

SEAPRODEX REFRIGERATION INDUSTRY CORPORATION

SEPARATE FINANCIAL STATEMENTS

1st Quarter of 2020

SEPARATE BALANCE SHEET

as at 31 March 2020

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
100	Current Assets (100 = 110+120+130+140+150)		1.090.436.193.965	1.222.756.718.061
110	Cash and cash equivalents	4	14.230.868.461	35.368.646.531
111	Cash		14.230.868.461	35.368.646.531
112	Cash equivalents		-	-
120	Short-term investments		151.703.107.647	151.703.107.647
123	Held-to-maturity investments	5,1	151.703.107.647	151.703.107.647
130	Current accounts receivable		670.284.098.863	789.259.566.760
131	Short-term trade receivables	6.1	563.994.226.587	722.212.296.396
132	Short-term advances to suppliers	6.2	101.795.078.287	58.298.199.577
136	Other short-term receivables	7.1	35.179.832.570	39.434.109.368
139	Provision for short-term doubtful receivables	6,1	(30.685.038.581)	(30.685.038.581)
140	Inventories	8	244.596.900.844	245.747.751.605
141	Inventories		246.113.624.797	247.264.475.558
149	Provision for obsolete inventories		(1.516.723.953)	(1.516.723.953)
150	Other current assets		9.621.218.150	677.645.518
151	Short-term prepaid expenses	14	6.051.310.556	677.645.518
152	Value-added tax deductible		3.481.345.484	-
200	Non - Current Assets (200 = 210+220+240+250+260)		277.476.968.597	208.618.634.184
210	Long-term receivable		1.530.901.840	1.530.901.840
216	Other long-term receivables	7.2	1.530.901.840	1.530.901.840
220	Fixed assets		2.333.511.848	2.483.860.107
221	Tangible fixed assets	9	2.301.327.848	2.434.648.107
222	<i>Cost</i>		<i>15.858.957.651</i>	<i>15.774.957.651</i>
223	<i>Accumulated depreciation</i>		<i>(13.557.629.803)</i>	<i>(13.340.309.544)</i>
224	Fixed assets of financial leasing	10	-	-
227	Intangible assets	11	32.184.000	49.212.000
228	<i>Cost</i>		<i>1.712.426.260</i>	<i>1.712.426.260</i>
229	<i>Accumulated depreciation</i>		<i>(1.680.242.260)</i>	<i>(1.663.214.260)</i>
230	Investment property		-	-
240	Long-term assets in progress		3.027.088.233	3.022.128.345
242	Construction in progress	12	3.027.088.233	3.022.128.345
250	Long-term investments	13	266.023.068.754	196.723.068.754
251	Investment in a subsidiary	13.1	206.534.188.754	137.234.188.754
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	8.096.000.000

SEPARATE BALANCE SHEET (continued)

as at 31 March 2020

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
260	Other long-term assets		4.562.397.922	4.858.675.138
261	Long-term prepaid expenses	14	2.909.400.630	2.995.425.155
262	Deferred tax assets	15	1.652.997.292	1.863.249.983
270	Total Assets (270 = 100 + 200)		1.367.913.162.562	1.431.375.352.245

Code	Resources	Notes	Ending Balance	Beginning Balance
300	Liabilities (300 = 310+330)		1.007.770.032.843	1.061.565.605.026
310	Current liabilities		1.004.925.013.593	1.058.093.825.776
311	Short-term trade payables	16	191.174.853.370	298.508.549.767
312	Short-term advances from customers	17	146.502.468.130	75.364.029.837
313	Tax and other payables to the State Budget	19	252.897.492	12.209.466.199
314	Payables to employees		11.946.786.505	18.237.450.394
315	Short-term accrued expenses	20.1	57.555.440.589	68.206.559.711
319	Other short-term payables	21.1	11.776.999.171	33.408.403.410
320	Short-term loans	18	571.999.618.518	539.141.655.165
321	Short-term provision	22	178.356.091	212.161.483
322	Bonus and welfare fund	23	13.537.593.727	12.805.549.810
330	Non-current liabilities		2.845.019.250	3.471.779.250
342	Long-term provision	24	2.845.019.250	3.471.779.250
400	Owners' Equity		360.143.129.719	369.809.747.219
410	Capital	25	360.143.129.719	369.809.747.219
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		58.715.969.170	68.382.586.670
421.1	Undistributed earnings up to prior year-end		58.088.225.396	41.599.651.037
421.2	Undistributed earnings of current year		627.743.774	26.782.935.633
600	Total Liabilities and Owners' Equity (600 = 300+400)		1.367.913.162.562	1.431.375.352.245

PREPARER

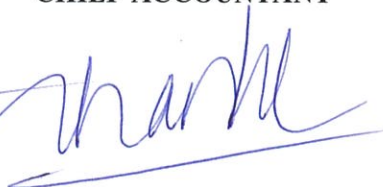
CHIEF ACCOUNTANT

Ho Chi Minh City, Apr 29 2020

CHIEF EXECUTIVE OFFICER



Pham Ai Lien



Vuong Tran Quoc Thanh



Nguyen Thi Thanh Huong

SEPARATE INCOME STATEMENT

For the period: 1st Quarter of 2020

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	111.619.917.088	195.991.399.331	111.619.917.088	195.991.399.331
02	Deductions	26.1	-	-	-	-
10	Net revenues from sale of goods and rendering of services (10= 01-02)	26.1	111.619.917.088	195.991.399.331	111.619.917.088	195.991.399.331
11	Costs of goods sold and services rendered	27	103.904.280.236	187.132.536.440	103.904.280.236	187.132.536.440
20	Gross profit from sale of goods and rendering of services (20=10 - 11)		7.715.636.852	8.858.862.891	7.715.636.852	8.858.862.891
21	Finance income	26.2	2.931.553.059	3.582.309.919	2.931.553.059	3.582.309.919
22	Finance expenses	29	8.306.925.933	6.761.938.933	8.306.925.933	6.761.938.933
23	<i>In which: interest expense</i>		7.936.269.961	6.760.919.837	7.936.269.961	6.760.919.837
26	General and administrative expenses	28	2.716.826.745	3.438.332.117	2.716.826.745	3.438.332.117
30	Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}		(376.562.767)	2.240.901.760	(376.562.767)	2.240.901.760
31	Other income	30	1.747.824.885	52.634.887	1.747.824.885	52.634.887
32	Other expenses	30	262.546.525	30.653.044	262.546.525	30.653.044
40	Other profit (40 = 31 - 32)	30	1.485.278.360	21.981.843	1.485.278.360	21.981.843
50	Accounting profit before tax (50 = 30 + 40)		1.108.715.593	2.262.883.603	1.108.715.593	2.262.883.603
51	Current corporate income tax expense	31	270.719.128	(185.569.276)	270.719.128	(185.569.276)
52	Deferred tax income (expense)	31	210.252.691	537.688.487	210.252.691	537.688.487
60	Net profit after tax (60 = 50 - 51 - 52)		627.743.774	1.910.764.392	627.743.774	1.910.764.392

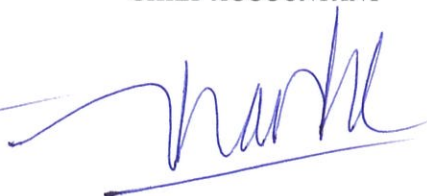
PREPARER

CHIEF ACCOUNTANT

Ho Chi Minh City, Apr 29 2020
CHIEF EXECUTIVE OFFICER



Pham Ai Lien



Vuong Tran Quoc Thanh



Nguyen Thi Thanh Huong

SEPARATE CASH FLOW STATEMENT

(Indirect method)

For the period ended 31 March 2020

Unit: VND

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		1.108.715.593	2.262.883.603
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		234.348.259	334.634.274
03	(Reversal of) provisions		(660.565.392)	(278.925.993)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts		314.115.708	(92.607.781)
05	Profits from investing activities		(2.922.193.451)	(3.489.647.418)
06	Interest expense	29	7.936.269.961	6.760.919.837
07	Other Adjustments		-	(610.942.500)
08	Operating profit before changes in working capital		6.010.690.678	4.886.314.022
09	Increase (decrease) in receivables		106.496.859.511	162.002.289.612
10	Decrease (increase) in inventories		1.150.850.761	(42.258.958.143)
11	Increase (decrease) in payables		(63.789.788.955)	(36.036.866.798)
12	(Increase) decrease in prepaid expenses		(5.292.600.401)	(10.093.213.001)
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(8.647.089.881)	(6.679.932.759)
15	Corporate income tax paid	19	(1.312.798.453)	(13.371.347.525)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(9.562.317.357)	(13.986.743.710)
20	Net cash flows from (used in) operating activities		25.053.805.903	44.461.541.698
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		(84.000.000)	(7.539.400.000)
22	Proceeds from disposals of fixed assets		-	-
23	Loans and purchases of debt instruments of other entities		-	(25.965.000.000)
24	Collections of bank deposits		-	12.000.000.000
25	Payments for investments in other entities		(69.300.000.000)	(1.900.000.000)
26	Receives from investments in other entities		-	3.000.000.000
27	Interest and dividends received		11.830.937.743	578.633.272
30	Net cash flows used in investing activities		(57.553.062.257)	(19.825.766.728)

SEPARATE CASH FLOW STATEMENT (continued)

For the period ended 31 March 2020

Unit: VND

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares		-	-
32	Capital redemption		-	-
33	Drawdown of borrowings		282.662.448.895	302.927.808.968
34	Repayment of borrowings		(249.804.485.542)	(324.081.816.069)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	(21.496.810.300)	(21.496.810.300)
40	Net cash flows from financing activities		11.361.153.053	(42.650.817.401)
50	Net decrease in cash and cash equivalents		(21.138.103.301)	(18.015.042.431)
60	Cash and cash equivalents at beginning of period	4	35.368.646.531	39.570.344.558
61	Impact of exchange rate fluctuation		325.231	-
70	Cash and cash equivalents at end of period	4	14.230.868.461	21.555.302.127

PREPARER

CHIEF ACCOUNTANT

Ho Chi Minh City, Apr 29 2020

CHIEF EXECUTIVE OFFICER



Pham Ai Lien



Vuong Tran Quoc Thanh



M.S.D.N: 0501825452-C.T.C.P
 CÔNG TY
 CỔ PHẦN
 KỸ NGHỆ LẠNH
 (SEAREFICO)
 QUẬN 3 - TP. HỒ CHÍ MINH

Nguyen Thi Thanh Huong

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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-SGDHCM 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, machinery 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 Refrigeration Electrical Engineering Corporation (“Searee Corporation”), Seareal Real Estate JSC (“Seareal”) and SEAREFICO Engineering and Construction JSC an indirect subsidiary, Greenpan Joint Stock Company (“Greenpan”) and an associate, Thua Thien Hue Construction Joint Stock Corporation (“HCC”).

As at 31 March 2020, the Company had 323 employees (As at 31 December 2019: 340 employees).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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 separate 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 separate 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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 Divisions 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2020

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

4. CASH AND CASH EQUIVALENTS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Cash on hand	162.688.635	290.399.254
Cash at banks	14.068.179.826	35.078.247.277
Cash equivalents (*)	-	-
TOTAL	14.230.868.461	35.368.646.531

(*) 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:

	<i>Unit: VND</i>			
	Ending balance		Beginning balance	
	Cost	Fair value	Cost	Fair value
- Term bank deposit with the original maturity of more than three months.	151.703.107.647	151.703.107.647	151.703.107.647	151.703.107.647
TOTAL	151.703.107.647	151.703.107.647	151.703.107.647	151.703.107.647

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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

6.1 Short-term trade receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	550.020.177.588	718.782.363.602
Related parties (Note 32)	13.974.048.999	3.429.932.794
TOTAL	563.994.226.587	722.212.296.396
Provision for doubtful short-term receivables	(30.685.038.581)	(30.685.038.581)
NET	533.309.188.006	691.527.257.815

6.2 Short-term advance to suppliers

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Advances to suppliers	91.685.696.815	57.433.702.587
Advances to related parties (Note 32)	10.109.381.472	864.496.990
TOTAL	101.795.078.287	58.298.199.577

7. OTHER SHORT-TERM RECEIVABLES

7.1 Other short - term receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Advance to employees	8.930.935.183	6.970.274.109
- Other receivables from construction teams	3.434.894.832	1.208.846.215
- Other receivables from employees	3.284.518.312	3.321.478.649
- Short-term deposit	1.820.845.938	1.865.252.438
- Interest income receivables	8.548.071.781	5.668.482.740
- Distributed profit	-	-
- Dividend receivables	5.894.166.667	17.682.500.000
- Others	3.266.399.857	2.717.275.217
TOTAL	35.179.832.570	39.434.109.368

In which:

- Other receivables from related parties (Note 32)	6.901.250.581	18.243.835.575
- Other receivables from other parties	28.278.581.989	21.190.273.793

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

7. OTHER RECEIVABLES (continued)

7.2 Other long - term receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Long-term deposit	1.530.901.840	1.530.901.840
TOTAL	1.530.901.840	1.530.901.840

8. INVENTORIES

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
- Work in process	223.327.480.766	-	200.072.342.362	-
- Raw materials	6.039.549.104	(1.516.723.953)	24.533.633.511	(1.516.723.953)
- Goods in transit	2.587.611.000	-	1.210.923.000	-
- Finished goods	10.310.241	-	10.310.241	-
- Goods;	14.148.673.686	-	21.437.266.444	-
TOTAL	246.113.624.797	(1.516.723.953)	247.264.475.558	(1.516.723.953)

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

	<i>Unit: VND</i>	
	Ending balance	Beginning Balance
Beginning balance	(1.516.723.953)	(994.792.949)
Add: Provision created during the year	-	(523.566.122)
Less: Utilisation and reversal of provision during the year	-	1.635.118
Ending balance	(1.516.723.953)	(1.516.723.953)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

9. TANGIBLE FIXED ASSETS

Cost	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	TOTAL
	Unit: VND					
Beginning balance	67.000.000	2.963.083.961	8.973.459.478	2.743.836.007	1.027.578.205	15.774.957.651
- New purchase	-	84.000.000	-	-	-	84.000.000
Ending balance	67.000.000	3.047.083.961	8.973.459.478	2.743.836.007	1.027.578.205	15.858.957.651
<i>In which:</i>						
<i>Fully depreciated</i>	67.000.000	2.486.164.959	4.820.466.751	1.858.626.916	845.578.205	10.077.836.831
Accumulated depreciation:						
Beginning balance	67.000.000	2.619.363.521	7.462.628.525	2.210.322.618	980.994.880	13.340.309.544
- Depreciation for the period	-	29.326.903	117.548.151	51.667.422	18.777.783	217.320.259
Ending balance	67.000.000	2.648.690.424	7.580.176.676	2.261.990.040	999.772.663	13.557.629.803
Net carrying amount:						
Beginning balance	-	343.720.440	1.510.830.953	533.513.389	46.583.325	2.434.648.107
Ending balance	-	398.393.537	1.393.282.802	481.845.967	27.805.542	2.301.327.848

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

10. FIXED ASSETS OF FINANCIAL LEASING

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

11. INTANGIBLE ASSETS

	<i>Unit: VND</i>	
	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
<i>In which:</i>		
<i>Fully amortised</i>	<i>1.422.266.260</i>	<i>1.422.266.260</i>
Accumulated amortisation:		
Beginning balance	1.663.214.260	1.663.214.260
- Amortisation for the year	17.028.000	17.028.000
Ending balance	1.680.242.260	1.680.242.260
Net carrying amount:		
Beginning balance	49.212.000	49.212.000
Ending balance	32.184.000	32.184.000

12. CONSTRUCTION IN PROGRESS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
ERP System	2.964.088.233	2.959.128.345
Other	63.000.000	63.000.000
TOTAL	3.027.088.233	3.022.128.345

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

12. CONSTRUCTION IN PROGRESS (continued)

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

	Ending balance	Beginning balance
Opening balance	3,022,128,345	2,737,876,462
Purchases	4,959,888	284,251,883
Closing balance	3,027,088,233	3,022,128,345

Unit: VND

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 Joint Stock Company	79,584,188,754	84.00%	79,584,188,754	84.00%
Greenpan Joint Stock Company	21,000,000,000	55.20%	21,000,000,000	72.84%
Searee Refrigeration Electrical Engineering Corporation	36,650,000,000	73.30%	36,650,000,000	73.30%
SEAREFICO Engineering and Construction Joint Stock Company	69,300,000,000	99.00%	-	0.00%
Total	206,534,188,754		137,234,188,754	

(a) Asia Refrigeration Industry Joint Stock Company ("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 25.20% of the charter capital through Arico (Arico owns 30% of Greenpan's charter capital).

(c) Searee Refrigeration Electrical Engineering Corporation ("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 was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City, registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam.

13.2 Investment in an associate

	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%

Unit: VND

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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

	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%	8.096.000.000	6,88%
Formtek Engineering Joint Stock Company ("Formtek")	1.900.000.000	19,00%	-	0,00%
	8.096.000.000		8.096.000.000	

Unit: VND

(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	141.174.622	67.705.848
- Others	5.910.135.934	609.939.670
Total	6.051.310.556	677.645.518
Long-term		
- Tools and supplies	934.852.378	756.922.347
- Others	1.974.548.252	2.238.502.808
Total	2.909.400.630	2.995.425.155

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 asset during the period is as follows:

	Unit: VND	
	Ending balance	Beginning balance
Opening balance	1.863.249.983	2.942.376.172
Income statement credit	(210.252.691)	(1.079.126.189)
Closing balance	1.652.997.292	1.863.249.983

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

16- SHORT-TERM TRADE PAYABLES

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	150.327.436.969	254.908.275.116
Related parties (Note 32)	40.847.416.401	43.600.274.651
TOTAL	191.174.853.370	298.508.549.767

17- SHORT-TERM ADVANCES FROM CUSTOMERS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	97.540.428.092	75.364.029.837
TOTAL	146.502.468.130	75.364.029.837

18. LOANS

18.1 Short-term Loans from banks

	<i>Unit: VND</i>			
	Beginning balance	Increase in year	Payment in year	Ending balance
Short-term loans from banks	504.676.655.165	269.274.609.905	233.259.383.091	540.691.881.979
- Vietnam Joint Stock Commercial Bank for Industry and Trade - 6th Ho Chi Minh Branch	206.303.451.787	104.066.300.130	131.639.986.812	178.729.765.105
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	246.528.970.530	119.427.553.605	67.404.271.991	298.552.252.144
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Da Nang Branch	1.290.544.756	-	1.290.544.756	-
- HSBC (Vietnam)	-	-	-	-
- Military Commercial Joint Stock Bank - Saigon Branch	2.479.400.000	-	2.479.400.000	-
- Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	-	-	-	-
- Bank for Investment and Development of Vietnam Joint Stock Company	10.451.325.840	25.004.004.000	-	35.455.329.840
- Standard Chartered - Ho Chi Minh Branch	22.559.266.606	-	22.559.266.606	-
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	15.063.695.646	4.332.752.236	7.885.912.926	11.510.534.956
- Vietnam International Commercial Joint Stock Bank - District 1 Branch	-	16.443.999.934	-	16.443.999.934
Short-term loans from related parties (Note 32)	34.465.000.000	13.387.838.990	16.545.102.451	31.307.736.539
TOTAL	539.141.655.165	282.662.448.895	249.804.485.542	571.999.618.518

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

Unit: VND

	Beginning balance	Increase in year	Payment in year	Ending balance
- Domestic value-added tax	10.046.455.553	11.873.220.128	21.919.675.681	-
- Import value-added tax	-	22.618.306	22.618.306	-
- Special sales tax	-	-	-	-
- Import, export duties	-	-	-	-
- Corporate income tax	1.128.534.843	116.357.623	1.224.236.343	20.656.123
- Others	1.034.475.803	5.091.435.522	5.893.669.956	232.241.369
- <i>Personal income tax</i>	<i>1.034.475.803</i>	<i>4.525.368.995</i>	<i>5.327.603.429</i>	<i>232.241.369</i>
- <i>Withholding taxes</i>	-	<i>562.066.527</i>	<i>562.066.527</i>	-
- <i>Business tax</i>	-	<i>4.000.000</i>	<i>4.000.000</i>	-
TOTAL	12.209.466.199	17.103.631.579	29.060.200.286	252.897.492
Receivables				
- Corporate income tax	-	-	88.562.110	88.562.110
TOTAL	-	-	88.562.110	88.562.110

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

20. ACCRUED EXPENSES

20.1 Short-term accrued expenses

	Ending balance	<i>Unit: VND</i> Beginning balance
- Accrued project costs	56.091.440.036	65.421.942.151
- Interest expense	340.851.052	1.051.670.972
- Others	1.123.149.501	1.732.946.588
TOTAL	57.555.440.589	68.206.559.711

21. OTHER PAYABLES

21.1 Other short-term payables

	Ending balance	<i>Unit: VND</i> Beginning balance
- Other payables to employees	565.154.492	659.124.871
- Social insurance, health insurance and trade union fees	2.529.545.295	1.455.971.545
- Dividends payable (Note 25.4)	591.866.400	22.088.676.700
- Others	1.037.852.404	9.204.630.294
TOTAL	11.776.999.171	33.408.403.410

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

22. SHORT-TERM PROVISION

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
- Beginning balance	212.161.483	687.182.168
- Provision during the year	-	185.640.158
- Utilised and reversed during the year	(33.805.392)	(660.660.843)
- Ending balance	<u>178.356.091</u>	<u>212.161.483</u>

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

23. BONUS AND WELFARE FUND

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
- Beginning balance	12.805.549.810	14.004.576.062
- Appropriation during the year	10.294.361.274	15.582.887.458
- Utilised during the year	(9.562.317.357)	(16.781.913.710)
- Ending balance	<u>13.537.593.727</u>	<u>12.805.549.810</u>

24. LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
- Beginning balance	3.471.779.250	3.887.134.250
- Provision during the year	-	58.042.500
- Utilised and reversed during the year	(626.760.000)	(473.397.500)
- Transfer to employee payables	-	-
- Ending balance	<u>2.845.019.250</u>	<u>3.471.779.250</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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 March 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	-	-	-	-	1,910,764,392	1,910,764,392
- Profit appropriation to bonus fund	-	-	-	-	(15,582,887,458)	(15,582,887,458)
- Dividends declared	-	-	-	-	(21,500,777,900)	(21,500,777,900)
- Re-purchase of shares	-	-	-	-	-	-
Ending balance	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	68,082,733,029	369,509,893,578
For period ended 31 March 2020						
Beginning balance	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	68,382,586,670	369,809,747,219
- Net profit for the year	-	-	-	-	627,743,774	627,743,774
- Profit appropriation to bonus fund	-	-	-	-	(10,294,361,274)	(10,294,361,274)
- Dividends declared	-	-	-	-	-	-
Ending balance	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	58,715,969,170	360,143,129,719

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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
<i>Ordinary shares</i>	32.495.397	32.495.397
Treasury shares		
<i>Ordinary shares</i>	(1.780.000)	(1.780.000)
Shares in circulation		
<i>Ordinary shares</i>	30.715.397	30.715.397

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

25.4 Dividends

	VND	
	Current period	Previous period
Beginning balance	22.088.676.700	579.396.800
Dividends declared during the period	-	67.573.873.400
<i>First dividends payment for 2018 FY: 700 VND per share</i>	-	21.500.777.900
<i>Last dividends payment for 2018 FY: 800 VND per share</i>	-	24.572.317.600
<i>First dividends payment for 2019 FY: 700 VND per share</i>	-	21.500.777.900
Dividends paid during the period	(21.496.810.300)	(46.064.593.500)
Ending balance	591.866.400	22.088.676.700

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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	111.619.917.088	195.991.399.331	111.619.917.088	195.991.399.331
<i>Of which:</i>				
- Revenue from construction contracts	83.545.302.392	195.381.561.208	83.545.302.392	195.381.561.208
- Revenue from lease	-	582.474.487	-	582.474.487
- Revenue from sale of goods	26.073.199.301	27.363.636	26.073.199.301	27.363.636
- Revenue from other services	2.001.415.395	-	2.001.415.395	-
Revenue deduction	-	-	-	-
Net revenues	111.619.917.088	195.991.399.331	111.619.917.088	195.991.399.331
<i>Of which:</i>				
- Revenue from other parties	83.216.560.505	151.727.887.221	83.216.560.505	151.727.887.221
- Revenue from related parties (Note 32)	28.403.356.583	44.263.512.110	28.403.356.583	44.263.512.110

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	2.922.193.451	3.489.647.418	2.922.193.451	3.489.647.418
- Gain on disposal of instruments.	-	-	-	-
- Dividends earned	-	-	-	-
- Foreign exchange gains incurred during the period	9.359.608	54.720	9.359.608	54.720
- Foreign exchange gains from revaluation	-	92.607.781	-	92.607.781
TOTAL	2.931.553.059	3.582.309.919	2.931.553.059	3.582.309.919

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	77.937.047.508	186.568.329.285	77.937.047.508	186.568.329.285
- Cost of lease	-	536.296.246	-	536.296.246
- Cost of goods sold	25.967.232.728	27.910.909	25.967.232.728	27.910.909
- (Reversal of) provision for obsolete inventories	-	-	-	-
TOTAL	103.904.280.236	187.132.536.440	103.904.280.236	187.132.536.440

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Staff costs	2.104.134.184	2.100.634.637	2.104.134.184	2.100.634.637
- Tools and equipment costs	11.997.270	92.780.307	11.997.270	92.780.307
- Depreciation and amortisation	34.788.107	204.104.077	34.788.107	204.104.077
- External service expenses	539.492.402	742.980.579	539.492.402	742.980.579
- Others	26.414.782	297.832.517	26.414.782	297.832.517
TOTAL	2.716.826.745	3.438.332.117	2.716.826.745	3.438.332.117

29. FINANCE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Loan interest	7.936.269.961	6.760.919.837	7.936.269.961	6.760.919.837
- Foreign exchange losses incurred	56.540.264	1.019.096	56.540.264	1.019.096
- Foreign exchange losses from revaluation	314.115.708	-	314.115.708	-
- Settlement discount	-	-	-	-
TOTAL	8.306.925.933	6.761.938.933	8.306.925.933	6.761.938.933

30. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Other income	1.747.824.885	52.634.887	1.747.824.885	52.634.887
- Gain on assessment of assets contributed as capital	-	-	-	-
- Others	1.747.824.885	52.634.887	1.747.824.885	52.634.887
Other expenses	262.546.525	30.653.044	262.546.525	30.653.044
- Penalties	262.546.524	565.055	262.546.524	565.055
- Others	1	30.087.989	1	30.087.989
NET OTHER PROFIT	1.485.278.360	21.981.843	1.485.278.360	21.981.843

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

31. CORPORATE INCOME TAX

31.1 CIT expenses

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Current CIT expense	29.430.447	269.190.676	29.430.447	269.190.676
- Adjustment for CIT from prior year	241.288.681	(454.759.952)	241.288.681	(454.759.952)
- Deferred CIT (income) expense	210.252.691	537.688.487	210.252.691	537.688.487
TOTAL	480.971.819	352.119.211	480.971.819	352.119.211

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:

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Net profit before tax	1.108.715.593	2.262.883.603	1.108.715.593	2.262.883.603
<i>Adjustments:</i>				
Non-deductible expenses	836.943.023	736.934.326	836.943.023	736.934.326
Temporary differences	(1.485.899.336)	(2.688.442.433)	(1.485.899.336)	(2.688.442.433)
Non-taxable income	-	-	-	-
Estimated taxable profit	459.759.280	311.375.496	459.759.280	311.375.496
<i>In which:</i>				
<i>Estimated current taxable profit</i>	<i>459.759.280</i>	<i>311.375.496</i>	<i>459.759.280</i>	<i>311.375.496</i>
Estimated CIT payable	29.430.447	269.190.676	29.430.447	269.190.676
CIT Exemption	-	-	-	-
Estimated CIT payable at end of period after exemption	29.430.447	269.190.676	29.430.447	269.190.676
Adjustment of CIT from prior period	241.288.681	(454.759.952)	241.288.681	(454.759.952)
Current corporate income tax expense	270.719.128	(185.569.276)	270.719.128	(185.569.276)
Deferred tax income expense	210.252.691	537.688.487	210.252.691	537.688.487
Total corporate income tax expense	480.971.819	352.119.211	480.971.819	352.119.211

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

32. TRANSACTIONS WITH RELATED PARTIES

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

<i>Unit: VND</i>				
Related party	Relationship	Transaction	Ending balance	Beginning balance
Purchase Good, services and other transactions				
Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Loan interest	-	6,211,679
		Purchase of construction services	-	28,112,834
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	5,685,475,867	-
Greenpan Joint Stock Company	Subsidiary	Other services	-	1,683,655
			5,685,475,867	36,008,168
Revenues from sale of goods and rendering of services (No 26.1)				
Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Other service	1,600,841,446	-
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	-	44,263,512,110
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Other service	729,315,836	-
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Selling	7,584,144,791	-
SEAREFICO Engineering and Construction JSC	Subsidiary	Selling	18,489,054,510	-
			28,403,356,583	44,263,512,110
Amounts due from and due to related parties at the balance sheet dates were as follows:				
Short-term trade receivables (Note 6.1)				
Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Purchase of construction services	1,760,925,591	-
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	3,740,631,344	3,300,000,000
Greenpan Joint Stock Company	Subsidiary	Purchase of construction services	54,413,333	54,413,333
Phoenix Energy & Automation Joint Stock Company	Associate	Selling	8,418,078,731	75,519,461
			13,974,048,999	3,429,932,794
Short-term advances to suppliers (Note 6.2)				
Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Purchase of construction services	-	79,279,464
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	9,263,381,472	-
Greenpan Joint Stock Company	Subsidiary	Purchase of construction services	846,000,000	-
Formtek Engineering Joint Stock Company ("Formtek")	Related party	Purchase of construction services	-	785,217,526
			10,109,381,472	864,496,990

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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 Joint Stock Company ("Arico")	Subsidiary	Purchase of construction services	-	1,290,995,015
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchased of construction contracts	40,847,416,401	38,040,077,552
			40,847,416,401	43,600,274,651

Other Short-term trade payables

Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Other service	-	4,722,222
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Other Short-term receivable (Note 7)

Asia Refrigeration Industry Joint Stock Company ("Arico")	Subsidiary	Dividend received & Others	4,305,414,784	12,600,000,000
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Dividend received & Others	1,729,331,183	5,082,500,000
Greenpan Joint Stock Company	Subsidiary	Others	675,045,428	412,215,223
Phoenix Energy & Automation Joint Stock Company	Associate	Others	176,241,186	139,902,352
Seareal Real Estate Joint Stock Company	Subsidiary	Others	7,609,000	4,609,000
SEAREFICO Engineering and Construction JSC	Subsidiary	Others	7,609,000	4,609,000
			6,901,250,581	18,243,835,575

Short-term advances from customer (Note 17)

SEAREFICO Engineering and Construction JSC	Subsidiary	Purchased of construction contracts	48,962,040,038	-
			48,962,040,038	-

Short-term loans (Note 18)

Asia Refrigeration Industry Joint Stock Company ("Arico")	Công ty con		3,000,000,000	15,000,000,000
Searee Refrigeration Electrical Engineering Corporation	Công ty con		28,307,736,539	19,465,000,000
			31,307,736,539	34,465,000,000

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:

	This period	Previous period	Current year	Previous year
Allowance for the Boards of Directors and Supervision	483,000,000	483,000,000	483,000,000	483,000,000
Salaries and benefits of the Board of Directors, management and key executives	2,107,124,702	3,192,368,984	2,107,124,702	3,192,368,984
TOTAL	2,590,124,702	3,675,368,984	2,590,124,702	3,675,368,984

Unit: VND

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2020

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.

PREPARER

Pham Ai Lien

CHIEF ACCOUNTANT

Vuong Tran Quoc Thanh

Ho Chi Minh City, Apr 29 2020
CHIEF EXECUTIVE OFFICER



Nguyễn Thị Thanh Hương



