

SEAREFICO CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



SEAREFICO CORPORATION

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SEAREFICO CORPORATION

CORPORATE INFORMATION

**Enterprise registration
certificate joint stock
company.**

No. 0301825452 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1999 and the latest 19th amendment dated 17 June 2021

Board of Directors

Mr. Le Tan Phuoc	Chairman
Mr. Nguyen Huu Thinh	Member
Mr. Ryota Fukuda	Member
Mr. Nishi Masayuki	Member
Mr. Lee Men Leng	Member
Mr. Le Quang Phuc	Member

**Board of Supervision
(Until 20 April 2021)**

Mr. Nguyen Chau Tran	Chief Supervisor
Ms. Duong Thi Kim Hoa	Member
Mr. Bui Van Quyet	Member

**Board of Internal Audit
under Board of Directors
(From 14 April 2021)**

Mr. Nguyen Chau Tran	Chief Supervisor
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Board of Management

Ms. Nguyen Thi Thanh Huong	Chief Executive Officer
Mr. Nguyen Quoc Cuong	Deputy General Director
Mr. Tran Dinh Muoi	Deputy General Director
Mr. Pham Ngoc Son	Deputy General Director
Mr. Phan Thanh Long	Chief Financial Officer

Legal representative

Mr. Le Tan Phuoc	Chairman
Ms. Nguyen Thi Thanh Huong	Chief Executive Officer

Registered office

72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3,
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

SEAREFICO CORPORATION

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and the interim consolidated results of its operations and its cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the interim consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and which enable interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying interim consolidated financial statements as set out on pages 5 to 47 which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of the interim consolidated results of its operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

On behalf of the Board of Management




Nguyen Thi Thanh Huong
Chief Executive Officer

Ho Chi Minh City, SR Vietnam
20 August 2021



REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO SHAREHOLDERS AND THE BOARD OF DIRECTORS OF SEAREFICO CORPORATION

We have reviewed the accompanying interim consolidated financial statements of Searefico Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2021 and approved by the Board of Management on 20 August 2021. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 47.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not presented fairly, in all material respects, the interim consolidated financial position of the Group as at 30 June 2021, its interim consolidated financial performance and interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

Other Matters

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

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No:
0875-2018-006-1
Authorised signatory

Report reference number: HCM11179
Ho Chi Minh City, 20 August 2021

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
100	CURRENT ASSETS		1,375,268,681,334	1,442,693,668,585
110	Cash and cash equivalents	3	43,292,134,967	63,100,216,101
111	Cash		43,292,134,967	48,600,216,101
112	Cash equivalents		-	14,500,000,000
120	Short-term investment		171,150,000,000	178,250,000,000
123	Investment held-to-maturity	4(a)	171,150,000,000	178,250,000,000
130	Short-term receivables		769,581,325,630	881,517,658,909
131	Short-term trade accounts receivable	5	711,298,812,913	868,149,262,839
132	Short-term prepayments to suppliers	6	38,315,761,239	31,438,431,267
136	Other short-term receivables	7(a)	65,032,501,940	37,948,303,119
137	Provision for doubtful debts – short term	8	(45,065,750,462)	(56,018,338,316)
140	Inventories	9	359,794,118,503	282,877,169,953
141	Inventories		360,720,558,124	283,880,853,961
149	Provision for decline in value of inventories		(926,439,621)	(1,003,684,008)
150	Other current assets		31,451,102,234	36,948,623,622
151	Short-term prepaid expenses	10(a)	2,342,042,668	2,253,591,300
152	Value Added Tax ("VAT") to be reclaimed	15(a)	28,391,131,452	34,695,032,322
153	Tax and other receivables from the State	15(a)	717,928,114	-
200	LONG-TERM ASSETS		518,458,813,420	513,662,283,969
210	Long-term receivable		1,962,242,840	1,720,901,840
216	Other long-term receivables	7(b)	1,962,242,840	1,720,901,840
220	Fixed assets		274,412,498,886	270,436,976,642
221	Tangible fixed assets	11(a)	272,881,384,185	268,712,710,154
222	Historical cost		383,149,421,535	372,541,060,227
223	Accumulated depreciation		(110,268,037,350)	(103,828,350,073)
227	Intangible fixed assets	11(b)	1,531,114,701	1,724,266,488
228	Historical cost		4,185,940,563	4,082,980,563
229	Accumulated amortisation		(2,654,825,862)	(2,358,714,075)
240	Long-term asset in progress		37,618,371,814	35,697,071,058
242	Construction in progress	12	37,618,371,814	35,697,071,058
250	Long-term investments		157,929,685,982	158,888,384,841
252	Investments in associate	4(b)	151,372,968,620	152,331,667,479
253	Investments in other entities	4(c)	6,556,717,362	6,556,717,362
260	Other long-term assets		46,536,013,898	46,918,949,588
261	Long-term prepaid expenses	10(b)	34,081,617,033	34,316,048,081
262	Deferred income tax assets	22	12,454,396,865	12,602,901,507
270	TOTAL ASSETS		1,893,727,494,754	1,956,355,952,554

The notes on pages 9 to 47 are an integral part of these consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		1,345,079,698,449	1,419,608,518,042
310	Short-term liabilities		1,239,089,485,596	1,332,354,037,038
311	Short-term trade accounts payable	13	309,746,720,463	276,790,632,369
312	Short-term advances from customers	14	128,052,870,622	51,661,736,949
313	Tax and other payables to the State	15(b)	8,641,740,900	16,764,953,557
314	Payables to employees	16	14,072,223,276	12,276,594,991
315	Short-term accrued expenses	17	129,463,071,998	229,497,091,326
319	Other short-term payables	18	21,245,634,381	16,645,015,341
320	Short-term borrowings	19(a)	612,942,969,912	710,891,757,538
321	Provision for short-term liabilities	20(a)	1,377,342,949	2,011,567,497
322	Bonus and welfare funds	21	13,546,911,095	15,814,687,470
330	Long-term liability		105,990,212,853	87,254,481,004
338	Long-term borrowings	19(b)	99,771,677,351	80,682,148,002
342	Provision for long-term liabilities	20(b)	6,218,535,502	6,572,333,002
400	OWNERS' EQUITY		548,647,796,305	536,747,434,512
410	Capital and reserves		548,647,796,305	536,747,434,512
411	Owners' capital	23, 24	324,953,970,000	324,953,970,000
411a	- Ordinary shares with voting rights		324,953,970,000	324,953,970,000
412	Share premium	24	284,019,059	284,019,059
414	Owners' other capital	24	4,415,811,246	4,415,811,246
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	8,308,963,938	8,308,963,938
421	Undistributed earnings	24	153,505,913,859	151,993,358,462
421a	- Undistributed post-tax profits of previous years		145,899,292,888	112,114,243,417
421b	- Post-tax profits of current period/year		7,606,620,971	39,879,115,045
429	Non-controlling interests	25	86,417,525,302	76,029,718,906
440	TOTAL RESOURCES		1,893,727,494,754	1,956,355,952,554



Nguyen Thi
Preparer



Vuong Tran Quoc Thanh
Chief Accountant



Nguyen Thi Thanh Huong
Chief Executive Officer
20 August 2021



INTERIM CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	338,914,383,602	500,050,369,117
10	Net revenue from sales of goods and rendering of services	29 338,914,383,602	500,050,369,117
11	Cost of goods sold and services rendered	30 (294,296,522,957)	(457,126,480,781)
20	Gross profit from sales of goods and rendering of services	44,617,860,645	42,923,888,336
21	Financial income	31 5,742,055,621	6,467,003,239
22	Financial expenses	32 (19,473,728,369)	(22,661,803,952)
23	- Including: Interest expenses	32 (19,382,011,190)	(22,201,228,055)
24	Profit sharing from associate	9,332,351,141	9,395,263,752
25	Selling expenses	(1,832,727,235)	(1,347,023,409)
26	General and administration expenses	33 (27,914,230,852)	(25,200,225,035)
30	Net operating profit	10,471,580,951	9,577,102,931
31	Other income	34 1,086,320,814	1,278,334,097
32	Other expenses	(1,102,524,861)	(407,767,998)
40	Net other (expenses)/income	(16,204,047)	870,566,099
50	Net accounting profit before tax	10,455,376,904	10,447,669,030
51	Business income tax ("BIT") - current	35 (1,277,138,479)	(2,217,225,170)
52	BIT - deferred	35 (148,504,642)	(1,021,264,133)
60	Net profit after tax	9,029,733,783	7,209,179,727
Attributable to:			
61	Owners of the Company	7,606,620,971	4,707,269,703
62	Non-controlling interests	1,423,112,812	2,501,910,024
70	Basic earnings per share	26(a) 248	153
71	Diluted earnings per share	26(b) 248	153

 Nguyen Thi
 Preparer

 Vuong Tran Quoc Thanh
 Chief Accountant

 Nguyen Thi Thanh Huong
 Chief Executive Officer
 20 August 2021



INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended 30 June	
Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	10,455,376,904	10,447,669,030
	Adjustments for:		
02	Depreciation and amortisation	7,481,408,883	4,912,044,746
03	Provisions/(reversal of provisions)	4,911,667,909	(1,015,740,557)
04	Unrealised foreign exchange (gains)/losses	(1,031,728,201)	241,559,009
05	Profits from investing activities	(14,142,185,214)	(15,548,825,945)
06	Interest expense	19,382,011,190	22,201,228,055
08	Operating profit before changes in working capital	27,056,551,471	21,237,934,338
09	Decrease in receivables	125,548,257,839	162,184,567,482
10	Increase in inventories	(76,839,704,163)	(13,921,144,822)
11	Increase/(decrease) in payables	14,967,267,090	(174,808,031,999)
12	Increase in prepaid expenses	(704,733,659)	(699,481,031)
14	Interest paid	(19,434,097,674)	(22,908,878,314)
15	BIT paid	(8,230,751,943)	(4,609,463,079)
17	Other payments on operating activities	(9,196,304,863)	(12,671,087,901)
20	Net cash inflows/(outflows) from operating activities	53,166,484,098	(46,195,585,326)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(12,283,440,299)	(30,853,375,966)
22	Proceeds from disposals of fixed assets	214,090,909	272,727,273
23	Term deposits at banks	(10,000,000,000)	-
24	Collection of term deposits at banks	17,100,000,000	31,703,107,647
26	Proceeds from divestment in other entities	-	1,819,641,319
27	Dividends and interest received	980,364,258	3,368,314,372
30	Net cash (outflows)/inflows from investing activities	(3,988,985,132)	6,310,414,645
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	9,914,040,000	14,550,000,000
32	Payments for share repurchases	-	(377,300,000)
33	Proceeds from borrowings	827,843,992,587	877,777,283,275
34	Repayments of borrowings	(906,703,250,864)	(817,004,779,483)
36	Dividends paid	(54,332,250)	(48,578,674,500)
40	Net cash (outflows)/inflows from financing activities	(68,999,550,527)	26,366,529,292
50	Net decrease in cash and cash equivalents	(19,822,051,561)	(13,518,641,389)
60	Cash and cash equivalents at beginning of period	63,100,216,101	51,399,276,846
61	Effect of foreign exchange differences	13,970,427	16,499,389
70	Cash and cash equivalents at end of period	43,292,134,967	37,897,134,846

 Nguyen Thi
 Preparer

 Vuong Tran Quoc Thanh
 Chief Accountant

 Nguyen Thi Thanh Huong
 Chief Executive Officer
 20 August 2021

The notes on pages 9 to 47 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****1 GENERAL INFORMATION**

Searefico Corporation ("the Company") is a joint stock company established in SR Vietnam pursuant to enterprise registration certificate joint stock company ("ERCJSC") No. 0301825452 initially issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 September 1999, and the ERCJSCs' 19th most recent adjustment was on 17 June 2021.

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 principal 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, exterior decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machinery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Company and its subsidiaries (together, "the Group") is 12 months.

As at 30 June 2021, the Group had 588 employees (as at 31 December 2020: 637 employees).

1 GENERAL INFORMATION (continued)

As at 30 June 2021, the Company had subsidiaries and associates as follows:

Principal activities	Place of incorporation and operation	30.06.2021		31.12.2020		
		Ownership (%)	Voting rights (%)	Ownership (%)	Voting rights (%)	
Direct subsidiaries						
Searefco Engineering and Construction Joint Stock Company ("Searefco E&C")	Installation of industrial refrigeration projects, air conditioning systems	District 3, Ho Chi Minh City, Vietnam	99.0	99.0	99.0	99.0
Seareal Real Estate Joint Stock Company ("Seareal")	Trading real estate	District 3, Ho Chi Minh City, Vietnam	98.4	98.4	98.4	98.4
Asia Refrigeration Industry Joint Stock Company ("Arico")	Execution of refrigeration electrical mechanical systems; producing insulated materials	Binh Tan District, Ho Chi Minh City, Vietnam	84.0	84.0	84.0	84.0
Indirect subsidiaries						
Searee Refrigeration Electrical Engineering Corporation ("Searee") (*)	Execution of refrigeration electrical mechanical systems	Lien Chieu District, Da Nang City, Vietnam	0.0	72.9	73.3	73.3
Greenpan Joint Stock Company ("Greenpan")	Producing unburnt light materials, PIR fireproof panels (polyisocyanurate)	Binh Tan District, Ho Chi Minh City, Vietnam	0.0	52.5	0.0	52.5
Phoenix Energy & Automation Joint Stock Company ("Phoenix")	Producing, transmitting and distributing electricity; installation of electrical systems	Binh Tan District, Ho Chi Minh City, Vietnam	0.0	67.8	0.0	67.8
Associate						
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	Construction of civil and industrial projects	Hue City, Thua Thien – Hue Province, Vietnam	36.0	36.0	36.0	36.0

(*) According to the resolution of the Board of Directors No. 005A/NQ/HĐQT/21 dated April 15, 2021, the Company has transferred all the shares that the Company owns in Searee subsidiary to another subsidiary which is the Company. Searefco E&C. This transfer was completed as at 23 June 2021.

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

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

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

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

2.2 Fiscal year

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

The interim consolidated financial statements have been prepared for the period from 1 January 2021 to 30 June 2021.

2.3 Currency

The interim consolidated financial statements are measured and presented in the Vietnamese Dong ("VND"). The Group determines its accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labor, materials and other production or operating costs and normally used as payments for those costs.

In addition, the Company and its subsidiaries also use these currencies to raise financial resources (such as via issuance of shares or bonds) and/or regularly collect these currencies from business operations and savings.

2.4 Exchange rates

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 interim consolidated income statement.

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

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

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

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

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

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Non-controlling transactions and interests

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****(b) Associates**

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates.

2.6 Cash and cash equivalents

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

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off after 100% provisioning and approval by the Board of Directors.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Inventories**

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

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

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

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

The Group applies the perpetual system for inventories.

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold and services rendered in the year.

2.9 Investments**(a) Investments held-to-maturity**

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

Investments held-to-maturity include bank term deposits. Those investments are initially accounted for at cost less provision. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(b) Investments in associates**

Investments in associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.5).

(c) Investments in other entities

Investments in other entities are investments in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. Regarding investments in listed shares or the investments whose fair value can be determined reliably, the provision for diminution in value is made when the cost is higher than the market value. For other investments, provision for diminution in value is made when the entities make losses, except when the loss was anticipated by the Board of Management before date of investment. Changes in the provision balance during the accounting period year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10 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 bringing them to suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

Depreciation and amortisation

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Disposals*

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and comprise of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as all necessary costs for new construction or repair, renovation, expansion or re-engineering of construction techniques such as construction costs; costs of tools and equipments; project management expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Operating leases

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

2.12 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the consolidated balance sheet. 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.

Additionally, prepayments for land rental contracts, which became effective after 2003, are also recorded as prepaid expenses in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance and, allocated using the straight-line method over the term in the land use rights certificate, which is from 2 January 2008 to 16 August 2050.

2.13 Payables

Classifications of payables are based on their nature as follows:

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Borrowings**

Borrowings include borrowings from banks.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.15 Accrued expenses

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

2.16 Provisions

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

Provisions are measured at the expenditures expected to be required to settle the obligations. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the period/year are recorded as an increase or decrease in operating expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Provision for severance allowance**

In accordance with Vietnamese Labour Laws, employees of the Group who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

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

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

2.18 Owners' capital

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

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

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

Undistributed earnings/(Accumulated losses) record the Group's results (profit or loss) after BIT and appropriation of profit at the reporting date.

2.19 Appropriation of profit

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

Profit after BIT could be distributed to shareholders after approval of the Company's shareholders at the General Meeting, and after appropriation to funds in accordance with the Company's charter and Vietnamese regulations.

The Group maintains the following reserves which are appropriated from the Company's profit after BIT as proposed by the Board of Directors and subject to approval by the Company's shareholders at the General Meeting:

(a) Investment and development fund

Investment and development fund is appropriated for use in the Group's expansion or upgrading of its operation or in-depth investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Appropriation of profit (continued)****(b) Bonus and welfare fund**

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

2.20 Revenue recognition**(a) Revenue from sales of goods**

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

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

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

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

(b) Revenue from construction contracts

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition (continued)****(c) Interest income**

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividends is recognised when the Group has established the receiving right from investees.

2.21 Sales deductions

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

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

2.22 Cost of goods sold and services rendered

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

2.23 Cost of construction contracts

Cost of construction contracts is recognised based on amount of work completed of construction projects and the estimated gross profit of the projects, and recorded on the basis of matching with revenue and on prudent concept. The Board of Management and Division Management 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.

2.24 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including interest expense, losses from foreign exchange differences and payment discount.

2.25 Selling expenses

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

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Current and deferred BIT**

BIT include all BIT which is 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. BIT expense comprises current BIT expense and deferred BIT expense.

Current BIT is the amount of BIT payable or recoverable in respect of the current year taxable profits at the current year BIT rates. Current and deferred BIT 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 BIT is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred BIT 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 BIT is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

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

2.28 Related parties

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

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

2.29 Accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Use of estimates (continued)**

The areas involving significant estimates and assumptions are as follows:

- Provision for doubtful debts (Note 8);
- Provision for decline in value of inventories (Note 9);
- Estimated useful life of fixed assets (Note 11);
- Accrued expenses (Note 17);
- Provision for short-term and long-term liabilities (Note 20); and
- Deferred income tax assets (Note 22).

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

2.30 Segment reporting

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

Segment information is prepared and presented in accordance with the accounting policy applicable to the preparation and presentation of the Group's consolidated financial statements for the purpose of helping users of the consolidated financial statements understand and comprehensively evaluated the performance of the Group.

3 CASH AND CASH EQUIVALENTS

	30.6.2021 VND	31.12.2020 VND
Cash on hand	370,073,944	333,132,502
Cash at bank	42,922,061,023	48,267,083,599
Cash equivalents (*)	-	14,500,000,000
Total	<u>43,292,134,967</u>	<u>63,100,216,101</u>

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

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

	30.6.2021		31.12.2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Bank deposits with original maturities of more than 3 months and less than 12 months	171,150,000,000	171,150,000,000	178,250,000,000	178,250,000,000

Included in the balance as at 30 June 2021 and 31 December 2020 are VND110 billion, respectively, at Bank for Investment and Development of Vietnam was pledged as security for the overdraft agreement granted from this bank.

(b) Investment in associate

	30.6.2021		31.12.2020	
	Cost VND	% of ownership	Cost VND	% of ownership
Thua Thien Hue Construction Joint Stock Corporation (*)	151,372,968,620	36.0	152,331,667,479	36.0

As at 30 June 2021 and 31 December 2020 the percentage of voting right in these associates held by the Group is equivalent to the percentage of ownership.

(*) The fair value of the investment to HCC as at 30 June 2021 is VND166,028,940,000 (as at 31 December 2020: VND147,505,050,000).

Movements in investment in associate are presented as follows:

	HCC VND
As at 1 January 2021	152,331,667,479
Profit sharing from associates	9,332,351,141
Dividend declared (Note 36(a))	(10,291,050,000)
As at 30 June 2021	151,372,968,620

4 INVESTMENTS (continued)**(c) Investments in other entities**

	30.6.2021		31.12.2020	
	Cost VND	% of ownership	Cost VND	% of ownership
International Investment and Water Technology Joint Stock Company ("Inwatek")	2,556,717,362	2.84	2,556,717,362	2.84
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00	1,900,000,000	19.00
Quang Phu Investment and Solution JSC	1,200,000,000	11.34	1,200,000,000	11.34
SEA MH Solar Limited Company	900,000,000	11.34	900,000,000	11.34
	<u>6,556,717,362</u>		<u>6,556,717,362</u>	

As at 30 June 2021 and 31 December 2020, the Group has not determined the fair value of this investment as this entity has not listed on the stock market yet.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2021 VND	31.12.2020 VND
Hai Dang Real Estate Investment Joint Stock Company	47,952,786,246	177,013,182,864
Industrial Construction Joint Stock Company	84,360,709,259	100,936,433,957
Saigon Binh Chau Corporation	66,134,760,078	65,786,192,101
Others	512,850,557,330	524,413,453,917
Total	<u>711,298,812,913</u>	<u>868,149,262,839</u>

As at 30 June 2021 and 31 December 2020, the past due balances of short-term trade accounts receivable were presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
Third parties	38,114,761,577	31,237,431,605
Related parties (Note 36(b))	200,999,662	200,999,662
Total	<u>38,315,761,239</u>	<u>31,438,431,267</u>

As at 30 June 2021 and 31 December 2020, there was no third-party supplier who had a balance accounting for 10% or more in the total balance of short-term prepayments to suppliers.

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

	30.6.2021 VND	31.12.2020 VND
Third parties	54,082,808,652	37,289,659,831
<i>Advances to employees</i>	17,513,611,171	12,776,750,369
<i>Other receivables from employees</i>	7,565,361,497	2,078,042,555
<i>Interest income receivable from banks</i>	7,272,286,029	3,139,715,616
<i>Interest expense incentive receivable from the State</i>	6,557,441,153	7,017,796,137
<i>Deposits</i>	4,889,668,914	6,603,937,460
<i>Others</i>	10,284,439,888	5,673,417,694
Related parties (Note 36(b))	10,949,693,288	658,643,288
Total	<u>65,032,501,940</u>	<u>37,948,303,119</u>

(b) Long-term

The balances represent the long-term deposits.

As at 30 June 2021 and 31 December 2020, there was no balance of other receivables that was past due or not past due but doubtful.

8 PROVISION FOR DOUBTFUL DEBTS - SHORT-TERM

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	<u>52,790,776,446</u>	<u>45,065,750,462</u>	<u>59,480,037,173</u>	<u>56,018,338,316</u>

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

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	56,018,338,316	44,191,231,158
Increase	5,623,136,844	14,314,209,539
Reversal	-	(2,487,102,381)
Write-off	(16,575,724,698)	-
End of period/year	<u>45,065,750,462</u>	<u>56,018,338,316</u>

9 INVENTORIES

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	32,191,394,718	-	3,773,425,482	-
Raw materials	71,417,655,541	(918,102,659)	74,434,755,079	(995,347,046)
Tools and supplies	461,234,405	-	556,861,314	-
Work in progress	248,364,608,768	-	196,139,059,612	-
Finished goods	7,248,336,905	(8,336,962)	7,716,566,375	(8,336,962)
Merchandises	-	-	222,858,312	-
Goods on consignment	1,037,327,787	-	1,037,327,787	-
	<u>360,720,558,124</u>	<u>(926,439,621)</u>	<u>283,880,853,961</u>	<u>(1,003,684,008)</u>

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

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	1,003,684,008	4,998,104,876
Increase	-	321,427,813
Write-off	-	(2,357,246,828)
Utilisation and reversal	(77,244,387)	(1,958,601,853)
End of period/year	<u>926,439,621</u>	<u>1,003,684,008</u>

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

	30.6.2021 VND	31.12.2020 VND
Tools and supplies	914,102,982	725,255,938
Others	1,427,939,686	1,528,335,362
Total	2,342,042,668	2,253,591,300

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Land rental	28,078,556,448	29,226,903,721
Tools and supplies	2,758,020,160	3,245,046,727
Others	3,245,040,425	1,844,097,633
Total	34,081,617,033	34,316,048,081

Movements in prepaid expenses during the period/year are as follows:

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	36,569,639,381	37,533,819,293
Increase	8,279,739,340	16,479,882,868
Allocation	(7,736,844,020)	(16,212,364,305)
Disposal	(688,875,000)	(1,231,698,475)
End of period/year	36,423,659,701	36,569,639,381

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	99,404,421,388	242,404,446,653	24,157,876,007	5,043,088,774	1,531,227,405	372,541,060,227
New purchases	-	42,580,909	1,368,454,546	116,218,182	-	1,527,253,637
Transfers from construction in progress (Note 12)	82,717,144	9,744,000,346	-	-	-	9,826,717,490
Disposals	-	-	(745,609,819)	-	-	(745,609,819)
As at 30 June 2021	99,487,138,532	252,191,027,908	24,780,720,734	5,159,306,956	1,531,227,405	383,149,421,535
Accumulated depreciation						
As at 1 January 2021	35,957,640,704	53,531,192,987	8,831,639,907	4,188,508,737	1,319,367,738	103,828,350,073
Charge for the period	1,219,403,562	5,246,980,764	558,513,142	149,717,630	10,681,998	7,185,297,096
Disposals	-	-	(745,609,819)	-	-	(745,609,819)
As at 30 June 2021	37,177,044,266	58,778,173,751	8,644,543,230	4,338,226,367	1,330,049,736	110,268,037,350
Net book value						
As at 1 January 2021	63,446,780,684	188,873,253,666	15,326,236,100	854,580,037	211,859,667	268,712,710,154
As at 30 June 2021	62,310,094,266	193,412,854,157	16,136,177,504	821,080,589	201,177,669	272,881,384,185

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND20,670,735,774 (as at 31 December 2020: VND21,250,026,365).

11 FIXED ASSETS (continued)**(b) Intangible fixed assets**

	Computer software VND	Others VND	Total VND
Historical cost			
As at 1 January 2021	2,916,691,951	1,166,288,612	4,082,980,563
New purchases	-	102,960,000	102,960,000
As at 30 June 2021	2,916,691,951	1,269,248,612	4,185,940,563
Accumulated amortisation			
As at 1 January 2021	2,343,987,547	14,726,528	2,358,714,075
Charge for the period	176,827,548	119,284,239	296,111,787
As at 30 June 2021	2,520,815,095	134,010,767	2,654,825,862
Net book value			
As at 1 January 2021	572,704,404	1,151,562,084	1,724,266,488
As at 30 June 2021	395,876,856	1,135,237,845	1,531,114,701

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2021 was VND2,264,776,660 (as at 31 December 2020: VND2,050,216,260).

12 CONSTRUCTION IN PROGRESS

	30.6.2021 VND	31.12.2020 VND
Major projects		
Phu Quoc Apartments	13,704,464,512	13,704,464,512
Da Nang Apartments	13,065,337,500	13,065,337,500
Machinery upgrading	3,182,771,915	3,328,085,956
ERP system	2,970,701,405	2,970,701,405
Factory construction	1,986,914,797	-
Purchases of machinery	1,374,332,659	1,294,632,659
Website design	1,270,849,026	1,270,849,026
Others	63,000,000	63,000,000
Total	37,618,371,814	35,697,071,058

12 CONSTRUCTION IN PROGRESS (continued)

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

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	35,697,071,058	131,997,849,896
Purchase	12,871,611,828	84,185,313,932
Transfers to fixed assets (Note 11(a))	(9,826,717,490)	(180,486,092,770)
Transfers to prepaid	(850,713,339)	-
Internal use	(272,880,243)	-
End of period/year	<u>37,618,371,814</u>	<u>35,697,071,058</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2021		31.12.2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	303,945,161,186	303,945,161,186	269,211,370,524	269,211,370,524
JA Solar International Limited	48,947,974,595	48,947,974,595	48,947,974,595	48,947,974,595
System Logistics Spa	38,728,515,494	38,728,515,494	-	-
Others	216,268,671,097	216,268,671,097	220,263,395,929	220,263,395,929
Related parties (Note 36(b))	5,801,559,277	5,801,559,277	7,579,261,845	7,579,261,845
Total	<u>309,746,720,463</u>	<u>309,746,720,463</u>	<u>276,790,632,369</u>	<u>276,790,632,369</u>

As at 30 June 2021 and 31 December 2020, there was no balance of short-term trade accounts payable that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021 VND	31.12.2020 VND
Third parties	128,052,870,622	51,661,736,949
ARC Binh Duong JSC	30,854,010,000	-
Kien A Khanh Hoa Investment Joint Stock Company	17,783,689,978	8,711,152,213
Vinh Loc Ben Luc Industrial Zone Construction and Investment	-	5,807,670,000
Others	79,415,170,644	37,142,914,736
Total	<u>128,052,870,622</u>	<u>51,661,736,949</u>

15 TAX AND OTHER RECEIVABLES/PAYABLES TO THE STATE BUDGET

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

	As at 1.1.2021 VND	Receivable/payable during the period VND	Payment during the period VND	Net-off/Finalisation during the period VND	Classification during the period VND	As at 30.6.2021 VND
(a) Tax receivables						
VAT input	34,695,032,322	47,424,648,071	-	(53,728,548,941)	-	28,391,131,452
PIT overpaid	-	-	-	-	629,366,004	629,366,004
CIT overpaid	-	-	-	-	88,562,110	88,562,110
(b) Tax payables						
VAT on domestic sales	6,400,264,097	63,896,735,229	(10,756,402,097)	(53,727,876,941)	-	5,812,720,288
VAT on importation	-	6,064,765,882	(6,064,765,882)	-	-	-
Personal income tax	948,262,272	3,623,760,928	(4,664,666,188)	(310,857,642)	629,366,004	225,865,374
CIT	9,416,427,188	1,277,138,479	(8,230,751,943)	-	88,562,110	2,551,375,834
Import, export tax	-	744,881,304	(744,881,304)	-	-	-
Foreign contractor tax	-	335,177,067	(283,397,663)	-	-	51,779,404
Business license tax	-	20,000,000	(20,000,000)	-	-	-
Total	16,764,953,557	75,962,458,889	(30,764,865,077)	(54,038,734,583)	717,928,114	8,641,740,900

16 PAYABLES TO EMPLOYEES

Payables to employees balance as at 30 June 2021 and 31 December 2020 represented salary and bonus payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2021 VND	31.12.2020 VND
Accrued project costs	123,756,323,808	226,552,509,483
Interest expense	679,339,339	731,425,823
Others	5,027,408,851	2,213,156,020
Total	<u>129,463,071,998</u>	<u>229,497,091,326</u>

18 OTHER SHOR-TERM PAYABLES

	30.6.2021 VND	31.12.2020 VND
Third parties	21,245,634,381	16,645,015,341
<i>Social, health and unemployment insurance and trade union fees</i>	4,249,816,866	2,777,040,694
<i>Other payables to employees</i>	1,162,172,586	1,093,738,467
<i>Dividends payable (Note 26)</i>	596,400,800	596,400,800
<i>Others</i>	15,237,244,129	12,177,835,380
Total	<u>21,245,634,381</u>	<u>16,645,015,341</u>

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19 BORROWINGS

(a) Short-term

	1.1.2021 VND	Increase VND	Decrease VND	Reclassification VND	30.6.2021 VND
Bank loans (*)	699,946,182,658	806,603,191,062	(898,219,857,940)	-	608,329,515,780
Current portion of long-term borrowings (*)	10,945,574,880	-	(7,945,574,880)	1,613,454,132	4,613,454,132
Total	<u>710,891,757,538</u>	<u>806,603,191,062</u>	<u>(906,165,432,820)</u>	<u>1,613,454,132</u>	<u>612,942,969,912</u>

Details of bank borrowings are as follows:

	30.6.2021 VND	31.12.2020 VND
Joint Stock Commercial Bank for Investment and Development of Vietnam	194,307,333,618	18,943,242,998
Joint Stock Commercial Bank for Foreign Trade of Vietnam	190,963,536,103	270,279,637,656
Vietnam Joint Stock Commercial Bank for Industry and Trade	147,250,663,509	320,305,745,253
Maritime Commercial Joint Stock Bank	45,561,123,731	52,424,606,935
Military Commercial Joint Stock Bank	34,860,312,951	47,480,494,491
Vietnam - Russia Joint Venture Bank	-	1,458,030,205
Total	<u>612,942,969,912</u>	<u>710,891,757,538</u>

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19 BORROWINGS

(b) Long-term

	1.1.2021 VND	Increase VND	Decrease VND	Reclassification VND	30.6.2021 VND
Bank borrowings (*)	80,682,148,002	17,240,801,525	(537,818,044)	(1,613,454,132)	95,771,677,351
Borrowings from related parties (Note 36(b)) (**)	-	4,000,000,000	-	-	4,000,000,000
Total	<u>80,682,148,002</u>	<u>21,240,801,525</u>	<u>(537,818,044)</u>	<u>(1,613,454,132)</u>	<u>99,771,677,351</u>

Details of bank borrowings are as follows:

	30.6.2021 VND	31.12.2020 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	86,628,770,541	80,682,148,002
Military Commercial Joint Stock Bank	9,142,906,810	-
	<u>95,771,677,351</u>	<u>80,682,148,002</u>

- (*) These loans are unsecured and bear the floating interest rates in accordance with each draw-down. The purpose of these loans is to support the working capital of the Group.

In addition, the Group has the borrowings with the term of 60 months, are secured by the assets forming from the borrowings. The borrowings bear the incentive interest rate in accordance with the investment stimulus program under the Decision No. 5592/QĐ-UBND dated 25 October 2016 and Decision No. 5940/QĐ-UBND dated 25 December 2018 of the People's Committee of Ho Chi Minh City. The purpose of these borrowings is for investment in machinery upgrading and production technology transformation in Arico and construction of factory of producing unburnt light materials in Greenpan.

- (**) The borrowing has the term of 24 months and bears an interest of 7.3% per annum. The purpose of the borrowing is to supplement working capital for the Group.



20 PROVISION FOR LIABILITIES**(a) Short-term**

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	2,011,567,497	3,021,765,657
Provision	651,227,899	2,353,558,780
Utilisation and reversal	(1,285,452,447)	(3,363,756,940)
End of period/year	<u>1,377,342,949</u>	<u>2,011,567,497</u>

Provision for short-term liabilities represent warranty for projects that have been completed and handed over.

(b) Long-term

Provision for long-term liabilities represents provision for severance allowances.

21 BONUS AND WELFARE FUND

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	15,814,687,470	12,810,181,294
Increase during the period/year	6,574,730,988	15,118,834,077
Utilisation during the period/year	(8,842,507,363)	(12,114,327,901)
End of period/year	<u>13,546,911,095</u>	<u>15,814,687,470</u>

22 DEFERRED INCOME TAX ASSETS

	30.6.2021 VND	31.12.2020 VND
Deferred tax assets to be recovered after more than 12 months	11,343,817,737	11,492,475,657
Deferred tax assets to be recovered within 12 months	<u>1,110,579,128</u>	<u>1,110,425,850</u>
Total	<u>12,454,396,865</u>	<u>12,602,901,507</u>

22 DEFERRED INCOME TAX ASSETS (Continued)

Movements in the deferred income tax assets are as follows:

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	12,602,901,507	5,779,202,076
Income statement (charge) (Note 35)	(148,504,642)	6,823,699,431
End of period/year	<u>12,454,396,865</u>	<u>12,602,901,507</u>

Details for deferred income tax assets:

	30.6.2021 VND	31.12.2020 VND
Income from capital contribution by fixed assets	3,306,472,380	3,342,794,496
Income from divestment in a subsidiary	6,300,000,000	6,300,000,000
Deductible temporary differences in relation to accrued expenses and provisions	2,270,002,077	2,382,184,603
Interest expenses excess of 30% EBITDA	577,922,408	577,922,408
Total	<u>12,454,396,865</u>	<u>12,602,901,507</u>

Tax rates used for determining deferred tax assets in the years 2021 and 2020 of the Company and Arico is 20%.

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

	30.6.2021 Ordinary shares	31.12.2020 Ordinary shares
Number of shares registered	<u>32,495,397</u>	<u>32,495,397</u>
Number of shares issued	32,495,397	32,495,397
Number of shares repurchased	(1,780,000)	(1,780,000)
Number of existing shares in circulation	<u>30,715,397</u>	<u>30,715,397</u>

23 OWNERS' CAPITAL (continued)**(b) Details of owners' shareholding**

	30.6.2021		31.12.2020	
	Ordinary shares	%	Ordinary shares	%
Taisei Oncho Co., Ltd	8,099,506	24.93	8,099,506	24.93
Sanyo Engineering & Construction Vietnam Co., Ltd.	6,500,000	20.00	6,500,000	20.00
Vietnam Seaproducts Joint Stock Corporation	4,152,000	12.78	4,152,000	12.78
Other shareholders	11,963,891	36.81	11,963,891	32.69
Treasury shares	1,780,000	5.48	1,780,000	5.48
Number of shares	<u>32,495,397</u>	<u>100.00</u>	<u>32,495,397</u>	<u>96.00</u>

(c) Movement of owners' capital

	Ordinary shares	
	Shares	VND
As at 1 January 2020	<u>32,495,397</u>	<u>324,953,970,000</u>
As at 31 December 2020	<u>32,495,397</u>	<u>324,953,970,000</u>
As at 30 June 2021	<u>32,495,397</u>	<u>324,953,970,000</u>

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

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development funds VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	324,953,970,000	284,019,059	4,415,811,246	(29,238,407,099)	5,427,578,589	153,721,140,856	459,564,112,651
Profit for the year	-	-	-	-	-	39,879,115,045	39,879,115,045
Appropriation to Bonus and welfare funds	-	-	-	-	-	(14,153,194,490)	(14,153,194,490)
Appropriation to Investment and development funds	-	-	-	-	2,881,385,349	(2,881,385,349)	-
Dividends declared	-	-	-	-	-	(24,572,317,600)	(24,572,317,600)
As at 31 December 2020	<u>324,953,970,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>151,993,358,462</u>	<u>460,717,715,606</u>
As at 1 January 2021	324,953,970,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	151,993,358,462	460,717,715,606
Profit for the period	-	-	-	-	-	7,606,620,971	7,606,620,971
Appropriation to Bonus and welfare funds (*)	-	-	-	-	-	(6,094,065,574)	(6,094,065,574)
As at 30 June 2021	<u>324,953,970,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>153,505,913,859</u>	<u>462,230,271,003</u>

(*) As per the Resolution of the General Meeting of Shareholders No. 01/ĐHĐCD/NQ/21 dated April 20, 2021, the Company approved the appropriation of the bonus and welfare fund and approved the 2020 dividend payment in shares.

25 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	30.6.2021 VND	31.12.2020 VND
Share capital	82,800,000,000	73,263,260,000
Undistributed earnings	3,617,525,302	2,766,458,906
	<u>86,417,525,302</u>	<u>76,029,718,906</u>

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

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	76,029,718,906	45,433,542,751
Capital increase during the period/year	9,914,040,000	30,788,260,000
Net profit for the period/year	1,423,112,812	3,044,524,741
Repurchase of shares	-	(377,300,000)
Appropriation to bonus and welfare fund	(480,665,414)	(965,639,587)
Dividends declared	(468,681,002)	(1,893,668,999)
Ending of period/year	<u>86,417,525,302</u>	<u>76,029,718,906</u>

26 DIVIDENDS

	Six-month period ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	596,400,800	22,088,676,700
Dividends payable during the period/year (Note 24)	-	24,572,317,600
<i>Second dividend for year 2019: VND800 per share</i>	-	24,572,317,600
Dividends paid in cash	-	(46,064,593,500)
End of period/year (Note 18)	<u>596,400,800</u>	<u>596,400,800</u>

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

	Six-month period ended 30.6.2021	Six-month period ended 30.6.2020
Net profit attributable to shareholders (VND)	<u>7,606,620,971</u>	<u>4,707,269,703</u>
Weighted average number of ordinary shares in issue (shares)	<u>30,715,397</u>	<u>30,715,397</u>
Basic earnings per share (VND)	<u>248</u>	<u>153</u>

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

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued.

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

28 OFF BALANCE SHEET ITEMS

	30.6.2021	31.12.2020
Bad debts written off (VND)	44,168,045,710	31,519,409,849
Foreign currencies		
United States Dollar (USD)	19,174.84	21,460.76
Euro (EUR)	520.00	530.64
Great British Pound (GBP)	7.16	6.43
Australian Dollar (AUD)	<u>0.67</u>	<u>0.62</u>

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Net revenue from construction contracts	284,259,005,458	466,561,036,000
Net revenue from sales of goods	53,391,897,792	31,588,194,867
Net revenue from leasing activity	-	1,901,138,250
Net revenue from other services	1,263,480,352	-
Total	<u>338,914,383,602</u>	<u>500,050,369,117</u>

30 COST OF GOODS SOLD AND SERVICES RENDERED

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Cost of construction contracts	253,767,948,824	432,791,979,106
Cost of goods sold	40,605,818,520	23,966,664,680
Cost of leasing activity	-	1,800,710,124
Reversal provision for decline in value of inventories (Note 9)	(77,244,387)	(1,432,873,129)
Total	<u>294,296,522,957</u>	<u>457,126,480,781</u>

31 FINANCIAL INCOME

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Interest income from deposits and loans	4,595,743,164	5,880,834,920
Net gain from foreign currency translation at year-end	1,031,728,201	-
Realised foreign exchange gains	114,584,256	536,168,319
Others	-	50,000,000
Total	<u>5,742,055,621</u>	<u>6,467,003,239</u>

32 FINANCIAL EXPENSES

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Interest expense	19,382,011,190	22,201,228,055
Realised foreign exchange losses	46,169,979	219,016,888
Net loss from foreign currency translation at period-end	-	241,559,009
Others	45,547,200	-
Total	<u>19,473,728,369</u>	<u>22,661,803,952</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Staff costs	14,449,661,885	13,690,742,686
Provision for doubtful debts	5,623,136,844	2,718,413,256
Outside service expenses	2,720,775,071	7,452,740,045
Depreciation and amortisation	1,025,756,878	1,041,790,398
Tools and equipment	192,149,502	640,348,978
Reversal of accrued staff costs	(191,631,459)	(1,975,870,761)
Others	4,094,382,131	1,632,060,433
Total	<u>27,914,230,852</u>	<u>25,200,225,035</u>

34 OTHER INCOME AND OTHER EXPENSES

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Other income		
Fines	633,241,473	-
Gains on disposal of fixed assets	214,090,909	272,727,273
Disposal of scraps	117,704,000	
Payables written off	-	823,780,546
Others	121,284,432	181,826,278
Total	1,086,320,814	1,278,334,097
Other expenses		
Fines	176,401,242	407,767,998
Others	926,123,619	-
	1,102,524,861	407,767,998

35 BIT*Arico*

Pursuant to the Investment certificate No. 41221000103 issued by the DPI of Ho Chi Minh City on 2 April 2008, tax inspection minutes dated 23 September 2013 for the period from 2010 to 2012 and other current regulations, the Board of Directors assessed that Arico is entitled to BIT incentives at tax rate of 15% for 12 years from the first year of arising revenue from BIT incentive activities (2010), BIT exemption for 3 years from the first year of arising taxable income (2010 – 2012) and a 50% BIT reduction for 7 years thereafter (2013 – 2019). In 3 consecutive years (2020 – 2022), Arico is entitled to BIT incentives at tax rate of 15%, and from 2022 onwards, Arico has the obligation to pay business income tax at common tax rate.

Greenpan

Pursuant to Investment registration certificate No. 6748616720 dated 24 October 2018 issued by the People's Committee of Ho Chi Minh City and current tax regulations, the Director assessed that the Company obliged to pay BIT on the income from the investment project at incentive tax rate of 10% for 15 years from the first year of having taxable revenue from the project (2020-2034), BIT exemption for 4 years from the first year of having taxable income from the project (2020-2023) and a 50% BIT reduction for 9 years thereafter (2024-2032).

The Company and other subsidiaries

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

35 BIT (continued)

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

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Net accounting profit before tax	10,455,376,904	10,447,669,030
Tax calculated at a rate of 20%	2,091,075,380	2,089,533,806
Effect of:		
Income not subject to tax	(2,058,210,000)	(1,945,357,748)
Tax incentive	(94,953,377)	(644,378,491)
Expenses not deductible for tax purposes	412,226,308	462,963,943
Utilisation of previously unrecognised tax losses	-	(390,852,775)
Tax losses in subsidiaries for which no deferred income tax asset was recognised	1,368,059,729	3,416,517,563
Tax deduction	(368,154,919)	-
Under-provision in previous years	75,600,000	250,063,005
Temporary differences	(148,504,642)	(1,021,264,133)
BIT charge - current	<u>1,277,138,479</u>	<u>2,217,225,170</u>
Charged to consolidated income statement:		
BIT – current	1,277,138,479	2,217,225,170
BIT– deferred (Note 22)	148,504,642	1,021,264,133
	<u>1,425,643,121</u>	<u>3,238,489,303</u>

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

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

Related party	Relationship	Nature of transaction	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
i) Purchases of goods and services				
HCC	Associate	Construction services	6,311,404,769	6,193,681,696
Formtek	Related party	Construction services	165,674,910	1,419,458,049
		Total	6,477,079,679	7,613,139,745
ii) Compensation of key management				
		Salaries and benefits of the Board of Management	3,933,314,792	4,826,604,045
		Allowance for the Boards of Directors and Supervision	966,000,000	1,176,900,000
		Total	4,899,314,792	6,003,504,045
iii) Financing activities				
HCC	Associate	Dividend declared	10,291,050,000	8,232,840,000
Inwatek	Related party	Capital withdrawal	-	1,819,641,319
Mr. Pham Ngoc Son	Related party	Borrowing	4,000,000,000	-

36 RELATED PARTY DISCLOSURES (continued)**(b) Period/year end balances with related parties**

Related party	Relationship	Nature of transaction	30.6.2021 VND	31.12.2020 VND
Short-term prepayments to suppliers (Note 6)				
Formtek	Related party	Construction services	200,999,662	200,999,662
Other short-term receivables (Note 7(a))				
HCC	Associate	Dividend declared	10,291,050,000	-
Inwatek	Related party	Interest income	658,643,288	658,643,288
			10,949,693,288	658,643,288
Short-term trade accounts payable (Note 13)				
HCC	Associate	Construction services	5,801,559,277	7,579,261,845
Long-term borrowing (Note 19(b))				
Mr. Pham Ngoc Son	Related party	Borrowing	4,000,000,000	-

37 OPERATING LEASE COMMITMENTS

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

	30.6.2021 VND	31.12.2020 VND
Within one year	4,038,846,500	4,364,760,661
Between one and five years	6,003,386,000	7,744,142,644
Over five years	25,855,526,500	22,199,594,275
Total minimum payments	35,897,759,000	34,308,497,580

38 SEGMENT REPORT

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

The consolidated financial statements were approved by the Board of Management on 20 August 2021.



Nguyen Thi
Preparer



Vuong Tran Quoc Thanh
Chief Accountant



Nguyen Thi Thanh Huong
Chief Executive Officer

