

**SEAREFICO CORPORATION**

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



# SEAREFICO CORPORATION

## INTERIM SEPARATE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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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 SEPARATE FINANCIAL STATEMENTS

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the interim separate financial statements of the Company which give a true and fair view of the interim separate financial position of the Company as at 30 June 2021, and the results of its operations and its cash flows for the six-month period then ended. In preparing these interim separate 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 separate financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 financial position of the Company and which enable interim separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying interim separate financial statements as set out on pages 5 to 43 which give a true and fair view of the interim separate financial position of the Company as at 30 June 2021, and of the interim separate 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 separate financial statements.

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the six-month period ended 30 June 2021 in order to obtain full information of the interim consolidated financial position and the interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

On behalf of the Board of Management



  
Nguyen Thi Thanh Huong  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
20 August 2021





## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO THE SHAREHOLDERS OF SEAREFICO CORPORATION

We have reviewed the accompanying interim separate financial statements of Searefico Corporation ("the Company") which were prepared on 30 June 2021 and approved by the Board of Management on 20 August 2021. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2021, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 43.

### **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 separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the interim separate 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 separate 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 separate financial statements are not presented fairly, in all material respects, the interim separate financial position of the Company as at 30 June 2021, its separate financial performance and separate 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 separate financial statements.

## Other Matters

The report on review of interim separate 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: HCM11180  
Ho Chi Minh City, 20 August 2021



## INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>822,159,628,125</b>	<b>1,002,181,087,328</b>
<b>110</b>	<b>Cash</b>	<b>3</b>	<b>4,414,296,966</b>	<b>32,339,671,707</b>
111	Cash		4,414,296,966	32,339,671,707
<b>120</b>	<b>Short-term investment</b>		<b>120,000,000,000</b>	<b>120,000,000,000</b>
123	Investment held-to-maturity	4(a)	120,000,000,000	120,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>609,109,033,239</b>	<b>806,519,911,832</b>
131	Short-term trade accounts receivable	5	569,496,402,610	786,376,056,770
132	Short-term prepayments to suppliers	6	12,701,863,183	14,836,302,582
136	Other short-term receivables	7(a)	60,783,449,198	50,158,604,885
137	Provision for doubtful debts – short-term	8	(33,872,681,752)	(44,851,052,405)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>75,266,467,886</b>	<b>30,897,828,276</b>
141	Inventories		75,285,566,624	30,916,985,319
149	Provision for decline in value of inventories		(19,098,738)	(19,157,043)
<b>150</b>	<b>Other current assets</b>		<b>13,369,830,034</b>	<b>12,423,675,513</b>
151	Short-term prepaid expenses	10(a)	322,996,640	409,692,117
152	Value added tax ("VAT") to be reclaimed	15(a)	12,958,271,284	12,013,983,396
153	Tax and other receivables from the State	15(a)	88,562,110	-
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>399,415,444,532</b>	<b>341,381,753,742</b>
<b>210</b>	<b>Long-term receivable</b>		<b>1,530,901,840</b>	<b>1,530,901,840</b>
216	Other long-term receivables	7(b)	1,530,901,840	1,530,901,840
<b>220</b>	<b>Fixed assets</b>		<b>1,419,646,052</b>	<b>1,844,556,596</b>
221	Tangible fixed assets	11(a)	1,294,979,383	1,570,289,929
222	Historical cost		10,664,223,158	11,409,832,977
223	Accumulated depreciation		(9,369,243,775)	(9,839,543,048)
227	Intangible fixed assets	11(b)	124,666,669	274,266,667
228	Historical cost		2,011,626,260	2,011,626,260
229	Accumulated amortisation		(1,886,959,591)	(1,737,359,593)
<b>240</b>	<b>Long-term asset in progress</b>		<b>29,803,503,417</b>	<b>29,803,503,417</b>
242	Construction in progress	12	29,803,503,417	29,803,503,417
<b>250</b>	<b>Long-term investments</b>		<b>363,733,786,116</b>	<b>304,383,786,116</b>
251	Investments in subsidiaries	4(b)	307,884,188,754	248,534,188,754
252	Investments in associates	4(b)	51,392,880,000	51,392,880,000
253	Investments in other entities	4(b)	4,456,717,362	4,456,717,362
<b>260</b>	<b>Other long-term assets</b>		<b>2,927,607,107</b>	<b>3,819,005,773</b>
261	Long-term prepaid expenses	10(b)	573,320,878	1,354,813,323
262	Deferred income tax assets	22	2,354,286,229	2,464,192,450
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,221,575,072,657</b>	<b>1,343,562,841,070</b>

The notes on pages 9 to 43 are an integral part of these separate financial statements.

INTERIM SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>833,378,373,209</b>	<b>957,613,947,254</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>827,159,837,707</b>	<b>951,041,614,252</b>
311	Short-term trade accounts payable	13	256,013,475,316	246,522,308,464
312	Short-term advances from customers	14	47,081,723,047	26,811,332,317
313	Tax and other payables to the State	15(b)	1,531,399,748	9,335,544,203
314	Payables to employees	16	1,233,070,703	1,274,087,061
315	Short-term accrued expenses	17	85,467,591,217	173,210,581,887
319	Other short-term payables	18	11,232,674,057	10,309,054,087
320	Short-term borrowings	19	412,691,100,139	469,631,559,421
321	Provision for short-term liabilities	20(a)	543,281,108	742,134,517
322	Bonus and welfare funds	21	11,365,522,372	13,205,012,295
<b>330</b>	<b>Long-term liability</b>		<b>6,218,535,502</b>	<b>6,572,333,002</b>
342	Provision for long-term liabilities	20(b)	6,218,535,502	6,572,333,002
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>388,196,699,448</b>	<b>385,948,893,816</b>
<b>410</b>	<b>Capital and reserves</b>		<b>388,196,699,448</b>	<b>385,948,893,816</b>
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
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	5,427,578,589	5,427,578,589
421	Undistributed earnings	24	86,769,538,899	84,521,733,267
421a	- Undistributed post-tax profits of previous years		79,436,628,863	33,670,689,228
421b	- Post-tax profits of current period/year		7,332,910,036	50,851,044,039
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,221,575,072,657</b>	<b>1,343,562,841,070</b>

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 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 43 are an integral part of these separate financial statements.



## INTERIM SEPARATE INCOME STATEMENT

Code		Note	For the six-month period ended	
			30.6.2021 VND	30.6.2020 VND
01	Revenue from sales of goods and rendering of services		114,376,116,250	322,711,155,845
02	Less deductions		-	(1,432,873,129)
10	Net revenue from sales of goods and rendering of services	27	114,376,116,250	321,278,282,716
11	Cost of goods sold and services rendered	28	(98,310,757,791)	(308,688,823,661)
20	Gross profit from sales of goods and rendering of services		16,065,358,459	12,589,459,055
21	Financial income	29	19,313,253,282	24,047,792,873
22	Financial expenses	30	(12,061,071,384)	(17,640,464,573)
23	- Including: Interest expense	30	(12,057,352,184)	(17,441,796,657)
26	General and administration expenses	31	(15,916,839,765)	(14,652,724,614)
30	Net operating profit		7,400,700,592	4,344,062,741
31	Other income	32	2,151,399,927	929,294,046
32	Other expenses	32	(1,479,965,062)	(262,546,631)
40	Net other income		671,434,865	666,747,415
50	Net accounting profit before tax		8,072,135,457	5,010,810,156
51	Business income tax ("BIT") - current	33	(629,319,200)	(284,089,695)
52	BIT - deferred	33	(109,906,221)	(468,909,321)
60	Net profit after tax		7,332,910,036	4,257,811,140

SEAREFICO



Nguyen Thi  
Preparer



Vuong Tran Quoc Thanh  
Chief Accountant



Nguyen Thi Thanh Huong  
Chief Executive Officer  
20 August 2021

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**INTERIM SEPARATE CASH FLOW STATEMENT**  
**(Indirect method)**

		For the six-month period ended	
		30.6.2021	30.6.2020
Code	Note	VND	VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net accounting profit before tax</b>	<b>8,072,135,457</b>	<b>5,010,810,156</b>
Adjustments for:			
02	Depreciation and amortisation	424,910,544	437,313,172
03	Provisions	5,398,442,331	1,169,935,522
04	Unrealised foreign exchange (gains)/losses	(959,306,647)	141,830,014
05	Profits from investing activities	(18,567,392,238)	(24,009,497,034)
06	Interest expense	12,057,352,184	17,441,796,657
08	<b>Operating profit before changes in working capital</b>	<b>6,426,141,631</b>	<b>192,188,487</b>
09	Decrease in receivables	208,369,176,387	101,409,993,713
10	(Increase)/decrease in inventories	(44,368,581,305)	56,831,334,247
11	Decrease in payables	(56,882,317,450)	(81,000,119,029)
12	Decrease/(increase) in prepaid expenses	868,187,922	(49,068,230)
14	Interest paid	(11,987,569,961)	(17,188,840,891)
15	BIT paid	(7,760,451,257)	(1,312,798,453)
17	Other payments on operating activities	(7,278,391,827)	(10,296,877,357)
20	<b>Net cash inflows from operating activities</b>	<b>87,386,194,140</b>	<b>48,585,812,487</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	-	(84,000,000)
22	Proceeds from disposals of fixed assets	214,090,909	-
23	Term deposits at banks	(10,000,000,000)	-
24	Collection of term deposits at banks	10,000,000,000	31,703,107,647
25	Investments in other entities	(96,200,000,000)	(70,350,000,000)
26	Proceeds from divestment in other entities	36,850,000,000	1,819,641,319
27	Dividends and interest received	764,799,492	23,372,469,819
30	<b>Net cash outflows from investing activities</b>	<b>(58,371,109,599)</b>	<b>(13,538,781,215)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	595,433,158,566	630,052,494,881
34	Repayments of borrowings	(652,373,617,848)	(651,144,130,253)
36	Dividends paid	-	(46,064,593,500)
40	<b>Net cash outflows from financing activities</b>	<b>(56,940,459,282)</b>	<b>(67,156,228,872)</b>
50	<b>Net decrease in cash</b>	<b>(27,925,374,741)</b>	<b>(32,109,197,600)</b>
60	<b>Cash at beginning of period</b>	<b>32,339,671,707</b>	<b>35,368,646,531</b>
61	Effect of foreign exchange differences	-	-
70	<b>Cash at end of period</b>	<b>4,414,296,966</b>	<b>3,259,448,931</b>

\_\_\_\_\_  
 Nguyen Thi  
 Preparer

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 Vuong Tran Quoc Thanh  
 Chief Accountant

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 Nguyen Thi Thanh Huong  
 Chief Executive Officer  
 20 August 2021

The notes on pages 9 to 43 are an integral part of these separate financial statements.



**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD 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 is 12 months.

The Company has one branch, Danang Refrigeration Electrical Engineering – Searefico Corporation ("the Branch"). The Branch is incorporated pursuant to the branch operation registration certificate No. 0301825452-001 initially issued by the DPI of Da Nang City on 17 January 2000, as amended. The Branch's registered office is located at Street 10, Hoa Khanh Industry zone, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.

As at 30 June 2021, the Company had 37 employees (as at 31 December 2020: 37 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/HDQT/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 interim separate financial statements**

The interim 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 interim separate financial statements. The interim separate financial statements have been prepared under the historical cost convention.

The accompanying interim separate financial statements are not intended to present the financial position and results of separate operations and separate 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 separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Company. The interim separate financial statements in the English language have been translated from the Vietnamese language version.

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

Users of these interim separate financial statements of the Company should read them together with the interim consolidated financial statements of the Group for the six-month period ended 30 June 2021 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

### **2.2 Fiscal year**

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

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

### **2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong"). The Company determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for listing selling prices and receiving payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, materials and other production or operating costs and normally used as payments of those costs.

In addition, the Company also uses this currency to raise financial resources (such as via issuance of shares or bonds) and/or regularly collects this currency from business operations and savings.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 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 banks at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the interim separate income statement.

**2.5 Cash**

Cash comprises cash on hand and cash in banks.

**2.6 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 Management.

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

**2.7 Inventories**

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

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

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

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

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 Company applies the perpetual method for inventories.

Provision is made when necessary, for obsolete, slow-moving and defective inventory items. 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.

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

Investments held-to-maturity are investments which the Company 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 year 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 accounting 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

**(b) Investments in subsidiaries**

Subsidiaries are all entities over which the Company 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 Company controls another entity.

Investments in subsidiaries are initially recorded at costs of acquisition including capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments (continued)****(c) Investment in associates**

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

Investments in associates are accounted for at cost of acquisition including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews the outstanding investment to determine the amount of provision to recognise at the year end.

**(d) Investments in other entities**

Investments in 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 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.

**(e) Provision for investments in subsidiaries, associates and other entities**

Provision for investments in subsidiaries, associate, and other entities is made when there is a diminution in value of the investments at the year end. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment.

Changes in the provision balance during the accounting 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.

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Fixed assets (continued)***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:

Plant and buildings	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 of the fixed assets and are recognised as income or expense in the separate 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 are comprised 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 Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

**2.10 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 statement on a straight-line basis over the term of the lease.

**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

**2.13 Borrowings**

Borrowings include borrowings from banks and related parties.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on the remaining period from the separate 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 year 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 Company 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 Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the interim separate income statement when incurred.

**2.14 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the year 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 year. Accrued expenses are recorded as expenses in the reporting year.



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

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 accounting period are recorded as an increase or decrease in operating expenses.

**2.16 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 contract's average salary for the six-month period prior to the separate balance sheet date.

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

**2.17 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed at the 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 record the Company's results (profits or losses) after BIT of the Company and the appropriation of profit at the reporting date.

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

The Company's dividends are recognised as a liability in the Company's separate 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 Company 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 Company's expansion or upgrading of its operation or in-depth investments.

**(b) Bonus and welfare fund**

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

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

Revenue from 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.

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. In cases where the Company gives promotional goods to customers associated with their purchases, the Company 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 separate income statement.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 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. Claimable receivable and other receivable are included in revenue to the extent that they have been 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.

**(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividends income**

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

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

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

**2.21 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 basis. The Board of Management and Division Directors have the responsibility to follow up, update and adjust the gross profit periodically.

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

**2.22 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including interest expense and losses from foreign exchange differences.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes of the Company.

**2.24 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 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 interim separate 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 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.

**2.25 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 Company, key management personnel, including the Board of Directors, the Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.26 Accounting estimates**

The preparation of separate 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 interim separate financial statements and the reported amounts of revenues and expenses during the financial year.

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); and
- Accrued expenses and provisions (Note 17, 20).

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 Company and that are believed to be reasonable under the circumstances.

**3 CASH**

	30.6.2021 VND	31.12.2020 VND
Cash on hand	230,789,719	114,079,148
Cash in bank	4,183,507,247	32,225,592,559
Total	<u>4,414,296,966</u>	<u>32,339,671,707</u>

**4 INVESTMENTS****(a) Investment 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	120,000,000,000	120,000,000,000	120,000,000,000	120,000,000,000

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

**4 INVESTMENTS (continued)****(b) Long-term investments**

	30.6.2021		31.12.2020	
	Cost VND	% of ownership	Cost VND	% of ownership
<b>(i) Investments in direct subsidiaries</b>				
Searefico Engineering and Construction Joint Stock Company (*)	148,500,000,000	99.00	69,300,000,000	99.00
Asia Refrigeration Industry Joint Stock Company (**)	96,384,188,754	84.00	79,584,188,754	84.00
Seareal Real Estate JSC	63,000,000,000	98.40	63,000,000,000	98.40
Searee Refrigeration Electrical Engineering (*)	-	-	36,650,000,000	73.30
Total	307,884,188,754		248,534,188,754	
<b>(ii) Investments in associates</b>				
Thua Thien Hue Construction Joint Stock Corporation (***)	51,392,880,000	36.00	51,392,880,000	36.00
<b>(iii) Other long-term investments</b>				
International Investment and Water Technology Joint Stock Company	2,556,717,362	2.84	2,556,717,362	2.84
Formtek Engineering Joint Stock Company	1,900,000,000	19.00	1,900,000,000	19.00
Total	4,456,717,362		4,456,717,362	

(\*) According to the Shareholder's General Meeting Resolution 015/NQ/HĐQT/20 dated 23 December 2020, the Company approved to increase charter capital of Searefico E&C to VND100 billion. Thereafter, according to the resolution of the Board of Directors No. 005A/NQ/HĐQT/21 dated 15 April 2021, the Company has transferred all the shares that the Company owns in Searee subsidiary to another subsidiary which is the Searefico E&C, and increase charter capital of Searefico E&C to VND150 billion. This transfer was completed as at 23 June 2021.

(\*\*) According to the Shareholder's General Meeting Resolution No. 014/NQ/HĐQT/20 dated 23 December 2020, the Company approved to increase charter capital of Arico.

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

For the investments in Searefico E&C, Arico, Seareal, Inwatek and Formtek, as at 30 June 2021 and 31 December 2020, the Company has not determined the fair value of these investments for disclose in the separate financial statements because they do not have listed prices.



**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	30.6.2021 VND	31.12.2020 VND
Third parties	552,270,967,999	708,546,601,758
<i>Industry Construction Corporation</i>	84,360,709,259	100,936,433,957
<i>Saigon Binh Chau Corporation</i>	66,134,760,078	65,786,192,101
<i>Viet Nam Dairy Products Joint Stock Company - Tien Son Factory</i>	55,598,193,833	18,153,208,532
<i>Hai Dang Real Estate Investment Joint Stock Company</i>	47,952,786,246	177,013,182,864
<i>Others</i>	298,224,518,583	346,657,584,304
Related parties (Note 34(b))	17,225,434,611	77,829,455,012
Total	<u>569,496,402,610</u>	<u>786,376,056,770</u>

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

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	30.6.2021 VND	31.12.2020 VND
Third parties	11,732,856,408	14,635,302,920
<i>Gia Hung Construction and Import Export Company Limited</i>	2,343,178,838	2,343,178,838
<i>EDH Energy Solutions Joint Stock Company</i>	1,497,466,267	1,603,743,466
<i>Phuc Minh Electronics and Trading Joint Stock Company</i>	433,614,484	1,811,597,759
<i>Others</i>	7,458,596,819	8,876,782,857
Related parties (Note 34(b))	969,006,775	200,999,662
Total	<u>12,701,863,183</u>	<u>14,836,302,582</u>

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

	30.6.2021 VND	31.12.2020 VND
Third parties	20,110,659,530	12,296,382,624
<i>Interest income receivable from banks</i>	5,837,085,479	3,139,715,616
<i>Other receivables from employees</i>	4,026,002,794	1,065,920,570
<i>Advances to employees</i>	3,489,495,577	2,243,839,836
<i>Deposits</i>	2,719,959,669	858,099,844
<i>Receivables from construction teams</i>	1,476,219,252	1,282,164,617
<i>Others</i>	2,561,896,759	3,706,642,141
Related parties (Note 34(b))	40,672,789,668	37,862,222,261
Total	<u>60,783,449,198</u>	<u>50,158,604,885</u>

**7 OTHER SHORT-TERM RECEIVABLES (continued)****(b) Long-term**

The balance represents long-term deposits and guarantees.

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 SHORT-TERM DOUBTFUL DEBTS**

	<b>30.6.2021</b>		<b>31.12.2020</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Receivables that were past due	41,571,961,830	33,872,681,752	59,447,686,528	44,851,052,405

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

	<b>Six-month period ended 30.6.2021 VND</b>	<b>Year ended 31.12.2020 VND</b>
Beginning of period/year	44,851,052,405	30,685,038,581
Provision (Note 31)	5,597,354,045	14,166,013,824
Write-off	(16,575,724,698)	-
End of period/year	33,872,681,752	44,851,052,405

**9 INVENTORIES**

	<b>30.6.2021</b>		<b>31.12.2020</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Goods in transit	29,068,431,174	-	440,414,536	-
Raw materials	1,747,644,419	(19,098,738)	2,055,389,780	(19,157,043)
Work in progress (*)	44,459,180,790	-	28,410,870,762	-
Finished goods	10,310,241	-	10,310,241	-
Total	75,285,566,624	(19,098,738)	30,916,985,319	(19,157,043)



**9 INVENTORIES (continued)**

(\*) Details for working progress by project are as follows:

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Sun World Hon Thom Nature Park Project	13,679,619,233	13,603,300,964
Kem Beach Resort Phu Quoc Project	6,769,012,977	7,154,180,732
Tien Son Factory Project	5,158,664,870	9,346,037
Other projects	18,851,883,710	7,644,043,029
<b>Total</b>	<b>44,459,180,790</b>	<b>28,410,870,762</b>

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

	<b>Six-month period</b> <b>ended 30.6.2021</b> <b>VND</b>	<b>Year ended</b> <b>31.12.2020</b> <b>VND</b>
Beginning of period/year	19,157,043	1,516,723,953
Reversal of provision for decline in value of inventories (Note 28)	(58,305)	(1,497,566,910)
<b>End of period/year</b>	<b>19,098,738</b>	<b>19,157,043</b>

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

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Tools and supplies	113,349,512	40,609,244
Others	209,647,128	369,082,873
<b>Total</b>	<b>322,996,640</b>	<b>409,692,117</b>

**(b) Long-term**

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Tools and supplies	100,233,090	149,247,705
Others	473,087,788	1,205,565,618
<b>Total</b>	<b>573,320,878</b>	<b>1,354,813,323</b>

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

	<b>Six-month period</b> <b>ended 30.6.2021</b> <b>VND</b>	<b>Year ended</b> <b>31.12.2020</b> <b>VND</b>
Beginning of period/year	1,764,505,440	3,673,070,673
Increase	378,230,500	7,979,516,019
Allocation	(557,543,422)	(8,796,506,642)
Others	(688,875,000)	(1,091,574,610)
<b>End of period/year</b>	<b>896,317,518</b>	<b>1,764,505,440</b>



**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
<b>Historical cost</b>						
As at 1 January 2021	67,000,000	2,446,009,559	5,886,845,660	2,703,936,007	306,041,751	11,409,832,977
Disposals	-	-	(745,609,819)	-	-	(745,609,819)
As at 30 June 2021	67,000,000	2,446,009,559	5,141,235,841	2,703,936,007	306,041,751	10,664,223,158
<b>Accumulated depreciation</b>						
As at 1 January 2021	67,000,000	2,341,488,559	4,754,718,414	2,370,294,324	306,041,751	9,839,543,048
Charge for the period	-	15,693,036	166,479,636	93,137,874	-	275,310,546
Disposals	-	-	(745,609,819)	-	-	(745,609,819)
As at 30 June 2021	67,000,000	2,357,181,595	4,175,588,231	2,463,432,198	306,041,751	9,369,243,775
<b>Net book value</b>						
As at 1 January 2021	-	104,521,000	1,132,127,246	333,641,683	-	1,570,289,929
As at 30 June 2021	-	88,827,964	965,647,610	240,503,809	-	1,294,979,383

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND6,327,958,558 (as at 31 December 2020: VND7,073,568,377).

**11 FIXED ASSETS (continued)****(b) Intangible fixed assets****Computer software  
VND****Historical cost**

As at 1 January 2021 and 30 June 2021

2,011,626,260

**Accumulated amortisation**

As at 1 January 2021

1,737,359,593

Charge for the period

149,599,998

As at 30 June 2021

1,886,959,591

**Net book value**

As at 1 January 2021

274,266,667

As at 30 June 2021

124,666,669

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2020 was VND1,712,426,260 (as at 31 December 2020: VND1,497,866,260).

**12 CONSTRUCTION IN PROGRESS**

	<b>30.6.2021 VND</b>	<b>31.12.2020 VND</b>
Phu Quoc office	13,704,464,512	13,704,464,512
Da Nang apartment building	13,065,337,500	13,065,337,500
ERP system	2,970,701,405	2,970,701,405
Others	63,000,000	63,000,000
<b>Total</b>	<b>29,803,503,417</b>	<b>29,803,503,417</b>

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

	<b>Six-month period ended 30.6.2021 VND</b>	<b>Year ended 31.12.2020 VND</b>
Beginning of period/year	29,803,503,417	3,022,128,345
Purchase	-	26,781,375,072
<b>End of period/year</b>	<b>29,803,503,417</b>	<b>29,803,503,417</b>



**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	30.6.2021 VND	31.12.2020 VND
Third parties	175,048,015,553	166,338,511,920
<i>System Logistics Spa</i>	38,728,515,494	10,724,951,790
<i>Others</i>	136,319,500,059	155,613,560,130
Related parties (Note 34(b))	80,965,459,763	80,183,796,544
Total	<u>256,013,475,316</u>	<u>246,522,308,464</u>

As at 31 June 2021 and 31 December 2020, the Company was able to pay when these trade accounts payable are due and there was no balance of short-term trade payables that was past due.

**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

	30.6.2021 VND	31.12.2020 VND
Third parties	37,812,723,047	23,542,332,317
<i>Kien A Khanh Hoa Investment Joint Stock Company</i>	17,783,689,978	8,711,152,213
<i>Vinamilk Vietnam Joint Stock Company</i>	7,275,000,000	7,275,000,000
<i>Saigon Cam Ranh Joint Stock Company</i>	4,758,953,650	4,758,953,650
<i>Others</i>	7,995,079,419	2,797,226,454
Related parties (Note 34(b))	9,269,000,000	3,269,000,000
Total	<u>47,081,723,047</u>	<u>26,811,332,317</u>

## 15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in taxes and other receivables from/payables to the State during the period are as follows:

	1.1.2021 VND	Receivable/payable during the period VND	Payment during the period VND	Net-off VND	Classification VND	30.6.2021 VND
<b>(a) Tax receivables</b>						
VAT input	12,013,983,396	19,653,832,019	-	(18,709,544,131)	-	12,958,271,284
CIT	-	-	-	-	88,562,110	88,562,110
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>(b) Tax payables</b>						
VAT on domestic sales	674,091,133	23,065,682,130	(5,030,229,132)	(18,709,544,131)	-	-
VAT on importation	-	2,579,097,405	(2,579,097,405)	-	-	-
Personal income tax	145,917,322	1,845,329,829	(1,932,813,204)	-	-	58,433,947
CIT	8,515,535,748	629,319,200	(7,760,451,257)	-	88,562,110	1,472,965,801
Import, export tax	-	533,756,696	(533,756,696)	-	-	-
Foreign contractor tax	-	238,817,972	(238,817,972)	-	-	-
Business license tax	-	4,000,000	(4,000,000)	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total</b>	<u>9,335,544,203</u>	<u>28,896,003,232</u>	<u>(18,079,165,666)</u>	<u>(18,709,544,131)</u>	<u>88,562,110</u>	<u>1,531,399,748</u>



**16 PAYABLES TO EMPLOYEES**

Short-term payables represent the amount payable to employees in relation to the remuneration as at 30 June 2021 and at 31 December 2020.

**17 ACCRUED EXPENSES**

	30.6.2021 VND	31.12.2020 VND
Accrued project costs	83,393,015,696	172,192,418,538
Interest expense	347,344,430	431,763,349
Others	1,727,231,091	586,400,000
Total	<u>85,467,591,217</u>	<u>173,210,581,887</u>

**18 OTHER SHORT-TERM PAYABLES**

	30.6.2021 VND	31.12.2020 VND
Third parties	10,813,461,470	10,044,042,642
<i>Payables to construction teams</i>	7,263,277,661	7,307,986,582
<i>Social, health and unemployment insurance and trade union fees</i>	1,068,072,439	840,145,239
<i>Dividends payable (Note 25)</i>	596,400,800	596,400,800
<i>Others</i>	1,885,710,570	1,299,510,021
Related parties (Note 34(b))	419,212,587	265,011,445
Total	<u>11,232,674,057</u>	<u>10,309,054,087</u>

**19 SHORT-TERM BORROWINGS**

	1.1.2021 VND	Increase VND	Decrease VND	30.6.2021 VND
Bank loans (i)	452,648,237,565	574,729,158,566	(637,268,917,848)	390,108,478,283
Borrowings from related parties (Note 34(b)) (ii)	16,983,321,856	20,704,000,000	(15,104,700,000)	22,582,621,856
Total	<u>469,631,559,421</u>	<u>595,433,158,566</u>	<u>(652,373,617,848)</u>	<u>412,691,100,139</u>

**19 SHORT-TERM BORROWINGS (continued)**

(i) Details of short-term borrowings are as follows:

	30.6.2021 VND	31.12.2020 VND
Bank for Investment and Development of Vietnam	188,482,335,598	17,908,965,240
Joint Stock Commercial Bank for Foreign Trade of Vietnam	187,963,536,103	227,876,703,121
Military Commercial Joint Stock Bank	7,427,417,705	18,402,664,890
Vietnam Joint Stock Commercial Bank for Industry and Trade	6,235,188,877	187,001,874,109
Vietnam – Russia Joint Venture Bank	-	1,458,030,205
<b>Total</b>	<b>390,108,478,283</b>	<b>452,648,237,565</b>

The borrowings are unsecured and bear the floating interest rates in accordance with each draw-down. The purpose of borrowings is to support the working capital of the Company.

(ii) Borrowings from related parties are unsecured loans with interest rates agreed between the parties. The purpose of these borrowings is to support the working capital of the Company.

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

	Period six-month ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	742,134,517	212,161,483
Provision	20,800,000	703,922,247
Utilisation and reversal	(219,653,409)	(173,949,213)
<b>End of period/year</b>	<b>543,281,108</b>	<b>742,134,517</b>

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

**(b) Long-term**

Provision for long-term liabilities represents provision for severance allowance as at 30 June 2021 and 31 December 2020.



**21 BONUS AND WELFARE FUND**

	Period six-month ended 30.6.2021 VND	Year ended 31.12.2020 VND
Beginning of period/year	13,205,012,295	12,805,549,810
Increase during the period/year (Note 24)	5,085,104,404	10,139,579,842
Utilisation during the year	(6,924,594,327)	(9,740,117,357)
End of period/year	<u>11,365,522,372</u>	<u>13,205,012,295</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	1,243,707,101	1,556,244,192
Deferred tax assets to be recovered within 12 months	1,110,579,128	907,948,258
Total	<u>2,354,286,229</u>	<u>2,464,192,450</u>

Movements in the deferred income tax assets 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	2,464,192,450	1,863,249,983
Income statement charge (Note 33)	(109,906,221)	600,942,467
End of period/year	<u>2,354,286,229</u>	<u>2,464,192,450</u>

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

The Company uses tax rate of 20% in the year for determining deferred tax assets.

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

	<b>30.6.2021</b>	<b>31.12.2020</b>
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>

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

	<b>30.6.2021</b>		<b>31.12.2020</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
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	36.81
Treasury shares	1,780,000	5.48	1,780,000	5.48
Number of shares	<u>32,495,397</u>	<u>100</u>	<u>32,495,397</u>	<u>100</u>

**(c) Movement of owners' capital**

	<b>Ordinary shares</b>	
	<b>Shares</b>	<b>VND</b>
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 dividends at any time the Company noticed. All the ordinary shares have the same priority with the remaining assets of the Company.



## 24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium 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	(29,238,407,099)	5,427,578,589	68,382,586,670	369,809,747,219
Profit for the year	-	-	-	-	50,851,044,039	50,851,044,039
Appropriation to fund	-	-	-	-	(10,139,579,842)	(10,139,579,842)
Dividends declared	-	-	-	-	(24,572,317,600)	(24,572,317,600)
As at 31 December 2020	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	84,521,733,267	385,948,893,816
As at 1 January 2021	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	84,521,733,267	385,948,893,816
Profit for the period	-	-	-	-	7,332,910,036	7,332,910,036
Appropriation to fund (*)	-	-	-	-	(5,085,104,404)	(5,085,104,404)
As at 30 June 2021	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	86,769,538,899	388,196,699,448

(\*) As per the Shareholder's General Meeting Resolution No. 01/ĐHĐCĐ/NQ/21 dated 20 April 2021, the Shareholder's General has approved the appropriation of profit to the Bonus, welfare fund and the dividend distribution by issuance shares for the year 2020.

**25 DIVIDENDS**

	Period six-month 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
Second dividend for year 2019: VND800 per share	-	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>

**26 OFF BALANCE SHEET ITEMS**

	30.6.2021	31.12.2020
Bad debts written off (VND)	44,168,045,710	27,592,321,012
Foreign currencies		
United States Dollar (USD)	12,918.84	12,925.44
Great British Pound (GBP)	7.16	7.16
Australian Dollar (AUD)	0.67	0.67

**27 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	110,147,708,296	277,584,953,324
Net revenue from sales of goods	1,143,243,961	40,355,043,911
Net revenue from other service	3,085,163,993	3,338,285,481
Total	<u>114,376,116,250</u>	<u>321,278,282,716</u>

**28 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	97,167,572,186	269,397,451,945
Cost of goods sold	1,143,243,910	40,724,244,845
Reversal of provision for decline in value of inventories (Note 9)	(58,305)	(1,432,873,129)
Total	<u>98,310,757,791</u>	<u>308,688,823,661</u>



**29 FINANCIAL INCOME**

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Dividends	10,291,050,000	8,232,840,000
Interest income from deposits and loans	3,462,169,355	5,696,657,034
Profit received from the subsidiary	2,520,000,000	10,080,000,000
Interest income from internal lending	2,080,081,974	-
Net gain from foreign currency translation at year-end	959,306,647	-
Realised foreign exchange gains	645,306	38,295,839
Total	<u>19,313,253,282</u>	<u>24,047,792,873</u>

**30 FINANCIAL EXPENSES**

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Interest expense	12,057,352,184	17,441,796,657
Realised foreign exchange losses	3,719,200	56,837,902
Net loss from foreign currency translation at year-end	-	141,830,014
Total	<u>12,061,071,384</u>	<u>17,640,464,573</u>



**31 GENERAL AND ADMINISTRATION EXPENSES**

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
Staff costs	6,711,322,917	7,540,231,925
Provision for doubtful debts (Note 8)	5,597,354,045	2,676,326,281
Outside service expenses	3,273,577,793	5,713,959,494
Depreciation and amortisation	259,617,510	343,314,915
Reversal of accrued staff costs	(100,431,459)	(1,731,579,885)
Others	175,398,959	110,471,884
<b>Total</b>	<b>15,916,839,765</b>	<b>14,652,724,614</b>

**32 NET OTHER INCOME AND OTHER EXPENSES**

	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
<b>Other income</b>		
Fines	1,233,808,214	-
Gains on disposal of fixed assets	214,090,909	-
Payables written off	-	823,780,546
Others	703,500,804	105,513,500
<b>Total</b>	<b>2,151,399,927</b>	<b>929,294,046</b>
<b>Other expenses</b>		
Fines	32,769,691	262,546,631
Others	1,447,195,371	-
<b>Total</b>	<b>1,479,965,062</b>	<b>262,546,631</b>





**33 BIT**

– The BIT on the Company'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	8,072,135,457	5,010,810,156
Tax calculated at a rate of 20%	1,614,427,091	1,002,162,031
Effect of:		
Income not subject to tax	(2,562,210,000)	(3,662,568,000)
Expenses not deductible for tax purposes	286,549,258	275,075,050
Tax losses for which no deferred income tax asset was recognised	1,007,493,271	2,888,266,930
Adjustment for previous years	392,965,801	250,063,005
Temporary differences	(109,906,221)	(468,909,321)
Current BIT charge (*)	629,319,200	284,089,695
Charged to income statement:		
BIT – current (*)	629,319,200	284,089,695
BIT – deferred (Note 22)	109,906,221	468,909,321
	739,225,421	752,999,016

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

**34 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
<b>i) Sales of goods and services</b>				
Arico	Subsidiary	Other services	1,769,498,738	2,421,346,382
Searee	Subsidiary	Other services	1,466,168,850	-
		Construction services	90,905,231	-
		Sales of goods	-	2,880,950,017
Searefico E&C	Subsidiary	Other services	378,753,138	-
		Sales of goods	-	17,056,181,381
Phoenix	Related party	Sales of goods	-	22,688,758,771
		<b>Total</b>	<b>3,705,325,957</b>	<b>45,047,236,551</b>
<b>ii) Purchases of goods and services</b>				
Searefico E&C	Subsidiary	Construction services	37,669,450,678	108,426,456
Searee	Subsidiary	Construction services	5,146,242,708	19,178,606,577
HCC	Associate	Construction services	2,474,630,910	6,193,681,696
Greenpan	Subsidiary	Purchases of goods	26,618,577	-
Formtek	Related party	Construction services	-	1,419,458,049
Arico	Subsidiary	Purchases of goods	2,040,000	144,144,480
		<b>Total</b>	<b>45,318,982,873</b>	<b>27,044,317,258</b>
<b>iii) Compensation of key management</b>				
Salaries and benefits of the Board of Management			1,833,443,205	2,621,171,846
Allowance for the Board of Directors and Supervision			966,000,000	772,800,000
		<b>Total</b>	<b>2,799,443,205</b>	<b>3,393,971,846</b>



**34 RELATED PARTY DISCLOSURES (continued)****(a) Related party transactions (continued)**

Related party	Relationship	Nature of transaction	Six-month period ended 30.6.2021 VND	Six-month period ended 30.6.2020 VND
iv) Other transactions				
Arico	Subsidiary	Capital contribution	16,800,000,000	-
		Borrowing	20,300,000,000	-
		Borrowing repayments	3,500,000,000	-
		Dividend received	2,520,000,000	10,080,000,000
		Interest expenses	154,201,142	107,066,667
Greenpan	Subsidiary	Capital contribution	-	1,050,000,000
Searefco E&C	Subsidiary	Capital contribution	79,200,000,000	69,300,000,000
		Transfer shares	36,850,000,000	-
		Payment on behalf	9,952,879,332	11,506,483,559
		Interest income	2,080,081,974	-
		Sales of tools and supplies	688,875,000	-
Searee	Subsidiary	Capital withdrawns	36,850,000,000	-
		Interest expenses	405,125,099	-
Phoenix	Subsidiary	Other income	600,566,741	-
HCC	Associate	Dividend received	10,291,050,000	8,232,840,000
Inwatek	Related party	Capital withdrawns	-	1,819,641,319

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

Related party	Relationship	Nature of transaction	30.6.2021 VND	31.12.2020 VND
<b>i) Short-term trade accounts receivable (Note 5)</b>				
Phoenix	Related party	Sales of goods	9,140,700,737	21,834,312,982
Arico	Subsidiary	Other services	6,130,742,694	4,184,294,082
Searee	Subsidiary	Other services	1,705,332,385	5,674,729,056
Greenpan	Subsidiary	Other services	248,658,795	248,658,795
Searefico E&C	Subsidiary	Other services	-	45,887,460,097
		Total	17,225,434,611	77,829,455,012
<b>ii) Prepayments to suppliers (Note 6)</b>				
Greenpan	Subsidiary	Purchases of goods	768,007,113	-
Formtek	Related party	Construction services	200,999,662	200,999,662
		Total	969,006,775	200,999,662
<b>iii) Other short-term receivables (Note 7(a))</b>				
Searefico E&C	Subsidiary	Other services	24,694,987,803	27,092,947,811
HCC	Associate	Dividend received	10,291,050,000	-
Arico	Subsidiary	Dividend received	2,520,000,000	-
		Other services	272,238,073	272,238,073
		Landings	-	7,500,000,000
Searee	Subsidiary	Dividend received	1,694,166,667	1,694,166,667
		Other services	203,733,806	400,926,889
Inwaterk	Related party	Interest income	658,643,288	658,643,288
Phoenix	Related party	Other services	227,998,251	226,918,533
Greenpan	Subsidiary	Other services	71,472,144	-
Seareal	Subsidiary	Other services	38,499,636	16,381,000
		Total	40,672,789,668	37,862,222,261
<b>iv) Short-term trade accounts payable (Note 13)</b>				
Searee	Subsidiary	Construction services	77,269,600,858	74,850,020,845
HCC	Associate	Construction services	3,576,589,803	5,214,506,597
Searefico E&C	Subsidiary	Construction services	119,269,102	119,269,102
		Total	80,965,459,763	80,183,796,544
<b>v) Advances from customers (Note 14)</b>				
Searefico E&C	Subsidiary	Construction services	9,269,000,000	3,269,000,000
<b>vi) Other short-term payables (Note 18)</b>				
Arico	Subsidiary	Interest expenses	419,212,587	265,011,445
<b>vii) Short-term Borrowing (Note 14)</b>				
Searee	Subsidiary	Borrowing	5,282,621,856	16,483,321,856
Arico	Subsidiary	Borrowing	17,300,000,000	500,000,000
		Total	22,582,621,856	16,983,321,856



**35 COMMITMENTS UNDER OPERATING LEASES**

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

	30.6.2021 VND	31.12.2020 VND
Within one year	2,855,250,000	3,362,850,000
Between one and five years	1,269,000,000	3,736,500,000
Total minimum payments	<u>4,124,250,000</u>	<u>7,099,350,000</u>

The interim separate 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

