

SEAREFICO CORPORATION

SEPARATE FINANCIAL STATEMENTS

3rd Quarter of 2021

SEPARATE 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)		667,976,185,089	1,002,181,087,328
110	Cash and cash equivalents	4	2,469,060,941	32,339,671,707
111	Cash		2,469,060,941	32,339,671,707
112	Cash equivalents		-	-
120	Short-term investments		110,000,000,000	120,000,000,000
123	Investment held-to-maturity	5.1	110,000,000,000	120,000,000,000
130	Current accounts receivable		498,992,955,052	806,519,911,832
131	Short-term trade receivables	6.1	488,116,414,703	786,376,056,770
132	Short-term advances to suppliers	6.2	12,281,817,685	14,836,302,582
136	Other short-term receivables	7.1	29,119,031,610	50,158,604,885
139	Provision for short-term doubtful receivables	6.1	(30,524,308,946)	(44,851,052,405)
140	Inventories	8	41,051,757,421	30,897,828,276
141	Inventories		41,070,856,159	30,916,985,319
149	Provision for obsolete inventories		(19,098,738)	(19,157,043)
150	Other current assets		15,462,411,675	12,423,675,513
151	Short-term prepaid expenses	14	1,086,219,995	409,692,117
152	Value-added tax deductible		14,287,629,570	12,013,983,396
153	Tax and other receivables from the State	19	88,562,110	
200	Non - Current Assets (200 = 210+220+240+250+260)		399,640,893,223	341,381,753,742
210	Long-term receivable		1,530,901,840	1,530,901,840
216	Other long-term receivables	7.2	1,530,901,840	1,530,901,840
220	Fixed assets		1,207,190,780	1,844,556,596
221	Tangible fixed assets	9	1,157,324,110	1,570,289,929
222	<i>Historical Cost</i>		10,664,223,158	11,409,832,977
223	<i>Accumulated depreciation</i>		(9,506,899,048)	(9,839,543,048)
224	Fixed assets of financial leasing	10	-	-
227	Intangible assets	11	49,866,670	274,266,667
228	<i>Historical Cost</i>		2,011,626,260	2,011,626,260
229	<i>Accumulated depreciation</i>		(1,961,759,590)	(1,737,359,593)
230	Investment property		-	-
240	Long-term assets in progress		29,803,503,417	29,803,503,417
242	Construction in progress	12	29,803,503,417	29,803,503,417
250	Long-term investments	13	364,203,786,116	304,383,786,116
251	Investment in a subsidiary	13.1	308,354,188,754	248,534,188,754
252	Investment in an associate	13.2	51,392,880,000	51,392,880,000
253	Investment in other entity	13.3	4,456,717,362	4,456,717,362

SEPARATE BALANCE SHEET (continued)

as at 30 September 2021

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
260	Other long-term assets		2,895,511,070	3,819,005,773
261	Long-term prepaid expenses	14	541,224,841	1,354,813,323
262	Deferred tax assets	15	2,354,286,229	2,464,192,450
270	Total Assets (270 = 100 + 200)		1,067,617,078,312	1,343,562,841,070

Code	Resources	Notes	Ending Balance	Beginning Balance
300	Liabilities (300 = 310+330)		678,250,158,851	957,613,947,254
310	Current liabilities		672,071,623,349	951,041,614,252
311	Short-term trade payables	16	227,157,984,762	246,522,308,464
312	Short-term advances from customers	17	36,261,016,657	26,811,332,317
313	Tax and other payables to the State Budget	19	1,724,652,319	9,335,544,203
314	Payables to employees		965,530,358	1,274,087,061
315	Short-term accrued expenses	20.1	75,174,193,131	173,210,581,887
319	Other short-term payables	21.1	13,679,051,254	10,309,054,087
320	Short-term loans	18	305,183,427,752	469,631,559,421
321	Short-term provision	22	575,244,744	742,134,517
322	Bonus and welfare fund	23	11,350,522,372	13,205,012,295
330	Non-current liabilities		6,178,535,502	6,572,333,002
342	Long-term provision	24	6,178,535,502	6,572,333,002
400	Owners' Equity		389,366,919,461	385,948,893,816
410	Capital	25	389,366,919,461	385,948,893,816
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
415	Treasury shares		(29,238,407,099)	(29,238,407,099)
418	Investment and development fund		5,427,578,589	5,427,578,589
421	Undistributed earnings		57,225,928,912	84,521,733,267
421.1	Undistributed earnings up to prior year-end		48,722,798,863	33,670,689,228
421.2	Undistributed earnings of current year		8,503,130,049	50,851,044,039
600	Total Liabilities and Owners' Equity (600 = 300+400)		1,067,617,078,312	1,343,562,841,070

PREPARER

CHIEF ACCOUNTANT

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER

Nguyen Thi

Vuong Tran Quoc Thanh

Nguyen Thi Thanh Huong

SEPARATE 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	55,789,834,792	198,955,181,918	170,165,951,042	521,666,337,763
02	Deductions	26.1	-	-	-	1,432,873,129
10	Net revenues from sale of goods and rendering of services (10= 01-02)	26.1	55,789,834,792	198,955,181,918	170,165,951,042	520,233,464,634
11	Costs of goods sold and services rendered	27	50,874,262,889	187,343,495,168	149,185,020,680	496,032,318,829
20	Gross profit from sale of goods and rendering of services (20=10 - 11)		4,915,571,903	11,611,686,750	20,980,930,362	24,201,145,805
21	Finance income	26.2	2,518,055,201	1,991,402,037	21,831,308,483	26,039,194,910
22	Finance expenses	29	4,811,721,933	7,598,838,237	16,872,793,317	25,239,302,810
23	In which: interest expense		4,810,140,363	7,740,643,929	16,867,492,547	25,182,440,586
26	General and administrative expenses	28	1,602,365,878	4,553,964,429	17,519,205,643	19,206,689,043
30	Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}		1,019,539,293	1,450,286,121	8,420,239,885	5,794,348,862
31	Other income	30	150,680,720	597,798,091	2,302,080,647	1,527,092,136
32	Other expenses	30	-	-	1,479,965,062	262,546,630
40	Other profit (40 = 31 - 32)	30	150,680,720	597,798,091	822,115,585	1,264,545,506
50	Accounting profit before tax (50 = 30 + 40)		1,170,220,013	2,048,084,212	9,242,355,470	7,058,894,368
51	Current corporate income tax expense	31	-	23,332,499	629,319,200	307,422,194
52	Deferred tax income (expense)	31	-	9,161,776	109,906,221	478,071,097
60	Net profit after tax (60 = 50 - 51 - 52)		1,170,220,013	2,015,589,937	8,503,130,049	6,273,401,077

PREPARER

CHIEF ACCOUNTANT

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER

Nguyen Thi

Vuong Tran Quoc Thanh

Nguyen Thi Thanh Huong

SEPARATE 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		9,242,355,470	7,058,894,368
	Adjustments for:			
02	Depreciation and amortisation		637,365,816	624,614,692
03	(Reversal of) provisions		2,082,033,161	1,051,330,777
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts		(1,764,625,586)	(211,833,037)
05	Profits from investing activities		(20,214,514,802)	(26,379,975,125)
06	Interest expense	29	16,867,492,547	25,182,440,586
07	Other Adjustments		-	-
08	Operating profit before changes in working capital		6,850,106,606	7,325,472,261
09	Increase (decrease) in receivables		305,807,282,200	113,551,914,143
10	Decrease (increase) in inventories		(10,153,870,840)	22,067,831,234
11	Increase (decrease) in payables		(104,198,699,876)	(45,885,571,941)
12	(Increase) decrease in prepaid expenses		137,060,604	513,595,203
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(16,273,514,566)	(26,117,942,843)
15	Corporate income tax paid	19	(7,760,451,257)	(1,312,798,453)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(7,333,391,827)	(10,331,894,857)
20	Net cash flows from (used in) operating activities		167,074,521,044	59,810,604,747
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		-	(84,000,000)
22	Proceeds from disposals of fixed assets		214,090,909	590,909,091
23	Loans and purchases of debt instruments of other entities		(10,000,000,000)	-
24	Collections of bank deposits		20,000,000,000	31,703,107,647
25	Payments for investments in other entities		(96,670,000,000)	(70,350,000,000)
26	Receives from investments in other entities		36,850,000,000	3,639,282,638
27	Interest and dividends received		17,108,908,950	31,869,490,874
30	Net cash flows used in investing activities		(32,497,000,141)	(2,631,209,750)

SEPARATE CASH FLOW STATEMENT (continued)

For the period ended 30 September 2021

Unit: VND

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares		-	-
32	Capital redemption		-	-
33	Drawdown of borrowings		774,969,211,636	835,336,157,288
34	Repayment of borrowings		(939,417,343,305)	(877,427,435,314)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	-	(46,064,593,500)
40	Net cash flows from financing activities		(164,448,131,669)	(88,155,871,526)
50	Net decrease in cash and cash equivalents		(29,870,610,766)	(30,976,476,529)
60	Cash and cash equivalents at beginning of period	4	32,339,671,707	35,368,646,531
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at end of period	4	2,469,060,941	4,392,170,002

PREPARER

Nguyen Thi

CHIEF ACCOUNTANT

Vuong Tran Quoc Thanh

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER



Nguyen Thi Thanh Huong

NOTES TO THE SEPARATE 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 Company’s registered activities are to consult, survey, design, supply materials and equipment and provide installation services in relation to industrial refrigeration projects, air conditioning system, electricity system, fire prevention and fighting system, lift, water supply and drainage system, mechanics for industrial and household projects; produce and process, fabricate refrigeration machinery, equipment and materials; execute construction and interior decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machinery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Company is 12 months.

The Company has one branch as follows:

- Danang Refrigeration Electrical Engineering Company – 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 Joint Stock Company (“Arico”), Seareal Real Estate JSC (“Seareal”) and SEAREFICO Engineering; three indirect subsidiary, Greenpan Joint Stock Company (“Greenpan”); Searee Refrigeration Electrical Engineering Corporation (“Searee Corporation”), Phoenix Energy & Automation JSC (“Phoenix”) and one associate Thua Thien Hue Construction Joint Stock Corporation (“HCC”).

As at 30 September 2021, the Company had 28 employees (As at 30 June 2021: 37 employees).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

2 BASIS OF PREPARATION

2.1 Basis of preparation of separate financial statements

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

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

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

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

2.2 Fiscal year

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

2.3 Currency

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

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

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.

3.3 Inventories

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

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

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

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

Provision for decline in value of inventories

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Investments

(a) Trading securities

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

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

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

(b) Investments held-to-maturity

Investments held-to-maturity are investments which the 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.

(c) Investment in subsidiary

Subsidiary is entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

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

(d) Investment in associate

Associate is 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.

(e) Investments in equity of other entities

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Fixed assets

Tangible and intangible fixed assets

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:

Depreciation and amortisation

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

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

Disposals

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

Construction in progress

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

3.6 Leased assets

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

3.7 Prepaid expenses

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Payables

Classifications of payables are based on their nature as follows:

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

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

3.9 Borrowing costs

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

3.10 Accrued expenses

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

3.11 Provisions

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

3.12 Provision for severance allowances

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Share capital

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

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

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

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

3.14 Appropriation of net profit

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

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

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

(a) Development and investment fund

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

(b) Bonus and welfare fund

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

3.15 Revenue recognition

(a) Sales of goods

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

(b) Revenue from construction contracts

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

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

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividends and appropriation of profits

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

3.16 Sales deduction

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

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

3.17 Cost of construction contracts

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

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

3.18 Financial expenses

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 30 June 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 General and administration expenses

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

3.20 Current and deferred income tax

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

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

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

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

3.21 Related parties

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

4. CASH AND CASH EQUIVALENTS

	Unit: VND	
	Ending balance	Beginning balance
Cash on hand	233,939,719	114,079,148
Cash at banks	2,235,121,222	32,225,592,559
Cash equivalents (*)	-	-
TOTAL	2,469,060,941	32,339,671,707

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

5. SHORT-TERM INVESTMENTS

5.1 Held-to-maturity securities

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

	Unit: VND	
	Ending balance	Beginning balance
	Cost	Fair value
Short- term	Cost	Fair value
Bank deposits with original maturities of more than 3 months and less than 12 month	110,000,000,000	110,000,000,000
TOTAL	110,000,000,000	110,000,000,000

NOTES TO THE SEPARATE 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

	Unit: VND	
	Ending balance	Beginning balance
Third parties	469,747,336,872	708,546,601,758
- Hai Dang Real Estate Joint Stock Company	8,768,971,874	177,013,182,864
- Construction Joint Stock Company (DESCON)	84,360,709,259	100,936,433,957
- Construction Joint Stock Company No. 1 (COFICO)	39,244,734,384	40,732,237,276
- Saigon Binh Chau Corporation	66,400,725,329	65,786,192,101
- Vietnam Dairy Products Joint Stock Company - Tien Son Dairy Factory	32,948,191,296	18,153,208,532
Related parties (Note 32)	18,369,077,831	77,829,455,012
TOTAL	488,116,414,703	786,376,056,770
Provision for doubtful short-term receivables	(30,524,308,946)	(44,851,052,405)
NET	457,592,105,757	741,525,004,365

6.2 Short-term advance to suppliers

	Unit: VND	
	Ending balance	Beginning balance
Advances to suppliers	11,312,810,910	14,635,302,920
In which		
- Gia Hung Construction and Import-Export Company Limited	2,343,178,838	14,635,302,920
Advances to related parties (Note 32)	969,006,775	200,999,662
TOTAL	12,281,817,685	14,836,302,582

7. OTHER SHORT-TERM RECEIVABLES

	Unit: VND	
	Ending balance	Beginning balance
7.1 Other short - term receivables		
- Advance to employees	3,527,269,794	2,243,839,836
- Other receivables from construction teams	1,476,219,252	1,282,164,617
- Other receivables from employees	3,774,339,211	1,065,920,570
- Short-term deposit	771,865,334	858,099,844
- Interest income receivables	1,241,140,274	3,139,715,616
- Distributed profit	-	-
- Dividend receivables	4,214,166,667	1,694,166,667
- Others	14,114,031,078	39,874,697,735
TOTAL	29,119,031,610	50,158,604,885
In which:		
- Other receivables from related parties (Note 32)	17,902,156,231	37,862,222,261
- Other receivables from other parties	11,216,875,379	12,296,382,624

NOTES TO THE SEPARATE 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	1,530,901,840	1,530,901,840
TOTAL	1,530,901,840	1,530,901,840

8. INVENTORIES

Unit: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
- Work in process	39,313,570,033	-	28,410,870,762	-
- Raw materials	1,746,975,885	(19,098,738)	2,055,389,780	(19,157,043)
- Goods in transit	-	-	440,414,536	-
- Finished goods	10,310,241	-	10,310,241	-
- Goods;	-	-	-	-
TOTAL	41,070,856,159	(19,098,738)	30,916,985,319	(19,157,043)

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

Unit: VND

	Ending balance	Beginning Balance
Beginning balance	(19,157,043)	(1,516,723,953)
Add: Provision created during the year	-	-
Less: Utilisation and reversal of provision during the year	58,305	1,497,566,910
Ending balance	(19,098,738)	(19,157,043)

NOTES TO THE SEPARATE 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	Unit: VND TOTAL
Cost						
Beginning balance	67,000,000	2,446,009,559	5,886,845,660	2,703,936,007	306,041,751	11,409,832,977
- New purchase	-	-	-	-	-	-
- Disposal	-	-	(745,609,819)	-	-	(745,609,819)
Ending balance	67,000,000	2,446,009,559	5,141,235,841	2,703,936,007	306,041,751	10,664,223,158
Accumulated depreciation:						
Beginning balance	67,000,000	2,341,488,559	4,754,718,414	2,370,294,324	306,041,751	9,839,543,048
- Depreciation for the period	-	23,539,554	249,719,454	139,706,811	-	412,965,819
- Disposal	-	-	(745,609,819)	-	-	(745,609,819)
Ending balance	67,000,000	2,365,028,113	4,258,828,049	2,510,001,135	306,041,751	9,506,899,048
Net carrying amount:						
Beginning balance	-	104,521,000	1,132,127,246	333,641,683	-	1,570,289,929
Ending balance	-	80,981,446	882,407,792	193,934,872	-	1,157,324,110

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

10. FIXED ASSETS OF FINANCIAL LEASING

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

11. INTANGIBLE ASSETS

Unit: VND

	Computer software	Total
Cost:		
Beginning balance	2,011,626,260	2,011,626,260
- New purchase	-	-
Ending balance	2,011,626,260	2,011,626,260
Accumulated amortisation:		
Beginning balance	1,737,359,593	1,737,359,593
- Amortisation for the year	224,399,997	224,399,997
Ending balance	1,961,759,590	1,961,759,590
Net carrying amount:		
Beginning balance	274,266,667	274,266,667
Ending balance	49,866,670	49,866,670

12. CONSTRUCTION IN PROGRESS

Unit: VND

	Ending balance	Beginning balance
ERP System and orther	29,740,503,417	29,740,503,417
<i>In which:</i>		
ERP System	2,970,701,405	2,970,701,405
Phu Quoc Office	13,704,464,512	13,704,464,512
Hilton Da Nang Apartment	13,065,337,500	13,065,337,500
Other	63,000,000	63,000,000
TOTAL	29,803,503,417	29,803,503,417

NOTES TO THE SEPARATE 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:

Unit: VND

	Ending balance	Beginning balance
Opening balance	29,803,503,417	3,022,128,345
Purchases	-	26,781,375,072
Closing balance	29,803,503,417	29,803,503,417

13. LONG-TERM INVESTMENTS

13.1 Investment in a subsidiary

	Ending balance		Beginning balance	
	Cost of investment	% of ownership	Cost of investment	% of ownership
Asia Refrigeration Industry Joint Stock Company	96,384,188,754	84.00%	79,584,188,754	84.00%
Greenpan Joint Stock Company	-	48.64%	-	48.64%
Searee Refrigeration Electrical Engineering Corporation	-	0.00%	36,650,000,000	0.00%
SEAREFICO Engineering and Construction Joint Stock Company	148,970,000,000	99.31%	69,300,000,000	99.31%
Seareal Real Estate Joint Stock Company	63,000,000,000	98.40%	63,000,000,000	98.40%
Total	308,354,188,754		248,534,188,754	

(a) Asia Refrigeration Industry Joint Stock Company ("Arico") was granted the Enterprise registration certification joint stock company ("ERCJSC") No. 0305429178 dated 22 October 2007 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.

On March 19, 2021 the General Meeting of Shareholders approved the resolution to issue shares to existing to increase Arico's charter capital from 100 billion VND to 120 billion VND. The company has contributed capital according to the ownership ratio of 84%, equivalent to the value of VND 16.8 billion.

(b) Searee Refrigeration Electrical Engineering Corporation ("Searee Corporation") was incorporated pursuant to the ERCJSC No. 0401917298 dated 8th August 2018 issued by the DPI of Da Nang City. Searee Corporation's registered office is located at Street No. 10, Hoa Khanh Industrial Park, Bac Hoa Khanh Ward, Lien Chieu District, Da Nang City, Vietnam. On May 25, 2021, the Board of Directors of Searee issued a decision to withdraw Mr. Truong Ngoc Minh's shares and distribute all recovered shares to Seareefico Corporation. After the transaction, the Company owns 73.7% shares of Searee. On April 15, 2021, the Board of Directors decided to approve the transfer of shares currently owned in Searee to SEAREFICO Engineering and Construction Joint Stock Company. On June 14, 2021, the Company and SEAREFICO Engineering and Construction Joint Stock Company officially signed a contract to transfer all shares the Company owns in Searee. After the transaction, the Company does not directly own shares in Searee.

(c) Seareal Real Estate Joint Stock Company ("Seareal") was incorporated pursuant to the ERCJSC No. 0315917167 dated 21 September 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. The charter capital of Seareal is VND 100 billion, in which, the Company owns 98.4% of the charter capital. As at 30 June 2021, the Company is being process of capital contribution VND 63 billion.

(d) SEAREFICO Engineering and Construction Joint Stock Company was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City, registered office is located at 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam. On December 23, 2020, the Board of Directors of the Company approved the resolution to issue shares to existing to increase ENC's charter capital from 70 billion VND to 100 billion VND. On April 15, 2021, the Board of Directors continued to issue a resolution to approve the plan to increase ENC's charter capital from 100 billion VND to 150 billion VND. The company has contributed capital according to the ownership ratio of 99% and the additional distribution due to other shareholders not exercising, equivalent to the value of VND 79.67 billion.

13.2 Investment in an associate

Unit: VND

	Ending balance		Beginning balance	
	Cost of investment	% of ownership	Cost of investment	% of ownership
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	51,392,880,000	36.00%	51,392,880,000	36.00%

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in an associate (continued)

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

13.3 Investment in other entity

Unit: VND

	Ending balance		Beginning balance	
	Cost of investment	% of ownership	Cost of investment	% of ownership
International Investment and Water Technology Joint Stock Company ("Inwatek")	2,556,717,362	2.84%	2,556,717,362	2.84%
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00%	1,900,000,000	19.00%
	4,456,717,362		4,456,717,362	

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

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

14. PREPAID EXPENSES

Unit: VND

	Ending balance	Beginning balance
Short-term		
- Tools and supplies	69,662,006	40,609,244
- Others	1,016,557,989	369,082,873
Total	1,086,219,995	409,692,117
Long-term		
- Tools and supplies	70,196,069	180,006,527
- Others	471,028,772	1,174,806,796
Total	541,224,841.00	1,354,813,323

15. DEFERRED TAX ASSETS

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

Unit: VND

	Ending balance	Beginning balance
Opening balance	2,464,192,450	1,863,249,983
Income statement credit	(109,906,221)	600,942,467
Closing balance	2,354,286,229	2,464,192,450

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

16- SHORT-TERM TRADE PAYABLES

Unit: VND

	Ending balance	Beginning balance
Third parties	154,222,287,251	166,338,511,920
Related parties (Note 32)	72,935,697,511	80,183,796,544
TOTAL	227,157,984,762	246,522,308,464

17- SHORT-TERM ADVANCES FROM CUSTOMERS

Unit: VND

	Ending balance	Beginning balance
Third parties	26,992,016,657	23,542,332,317
Kien A Khanh Hoa Investment Joint Stock Company	17,333,689,978	8,711,152,213
Vinamilk Vietnam Joint Stock Company	-	7,275,000,000
Saigon Cam Ranh Joint Stock Company	4,758,953,650	4,758,953,650
Related parties (Note 32)	9,269,000,000	3,269,000,000
TOTAL	36,261,016,657	26,811,332,317

18. LOANS

18.1 Short-term Loans from banks

Unit: VND

	Increase in year	Payment in year	Beginning balance	Ending balance
Short-term loans from banks	754,265,211,636	906,030,021,449	452,648,237,565	300,883,427,752
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 6	6,235,188,877	188,921,874,109	187,001,874,109	4,315,188,877
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	98,132,457,555	227,876,703,121	227,876,703,121	98,132,457,555
- Military Commercial Joint Stock Bank - Saigon Branch	30,944,399,780	24,952,189,425	18,402,664,890	24,394,875,245
- Bank for Investment and Development of Vietnam Joint Stock Company- Ho Chi Minh Branch	618,953,165,424	462,821,224,589	17,908,965,240	174,040,906,075
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	-	1,458,030,205	1,458,030,205	-
Short-term loans from related parties (Note 32)	20,704,000,000	33,387,321,856	16,983,321,856	4,300,000,000
Asia Refrigeration Industry Company Limited	20,300,000,000	16,500,000,000	500,000,000	4,300,000,000
SEAREE Refrigeration Electrical Mechanical Joint Stock Company	404,000,000	16,887,321,856	16,483,321,856	-
TOTAL	774,969,211,636	939,417,343,305	469,631,559,421	305,183,427,752

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

Unit: VND

19. STATUTORY OBLIGATIONS	Beginning balance	Increase in year	Payment in year	Ending balance
- Domestic value-added tax	674,091,133	1,956,829,482	2,392,535,779	238,384,836
- Import value-added tax	-	3,774,964,319	3,774,964,319	-
- Special sales tax	-	-	-	-
- Import, export duties	-	1,314,184,334	1,314,184,334	-
- Corporate income tax	8,515,535,748	629,319,200	7,671,889,147	1,472,965,801
- Others	145,917,322	2,515,023,202	2,647,638,842	13,301,682
- <i>Personal income tax</i>	145,917,322	2,272,205,230	2,404,820,870	13,301,682
- <i>Withholding taxes</i>	-	238,817,972	238,817,972	-
- <i>Business tax</i>	-	4,000,000	4,000,000	-
TOTAL	9,335,544,203	10,190,320,537	17,801,212,421	1,724,652,319
Receivables				
- Corporate income tax	-	-	88,562,110	88,562,110
TOTAL	-	-	88,562,110	88,562,110

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

20. ACCRUED EXPENSES

20.1 Short-term accrued expenses

	Ending balance	<i>Unit: VND</i> Beginning balance
- Accrued project costs	73,529,487,763	172,192,418,538
- Interest expense	199,794,735	431,763,349
- Others	1,444,910,633	586,400,000
TOTAL	75,174,193,131	173,210,581,887

21. OTHER PAYABLES

21.1 Other short-term payables

	Ending balance	<i>Unit: VND</i> Beginning balance
- Other payables to employees	432,996,271	153,712,980
- Social insurance, health insurance and trade union fees	1,077,278,089	840,145,239
- Dividends payable (Note 25.4)	596,400,800	596,400,800
- Others	11,572,376,094	8,718,795,068
TOTAL	13,679,051,254	10,309,054,087

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

22. SHORT-TERM PROVISION

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	742,134,517	212,161,483
- Provision during the year	(37,043,121)	703,922,247
- Utilised and reversed during the year	(129,846,652)	(173,949,213)
- Ending balance	575,244,744	742,134,517

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

23. BONUS AND WELFARE FUND

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	13,205,012,295	12,805,549,810
- Appropriation during the year	5,085,104,404	10,139,579,842
- Utilised during the year	(6,939,594,327)	(9,740,117,357)
- Ending balance	11,350,522,372	13,205,012,295

24. LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	6,572,333,002	7,497,410,086
- Provision during the year	-	3,959,331,252
- Utilised and reversed during the year	(393,797,500)	(858,777,500)
- Transfer to employee payables	-	(4,025,630,836)
- Ending balance	6,178,535,502	6,572,333,002

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

Unit: VND

For period ended 31 December 2020

	Contributed share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Beginning balance	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	68,382,586,670	369,809,747,219
- Net profit for the year	-	-	-	-	50,851,044,039	50,851,044,039
- Profit appropriation to bonus fund	-	-	-	-	(10,139,579,842)	(10,139,579,842)
- 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)	5,427,578,589	84,521,733,267	385,948,893,816

For the period ended 30 September 2021

Beginning balance	324,953,970,000	284,019,059	(29,238,407,099)	5,427,578,589	84,521,733,267	385,948,893,816
- Net profit for the year	-	-	-	-	8,503,130,049	8,503,130,049
- Profit appropriation to bonus fund	-	-	-	-	(5,085,104,404)	(5,085,104,404)
- Dividends declared	30,713,830,000	-	-	-	(30,713,830,000)	-
Ending balance	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	57,225,928,912	389,366,919,461

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

25. OWNERS' EQUITY (continued)

25.2 Details of contributed share capital

	Ending balance		
	<i>Shares</i>	<i>VND</i>	<i>%</i>
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
	<i>Quantity</i>	<i>Quantity</i>
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 (previous year: VND 10.000/share)

25.4 Dividends

	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 SEPARATE 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	55,789,834,792	198,955,181,918	170,165,951,042	521,666,337,763
<i>Of which:</i>				
- Revenue from construction contracts	54,594,880,593	197,482,924,317	164,742,588,889	476,500,750,770
- Revenue from lease	-	-	-	-
- Revenue from sale of goods	-	43,647,964	1,143,243,961	40,398,691,875
- Revenue from other services	1,194,954,199	1,428,609,637	4,280,118,192	4,766,895,118
Revenue deduction	-	-	-	1,432,873,129
<i>Of which</i>				
- Revenue from construction contracts	-	-	-	1,432,873,129
Net revenues	55,789,834,792	198,955,181,918	170,165,951,042	520,233,464,634
<i>Of which:</i>				
- Revenue from other parties	54,497,895,281	135,262,100,344	165,168,685,574	411,493,146,549
- Revenue from related parties (Note 32)	1,291,939,511	63,693,081,574	4,997,265,468	108,740,318,085

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	1,457,114,253	1,779,569,000	4,919,283,608	7,476,226,034
- Dividends earned	-	-	10,291,050,000	8,232,840,000
- Profit shared from subsidiary	-	-	2,520,000,000	10,080,000,000
- Foreign exchange gains incurred during the period	65,613,698	-	66,259,004	38,295,839
- Foreign exchange gains from revaluation	805,318,939	211,833,037	1,764,625,586	211,833,037
- Others	190,008,311	-	2,270,090,285	
(*) Including E&C internal interest	190,008,311		2,270,090,285	
TOTAL	2,518,055,201	1,991,402,037	21,831,308,483	26,039,194,910

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	50,874,262,889	187,381,725,845	148,041,835,075	456,779,177,790
- Cost of lease	-	-	-	-
- Cost of goods sold	-	26,449,500	1,143,243,910	40,750,694,345
- (Reversal of) provision for obsolete inventories	-	(64,680,177)	(58,305)	(1,497,553,306)
TOTAL	50,874,262,889	187,343,495,168	149,185,020,680	496,032,318,829

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Staff costs	3,432,753,120	2,024,796,634	10,043,644,578	9,641,590,287
- Tools and equipment costs	39,125,107	33,856,136	108,460,302	143,264,842
- Depreciation and amortisation	204,608,754	143,935,743	464,226,264	487,250,658
- (Reversal of provision) provisions	(3,348,372,806)	-	2,248,981,239	2,676,326,281
- External service expenses	1,245,511,710	2,065,976,827	4,496,310,367	7,485,785,090
- Others	28,739,993	285,399,089	158,082,893	504,051,770
- Reversal of accrued staff costs	-	-	(500,000)	(1,731,579,885)
TOTAL	1,602,365,878	4,553,964,429	17,519,205,643	19,206,689,043

29. FINANCE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Loan interest	4,810,140,363	7,740,643,929	16,867,492,547	25,182,440,586
- Foreign exchange losses incurred	1,581,570	24,322	5,300,770	56,862,224
- Foreign exchange losses from revaluation	-	(141,830,014)	-	-
- Settlement discount	-	-	-	-
TOTAL	4,811,721,933	7,598,838,237	16,872,793,317	25,239,302,810

30. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Other income	150,680,720	597,798,091	2,302,080,647	1,527,092,136
- Income from disposal	-	590,909,092	902,965,909	590,909,091
- Others	150,680,720	6,888,999	1,399,114,738	936,183,045
Other expenses	-	-	1,479,965,062	262,546,630
- The carrying value of fixed assets from liquidation and selling	-	-	688,875,000	-
- Penalties	-	-	32,769,691	262,546,524
- Others	-	-	758,320,371	106
NET OTHER PROFIT	150,680,720	597,798,091	822,115,585	1,264,545,506

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

31. CORPORATE INCOME TAX

31.1 CIT expenses

Unit: VND

	This period	Previous period	Current year	Previous year
- Current CIT expense	-	23,332,499	236,353,399	57,359,189
- Adjustment for CIT from prior year	-	-	392,965,801	250,063,005
- Deferred CIT (income) expense	-	9,161,776	109,906,221	478,071,097
TOTAL	-	32,494,275	739,225,421	785,493,291

31.2 Current CIT

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

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

Unit: VND

	This period	Previous period	Current year	Previous year
Net profit before tax	9,242,355,470	2,048,084,212	9,242,355,470	7,058,894,368
<i>Adjustments:</i>				
Non-deductible expenses	-	1,180,975	1,201,501,483	1,376,556,234
Temporary differences	-	(45,808,884)	(352,531,105)	(2,824,991,376)
Non-taxable income	-	-	(2,520,000,000)	(18,312,840,000)
Shares of profit of an associate	-	-	(10,291,050,000)	-
Estimated taxable profit	9,242,355,470	2,003,456,303	(2,719,724,152)	(12,702,380,774)
<i>In which:</i>				
<i>Estimated current taxable profit</i>	<i>1,170,220,013</i>	<i>2,003,456,303</i>	<i>(2,719,724,152)</i>	<i>(12,702,380,774)</i>
Estimated CIT payable	-	-	-	-
CIT Exemption	1,170,220,013	2,003,456,303	(2,719,724,152)	(12,702,380,774)
Estimated CIT payable at end of period after exemption	-	57,359,189	-	57,359,189
Adjustment of CIT from prior period	-	(34,026,690)	629,319,200	250,063,005
Current corporate income tax expense	-	23,332,499	629,319,200	307,422,194
Deferred tax income expense	-	9,161,776	109,906,221	478,071,097
Total corporate income tax expense	-	32,494,275	739,225,421	785,493,291

NOTES TO THE SEPARATE 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:

<i>Unit: VND</i>				
Related party	Relationship	Transaction	Ending balance	Beginning balance
Purchase Good, services and other transactions				
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Dividend received	2,520,000,000	10,080,000,000
		Interest expenses	413,310,047	209,288,890
		Purchases of goods	2,040,000	144,144,480
		Capital contribution	16,800,000,000	-
SEAREFICO Engineering and Construction Joint Stock Company	Subsidiary	Purchases of construction services	41,642,028,466	108,426,456
		Interest income	2,270,090,285	-
		Transfer stock of Searee	36,850,000,000	-
		Capital contribution	79,670,000,000	69,300,000,000
Thua Thien Hue Construction Joint Stock Corporation	Associate	Dividend received	10,291,050,000	8,232,840,000
		Purchase of construction services	2,474,630,910	13,733,350,685
International Investment and Water Technology Joint Stock Company	Related party	Capital contribution	-	3,639,282,638
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Other income	751,247,461	-
Greenpan Joint Stock Company	Subsidiary	Capital contribution	-	10,500,000,000
		Purchases of goods	26,618,577	2,881,996,000
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	5,362,413,877	41,607,849,083
		Capital withdrawals	36,850,000,000	-
		Interest expenses	412,636,548	1,552,631,622
Formtek Engineering Joint Stock Company	Related party	Other services	-	4,999,447,375
			236,336,066,171	166,989,257,229
Revenues from sale of goods and rendering of services (No 26.1)				
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Other service	2,295,612,156	3,027,337,682
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	717,147,276	-
		Other service	1,313,491,881	4,408,448,045
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Selling	-	22,688,758,771
SEAREFICO Engineering and Construction JSC	Subsidiary	Other service	671,014,155	78,615,773,587
			4,997,265,468	108,740,318,085

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Short-term trade receivables (Note 6.1)

Asia Refrigeration Industry Joint Stock Company	Subsidiary	Other service	6,709,467,454	4,184,294,082
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Other service	2,119,570,125	5,674,729,056
Greenpan Joint Stock Company	Subsidiary	Other service	248,658,795	248,658,795
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Selling	9,291,381,457	21,834,312,982
SEAREFICO Engineering and Construction JSC	Subsidiary	Other service		45,887,460,097
			18,369,077,831	77,829,455,012

Short-term advances to suppliers (Note 6.2)

Greenpan Joint Stock Company	Subsidiary	Purchases of goods	768,007,113	-
Formtek Engineering Joint Stock Company	Related party	Purchase of construction services	200,999,662	200,999,662
			969,006,775	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
Thua Thien Hue Construction Joint Stock Corporation	Associate	Dividend received	-	-
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Dividend received	2,520,000,000	-
		Other services	-	7,772,238,073
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Dividend received	1,694,166,667	1,694,166,667
		Other services	225,855,475	400,926,889
Greenpan Joint Stock Company	Subsidiary	Other services	91,784,844	
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Other services	239,059,085	226,918,533
Seareal Real Estate Joint Stock Company	Subsidiary	Other services	39,763,000	16,381,000
SEAREFICO Engineering and Construction Joint Stock Company	Subsidiary	Other services	12,432,883,872	27,092,947,811
			17,902,156,231	37,862,222,261

Short-term trade payables (Note 16)

Thua Thien Hue Construction Joint Stock Corporation	Associate	Purchased of construction contracts	3,576,589,803	5,214,506,597
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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2021

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Short-term trade payables (Note 16)

Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchased of construction contracts	69,239,838,606	74,850,020,845
SEAREFICO Engineering and Construction Joint Stock Company		Other	119,269,102	119,269,102
			72,935,697,511	80,183,796,544

Short-term advances from customer (Note 17)

SEAREFICO Engineering and Construction JSC	Subsidiary	Purchased of construction contracts	9,269,000,000	3,269,000,000
			9,269,000,000	3,269,000,000

Short-term loans (Note 18)

Asia Refrigeration Industry Joint Stock Company	Subsidiary		4,300,000,000	500,000,000
Searee Refrigeration Electrical Engineering Corporation	Subsidiary		-	16,483,321,856
			4,300,000,000	16,983,321,856

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

	This period	Previous period	Current year	Previous year
Allowance for the Boards of Directors and Supervision	483,000,000	386,400,000	1,449,000,000	1,159,200,000
Salaries and benefits of the Board of Directors, management and key executives	532,210,392	430,529,124	2,365,653,597	3,051,700,971
TOTAL	1,015,210,392	816,929,124	3,814,653,597	4,210,900,971

Unit: VND

33. SEGMENT REPORT

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

PREPARER

Nguyen Thi

CHIEF ACCOUNTANT

Vuong Tran Quoc Thanh

Ho Chi Minh City, 30 October 2021

CHIEF EXECUTIVE OFFICER



Nguyen Thi Thanh Huong

