

SEAREFICO CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

3rd Quarter of 2021

CONSOLIDATED BALANCE SHEET

as at 30 September 2021

Unit: VND

Code	ASSETS	Notes	Ending Balance	Beginning Balance
100	CURRENT ASSETS (100 = 110+120+130+140+150)		1,321,463,559,194	1,442,693,668,585
110	Cash and cash equivalents	4	83,040,488,894	63,100,216,101
111	Cash		83,040,488,894	48,600,216,101
112	Cash equivalents		-	14,500,000,000
120	Short-term investments		110,359,200,000	178,250,000,000
123	Held-to-maturity investments	5.1	110,359,200,000	178,250,000,000
130	Current accounts receivable		681,569,727,915	881,517,658,909
131	Short-term trade receivables	6.1	624,728,167,174	868,149,262,839
132	Short-term advances to suppliers	6.2	54,064,752,671	31,438,431,267
136	Other short-term receivables	7.1	44,494,185,726	37,948,303,119
139	Provision for short-term doubtful receivables	6.1	(41,717,377,656)	(56,018,338,316)
140	Inventories	8	410,384,864,447	282,877,169,953
141	Inventories		411,311,304,068	283,880,853,961
149	Provision for obsolete inventories		(926,439,621)	(1,003,684,008)
150	Other current assets		36,109,277,938	36,948,623,622
151	Short-term prepaid expenses	14	2,481,867,262	2,253,591,300
152	Value-added tax deductible		32,872,060,546	34,695,032,322
153	Tax and other receivables from the State	19	755,350,130	-
200	NON - CURRENT ASSETS (200 = 210+220+240+250+260)		520,205,974,497	513,662,283,969
210	Long-term receivable		1,962,242,840	1,720,901,840
216	Other long-term receivables	7.2	1,962,242,840	1,720,901,840
220	Fixed assets		273,276,570,005	270,436,976,642
221	Tangible fixed assets	9	270,151,818,424	268,712,710,154
222	Cost		383,829,907,835	372,541,060,227
223	Accumulated depreciation		(113,678,089,411)	(103,828,350,073)
224	Fixed assets of financial leasing	10	-	-
227	Intangible assets	11	3,124,751,581	1,724,266,488
228	Cost		5,941,205,119	4,082,980,563
229	Accumulated depreciation		(2,816,453,538)	(2,358,714,075)
240	Long-term assets in progress		36,974,155,693	35,697,071,058
242	Construction in progress	12	36,974,155,693	35,697,071,058
250	Long-term investments	13	162,838,693,305	158,888,384,841
252	Investment in an associate	13.1	156,281,975,943	152,331,667,479
253	Investment in other entity	13.2	6,556,717,362	6,556,717,362

CONSOLIDATED BALANCE SHEET(continued)

as at 30 September 2021

Unit: VND

Code	ASSETS	Notes	Ending Balance	Beginning Balance
260	Other long-term assets		45,154,312,654	46,918,949,588
261	Long-term prepaid expenses	14	32,733,054,292	34,316,048,081
262	Deferred tax assets	15	12,421,258,362	12,602,901,507
270	TOTAL ASSETS (270 = 100 + 200)		1,841,669,533,691	1,956,355,952,554
Code	RESOURCES	Notes	Ending Balance	Beginning Balance
300	LIABILITIES (300 = 310+330)		1,286,892,834,385	1,419,608,518,042
310	Current liabilities		1,181,345,985,065	1,332,354,037,038
311	Short-term trade payables	16	268,688,378,241	276,790,632,369
312	Short-term advances from customers	17	177,298,121,173	51,661,736,949
313	Statutory obligations	19	8,572,368,364	16,764,953,557
314	Payables to employees		10,508,480,763	12,276,594,991
315	Short-term accrued expenses	20	106,507,556,723	229,497,091,326
319	Other short-term payables	21.1	24,116,812,724	16,645,015,341
320	Short-term loans	18.1	570,939,521,355	710,891,757,538
321	Short-term provision	22	1,200,944,627	2,011,567,497
322	Bonus and welfare fund	23	13,513,801,095	15,814,687,470
330	Non-current liabilities		105,546,849,320	87,254,481,004
337	Other long-term liabilities	21.2	-	-
338	Long-term loans	18.2	99,368,313,818	80,682,148,002
342	Long-term provision	24	6,178,535,502	6,572,333,002
400	OWNERS' EQUITY		554,776,699,306	536,747,434,512
410	Capital	25	554,776,699,306	536,747,434,512
411	Share capital		355,667,800,000	324,953,970,000
411.1	- Shares with voting rights		355,667,800,000	324,953,970,000
412	Share premium		284,019,059	284,019,059
414	Owners' other capital		4,415,811,246	4,415,811,246
415	Treasury shares		(29,238,407,099)	(29,238,407,099)
418	Investment and development fund		8,308,963,938	8,308,963,938
421	Undistributed earnings		128,298,839,481	151,993,358,462
421.1	Undistributed earnings up to prior year-end		115,185,462,888	112,114,243,417
421.2	Undistributed earnings of current year		13,113,376,593	39,879,115,045
429	Non-controlling shareholders	25.5	87,039,672,681	76,029,718,906
600	EQUITY (600 = 300+400)		1,841,669,533,691	1,956,355,952,554

PREPARER

Nguyen Thi

CHIEF ACCOUNTANT

Vuong Tran Quoc Thanh

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER



Nguyen Thi Thanh Huong

CONSOLIDATED INCOME STATEMENT

For the period: 3rd Quarter of 2021

Unit: VND

Code	Items	Notes	This period	Previous period	Current year	Previous year
01	Revenues from sale of goods and rendering of services	26.1	157,584,381,294	232,074,254,216	496,498,764,896	732,124,623,333
02	Deductions	26.1	-	-	-	-
10	Net revenues from sale of goods and rendering of services (10= 01-02)	26.1	157,584,381,294	232,074,254,216	496,498,764,896	732,124,623,333
11	Costs of goods sold and services rendered	27	143,819,418,779	205,407,852,105	438,115,941,736	663,646,415,395
20	Gross profit from sale of goods and rendering of services (20=10 - 11)		13,764,962,515	26,666,402,111	58,382,823,160	68,478,207,938
21	Finance income	26.2	3,112,162,202	1,747,265,173	8,854,217,823	8,214,268,412
22	Finance expenses	29	8,437,569,608	10,610,820,413	27,911,297,977	33,272,624,365
23	In which: interest expense		8,161,802,678	10,758,677,072	27,543,813,868	32,959,905,127
24	Gain or loss from associate		4,909,007,324	5,302,026,749	14,241,358,464	14,697,290,501
25	Selling expenses	28	611,983,814	601,227,612	2,444,711,049	836,168,512
26	General and administrative expenses	28	7,043,703,492	12,042,441,649	34,957,934,344	37,242,666,684
30	Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}		5,692,875,127	10,461,204,359	16,164,456,077	20,038,307,290
31	Other income	30	19,424,260	601,043,027	1,794,620,074	1,879,377,123
32	Other expenses	30	197,738,622	35,528,082	1,989,138,483	443,296,079
40	Other profit (40 = 31 - 32)	30	(178,314,362)	565,514,945	(194,518,409)	1,436,081,044
50	Accounting profit before tax (50 = 30 + 40)		5,514,560,765	11,026,719,304	15,969,937,668	21,474,388,334
51	Current corporate income tax expense	31	177,519,260	435,407,136	1,454,657,739	2,652,632,306
52	Deferred income tax income expense	31	33,138,503	23,115,957	181,643,145	1,044,380,090
60	Net profit after tax (60 = 50 - 51 - 52)		5,303,903,002	10,568,196,211	14,333,636,784	17,777,375,938
61	Profit after tax of shareholders of parent company		5,506,755,623	10,124,984,786	13,113,376,593	14,832,254,489
62	Profit after tax of non-controlling shareholders	25.5	(202,852,621)	443,211,425	1,220,260,191	2,945,121,449
70	Basic earnings per share	25.6			423	483
71	Diluted earnings per share	25.6			423	483

PREPARER

CHIEF ACCOUNTANT

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER

Nguyen Thi

Vuong Tran Quoc Thanh



Nguyen Thi Thanh Huong

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the period ended 30 September 2021

Unit: VND

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		15,969,937,668	21,474,388,334
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		11,053,088,620	7,614,978,875
03	(Reversal of) provisions		1,386,896,781	(1,739,113,194)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts		(1,943,634,997)	(102,134,462)
05	Profits from investing activities		(21,000,619,837)	(22,704,466,648)
06	Interest expense	29	27,543,813,868	32,959,905,127
07	Other adjustments		(69,194,041)	-
08	Operating profit before changes in working capital		32,940,288,062	37,503,558,032
09	Decrease in receivables		195,449,225,501	223,396,706,632
10	Increase in inventories		(127,430,450,107)	(150,226,116,394)
11	Increase in payables		(1,087,000,001)	(140,620,389,899)
12	Increase (decrease) in prepaid expenses		504,004,488	(996,077,268)
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(26,886,476,031)	(32,905,962,292)
15	Corporate income tax paid	19	(8,501,035,091)	(4,609,463,079)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(8,341,501,827)	(12,706,105,401)
20	Net cash flows from (used in) operating activities		56,647,054,994	(81,163,849,669)
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		(14,132,830,336)	(33,914,000,334)
22	Proceeds from disposals of fixed assets		214,090,909	863,636,364
23	Loans and purchases of debt instruments of other entities		(359,200,000)	(6,500,000,000)
24	Collections of bank deposits		68,250,000,000	31,703,107,647
25	Payments for investments in other entities		-	-
26	Receives from investments in other entities		-	3,639,282,638
27	Interest and dividends received		19,893,474,731	11,621,198,563
30	Net cash flows used in investing activities		73,865,535,304	7,413,224,878

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the period ended 30 September 2021

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares		10,739,040,000	14,550,000,000
32	Capital redemption		-	(377,300,000)
33	Drawdown of borrowings		1,205,760,976,238	1,190,991,748,385
34	Repayment of borrowings		(1,327,027,046,605)	(1,111,311,516,027)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	(54,332,250)	(50,474,343,500)
40	Net cash flows from financing activities		(110,581,362,617)	43,378,588,858
50	Net decrease in cash and cash equivalents		19,931,227,681	(30,372,035,933)
60	Cash and cash equivalents at beginning of period	4	63,100,216,101	51,399,276,846
61	Impact of exchange rate fluctuation		9,045,112	17,762,046
70	Cash and cash equivalents at end of period	4	83,040,488,894	21,045,002,959

Ho Chi Minh City, 30 October 2021


PREPARER

CHIEF ACCOUNTANT

CHIEF EXECUTIVE OFFICER



Nguyen Thi



Vuong Tran Quoc Thanh



Nguyen Thi Thanh Huong

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2021

1 GENERAL INFORMATION

Searefico Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business registration certificate (“BRC”) No. 063592 dated 18 September 1999 initially issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City and subsequent amendments. The Company was officially renamed as Searefico Corporation pursuant to the 19th amended Enterprise registration certificate No. 0301825452, which was issued by the Department of Planning and Development of Ho Chi Minh City, dated 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 registered activities of Company and its subsidiary (“the Group”) are to consult, survey, design, supply materials, equipment and provide installation services in relation to industrial refrigeration projects; air conditioning system, electricity system, fire prevention and fighting system, lift, water supply and drainage system, mechanics for industrial and household projects; produce and process, fabricate refrigeration machinery, equipment and materials; execute construction and interior decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machinery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Group is 12 months.

The Company has one branch as follows: Danang Refrigeration Electrical Engineering Company – Searefico Corporation (“Searee”) incorporated pursuant to the BRC No. 3213000275 issued by the DPI of Da Nang City on 17 January 2000 and the amendments. Searee’s registered office is located at Road 10, Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City.

The Company has three direct subsidiaries, Asia Refrigeration Industry JSC (“Arico”), Seareal Real Estate JSC (“Seareal”) and SEAREFICO Engineering and Construction JSC (“E&C”); three indirect subsidiary, Greenpan Joint Stock Company (“Greenpan”); Searee Refrigeration Electrical Engineering Corporation (“Searee Corporation”), Phoenix Energy & Automation JSC (Phoenix); an associate, Thua Thien Hue Construction Joint Stock Corporation and (Note 13.1):

(i) Arico is formerly a one-member limited liability company named Asia Refrigeration Industry Company Limited, incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 4104002210 dated 22 October 2007 initially issued by the DPI of Ho Chi Minh City and the 5th amended Enterprise registration certificate one-member limited liability company No. 0305429178 dated 31 March 2015. On 2 August 2017, Arico was granted the Enterprise registration certification joint stock company (“ERCJSC”) No. 0305429178 by the DPI of Ho Chi Minh City to transform Arico into a joint stock company. Arico’s registered office is located at Lot No. 25-27, Trung Tam Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam. The charter capital of Arico is VND 120 billion, in which, the Company owns 84% of the charter capital.

The principal activities of Arico are to manufacture, process, fabricate equipment, machines, spare parts of refrigeration industry, to provide consulting service, to assemble, supply materials and equipment, to provide execution, installation and maintenance, to repair thermal mechanical-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

1 GENERAL INFORMATION (continued)

electrical systems and equipment, automatic and controlled equipment, lift and rolling leader, to construct industrial and civil projects, interior, exterior decoration, to produce insulated panels and materials.

(ii) E&C was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. The charter capital of E&C is VND 150 billion, in which, the Company owns 99% of the charter capital.

The principal activities of ENC are to provide consulting service, to assemble, supply materials and equipment, to provide execution, installation and maintenance, to repair thermal mechanical-electrical systems and equipment, automatic and controlled equipment.

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

The principal activities of Seareal are businesses of Real Estate, the ownership of land use rights, leasehold land use rights.

(iv) Greenpan was incorporated pursuant to the ERCJSC No. 0314809049 dated 28 December 2017 issued by the DPI of Ho Chi Minh City. Greenpan's registered office is located at Lot No. 25-27, Trung Tam Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam. The charter capital of Greenpan is VND 100 billion, in which, the Company and Seareal own 31.5% of the charter capital and Arico own 21% of the charter capital, and related individuals owns 47.5% of the charter capital.

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

(v) Searee Corporation was incorporated pursuant to the ERCJSC No. 0401917298 dated 8 August 2018 issued by the DPI of Da Nang City. Searee Corporation's registered office is located at Street No.10, Hoa Khanh Industrial Park, Bac Hoa Khanh Ward, Lien Chieu District, Da Nang City, Vietnam. The charter capital of Searee Corporation is VND 50 billion, in which, the E&C owns 73.7% of the charter capital.

The principal activities of Searee Corporation are to manufacture, process, fabricate equipment, machines, spare parts of refrigeration industry; to provide consulting service, to assemble, supply materials and equipment, to provide execution, installation and maintenance, to repair thermal mechanical-electrical systems and equipment, automatic and controlled equipment.

(vi) Phoenix was incorporated pursuant to the ERCJSC No. 0315869795 dated 28 August 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. The charter capital of Phoenix is VND 5 billion, in which, the Arico owns 45% of the charter and related individuals owns 35% of the charter capital.

The principal activities of Phoenix is trading solar systems installation.

As at 30 September 2021, the Group had 594 employees (As at 30 June 2021: 588 employees)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

2 BASIS OF PREPARATION

2.1 Basis of preparation of consolidated financial statements

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

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

2.2 Fiscal year

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

2.3 Currency (continued)

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

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

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the consolidated balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign

2.4 Basis of consolidation (continued)

Exchange differences arising from these translations are recognised in the consolidated income statement.

(a) Subsidiary

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

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

(b) Associate

Associate is entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting and is initially recognised at cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

2 BASIS OF PREPARATION (continued)

The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Trade receivables

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

3.3 Inventories

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

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

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

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

Provision for decline in value of inventories

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3.4 Investments

(a) Trading securities

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

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

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

(b) Investment in associate

Investment in associate is accounted using the equity method when preparing the consolidated financial statements.

(c) Investments held to maturity

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

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

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

(d) Investments in equity of other entities

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

3.5 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

Buildings and structures	5 - 25 years
Machinery and equipment	5 - 20 years
Motor vehicles	6 - 10 years
Office equipment	3 - 8 years
Computer software	3 years
Others	5 - 20 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

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

3.6 Leased assets

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

3.7 Prepaid expenses

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

3.8 Payables

Classifications of payables are based on their nature as follows:

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

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

3.9 Borrowing costs

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

3.10 Accrued expenses

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 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.

3.12 Provision for severance allowances

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

3.12 Provision for severance allowances (continued)

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

3.13 Share capital

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

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

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

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

3.14 Appropriation of net profit

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Development and investment fund

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

(b) Bonus and welfare fund

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

3.15 Revenue recognition

(a) Sales of goods

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

- The 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.

(b) Revenue from construction contracts

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

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

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividends and appropriation of profits

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Sales deduction

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

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

3.17 Cost of construction contracts

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

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

3.18 Financial expenses

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

3.19 General and administration expenses

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

3.20 Current and deferred income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.21 Related parties

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

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

3.22 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

4. CASH AND CASH EQUIVALENTS

	Ending balance	Beginning balance
		<i>Unit: VND</i>
Cash on hand	363,249,448	333,132,502
Cash at banks	82,677,239,446	48,267,083,599
Cash equivalents (*)	-	14,500,000,000
TOTAL	83,040,488,894	63,100,216,101

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

5.1 Held-for-trading securities

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

	Ending balance		Beginning balance	
	Cost	Fair value	Cost	Fair value
Short-term				
- Term bank deposit with the original maturity of more than three months	110,359,200,000	110,359,200,000	178,250,000,000	178,250,000,000
TOTAL	110,359,200,000	110,359,200,000	178,250,000,000	178,250,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

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

6.1 Short-term trade receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Trade receivables from customers	624,728,167,174	868,149,262,839
- Hai Dang Real Estate Investment Joint Stock Company	8,768,971,874	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
Trade receivables from related parties (Note 32)	-	-
TOTAL	624,728,167,174	868,149,262,839
Provision for doubtful short-term receivables	(41,717,377,656)	(56,018,338,316)
NET	583,010,789,518	812,130,924,523

6.2 Short-term advances to suppliers

	<i>Unit: VND</i>	
	Ending balance	Ending balance
Advances to suppliers	53,863,753,009	31,237,431,605
Advances to related parties (Note 32)	200,999,662	200,999,662
TOTAL	54,064,752,671	31,438,431,267

7. OTHER RECEIVABLES

7.1 Other short-term receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Advance to employees	17,540,229,765	12,776,750,369
- Other receivables from construction team	1,476,219,252	23,392,659
- Other receivables from employees	5,863,352,293	2,078,042,554
- Short-term deposit	2,557,326,829	6,603,937,460
- Interest income receivables	1,241,140,274	3,139,715,616
- Interest income receivables from investment scheme	6,662,283,880	7,017,796,137
- Dividend received	-	-
- Others	9,153,633,433	6,308,668,324
TOTAL	44,494,185,726	37,948,303,119

In which:

- Other receivables from a related parties (Note 32)	658,643,288	658,643,288
- Other receivables from other parties	43,835,542,438	37,289,659,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

7. OTHER RECEIVABLES (continued)

7.2 Other long - term receivables

Unit: VND

	Ending balance	Beginning balance
- Long-term deposit	1,962,242,840	1,720,901,840
TOTAL	1,962,242,840	1,720,901,840

8. INVENTORIES

Unit: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
- Work in process	305,113,770,131	-	196,139,059,612	-
- Raw materials	82,607,471,717	(926,439,621)	74,434,755,079	(1,003,684,008)
- Goods in transit	8,708,177,322	-	3,773,425,482	-
- Finished goods	13,010,540,945	-	7,716,566,375	-
- Goods;	222,858,312	-	222,858,312	-
- Goods on consignment;	1,037,327,787	-	556,861,314	-
- Tools and supplies;	611,157,854	-	1,037,327,787	-
TOTAL	411,311,304,068	(926,439,621)	283,880,853,961	(1,003,684,008)

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

Unit: VND

	Current year	Previous year
Beginning balance	(1,003,684,008)	(4,998,104,876)
Add: Provision created during the year	-	(321,427,813)
Less: Utilisation and reversal of provision during the year	77,244,387	1,958,601,853
Written off		2,357,246,828
Ending balance	(926,439,621)	(1,003,684,008)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	Total
						Unit: VND
Cost:						
Beginning balance	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 purchase	-	42,580,909	1,368,454,546	116,218,182	-	1,527,253,637
- Transfer from construction in progress	82,717,144	10,424,486,646	-	-	-	10,507,203,790
- Other increase	-	-	-	-	-	-
- Disposal	-	-	(745,609,819)	-	-	(745,609,819)
Ending balance	99,487,138,532	252,871,514,208	24,780,720,734	5,159,306,956	1,531,227,405	383,829,907,835
Accumulated depreciation:						
Beginning balance	35,957,640,704	53,531,192,987	8,831,639,907	4,188,508,737	1,319,367,738	103,828,350,073
- Depreciation for the period	1,778,736,042	7,751,763,611	816,976,527	231,849,980	16,022,997	10,595,349,157
- Disposal	-	-	(745,609,819)	-	-	(745,609,819)
Ending balance	37,736,376,746	61,282,956,598	8,903,006,615	4,420,358,717	1,335,390,735	113,678,089,411
Net carrying amount:						
Beginning balance	63,446,780,684	188,873,253,666	15,326,236,100	854,580,037	211,859,667	268,712,710,154
Ending balance	61,750,761,786	191,588,557,610	15,877,714,119	738,948,239	195,836,670	270,151,818,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

10. FIXED ASSETS OF FINANCIAL LEASING

The Group has no fixed assets of financial leasing in the period

11. INTANGIBLE ASSETS

	<i>Unit: VND</i>		
	Computer software	Others	Total
Cost:			
Beginning balance	2,916,691,951	1,166,288,612	4,082,980,563
- New purchase	-	1,858,224,556	1,858,224,556
Ending balance	2,916,691,951	3,024,513,168	5,941,205,119
Accumulated amortisation:			
Beginning balance	2,358,714,075	-	2,358,714,075
- Amortisation for the year	265,241,322	192,498,141	457,739,463
Ending balance	2,623,955,397	192,498,141	2,816,453,538
Net carrying amount:			
Beginning balance	557,977,876	1,166,288,612	1,724,266,488
Ending balance	292,736,554	2,832,015,027	3,124,751,581

12. CONSTRUCTION IN PROGRESS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Factory upgrade	4,525,470,591	3,328,085,956
Machinery purchasing	1,374,332,659	1,294,632,659
Apartments, ERP System	29,740,503,417	29,740,503,417
<i>In which:</i>		
ERP system	2,970,701,405	2,970,701,405
Phu Quoc Apartments	13,704,464,512	13,704,464,512
Da Nang Apartments	13,065,337,500	13,065,337,500
Others	1,333,849,026	1,333,849,026
TOTAL	36,974,155,693	35,697,071,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

12. CONSTRUCTION IN PROGRESS (continued)

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

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Opening balance	35,697,071,058	131,997,849,896
Purchases	11,784,288,425	84,185,313,932
Transfers to tangible fixed assets (Note 9)	(10,507,203,790)	(180,486,092,770)
Closing balance	36,974,155,693	35,697,071,058

13. LONG-TERM INVESTMENTS

13.1 Investment in an associate

	<i>Unit: VND</i>			
	Ending balance		Beginning balance	
	<i>Cost of investment</i>	<i>% of ownership</i>	<i>Cost of investment</i>	<i>% of ownership</i>
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	156,281,975,943	36.00%	152,331,667,479	36.00%
TOTAL	156,281,975,943		152,331,667,479	

	<i>Unit: VND</i>
Cost of investment:	HCC
Beginning balance and ending balance	51,392,880,000
Accumulated share profit of the associates:	
Beginning balance	100,938,787,479
Share in post-acquisition profit of associates	14,241,358,464
Dividend for the year	(10,291,050,000)
Ending balance	104,889,095,943
Net carrying amount:	
Beginning balance	152,331,667,479
Ending balance	156,281,975,943

HCC is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No. 3300101156 issued by the DPI of Thua Thien Hue Province on 5 January 2011, as amended. HCC's office is located at 9 Pham Van Dong Street, Hue City, Thua Thien Hue Province, Vietnam.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in other entity

	Ending balance		Beginning balance	
	Cost of investment	% of ownership	Cost of investment	% of ownership
International Investment and Water Technology Joint Stock Company ("Inwatek")	2,556,717,362	2.84%	2,556,717,362	6.88%
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%
	6,556,717,362		6,556,717,362	

14. PREPAID EXPENSES

	Unit: VND	
	Ending balance	Beginning balance
Short-term		
- Tools and supplies	648,711,271	725,255,938
- Prepaid expenses of overheads;	643,522,389	851,788,835
- Others	1,189,633,602	676,546,527
Total	2,481,867,262	2,253,591,300
Long-term		
- Tools and supplies	2,254,647,138	3,245,046,727
- Land rental	27,846,867,934	29,226,903,721
- Others	2,631,539,220	1,844,097,633
Total	32,733,054,292	34,316,048,081

15. DEFERRED INCOME TAX ASSETS

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

	VND	
	Ending balance	Beginning balance
Opening Balance	12,602,901,507	5,779,202,076
Income statement credit	(181,643,145)	6,823,699,431
Closing balance	12,421,258,362	12,602,901,507

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

16. SHORT- TERM TRADE ACCOUNTS PAYABLE

	Unit: VND	
	Ending balance	Beginning balance
Third parties	262,886,818,964	269,211,370,524
Related parties (Note 32)	5,801,559,277	7,579,261,845
TOTAL	268,688,378,241	276,790,632,369

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	Unit: VND	
	Ending balance	Beginning balance
Third parties	177,298,121,173	51,661,736,949
TOTAL	177,298,121,173	51,661,736,949

18. LOANS

	Unit: VND			
	Beginning balance	Increase in year	Payment in year	Ending balance
18.1 Short-term loans (*)	710,891,757,538	1,180,633,628,845	1,326,085,865,028	570,939,521,355
Short-term loans from banks	699,946,182,658	1,179,020,174,713	1,316,640,290,148	562,326,067,223
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 6	320,305,745,253	302,768,215,812	438,810,013,776	184,263,947,289
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	259,334,062,776	98,132,457,555	259,334,062,776	98,132,457,555
- Military Commercial Joint Stock Bank - Saigon Branch	47,480,494,491	75,717,303,659	67,894,450,900	55,303,347,250
- Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	52,424,606,935	72,557,868,783	80,138,223,391	44,844,252,327
- Bank for Investment and Development of Vietnam Joint Stock Company - HCM Branch	18,943,242,998	624,853,163,444	469,005,509,100	174,790,897,342
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	1,458,030,205	-	1,458,030,205	-
Short-term loans from others	-	5,500,000,000	-	5,500,000,000
- Other	-	5,500,000,000	-	5,500,000,000
Due long-term loans	10,945,574,880	1,613,454,132	9,445,574,880	3,113,454,132
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	10,945,574,880	-	9,445,574,880	1,500,000,000
- Military Commercial Joint Stock Bank- Branch No. 1	-	1,613,454,132	-	1,613,454,132
18.2 Long-term Loans from banks	80,682,148,002	19,627,347,393	941,181,577	99,368,313,818
- Military Commercial Joint Stock Bank- Branch No. 1	-	9,680,724,854	941,181,577	8,739,543,277
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch(**)	80,682,148,002	5,946,622,539	-	86,628,770,541
- Other	-	4,000,000,000	-	4,000,000,000
TOTAL	791,573,905,540	1,205,760,976,238	1,327,027,046,605	670,307,835,173

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

(**) This borrowing has the term of 60 months and is secured by the assets forming from the loans. The loan bears the incentive interest rates in accordance with the investment stimulus program of Ho Chi Minh City under the Decision No. 5592/QD-UBND and Decision No. 5940/QD-UBND. The purpose of this borrowing is for investment in machinery upgrading and the production technology transformation in Arico and investment in the factory producing non-baked light materials of Greenpan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

Unit: VND

19. STATUTORY OBLIGATIONS

Payables

	Beginning balance	Increase in year	Payment in year	Ending balance
- Domestic value-added tax	6,400,264,097	14,300,822,938	14,649,981,912	6,051,105,123
- Import value-added tax	-	12,026,834,302	12,026,834,302	-
- Special sales tax	-	-	-	-
- Import, export duties	-	2,009,994,715	2,009,994,715	-
- Corporate income tax	9,416,427,188	1,454,657,740	8,412,472,981	2,458,611,947
- Non-agricultural land use tax	-	-	-	-
- Others	948,262,272	3,643,618,031	5,134,471,513	62,651,294
+ <i>Personal income tax</i>	948,262,272	3,288,440,964	4,779,294,446	62,651,294
+ <i>Withholding tax</i>	-	335,177,067	335,177,067	-
+ <i>Business tax</i>	-	20,000,000	20,000,000	-
TOTAL	16,764,953,557	33,435,927,726	42,233,755,423	8,572,368,364

Receivables

- Corporate income tax	-	-	88,562,110	88,562,110
- <i>Other taxes:</i>	-	1,125,129,688	1,791,917,708	666,788,020
- <i>Personal income tax</i>	-	1,125,129,688	1,791,917,708	666,788,020
+ <i>Personal income tax</i>	-	1,125,129,688	1,791,917,708	666,788,020
TOTAL	-	1,125,129,688	1,880,479,818	755,350,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

20. ACCRUED EXPENSES

20.1 Short- term accrued expenses

	Ending balance	Beginning balance
<i>Unit: VND</i>		
- Pre-deduction of vacation wages	456,000,000	456,000,000
- Accrued project costs	102,568,130,099	226,552,509,483
- Interest expense	475,163,675	731,425,823
- Others	3,008,262,949	1,757,156,020
TOTAL	106,507,556,723	229,497,091,326

21. OTHER PAYABLES

21.1 Other short - term payables

	Ending balance	Beginning balance
<i>Unit: VND</i>		
- Other payables to employees	1,093,484,942	1,093,738,467
- Social insurance, health insurance and trade union fees	4,634,746,520	456,612,603
- Dividends payable (Note 25.4)	596,400,800	596,400,800
- Dividend paid to non-controlling interest	1,162,053,000	747,704,250
- Others	16,630,127,462	13,750,559,221
TOTAL	24,116,812,724	16,645,015,341

21.2 Other long - term payables

	Ending balance	Beginning balance
<i>Unit: VND</i>		
- Other long-term payables	-	-
TOTAL	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

22. SHORT-TERM PROVISION

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Beginning balance	2,011,567,497	3,021,765,657
- Provision during the year	1,022,656,730	2,353,558,780
- Utilised and reversed during the year	(1,833,279,600)	(3,363,756,940)
- Ending balance	1,200,944,627	2,011,567,497

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

23. BONUS AND WELFARE FUND

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Beginning balance	15,814,687,470	12,810,181,294
- Appropriation during the year	6,574,730,988	15,118,834,077
- Utilised during the year	(8,875,617,363)	(12,114,327,901)
- Ending balance	13,513,801,095	15,814,687,470

24. LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Beginning balance	6,572,333,002	3,471,779,250
- Provision during the year	26,775,000	90,767,836
- Utilised and reversed during the year	(420,572,500)	(949,545,336)
- Transfer to employee payables	-	3,959,331,252
- Ending balance	6,178,535,502	6,572,333,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

	Contributed share capital	Share premium	Treasury shares	Other capital of the owner	Investment and development fund	Undistributed earnings	Total
							Unit: VND
For period ended 31 December 2020							
Beginning balance	324,953,970,000	284,019,059	(29,238,407,099)	4,415,811,246	5,427,578,589	153,721,140,856	459,564,112,651
- Net profit for the year	-	-	-	-	-	39,879,115,045	39,879,115,045
- Profit appropriation to bonus funds	-	-	-	-	-	(14,153,194,490)	(14,153,194,490)
- Dividends declared	-	-	-	-	-	(24,572,317,600)	(24,572,317,600)
- Re-purchase of shares	-	-	-	-	-	-	-
Ending balance	324,953,970,000	284,019,059	(29,238,407,099)	4,415,811,246	8,308,963,938	151,993,358,462	460,717,715,606
For period ended 30 September 2021							
Beginning balance	324,953,970,000	284,019,059	(29,238,407,099)	4,415,811,246	8,308,963,938	151,993,358,462	460,717,715,606
- Net profit for the year	-	-	-	-	-	13,113,376,593	13,113,376,593
- Profit appropriation to bonus funds	-	-	-	-	-	(6,094,065,574)	(6,094,065,574)
- Dividends declared	30,713,830,000	-	-	-	-	(30,713,830,000)	-
Ending balance	355,667,800,000	284,019,059	(29,238,407,099)	4,415,811,246	8,308,963,938	128,298,839,481	467,737,026,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

25. OWNERS' EQUITY (continued)

25.2 Details of contributed share capital

	Ending balance		
	Shares	VND	%
Taisei Oncho Co., Ltd	8,909,456	89,094,560,000	25.05
SANYO Engineering & Construction Vietnam Co.,Ltd	7,150,000	71,500,000,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	45,672,000,000	12.84
Other shareholders	13,160,124	131,601,240,000	37.00
Treasury shares	1,780,000	17,800,000,000	5.00
TOTAL	35,566,780	355,667,800,000	100.00

25.3 Shares

	Ending balance	Beginning balance
	Quantity	Quantity
Authorized shares	35,566,780	32,495,397
Issued shares		
Issued and paid-up shares	35,566,780	32,495,397
<i>Ordinary shares</i>	35,566,780	32,495,397
Treasury shares		
<i>Ordinary shares</i>	(1,780,000)	(1,780,000)
Shares in circulation		
<i>Ordinary shares</i>	33,786,780	30,715,397

The par value is VND 10,000/share (Last year: VND 10,000/share)

25.4 Dividends

	Unit: VND	
	Current period	Previous period
Beginning balance	596,400,800	22,088,676,700
Dividends declared during the period	30,713,830,000	24,572,317,600
<i>Dividends payment for 20120 FY: 10% by common stock</i>	30,713,830,000	
<i>Second dividends payment for 2019 FY: 8% by cash</i>		24,572,317,600
Dividends paid during the period	(30,713,830,000)	(46,064,593,500)
Ending balance	596,400,800	596,400,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

25. OWNERS' EQUITY (continued)

25.5 Non-controlling interests

	<i>Unit: VND</i>	
	Current period	Previous period
Opening Balance	76,029,718,906	45,433,542,751
- Owner's capital	10,361,740,000	30,788,260,000
- Undistributed post-tax profit and dividend	1,220,260,191	3,044,524,741
- Appropriation to bonus and welfare fund	(480,665,414)	(965,639,587)
- Dividend paid	(468,681,002)	(1,893,668,999)
- Repurchase of shares	377,300,000	(377,300,000)
- Reissuance treasury shares	-	-
Closing balance	87,039,672,681	76,029,718,906

25.6 Earnings per share

	<i>Unit: VND</i>	
	Current period	Previous period
Net profit after tax attributable to ordinary equity holders (VND)	13,113,376,593	14,832,254,489
Distribution to bonus and welfare fund (VND)	-	-
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	13,113,376,593	14,832,254,489
Weighted average number of ordinary shares (share)	30,974,158	30,715,397
Basic and diluted earnings per share (VND)	423	483

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

26. REVENUES

26.1 Revenues from sale of goods and rendering of services

Unit: VND

	This period	Previous period	Current year	Previous year
Gross revenues	157,584,381,294	232,074,254,216	496,498,764,896	732,124,623,333
<i>Of which:</i>				
- Revenue from construction contracts	129,887,438,465	199,488,621,862	414,146,443,923	666,049,657,862
- Revenue from lease	-	-	-	-
- Revenue from sale of goods	28,132,959,710	28,432,973,364	81,524,857,502	61,922,306,481
- Others	(436,016,881)	4,152,658,990	827,463,471	4,152,658,990
Revenue reduction	-	-	-	-
Net revenues	157,584,381,294	232,074,254,216	496,498,764,896	732,124,623,333

Of which:

- Revenue from other parties	157,584,381,294	231,987,254,216	496,498,764,896	709,220,037,105
- Revenue from related parties	-	87,000,000	-	22,904,586,228

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	1,865,250,251	1,526,848,323	6,460,993,415	7,407,683,243
- Foreign exchange gains incurred during the period	250,828,106	9,969,580	365,412,362	546,137,899
- Foreign exchange gains from revaluation	911,906,796	102,134,462	1,943,634,997	102,134,462
- Other	84,177,049	108,312,808	84,177,049	158,312,808
TOTAL	3,112,162,202	1,747,265,173	8,854,217,823	8,214,268,412

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	120,147,376,095	198,688,745,612	373,915,324,919	613,524,439,013
- Cost of lease	-	-	-	-
- Cost of goods sold	23,672,042,684	7,051,538,089	64,277,861,204	51,619,529,688
- (Reversal of) provision for obsolete inventories	-	(64,680,177)	(77,244,387)	(1,497,553,306)
- Others	-	(267,751,419)	-	-
TOTAL	143,819,418,779	205,407,852,105	438,115,941,736	663,646,415,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

28. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

28.1 General and Administrative expenses

	Unit: VND			
	This period	Previous period	Current year	Previous year
- Staff costs	6,748,771,893	5,995,365,364	20,995,442,022	19,686,108,050
- Tools and equipment costs	217,353,264	170,161,095	605,202,489	527,831,243
- Depreciation and amortisation	602,156,765	490,002,476	1,623,535,996	1,531,792,874
- (Reversal of provision) provisions	(3,348,372,806)	106,108,740	2,274,764,038	2,824,521,996
- External service expenses	2,508,125,068	5,081,883,583	7,630,696,463	11,841,986,892
- Others	315,669,308	1,115,859,490	1,828,793,336	3,022,199,306
- Reversal of employee's accrued expenses	-	-	(500,000)	(2,191,773,677)
TOTAL	7,043,703,492	12,042,441,649	34,957,934,344	37,242,666,684

28.2 Selling Expenses

	Unit: VND			
	This period	Previous period	Current year	Previous year
- Staff costs	253,411,258	250,061,531	805,301,317	341,035,598
- Material costs	7,341,249	1,411,291	8,021,299	1,411,291
- Depreciation and amortisation	7,109,847		14,219,694	
- External service expenses	303,241,305	334,073,230	1,547,451,259	442,440,955
- Others	40,880,155	15,681,560	60,368,998	51,280,668
- Provision	-		9,348,482	
TOTAL	611,983,814	601,227,612	2,444,711,049	836,168,512

29. FINANCE EXPENSES

	Unit: VND			
	This period	Previous period	Current year	Previous year
- Loan interest	8,161,802,678	10,758,677,072	27,543,813,868	32,959,905,127
- Foreign exchange losses incurred	1,581,570	93,702,350	47,751,549	312,719,238
- Foreign exchange losses from revaluation	-	(241,559,009)	-	-
- Settlement discount	274,185,360	-	319,732,560	-
TOTAL	8,437,569,608	10,610,820,413	27,911,297,977	33,272,624,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

30. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Other income	19,424,260	10,133,935	1,794,620,074	1,879,377,123
- Income from disposal	-		902,965,909	863,636,364
- Others	19,424,260	10,133,935	891,654,165	1,015,740,759
Other expenses	197,738,622	35,528,082	1,989,138,483	443,296,079
- The carrying value of fixed assets from liquidation and selling			688,875,000	
- Penalties	-	28,726,453	32,769,691	424,149,479
- Others	197,738,622	6,801,629	1,267,493,792	19,146,600
NET OTHER PROFIT	(178,314,362)	(25,394,147)	(194,518,409)	1,436,081,044

31. CORPORATE INCOME TAX

31.1 CIT expenses

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Current CIT expense	432,241,490	435,407,136	986,091,938	2,402,569,301
- Adjustment of CIT from prior year	(254,722,230)	-	468,565,801	250,063,005
- Deferred CIT (income) expense	33,138,503	23,115,957	181,643,145	1,044,380,090
TOTAL	210,657,763	458,523,093	1,636,300,884	3,697,012,396

31.2 Current CIT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

31. CORPORATE INCOME TAX (continued)

31.2 Current CIT (continued)

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

	Unit: VND			
	This period	Previous period	Current year	Previous year
Net profit before tax	5,514,560,765	11,026,719,304	15,969,937,668	21,474,388,334
<i>Adjustments:</i>				
Non-deductible expenses	318,957,377	278,540,601	2,148,844,108	2,593,360,326
Temporary differences	(165,692,519)	(115,579,789)	(711,215,725)	(5,656,536,341)
Non-taxable income	-	-	-	-
Shares of profit of an associate	(4,909,007,324)	(5,302,026,749)	(14,241,358,464)	(14,697,290,501)
Estimated taxable profit	758,818,299	5,887,653,367	3,166,207,587	3,713,921,818
<i>In which:</i>				
<i>Estimated current taxable profit</i>	<i>1,354,353,127</i>	<i>5,887,653,367</i>	<i>2,561,253,827</i>	<i>1,264,387,105</i>
<i>Incentive taxable income exemption</i>	<i>93,378,208</i>	-	<i>93,378,208</i>	-
<i>Estimated tax loss</i>	<i>(688,913,036)</i>	-	<i>511,575,552</i>	<i>2,449,534,713</i>
Estimated CIT payable	63,605,411	469,433,826	757,991,075	2,402,569,301
CIT exemption	4,747,179	(1)	(8,252,536)	-
Estimated CIT after exemption	68,352,590	469,433,825	749,738,539	2,402,569,301
Adjustment for CIT from prior period	109,166,670	(34,026,689)	704,919,200	250,063,005
Current corporate income tax expense	177,519,260	435,407,136	1,454,657,739.00	2,652,632,306
Deferred income tax income expense	33,138,503	23,115,957	181,643,145	1,044,380,090
Total corporate income tax expense	210,657,763	458,523,093	1,636,300,884	3,697,012,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

32. TRANSACTIONS WITH RELATED PARTIES

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

Unit: VND

Related parties	Relationship	Transaction	Transaction amount	
Purchase Good, services and other transactions			Current year	Previous year
Thua Thien Hue Construction Joint Stock Corporation	Associate	Construction services	6,311,407,766	13,733,350,685
		Dividend received	10,291,050,000	8,232,840,000
Formtek Engineering Joint Stock Company ("Formtek")	Related party	Construction services	165,674,910	4,999,447,375
			16,768,132,676	26,965,638,060
Revenues from sale of goods and rendering of services (No 26.1)				
Phoenix Energy & Automation Joint Stock Company	Associate	Selling	-	22,904,586,228
			-	22,904,586,228

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

Unit: VND

Related party	Relationship		Ending balance	Beginning balance
Short-term advances to suppliers (Note 6.2)				
Formtek Engineering Joint Stock Company ("Formtek")	Related party	Construction services	200,999,662	200,999,662
			200,999,662	200,999,662
Other short-term receivables (Note 7)				
International Investment and Water Technology Joint Stock Company	Related party	Interest income	658,643,288	658,643,288
			658,643,288	658,643,288
Trade payable (Note 16)				
Thua Thien Hue Construction Joint Stock Corporation	Associate	Construction services	5,801,559,277	7,579,261,845
			5,801,559,277	7,579,261,845

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

32. TRANSACTIONS WITH RELATED PARTIES (Continued)

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

Unit: VND

	<u>This period</u>	<u>Previous period</u>	<u>Current year</u>	<u>Previous year</u>
Allowance for the Boards of Directors and Supervision	483,000,000	386,400,000	1,449,000,000	1,159,200,000
Salaries and benefits of the Board of Directors, management and key executives	1,128,834,745	951,989,910	5,062,149,537	5,161,767,386
TOTAL	1,611,834,745	1,338,389,910	6,511,149,537	6,320,967,386

33. 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.

PREPARER

Nguyen Thi

CHIEF ACCOUNTANT

Vuong Tran Quoc Thanh

Ho Chi Minh City, 30 October 2021
CHIEF EXECUTIVE OFFICER



Nguyen Thi Thanh Huong

