

SEAREFICO CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter of 2022

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

Unit: VND

Code	ASSETS	Notes	Ending Balance	Beginning Balance
100	CURRENT ASSETS (100 = 110+120+130+140+150)		1.559.875.056.999	1.332.532.232.066
110	Cash and cash equivalents	4	115.357.854.232	60.499.313.356
111	Cash		33.572.854.232	59.714.313.356
112	Cash equivalents		81.785.000.000	785.000.000
120	Short-term investments		294.953.116.709	110.359.200.000
123	Held-to-maturity investments	5.1	294.953.116.709	110.359.200.000
130	Current accounts receivable		717.301.123.414	782.001.895.799
131	Short-term trade receivables	6.1	633.146.685.168	726.004.583.852
132	Short-term advances to suppliers	6.2	84.558.838.457	49.671.980.022
136	Other short-term receivables	7.1	56.129.055.481	37.664.977.608
139	Provision for short-term doubtful receivables	6.1	(56.533.455.692)	(31.339.645.683)
140	Inventories	8	381.145.486.509	333.318.564.993
141	Inventories		382.012.416.349	334.185.494.833
149	Provision for obsolete inventories		(866.929.840)	(866.929.840)
150	Other current assets		51.117.476.135	46.353.257.918
151	Short-term prepaid expenses	14	3.495.518.937	2.582.141.019
152	Value-added tax deductible		46.618.364.121	42.787.280.422
153	Tax and other receivables from the State	19	1.003.593.077	983.836.477
200	NON - CURRENT ASSETS (200 = 210+220+240+250+260)		358.056.124.892	520.729.143.686
210	Long-term receivable		1.767.391.000	1.836.601.000
216	Other long-term receivables	7.2	1.767.391.000	1.836.601.000
220	Fixed assets		269.625.230.961	272.811.914.314
221	Tangible fixed assets	9	266.763.015.284	269.843.368.020
222	<i>Historical cost</i>		<i>386.647.323.404</i>	<i>385.602.156.131</i>
223	<i>Accumulated depreciation</i>		<i>(119.884.308.120)</i>	<i>(115.758.788.111)</i>
224	Fixed assets of financial leasing	10	-	-
227	Intangible assets	11	2.862.215.677	2.968.546.294
228	<i>Historical cost</i>		<i>5.941.197.119</i>	<i>5.941.197.119</i>
229	<i>Accumulated depreciation</i>		<i>(3.078.981.442)</i>	<i>(2.972.650.825)</i>
240	Long-term assets in progress		33.624.328.143	33.417.126.812
242	Construction in progress	12	33.624.328.143	33.417.126.812
250	Long-term investments	13	6.556.717.362	165.955.372.698
252	Investment in an associate	13.1	2.100.000.000	161.498.655.336
253	Investment in other entity	13.2	4.456.717.362	4.456.717.362

CONSOLIDATED BALANCE SHEET(continued)

as at 31 March 2022

Unit: VND

Code	ASSETS	Notes	Ending Balance	Beginning Balance
260	Other long-term assets		46.482.457.426	46.708.128.862
261	Long-term prepaid expenses	14	31.849.426.823	31.983.351.721
262	Deferred tax assets	15	14.633.030.603	14.724.777.141
270	TOTAL ASSETS (270 = 100 + 200)		1.917.931.181.891	1.853.261.375.752
Code	RESOURCES	Notes	Ending Balance	Beginning Balance
300	LIABILITIES (300 = 310+330)		1.338.905.778.783	1.279.580.524.672
310	Current liabilities		1.242.073.619.201	1.182.852.743.920
311	Short-term trade payables	16	262.740.145.020	306.522.366.234
312	Short-term advances from customers	17	200.231.396.154	109.448.135.163
313	Statutory obligations	19	34.114.630.986	8.622.944.187
314	Payables to employees		29.439.527.912	14.636.229.315
315	Short-term accrued expenses	20	63.537.089.804	90.617.043.576
319	Other short-term payables	21.1	20.833.658.923	31.005.707.596
320	Short-term loans	18,1	624.957.530.342	607.247.979.184
321	Short-term provision	22	730.160.146	1.376.538.681
322	Bonus and welfare fund	23	5.489.479.914	13.375.799.984
330	Non-current liabilities		96.832.159.582	96.727.780.752
337	Other long-term liabilities	21.2	3.990.577.424	3.625.454.585
338	Long-term loans	18,2	90.441.350.408	90.578.404.417
342	Long-term provision	24	2.400.231.750	2.523.921.750
400	OWNERS' EQUITY		579.025.403.108	573.680.851.080
410	Capital	25	579.025.403.108	573.680.851.080
411	Share capital		355.667.800.000	355.667.800.000
411.1	Shares with voting rights		355.667.800.000	355.667.800.000
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		149.306.045.875	144.650.123.767
421.1	Undistributed earnings up to prior year-end		144.650.123.766	115.185.462.889
421.2	Undistributed earnings of current year		4.655.922.109	29.464.660.878
429	Non-controlling shareholders	25.5	90.281.170.089	89.592.540.169
600	EQUITY (600 = 300+400)		1.917.931.181.891	1.853.261.375.752

 Ho Chi Minh City, Apr²⁹, 2022

 On behalf of the Chief Executive Officer
 Chief Financial Officer

Preparer

Chief Accountant

Nguyen Thi

Vuong Tran Quoc Thanh



Phan Thanh Long

CONSOLIDATED INCOME STATEMENT

For the period: 1st Quarter of 2022

Code	Items	Notes	Unit: VND			
			This period	Previous period	Current year	Previous year
01	Revenues from sale of goods and rendering of services	26.1	137.718.451.156	126.076.468.716	137.718.451.156	126.076.468.716
02	Deductions	26.1	-	-	-	-
10	Net revenues from sale of goods and rendering of services (10= 01-02)	26.1	137.718.451.156	126.076.468.716	137.718.451.156	126.076.468.716
11	Costs of goods sold and services rendered	27	124.487.513.799	112.848.988.322	124.487.513.799	112.848.988.322
20	Gross profit from sale of goods and rendering of services (20=10 - 11)		13.230.937.357	13.227.480.394	13.230.937.357	13.227.480.394
21	Finance income	26.2	90.316.876.234	2.963.871.358	90.316.876.234	2.963.871.358
22	Finance expenses	29	17.159.900.344	8.368.374.995	17.159.900.344	8.368.374.995
23	<i>In which: interest expense</i>		8.891.201.128	7.892.808.254	8.891.201.128	7.892.808.254
24	Gain or loss from associate		-	3.680.830.599	-	3.680.830.599
25	Selling expenses	28	549.894.104	578.933.212	549.894.104	578.933.212
26	General and administrative expenses	28	52.076.531.400	4.277.430.530	52.076.531.400	4.277.430.530
30	Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}		33.761.487.743	6.647.443.614	33.761.487.743	6.647.443.614
31	Other income	30	543.307.725	1.790.053.661	543.307.725	1.790.053.661
32	Other expenses	30	527.981.289	1.781.164.009	527.981.289	1.781.164.009
40	Other profit (40 = 31 - 32)	30	15.326.436	8.889.652	15.326.436	8.889.652
50	Accounting profit before tax (50 = 30 + 40)		33.776.814.179	6.656.333.266	33.776.814.179	6.656.333.266
51	Current corporate income tax expense	31	28.340.515.613	549.306.751	28.340.515.613	549.306.751
52	Deferred income tax income expense	31	91.746.538	122.481.416	91.746.538	122.481.416
60	Net profit after tax (60 = 50 - 51 - 52)		5.344.552.028	5.984.545.099	5.344.552.028	5.984.545.099
61	Profit after tax of shareholders of parent company		4.655.922.109	5.568.648.961	4.655.922.109	5.568.648.961
62	Profit after tax of non-controlling shareholders	25.5	688.629.919	415.896.138	688.629.919	415.896.138
70	Basic earnings per share	25.6			138	181
71	Diluted earnings per share	25.6			138	181

Ho Chi Minh City, April 29, 2022

Preparer

Chief Accountant

On behalf of the Chief Executive Officer
Chief Financial Officer

Nguyen Thi

Vuong Tran Quoc Thanh

Phan Thanh Long

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the period ended 31 March 2022

<i>Unit: VND</i>				
Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Profit before tax		33.776.814.179	6.656.333.266
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		4.231.850.626	2.976.528.948
03	(Reversal of) provisions		24.547.431.474	(416.435.167)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts		562.174.785	(567.128.522)
05	Profits from investing activities		(81.505.915.402)	(4.890.429.864)
06	Interest expense	29	8.891.201.128	7.892.808.254
07	Other adjustments		-	-
08	Operating profit before changes in working capital		(9.496.443.210)	11.651.676.915
09	Decrease in receivables		31.043.476.150	68.215.887.098
10	Increase in inventories		(47.826.921.516)	(45.360.915.600)
11	Increase in payables		25.963.887.182	(19.616.162.192)
12	Increase (decrease) in prepaid expenses		(779.453.020)	(8.174.498.221)
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(9.178.831.331)	(8.246.403.746)
15	Corporate income tax paid	19	(3.301.282.028)	(7.957.196.251)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(8.010.010.070)	(8.925.499.863)
20	Net cash flows from (used in) operating activities		(21.585.577.843)	(18.413.111.860)
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		(1.252.368.604)	(2.982.291.042)
22	Proceeds from disposals of fixed assets		-	-
23	Loans and purchases of debt instruments of other entities		(184.593.916.709)	-
24	Collections of bank deposits		-	7.100.000.000
25	Payments for investments in other entities		-	-
26	Receives from investments in other entities		51.392.880.000	-
27	Interest and dividends received		194.452.993.218	291.922.223
30	Net cash flows used in investing activities		59.999.587.905	4.409.631.181

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the period ended 31 March 2022

Code	Items	Notes	Current period	Previous period
CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares		-	5.272.450.000
32	Capital redemption		-	-
33	Drawdown of borrowings		226.641.293.253	469.051.721.725
34	Repayment of borrowings		(209.068.796.104)	(483.671.197.829)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	(1.147.022.250)	-
40	Net cash flows from financing activities		16.425.474.899	(9.347.026.104)
50	Net decrease in cash and cash equivalents		54.839.484.961	(23.350.506.783)
60	Cash and cash equivalents at beginning of period	4	60.499.313.356	63.100.216.101
61	Impact of exchange rate fluctuation		19.055.915	(275.406)
70	Cash and cash equivalents at end of period	4	115.357.854.232	39.749.433.912

Ho Chi Minh City, Apr 29 2022

On behalf of the Chief Executive Officer

Preparer

Chief Accountant

Chief Financial Officer

Nguyen Thi

Vuong Tran Quoc Thanh



Phan Thanh Long

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2022

1 GENERAL INFORMATION

Searefico Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise registration certificate (ERC JSC) No. 063592 dated 18 September 1999 (under initial name as Seaprodex Refrigeration Industry Corporation) 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 20th amended Enterprise registration certificate No. 0301825452, which was issued by the Department of Planning and Development of Ho Chi Minh City, dated 02 November 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 ERC 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 Joint Stock Company (“Seareal”) and SEAREFICO Engineering and Construction Joint Stock Company (“SEAREFICO E&C”); three indirect subsidiary, Greenpan Joint Stock Company (“Greenpan”); Searee Refrigeration Electrical Engineering Corporation (“Searee Corporation”), Phoenix Energy & Automation Joint Stock Company; an two associates, Quang Phu Investment and Solution Joint Stock Company; SEA MH Solar Limited Company (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 ERC 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 (“ERC JSC”) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

1 GENERAL INFORMATION (continued)

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-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) SEAREFICO E&C was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City. SEAREFICO E&C's registered office is located at 72-74 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City, Vietnam. The charter capital of SEAREFICO E&C is VND 150 billion, in which, the Company owns 99.31% of the charter capital.

The principal activities of SEAREFICO E&C 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, 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 own 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 SEAREFICO 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, 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 own 35% of the charter capital.

The principal activities of Phoenix is trading solar systems installation.

As at 31 March 2022, the Group had 537 employees (As at 31 December 2021: 571 employees)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

(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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

Computer software	3 years
Others	5 - 20 years

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 31 March 2022

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 31 March 2022

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 31 March 2022

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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

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 31 March 2022

4. CASH AND CASH EQUIVALENTS

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	640.047.669	361.986.356
Cash at banks	32.932.806.563	59.352.327.000
Cash equivalents (*)	81.785.000.000	785.000.000
TOTAL	115.357.854.232	60.499.313.356

(*) Cash equivalents represent 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, bonds with original maturity of more than three months and less than one year as follows:

	<i>Unit: VND</i>			
	<u>Ending balance</u>		<u>Beginning balance</u>	
	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	110.359.200.000	110.359.200.000
- Bonds	184.593.916.709	184.593.916.709	-	-
TOTAL	294.953.116.709	294.953.116.709	110.359.200.000	110.359.200.000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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

6.1 Short-term trade receivables

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Trade receivables from customers	633.146.685.168	726.004.583.852
- Hai Dang Real Estate Investment Joint Stock Company	13.399.399.950	18.853.173.147
- Industrial Construction Joint Stock Company	84.360.709.259	84.360.709.259
- Saigon Binh Chau Corporation	52.825.907.834	54.552.933.668
Trade receivables from related parties (Note 32)	-	-
TOTAL	633.146.685.168	726.004.583.852
Provision for doubtful short-term receivables	(56.533.455.692)	(31.339.645.683)
NET	576.613.229.476	694.664.938.169

6.2 Short-term advances to suppliers

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Ending balance</u>
Advances to suppliers	84.357.838.795	49.470.980.360
Advances to related parties (Note 32)	200.999.662	200.999.662
TOTAL	84.558.838.457	49.671.980.022

7. OTHER RECEIVABLES

	<i>Unit: VND</i>	
	<u>Ending balance</u>	<u>Beginning balance</u>
7.1 Other short-term receivables		
- Advance to employees	27.879.601.709	17.639.962.579
- Other receivables from construction team	1.369.364.252	1.312.164.252
- Other receivables from employees	5.021.574.613	4.887.465.435
- Short-term deposit	6.247.415.129	2.720.026.829
- Interest income receivables	4.112.196.808	2.691.587.949
- Interest income receivables from investment scheme	6.624.028.811	6.658.011.458
- Dividend received	-	-
- Others	4.874.874.159	1.755.759.106
TOTAL	56.129.055.481	37.664.977.608

In which:

- Other receivables from a related parties (Note 32)	658.643.288	658.643.288
- Other receivables from other parties	55.470.412.193	37.006.334.320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

7. OTHER RECEIVABLES (continued)

7.2 Other long - term receivables

Unit: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
- Long-term deposit	1.767.391.000	1.836.601.000
TOTAL	<u>1.767.391.000</u>	<u>1.836.601.000</u>

8. INVENTORIES

Unit: VND

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Cost	Provision	Cost	Provision
- Work in process	258.202.529.650	-	241.319.785.509	-
- Raw materials	107.396.106.085	(866.929.840)	72.615.376.534	(866.929.840)
- Goods in transit	645.813.421	-	7.575.330.718	-
- Finished goods	12.372.735.961	-	9.524.188.785	-
- Goods;	317.927.257	-	222.858.312	-
- Goods on consignment;	1.037.327.787	-	1.890.627.188	-
- Tools and supplies;	2.039.976.188	-	1.037.327.787	-
TOTAL	<u>382.012.416.349</u>	<u>(866.929.840)</u>	<u>334.185.494.833</u>	<u>(866.929.840)</u>

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

	<i>Unit: VND</i>	
	Current year	Previous year
Beginning balance	(866.929.840)	(1.003.684.008)
Add: Provision created during the year	-	(5.215.929)
Less: Utilisation and reversal of provision during the year	-	(2.215.276.731)
Written off		2.357.246.828
Ending balance	<u>(866.929.840)</u>	<u>(866.929.840)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

9. TANGIBLE FIXED ASSETS

	<i>Unit: VND</i>					
	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	Total
Historical cost:						
Beginning balance	101.019.395.973	253.588.948.177	24.206.777.620	5.255.806.956	1.531.227.405	385.602.156.131
- New purchase	-	35.000.000	1.010.167.273	-	-	1.045.167.273
- Transfer from construction in progress	-	-	-	-	-	-
- Disposal	-	-	-	-	-	-
Ending balance	101.019.395.973	253.623.948.177	25.216.944.893	5.255.806.956	1.531.227.405	386.647.323.404
Accumulated depreciation:						
Beginning balance	38.664.812.048	64.050.652.252	7.199.148.218	4.503.443.859	1.340.731.734	115.758.788.111
- Depreciation for the period	719.551.681	2.972.632.579	347.045.739	80.949.011	5.340.999	4.125.520.009
- Disposal	-	-	-	-	-	-
Ending balance	39.384.363.729	67.023.284.831	7.546.193.957	4.584.392.870	1.346.072.733	119.884.308.120
Net carrying amount:						
Beginning balance	62.354.583.925	189.538.295.925	17.007.629.402	752.363.097	190.495.671	269.843.368.020
Ending balance	61.635.032.244	186.600.663.346	17.670.750.936	671.414.086	185.154.672	266.763.015.284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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	Total
Cost:		
Beginning balance	5.941.197.119	5.941.197.119
- New purchase	-	-
Ending balance	5.941.197.119	5.941.197.119
Accumulated amortisation:		
Beginning balance	2.972.650.825	2.972.650.825
- Amortisation for the year	106.330.617	106.330.617
Ending balance	3.078.981.442	3.078.981.442
Net carrying amount:		
Beginning balance	2.968.546.294	2.968.546.294
Ending balance	2.862.215.677	2.862.215.677

12. CONSTRUCTION IN PROGRESS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Factory upgrade	2.033.003.734	2.033.003.736
Machinery purchasing	309.770.633	309.770.633
Apartments, ERP System	29.740.503.417	29.740.503.417
<i>In which:</i>		
<i>ERP system</i>	2.970.701.405	2.970.701.405
<i>Phu Quoc Apartments</i>	13.704.464.512	13.704.464.512
<i>Da Nang Apartments</i>	13.065.337.500	13.065.337.500
Others	1.541.050.359	1.333.849.026
TOTAL	33.624.328.143	33.417.126.812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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	33.417.126.812	35.697.071.058
Purchases	207.201.331	12.570.157.266
Transfers to tangible fixed assets (Note 9)	-	(14.850.101.512)
Closing balance	33.624.328.143	33.417.126.812

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")	-	0,00%	159.398.655.336	36,00%
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu")	1.200.000.000	11,34%	1.200.000.000	11,34%
SEA MH Solar Limited Company ("SEA MH Solar")	900.000.000	11,34%	900.000.000	11,34%
TOTAL	2.100.000.000		161.498.655.336	

	<i>Unit: VND</i>		
Cost of investment:	Quang Phu	SEA MH Solar	HCC*
Ending balance	1.200.000.000	900.000.000	-
Accumulated share profit of the associates:			
Beginning balance	1.200.000.000	900.000.000	159.398.655.336
Share in post-acquisition profit of associates			-
Divestments			(159.398.655.336)
Ending balance	1.200.000.000	900.000.000	-
Net carrying amount:			
Beginning balance	900.000.000	1.200.000.000	159.398.655.336
Ending balance	1.200.000.000	900.000.000	-

(*) On 17 January 2022, the Board of Management of Searefco Corporation issued Decision No. 01/QD/SRF/HĐQT/22 on the divestment of all investment capital in Thua Thien Hue Construction Joint Stock Company and it was completed on 21 March 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in other entity

	Ending balance		Beginning balance	
	<i>Cost of investment</i>	<i>% of ownership</i>	<i>Cost of investment</i>	<i>% of ownership</i>
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	

Unit: VND

14. PREPAID EXPENSES

	Ending balance		Beginning balance	
Short-term				
- Tools and supplies			830.240.240	774.670.372
- Prepaid expenses of overheads;			1.746.371.737	994.104.681
- Others			918.906.960	813.365.966
Total			3.495.518.937	2.582.141.019
Long-term				
- Tools and supplies			2.445.848.268	2.129.479.916
- Land rental			27.337.530.909	27.615.179.422
- Others			2.066.047.646	2.238.692.383
Total			31.849.426.823	31.983.351.721

Unit: VND

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	14.724.777.141	12.602.901.507
Income statement credit	(91.746.538)	2.121.875.634
Closing balance	14.633.030.603	14.724.777.141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

16. SHORT- TERM TRADE ACCOUNTS PAYABLE

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	262.740.145.020	296.714.656.159
Related parties (Note 32)	-	9.807.710.075
TOTAL	262.740.145.020	306.522.366.234

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	200.231.396.154	109.448.135.163
TOTAL	200.231.396.154	109.448.135.163

18. LOANS

	<i>Unit: VND</i>			
	Beginning balance	Increase in year	Payment in year	Ending balance
18.1 Short-term loans (*)	607.247.979.184	225.856.293.253	208.146.742.095	624.957.530.342
Short-term loans from banks	597.247.979.184	224.752.975.445	204.543.424.287	617.457.530.342
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 6	185.080.648.192	115.229.746.121	119.345.431.504	180.964.962.809
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	94.184.698.047	-	-	94.184.698.047
- Viet Nam Bank for Social Policies- Transaction Office Lien Chieu Dist.	207.760.000	-	-	207.760.000
- Military Commercial Joint Stock Bank - Saigon Branch	51.757.120.149	16.339.450.884	30.325.859.729	37.770.711.304
- Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	80.824.212.842	78.805.005.303	21.631.677.513	137.997.540.632
- Bank for Investment and Development of Vietnam Joint Stock Company - HCM Branch	185.193.539.954	14.378.773.137	33.240.455.541	166.331.857.550
Short-term loans from others	-	1.103.317.808	1.103.317.808	-
- Other	-	1.103.317.808	1.103.317.808	-
Due long-term loans	10.000.000.000	-	2.500.000.000	7.500.000.000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	10.000.000.000	-	2.500.000.000	7.500.000.000
18.2 Long-term Loans from banks	90.578.404.417	785.000.000	922.054.009	90.441.350.408
- Military Commercial Joint Stock Bank- Branch No. 1	9.949.633.876	-	403.363.533	9.546.270.343
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch(**)	76.628.770.541	-	500.000.000	76.128.770.541
- Tien Phong Commercial Joint Stock Bank- Da Nang Branch	-	785.000.000	18.690.476	766.309.524
- Other	4.000.000.000	-	-	4.000.000.000
TOTAL	697.826.383.601	227.744.611.061	210.172.113.912	715.398.880.750

(*) 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 the factory producing non-baked light materials of Greenpan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

Unit: VND

19. STATUTORY OBLIGATIONS

	Beginning balance	Increase in year	Payment in year	Ending balance
Payables				
- Domestic value-added tax	2.263.489.204	5.685.776.028	5.468.036.234	2.481.228.998
- Import value-added tax	-	5.585.200.351	5.395.391.354	189.808.997
- Special sales tax	-	-	-	-
- Import, export duties	-	1.032.240.500	1.032.240.500	-
- Corporate income tax	5.956.883.739	28.340.515.613	3.301.282.028	30.996.117.324
- Non-agricultural land use tax	-	18.904.808	18.904.808	-
- Others	402.571.244	2.901.397.147	2.894.819.596	447.475.667
+ <i>Personal income tax</i>	402.071.244	2.787.452.043	2.780.374.492	447.475.667
+ <i>Withholding tax</i>	-	94.945.104	94.945.104	-
+ <i>Business tax</i>	500.000	19.000.000	19.500.000	-
TOTAL	8.622.944.187	43.564.034.447	18.110.674.520	34.114.630.986
Receivables				
- Corporate income tax	-	-	-	-
- <i>Other taxes:</i>	983.836.477	681.892.794	701.649.394	1.003.593.077
- <i>Personal income tax</i>	983.836.477	681.892.794	701.649.394	1.003.593.077
+ <i>Personal income tax</i>	983.836.477	681.892.794	701.649.394	1.003.593.077
TOTAL	983.836.477	681.892.794	701.649.394	1.003.593.077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

20. ACCRUED EXPENSES

20.1 Short- term accrued expenses

	Ending balance	<i>Unit: VND</i> Beginning balance
- Pre-deduction of vacation wages	-	792.000.000
- Accrued project costs	53.168.498.491	85.119.533.195
- Interest expense	793.167.822	1.011.661.748
- Others	9.575.423.491	3.693.848.633
TOTAL	63.537.089.804	90.617.043.576

21. OTHER PAYABLES

21.1 Other short - term payables

	Ending balance	<i>Unit: VND</i> Beginning balance
- Other payables to employees	3.250.531.633	6.304.865.564
- Social insurance, health insurance and trade union fees	4.198.562.157	3.617.225.699
- Dividends payable (Note 25.4)	596.400.800	596.400.800
- Dividend paid to non-controlling interest	694.751.750	1.841.774.000
- Others	12.093.353.683	18.645.441.533
TOTAL	20.833.658.923	31.005.707.596

21.2 Other long - term payables

	Ending balance	<i>Unit: VND</i> Beginning balance
- Long-term deposits receiving	247.500.000	-
- Allowances for unemployment benefits for employees	3.093.077.424	3.625.454.585
- Other long-term payables	650.000.000	-
TOTAL	3.990.577.424	3.625.454.585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

22. SHORT-TERM PROVISION

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	1.376.538.681	2.011.567.497
- Provision during the year	153.108.886	1.489.854.877
- Utilised and reversed during the year	(799.487.421)	(2.124.883.693)
- Ending balance	730.160.146	1.376.538.681

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	13.375.799.984	15.814.687.470
- Appropriation during the year	-	6.574.730.988
- Utilised during the year	(7.886.320.070)	(9.013.618.474)
- Ending balance	5.489.479.914	13.375.799.984

24. LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	2.523.921.750	2.613.001.750
- Provision during the year	-	45.515.400
- Utilised and reversed during the year	(123.690.000)	(134.595.400)
- Transfer to employee payables	-	-
- Ending balance	2.400.231.750	2.523.921.750

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

Unit: VND

	Contributed share capital	Share premium	Treasury shares	Other capital of the owner	Investment and development fund	Undistributed earnings	Total
For period ended 31 December 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	-	-	-	-	-	29.464.660.878	29.464.660.878
- Profit appropriation to bonus funds	-	-	-	-	-	(6.094.065.573)	(6.094.065.573)
- Dividends declared	30.713.830.000	-	-	-	-	(30.713.830.000)	-
- Re-purchase of shares	-	-	-	-	-	-	-
Ending balance	355.667.800.000	284.019.059	(29.238.407.099)	4.415.811.246	8.308.963.938	144.650.123.767	484.088.310.911
For period ended 31 March 2022							
Beginning balance	355.667.800.000	284.019.059	(29.238.407.099)	4.415.811.246	8.308.963.938	144.650.123.767	484.088.310.911
- Net profit for the year	-	-	-	-	-	4.655.922.109	4.655.922.109
- Profit appropriation to bonus funds	-	-	-	-	-	-	-
- Dividends declared	-	-	-	-	-	-	-
Ending balance	355.667.800.000	284.019.059	(29.238.407.099)	4.415.811.246	8.308.963.938	149.306.045.875	488.744.233.019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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	35.566.780
Issued shares		
Issued and paid-up shares	35.566.780	35.566.780
<i>Ordinary shares</i>	35.566.780	35.566.780
Treasury shares		
<i>Ordinary shares</i>	(1.780.000)	(1.780.000)
Shares in circulation		
<i>Ordinary shares</i>	33.786.780	33.786.780

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

25.4 Dividends

	Unit: VND	
	Ending balance	Beginning balance
Beginning balance	596.400.800	596.400.800
Dividends declared during the period	-	30.713.830.000
<i>Dividends payment for 2020: 10% by common stock</i>		30.713.830.000
Dividends paid during the period	-	(30.713.830.000)
Ending balance	596.400.800	596.400.800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

25. OWNERS' EQUITY (continued)

25.5 Non-controlling interests

	Ending balance	<i>Unit: VND</i> Beginning balance
Opening Balance	89.592.540.169	76.029.718.906
- Owner's capital	-	10.391.740.000
- Undistributed post-tax profit and dividend	688.629.920	4.895.127.679
- Appropriation to bonus and welfare fund	-	(480.665.414)
- Dividend paid	-	(1.620.681.002)
- Repurchase of shares	-	377.300.000
- Reissuance treasury shares	-	-
Closing balance	90.281.170.089	89.592.540.169

25.6 Earnings per share

	Ending balance	<i>Unit: VND</i> Beginning balance
Net profit after tax attributable to ordinary equity holders (VND)	4.655.922.109	5.568.648.961
Distribution to bonus and welfare fund (VND)	-	-
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	4.655.922.109	5.568.648.961
Weighted average number of ordinary shares (share)	33.786.780	30.715.397
Basic and diluted earnings per share (VND)	138	181

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 31 March 2022

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	137.718.451.156	126.076.468.716	137.718.451.156	126.076.468.716
<i>Of which:</i>				
- Revenue from construction contracts	83.569.113.857	98.463.701.788	83.569.113.857	98.463.701.788
- Revenue from lease	-	-	-	-
- Revenue from sale of goods	52.150.587.974	26.763.599.819	52.150.587.974	26.763.599.819
- Others	1.998.749.325	849.167.109	1.998.749.325	849.167.109
Revenue reduction	-	-	-	-
Net revenues	137.718.451.156	126.076.468.716	137.718.451.156	126.076.468.716

Of which:

- Revenue from other parties	137.718.451.156	126.076.468.716	137.718.451.156	126.076.468.716
- Revenue from related parties	-	-	-	-

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	1.577.270.350	1.209.599.265	1.577.270.350	1.209.599.265
- Gain on disposal of investment	87.586.544.664	-	87.586.544.664	-
- Foreign exchange gains incurred during the period	1.153.061.220	53.298.007	1.153.061.220	53.298.007
- Foreign exchange gains from revaluation	-	567.128.522	-	567.128.522
- Other	-	1.133.845.564	-	1.133.845.564
TOTAL	90.316.876.234	2.963.871.358	90.316.876.234	2.963.871.358

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	76.098.442.531	89.390.518.392	76.098.442.531	89.390.518.392
- Cost of goods sold	48.389.071.268	23.458.528.235	48.389.071.268	23.458.528.235
- (Reversal of) provision for obsolete inventories	-	(58.305)	-	(58.305)
- Others	-	-	-	-
TOTAL	124.487.513.799	112.848.988.322	124.487.513.799	112.848.988.322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

28. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

28.1 General and Administrative expenses

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Staff costs	22.353.159.639	2.657.648.807	22.353.159.639	2.657.648.807
- Tools and equipment costs	143.161.625	71.591.158	143.161.625	71.591.158
- Depreciation and amortisation	376.143.196	319.106.770	376.143.196	319.106.770
- (Reversal of provision) provisions	25.191.491.855	6.902.360	25.191.491.855	6.902.360
- External service expenses	3.739.159.297	1.050.372.423	3.739.159.297	1.050.372.423
- Others	273.415.788	172.309.012	273.415.788	172.309.012
- Reversal of employee's accrued expenses	-	(500.000)	-	(500.000)
TOTAL	52.076.531.400	4.277.430.530	52.076.531.400	4.277.430.530

28.2 Selling Expenses

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Staff costs	288.702.598	251.598.842	288.702.598	251.598.842
- Material costs	-	-	-	-
- Depreciation and amortisation	7.109.847		7.109.847	
- External service expenses	254.081.659	322.201.642	254.081.659	322.201.642
- Others	-	4.932.728	-	4.932.728
- Provision	-	200.000	-	200.000
TOTAL	549.894.104	578.933.212	549.894.104	578.933.212

29. FINANCE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Loan interest	8.891.201.128	7.892.808.254	8.891.201.128	7.892.808.254
- Foreign exchange losses incurred	740.037	2.702.199	740.037	2.702.199
- Foreign exchange losses from revaluation	562.174.785	-	562.174.785	-
- Settlement discount	47.884.782	472.864.542	47.884.782	472.864.542
- Divestment costs	7.657.899.612	-	7.657.899.612	-
TOTAL	17.159.900.344	8.368.374.995	17.159.900.344	8.368.374.995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

30. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Other income	543.307.725	1.790.053.661	543.307.725	1.790.053.661
- Income from disposal	-		-	-
- Others	543.307.725	1.790.053.661	543.307.725	1.790.053.661
Other expenses	527.981.289	1.781.164.009	527.981.289	1.781.164.009
- The carrying value of fixed assets from liquidation and selling			-	
- Penalties	47.775.062	32.769.691	47.775.062	32.769.691
- Others	480.206.227	1.748.394.318	480.206.227	1.748.394.318
NET OTHER PROFIT	15.326.436	8.889.652	15.326.436	8.889.652

31. CORPORATE INCOME TAX

31.1 CIT expenses

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Current CIT expense	28.340.515.613	209.132.880	28.340.515.613	209.132.880
- Adjustment of CIT from prior year	-	340.173.871	-	340.173.871
- Deferred CIT (income) expense	91.746.538	122.481.416	91.746.538	122.481.416
TOTAL	28.432.262.151	671.788.167	28.432.262.151	671.788.167

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 31 March 2022

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:

	This period	Previous period	Current year	Previous year
				<i>Unit: VND</i>
Net profit before tax	33.776.814.179	6.656.333.266	33.776.814.179	6.656.333.266
<i>Adjustments:</i>				
Non-deductible expenses	686.452.398	551.700.011	686.452.398	551.700.011
Temporary differences	(458.732.690)	(415.407.081)	(458.732.690)	(415.407.081)
Non-taxable income	-	-	-	-
Shares of profit of an associate	108.005.775.336	(3.680.830.599)	108.005.775.336	(3.680.830.599)
Estimated taxable profit	142.010.309.223	3.111.795.597	142.010.309.223	3.111.795.597
<i>In which:</i>				
<i>Estimated current taxable profit</i>	<i>140.617.580.414</i>	<i>1.911.307.009</i>	<i>140.617.580.414</i>	<i>1.911.307.009</i>
<i>Incentive taxable income exemption</i>	<i>1.354.329.568</i>	<i>-</i>	<i>1.354.329.568</i>	<i>-</i>
<i>Estimated tax loss</i>	<i>38.399.241</i>	<i>1.200.488.588</i>	<i>38.399.241</i>	<i>1.200.488.588</i>
Estimated CIT payable	28.217.507.118	474.796.995	28.217.507.118	474.796.995
CIT exemption	-	(1.090.244)	-	(1.090.244)
Estimated CIT after exemption	28.217.507.118	473.706.751	28.217.507.118	473.706.751
Adjustment for CIT from prior period	123.008.495	75.600.000	123.008.495	75.600.000
Current corporate income tax expense	28.340.515.613	549.306.751	28.340.515.613,00	549.306.751
Deferred income tax income expense	91.746.538	122.481.416	91.746.538	122.481.416
Total corporate income tax expense	28.432.262.151	671.788.167	28.432.262.151	671.788.167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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		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

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

<i>Unit: VND</i>				
	This period	Previous period	Current year	Previous year
Allowance for the Boards of Directors and Supervision	390.000.000	386.400.000	390.000.000	386.400.000
Salaries and benefits of the Board of Directors, management and key executives	2.410.334.153	2.728.368.140	2.410.334.153	2.728.368.140
TOTAL	2.800.334.153	3.114.768.140	2.800.334.153	3.114.768.140

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.

Ho Chi Minh City, Apr²⁹, 2022

On behalf of the Chief Executive Officer
Chief Financial Officer

Preparer

Nguyen Thi

Chief Accountant

Vuong Tran Quoc Thanh



Phan Thanh Long