504,676,655,165**
- Vietnam Joint Stock Commercial Bank for Industry and Trade - 6th Ho Chi Minh Branch	268,058,624,573	437,311,392,552	499,066,565,338	206,303,451,787
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	77,014,557,088	516,932,555,828	347,418,142,386	246,528,970,530
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Da Nang Branch	60,674,098,962	93,379,069,810	152,762,624,016	1,290,544,756
- HSBC (Vietnam)	29,535,061,984	-	29,535,061,984	-
- Military Commercial Joint Stock Bank - Saigon Branch	-	2,479,400,000	-	2,479,400,000
- Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	3,376,078,981	29,825,342,418	33,201,421,399	-
- Bank for Investment and Development of Vietnam Joint Stock Company	-	121,955,859,022	111,504,533,182	10,451,325,840
- Standard Chartered - Ho Chi Minh Branch	29,856,255,129	43,091,550,455	50,388,538,978	22,559,266,606
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	-	15,063,695,646	-	15,063,695,646
Short-term loans from other organizations	**-**	**15,000,000,000**	**-**	**15,000,000,000**
Asia Refrigeration Industry Company Limited	-	15,000,000,000	-	15,000,000,000
TOTAL	**468,514,676,717**	**1,275,038,865,731**	**1,223,876,887,283**	**519,676,655,165**

Unit: VND

19. STATUTORY OBLIGATIONS

	Beginning balance	Increase in year	Payment in year	Ending balance
- Domestic value-added tax	6,558,807,121	19,963,099,822	16,475,451,390	10,046,455,553
- Import value-added tax	-	10,254,473,835	10,254,473,835	-
- Special sales tax	-	64,274,260	64,274,260	-
- Import, export duties	-	1,430,960,223	1,430,960,223	-
- Corporate income tax	11,876,176,143	3,728,658,074	14,292,035,764	1,312,798,453
- Others	292,145,141	14,107,755,688	13,365,425,026	1,034,475,803
- Personal income tax	*292,145,141*	*12,602,987,157*	*11,860,656,495*	1,034,475,803
- Withholding taxes	-	*1,500,768,531*	*1,500,768,531*	-
- Business tax	-	*4,000,000*	*4,000,000*	-
TOTAL	**18,727,128,405**	**49,549,221,902**	**55,882,620,498**	**12,393,729,809**
TOTAL	-	-	-	-

20. ACCRUED EXPENSES

20.1 Short-term accrued expenses

Unit: VND

	Ending balance	Beginning balance
- Accrued project costs	62,888,566,659	100,493,329,463
- Interest expense	1,051,670,972	698,151,492
- Others	1,732,946,588	1,164,242,570
TOTAL	**65,673,184,219**	**102,355,723,525**

21. OTHER PAYABLES

21.1 Other short-term payables

Unit: VND

	Ending balance	Beginning balance
- Other payables to employees	659,124,871	1,119,401,106
- Social insurance, health insurance and trade union fees	1,455,971,545	1,406,111,489
- Dividends payable (Note 25.4)	22,088,676,700	579,396,800
- Others	28,669,630,294	16,811,782,578
TOTAL	**52,873,403,410**	**19,916,691,973**

22. SHORT-TERM PROVISION

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	687,182,168	3,154,631,543
- Provision during the year	185,640,158	894,289,046
- Utilised and reversed during the year	(660,660,843)	(3,361,738,421)
- Ending balance	**212,161,483**	**687,182,168**

Short-term provision represents warranty for projects that have been completed and handed over at the balance sheet date.

23. BONUS AND WELFARE FUND

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	14,004,576,062	4,276,543,054
- Appropriation during the year	15,582,887,458	15,491,328,564
- Utilised during the year	(16,781,913,710)	(5,763,295,556)
- Ending balance	**12,805,549,810**	**14,004,576,062**

24. LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	3,887,134,250	7,151,264,171
- Provision during the year	58,042,500	1,546,491,500
- Utilised and reversed during the year	(473,397,500)	(376,558,500)
- Transfer to employee payables	-	(4,434,062,921)
- Ending balance	**3,471,779,250**	**3,887,134,250**

25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

Unit: VND

	Contributed share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
For period ended 31 December 2018						
Beginning balance	**324,953,970,000**	**284,019,059**	**(284,019,059)**	**5,427,578,589**	**69,628,942,167**	**400,010,490,756**
- Net profit for the year	-	-	-	-	74,204,225,992	74,204,225,992
- Profit appropriation to bonus fund	-	-	-	-	(15,491,328,564)	(15,491,328,564)
- Dividends declared	-	-	-	-	(25,086,205,600)	(25,086,205,600)
- Re-purchase of shares	-	-	(28,954,388,040)	-	-	(28,954,388,040)
Ending balance	**324,953,970,000**	**284,019,059**	**(29,238,407,099)**	**5,427,578,589**	**103,255,633,995**	**404,682,794,544**
For period ended 31 December 2019						
Beginning balance	**324,953,970,000**	**284,019,059**	**(29,238,407,099)**	**5,427,578,589**	**103,255,633,995**	**404,682,794,544**
- Net profit for the year	-	-	-	-	49,020,767,973	49,020,767,973
- Profit appropriation to bonus fund	-	-	-	-	(15,582,887,458)	(15,582,887,458)
- Dividends declared	-	-	-	-	(67,573,873,400)	(67,573,873,400)
Ending balance	**324,953,970,000**	**284,019,059**	**(29,238,407,099)**	**5,427,578,589**	**69,119,641,110**	**370,546,801,659**

25. OWNERS' EQUITY (continued)

25.2 Details of contributed share capital

	Ending balance		
	Shares	*VND*	*%*
Taisei Oncho Co., Ltd	8,099,506	80,995,060,000	24.93
SANYO Engineering & Construction Vietnam Co., Ltd	6,500,000	65,000,000,000	20.00
Vietnam Seaproducts Joint Stock Corporation	4,152,000	41,520,000,000	12.78
Other shareholders	11,963,891	119,638,910,000	36.81
Treasury shares	1,780,000	17,800,000,000	5.48
TOTAL	**32,495,397**	**324,953,970,000**	**100.00**

25.3 Shares

	Ending balance	Beginning balance
	Quantity	*Quantity*
Authorized shares	**32,495,397**	**32,495,397**
Issued shares		
Issued and paid-up shares	32,495,397	32,495,397
Ordinary shares	*32,495,397*	*32,495,397*
Treasury shares		
Ordinary shares	*(1,780,000)*	*(1,780,000)*
Shares in circulation		
Ordinary shares	*30,715,397*	*30,715,397*

The par value is VND 10.000/share (previous year: VND 10.000/share)

25.4 Dividends

VNĐ

	Current period	Previous period
Beginning balance	**579,396,800**	**964,095,847**
Dividends declared during the period	**67,573,873,400**	**25,086,205,600**
Last dividends payment for 2017 FY: 800 VND per share	-	*25,086,205,600*
First dividends payment for 2018 FY: 700 VND per share	*21,500,777,900*	-
Last dividends payment for 2018 FY: 800 VND per share	*24,572,317,600*	-
First dividends payment for 2019 FY: 700 VND per share	*21,500,777,900*	
Dividends paid during the period	**(46,064,593,500)**	**(25,470,904,647)**
Ending balance	**22,088,676,700**	**579,396,800**

26. REVENUES

26.1 Revenues from sale of goods and rendering of services

Unit: VND

	This period	Previous period	Current year	Previous year
Gross revenues	**476,796,484,729**	**640,505,881,916**	**1,406,557,457,383**	**1,526,972,640,040**
Of which:				
- Revenue from construction contracts	473,187,927,161	640,505,881,916	1,401,563,636,891	1,525,497,419,156
- Revenue from lease	539,903,513	-	1,684,142,284	1,189,973,804
- Revenue from sale of goods	68,654,055	-	309,678,208	285,247,080
- Revenue from other services	3,000,000,000	-	3,000,000,000	-
Revenue deduction	-	-	-	-
Net revenues	**476,796,484,729**	**640,505,881,916**	**1,406,557,457,383**	**1,526,972,640,040**
Of which:				
- Revenue from other parties	472,523,283,317	599,144,084,329	1,276,144,138,661	1,479,525,049,847
- Revenue from related parties (Note 32)	4,273,201,412	41,361,797,587	130,413,318,722	47,447,590,193

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	3,643,296,771	4,046,975,262	12,701,272,609	20,091,794,841
- Gain on disposal of instruments.	-	11,400,000,000	-	11,400,000,000
- Dividends earned	17,682,500,000	-	31,795,340,000	9,362,492,216
- Foreign exchange gains incurred during the period	(124,003)	152,011,496	72,767,464	288,860,066
- Foreign exchange gains from revaluation	80,377,103	-	80,377,103	-
TOTAL	**21,406,049,871**	**15,598,986,758**	**44,649,757,176**	**41,143,147,123**

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	450,985,919,201	581,555,568,221	1,302,481,351,554	1,408,886,353,900
- Cost of lease	507,860,292	-	1,561,384,473	1,095,633,367
- Cost of goods sold	65,865,915	-	307,437,341	280,416,921
- (Reversal of) provision for obsolete inventories	523,566,122	179,629,059	521,931,004	200,060,293
TOTAL	**452,083,211,530**	**581,735,197,280**	**1,304,872,104,372**	**1,410,462,464,481**

28. GENERAL AND ADMINISTRATIVE EXPENSES

Unit: VND

	This period	Previous period	Current year	Previous year
- Staff costs	15,602,352,958	16,910,593,038	32,943,516,332	35,157,191,287
- Tools and equipment costs	90,936,054	141,930,728	606,914,030	640,251,304
- Depreciation and amortisation	270,521,625	282,178,578	1,218,744,212	1,168,111,164
- (Reversal of provision) provisions	2,560,838,545	2,260,593,336	13,557,093,214	3,139,308,880
- External service expenses	4,300,545,499	2,575,361,923	13,883,645,724	13,404,841,429
- Others	383,795,627	610,723,085	2,147,474,317	3,577,047,275
- Reversal of accrued staff costs	-	(3,546,205,360)	(2,608,726,520)	(6,606,086,793)
TOTAL	**23,208,990,308**	**19,235,175,328**	**61,748,661,309**	**50,480,664,546**

29. FINANCE EXPENSES

Unit: VND

	This period	Previous period	Current year	Previous year
- Loan interest	8,884,320,215	8,587,763,454	31,270,061,258	31,807,425,082
- Foreign exchange losses incurred	(1,002,396)	17,299,243	98,181,310	122,983,784
- Foreign exchange losses from revaluation	(17,831,964)	-	5,057,633	55,518,403
- Settlement discount	-	-	-	1,878,419,588
TOTAL	**8,865,485,855**	**8,605,062,697**	**31,373,300,201**	**33,864,346,857**

30. OTHER INCOME AND EXPENSES

Unit: VND

	This period	Previous period	Current year	Previous year
Other income	**545,191,536**	**17,597,352,612**	**1,171,573,603**	**18,133,459,166**
- Gain on assessment of assets contributed as capital	-	17,112,999,635	-	17,112,999,635
- Others	545,191,536	484,352,977	1,171,573,603	1,020,459,531
Other expenses	**555,011,175**	**110,468,548**	**556,170,044**	**603,402,183**
- Penalties	-	7,301,729	565,055	8,015,971
- Others	555,011,175	103,166,819	555,604,989	595,386,212
NET OTHER PROFIT	**(9,819,639)**	**17,486,884,064**	**615,403,559**	**17,530,056,983**

31. CORPORATE INCOME TAX

31.1 CIT expenses

Unit: VND

	This period	Previous period	Current year	Previous year
- Current CIT expense	(549,716,183)	12,103,554,686	4,183,418,026	16,429,342,676
- Adjustment for CIT from prior year	-	-	(454,759,952)	-
- Deferred CIT (income) expense	(62,157,862)	491,770,312	1,079,126,189	204,799,594
TOTAL	**(611,874,045)**	**12,595,324,998**	**4,807,784,263**	**16,634,142,270**

31.2 Current CIT

The current CIT payable is based on taxable profit for the current year. The taxable profit of The Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current CIT is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the accounting profit before tax as reported in the separate income statement and the taxable profit is presented below:

Unit: VND

	This period	Previous period	Current year	Previous year
Net profit before tax	**14,035,027,268**	**64,016,317,433**	**53,828,552,236**	**90,838,368,262**
Adjustments:				
Non-deductible expenses	588,102,502	(365,885,398)	4,279,508,830	2,368,642,351
Temporary differences	310,789,318	(2,458,851,558)	(5,395,630,936)	(1,023,997,970)
Non-taxable income	(17,682,500,000)	-	(31,795,340,000)	(9,362,492,216)
Estimated taxable profit	**(2,748,580,912)**	**61,191,580,477**	**20,917,090,130**	**82,820,520,427**
In which:				
Estimated current taxable profit	*(2,748,580,912)*	*61,191,580,477*	*20,917,090,130*	*82,820,520,427*
Estimated CIT payable	**(549,716,183)**	**12,238,316,095**	**4,183,418,026**	**16,564,104,085**
CIT Exemption	-	-	-	-
Estimated CIT payable at end of period after exemption	**(549,716,183)**	**12,238,316,095**	**4,183,418,026**	**16,564,104,085**
Adjustment of CIT from prior period	-	*(134,761,409)*	*(454,759,952)*	*(134,761,409)*
Current corporate income tax expense	**(549,716,183)**	**12,103,554,686**	**3,728,658,074**	**16,429,342,676**
Deferred tax income expense	(62,157,862)	491,770,312	1,079,126,189	204,799,594
Total corporate income tax expense	**(611,874,045)**	**12,595,324,998**	**4,807,784,263**	**16,634,142,270**

32. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in the current year and previous year were as follows:

Unit: VND

Related party	Relationship	Transaction	Ending balance	Beginning balance
Purchase Good, services and other transactions				
Asia Refrigeration Industry Company Limited ("Arico")	Subsidiary	Distributed Profit	18,480,000,000	-
	Subsidiary	Interest Expenses	12,950,914	378,209,567
		Purchase construction	2,166,443,141	40,221,837,920
		Other services	-	594,356,105
Thua Thien Hue Construction Joint Stock Corporation	Associate	Dividends received	8,232,840,000	8,232,840,000
		Purchase	6,655,332,107	739,421,818
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Dividends received	5,082,500,000	-
		Purchase construction and other services	199,762,464,043	63,747,867,742
			240,392,530,205	**113,914,533,152**
Revenues from sale of goods and rendering of services (No 26.1)				
Asia Refrigeration Industry Company Limited ("Arico")	Subsidiary	Selling	-	285,247,080
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Selling	127,295,198,001	47,162,343,113
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Other service	3,000,000,000	-
Greenpan Joint Stock Company	Subsidiary	Other	49,466,666	-
Phoenix Energy & Automation Joint Stock Company	Associate	Other	68,654,055	-
			130,413,318,722	**47,447,590,193**

Amounts due from and due to related parties at the balance sheet dates were as follows:

Short-term trade receivables (Note 6.1)				
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Other service	3,300,000,000	-
Greenpan Joint Stock Company	Subsidiary	Other	54,413,333	-
Phoenix Energy & Automation Joint Stock Company	Associate	Selling	75,519,461	-
			3,429,932,794	-
Short-term advances to suppliers (Note 6.2)				
Asia Refrigeration Industry Company Limited ("Arico")	Subsidiary	Purchase of construction services	**79,279,464**	-

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Other short-term receivables (Note 7)

Asia Refrigeration Industry Company Limited ("Arico")	Subsidiary	Distributed Profit & others	12,600,000,000	4,584,288,895
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Distributed Profit	5,082,500,000	-
Greenpan Joint Stock Company	Subsidiary	Other	70,372,344	-
Phoenix Energy & Automation Joint Stock Company	Associate	Other	139,902,352	-
			17,892,774,696	**4,584,288,895**

Short-term trade payables (Note 16)

Thua Thien Hue Construction Joint Stock Corporation	Associate	Purchase of construction services	4,269,202,084	-
Asia Refrigeration Industry Company Limited ("Arico")	Subsidiary	Purchase of construction services	1,290,995,015	6,616,354,970
Searee Refigeration Electrical Engineering Corporation	Subsidiary	Purchased of construction contracts	38,040,077,552	4,293,622,427
			43,600,274,651	**10,909,977,397**

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Boards of Directors and Supervision, salaries and benefits of management and key executives were as follows:

Unit: VND

	This period	Previous period	Current year	Previous year
Allowance for the Boards of Directors and Supervision	483,000,000	483,000,000	1,932,000,000	1,929,333,333
Salaries and benefits of the Board of Directors, management and key executives	604,175,000	669,797,500	5,026,013,428	5,695,830,970
TOTAL	**1,087,175,000**	**1,152,797,500**	**6,958,013,428**	**7,625,164,303**

33. SEGMENT REPORT

Segment information is presented in respect of business activity or geography. The Company 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 Company does not present segmental information.

Ho Chi Minh City, Jan 21 2020

PREPARER	CHIEF ACCOUNTANT	CHIEF EXECUTIVE OFFICER
Ly Quoc Tuan	Vuong Tran Quoc Thanh	Nguyen Thi Thanh Huong

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