

SEAREFICO CORPORATION

SEPARATE FINANCIAL STATEMENTS

1st Quarter of 2022

SEPARATE 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)		863.789.268.100	697.639.081.578
110	Cash and cash equivalents	4	58.270.073.210	18.248.461.423
111	Cash		4.270.073.210	18.248.461.423
112	Cash equivalents		54.000.000.000	-
120	Short-term investments		294.593.916.709	110.000.000.000
123	Investment held-to-maturity	5.1	294.593.916.709	110.000.000.000
130	Current accounts receivable		449.223.496.340	510.560.203.220
131	Short-term trade receivables	6.1	427.337.128.955	464.506.007.581
132	Short-term prepayments to suppliers	6.2	20.459.917.907	14.510.474.258
135	Short-term lendings		150.000.000	1.150.000.000
136	Other short-term receivables	7.1	45.838.330.259	49.767.567.153
139	Provision for short-term doubtful receivables	6.1	(44.561.880.781)	(19.373.845.772)
140	Inventories	8	38.927.795.040	35.399.850.396
141	Inventories		38.927.795.040	35.399.850.396
149	Provision for obsolete inventories		-	-
150	Other current assets		22.773.986.801	23.430.566.539
151	Short-term prepaid expenses	14	433.530.047	376.351.597
152	Value-added tax deductible		22.340.456.754	23.054.214.942
153	Tax and other receivables from the State	19	-	-
200	Non - Current Assets (200 = 210+220+240+250+260)		353.348.820.730	403.013.121.277
210	Long-term receivable		6.285.210.000	4.373.260.000
212	Long-term prepayments to suppliers	6.2	4.911.950.000	3.000.000.000
216	Other long-term receivables	7.2	1.373.260.000	1.373.260.000
220	Fixed assets		890.412.381	1.024.186.697
221	Tangible fixed assets	9	890.412.381	1.024.186.697
222	<i>Historical Cost</i>		8.117.033.655	8.117.033.655
223	<i>Accumulated depreciation</i>		(7.226.621.274)	(7.092.846.958)
227	Intangible assets	11	-	-
228	<i>Historical Cost</i>		2.011.626.260	2.011.626.260
229	<i>Accumulated depreciation</i>		(2.011.626.260)	(2.011.626.260)
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	312.810.906.116	364.203.786.116
251	Investment in a subsidiary	13.1	308.354.188.754	308.354.188.754
252	Investment in an associate	13.2	-	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 31 March 2022

Unit: VND

Code	Assets	Notes	Ending Balance	Beginning Balance
260	Other long-term assets		3.558.788.816	3.608.385.047
261	Long-term prepaid expenses	14	476.053.260	500.911.491
262	Deferred tax assets	15	3.082.735.556	3.107.473.556
270	Total Assets (270 = 100 + 200)		1.217.138.088.830	1.100.652.202.855
Code	Resources	Notes	Ending Balance	Beginning Balance
300	Liabilities (300 = 310+330)		707.258.633.887	702.247.108.110
310	Current liabilities		701.765.324.713	696.097.731.775
311	Short-term trade payables	16	252.978.014.622	284.338.850.226
312	Short-term advances from customers	17	32.537.200.335	32.080.254.422
313	Tax and other payables to the State Budget	19	30.232.621.384	3.614.157.302
314	Payables to employees		16.618.821.994	1.352.598.009
315	Short-term accrued expenses	20.1	42.181.588.609	34.337.753.574
319	Other short-term payables	21.1	12.074.265.550	14.004.157.905
320	Short-term loans	18	309.424.394.701	314.569.387.946
321	Short-term provision	22	579.576.530	606.161.130
322	Bonus and welfare fund	23	5.138.840.988	11.194.411.261
330	Non-current liabilities		5.493.309.174	6.149.376.335
337	Other long-term liabilities		3.093.077.424	3.625.454.585
342	Long-term provision	24	2.400.231.750	2.523.921.750
400	Owners' Equity		509.879.454.943	398.405.094.745
410	Capital	25	509.879.454.943	398.405.094.745
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
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		177.738.464.394	66.264.104.196
421.1	Undistributed earnings up to prior year-end		66.264.104.196	48.722.798.863
421.2	Undistributed earnings of current year		111.474.360.198	17.541.305.333
600	Total Liabilities and Owners' Equity (600 = 300+400)		1.217.138.088.830	1.100.652.202.855

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

SEPARATE INCOME STATEMENT

For the period: 1st Quarter of 2022

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	5.420.257.169	57.353.125.905	5.420.257.169	57.353.125.905
02	Deductions	26.1	-	-	-	-
10	Net revenues from sale of goods and rendering of services (10= 01-02)	26.1	5.420.257.169	57.353.125.905	5.420.257.169	57.353.125.905
11	Costs of goods sold and services rendered	27	4.425.459.422	53.266.853.261	4.425.459.422	53.266.853.261
20	Gross profit from sale of goods and rendering of services (20=10 - 11)		994.797.747	4.086.272.644	994.797.747	4.086.272.644
21	Finance income	26.2	198.172.844.090	3.394.346.592	198.172.844.090	3.394.346.592
22	Finance expenses	29	12.853.569.401	5.424.722.721	12.853.569.401	5.424.722.721
23	<i>In which: interest expense</i>		4.593.902.467	5.422.020.522	4.593.902.467	5.422.020.522
26	General and administrative expenses	28	46.926.519.965	1.659.400.904	46.926.519.965	1.659.400.904
30	Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}		139.387.552.471	396.495.611	139.387.552.471	396.495.611
31	Other income	30	526.462.347	460.576.936	526.462.347	460.576.936
32	Other expenses	30	465.519.776	32.769.691	465.519.776	32.769.691
40	Other profit (40 = 31 - 32)	30	60.942.571	427.807.245	60.942.571	427.807.245
50	Accounting profit before tax (50 = 30 + 40)		139.448.495.042	824.302.856	139.448.495.042	824.302.856
51	Current corporate income tax expense	31	27.949.396.844	246.754.142	27.949.396.844	246.754.142
52	Deferred tax income (expense)	31	24.738.000	44.755.000	24.738.000	44.755.000
60	Net profit after tax (60 = 50 - 51 - 52)		111.474.360.198	532.793.714	111.474.360.198	532.793.714

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

SEPARATE 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		139.448.495.042	824.302.856
<i>Adjustments for:</i>				
02	Depreciation and amortisation	9	133.774.316	212.455.272
03	(Reversal of) provisions	28	25.188.035.009	(128.278.457)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts	26.2;29	601.767.322	(517.772.656)
05	Profits from investing activities	26.2;29	(189.460.085.349)	(2.876.487.448)
06	Interest expense	29	4.593.902.467	5.422.020.522
07	Other Adjustments		-	-
08	Operating profit before changes in working capital		(19.494.111.193)	2.936.240.089
09	Increase (decrease) in receivables		29.802.242.361	90.485.654.920
10	Decrease (increase) in inventories		(3.527.944.644)	(9.486.840.491)
11	Increase (decrease) in payables		(10.742.210.323)	(53.274.442.897)
12	(Increase) decrease in prepaid expenses		(32.320.219)	(1.803.955.427)
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(4.117.634.683)	(5.748.346.938)
15	Corporate income tax paid	19	(1.438.793.675)	(7.524.097.858)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(6.179.260.273)	(7.246.586.827)
20	Net cash flows from (used in) operating activities		(15.730.032.649)	8.337.624.571
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		-	-
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		-	-
25	Payments for investments in other entities		-	(16.800.000.000)
26	Receives from investments in other entities		51.392.880.000	-
27	Interest and dividends received		194.097.674.390	54.587.089
30	Net cash flows used in investing activities		60.896.637.681	(16.745.412.911)

SEPARATE CASH FLOW STATEMENT (continued)

For the period ended 31 March 2022

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		57.588.610.094	364.915.593.191
34	Repayment of borrowings		(62.733.603.339)	(357.261.063.931)
35	Payment of principal of finance lease liabilities		-	-
36	Dividends paid	25.4	-	-
40	Net cash flows from financing activities		(5.144.993.245)	7.654.529.260
50	Net decrease in cash and cash equivalents		40.021.611.787	(753.259.080)
60	Cash and cash equivalents at beginning of period	4	18.248.461.423	32.339.671.707
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at end of period	4	58.270.073.210	31.586.412.627

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

NOTES TO THE SEPARATE 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 Seaprodux 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 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 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 subsidiaries, Greenpan Joint Stock Company (“Greenpan”); Searee Refrigeration Electrical Engineering Corporation (“Searee Corporation”), Phoenix Energy & Automation Joint Stock Company.

As at 31 March 2022, the Company had 28 employees (As at 31 December 2021: 28 employees).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 March 2022

2 BASES 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 31 March 2022

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 31 March 2022

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 31 March 2022

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 31 March 2022

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 31 March 2022

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 31 March 2022

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 31 March 2022

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 31 March 2022

4. CASH AND CASH EQUIVALENTS

Unit: VND

	Ending balance	Beginning balance
Cash on hand	198.183.051	202.256.980
Cash at banks	4.071.890.159	18.046.204.443
Cash equivalents (*)	54.000.000.000	-
TOTAL	58.270.073.210	18.248.461.423

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

Unit: VND

	Ending balance		Beginning balance	
	Cost	Fair value	Cost	Fair value
Short- term				
Bank deposits with original maturities of more than 3 months and less than 12 months	110.000.000.000	110.000.000.000	110.000.000.000	110.000.000.000
Bonds	184.593.916.709	184.593.916.709		
TOTAL	294.593.916.709	294.593.916.709	110.000.000.000	110.000.000.000

NOTES TO THE SEPARATE 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>	
	Ending balance	Beginning balance
Third parties	411.409.503.009	448.878.278.643
- Hai Dang Real Estate Joint Stock Company	13.399.399.950	18.853.173.147
- Construction Joint Stock Company (DESCON)	84.360.709.259	84.360.709.259
- Construction Joint Stock Company No. 1 (COFICO)	31.975.604.712	31.975.604.712
- Saigon Binh Chau Corporation	52.825.907.834	54.552.933.668
- Vietnam Dairy Products Joint Stock Company - Tien Son Dairy Factory	33.298.150.377	33.298.150.377
Related parties (Note 32)	15.927.625.946	15.627.728.938
TOTAL	427.337.128.955	464.506.007.581
Provision for doubtful short-term receivables	(44.561.880.781)	(19.373.845.772)
NET	382.775.248.174	445.132.161.809

6.2 Short-term advance to suppliers

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Advances to suppliers	19.490.911.132	11.629.517.483
In which		
- Gia Hung Construction and Import-Export Company Limited	2.343.178.838	2.343.178.838
Advances to related parties (Note 32)	969.006.775	2.880.956.775
TOTAL	20.459.917.907	14.510.474.258

7. OTHER SHORT-TERM RECEIVABLES

7.1 Other short - term receivables

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
- Advance to employees	3.466.119.485	3.562.244.439
- Other receivables from construction teams	1.362.164.252	1.312.164.252
- Other receivables from employees	3.284.910.322	3.570.220.475
- Short-term deposit	766.865.334	771.865.334
- Interest income receivables	4.093.304.658	2.682.893.699
- Distributed profit	-	-
- Dividend receivables	1.694.166.667	7.742.166.667
- Others	31.170.799.541	30.126.012.287
TOTAL	45.838.330.259	49.767.567.153
<i>In which:</i>		
- Other receivables from related parties (Note 32)	32.442.007.448	34.815.112.209
- Other receivables from other parties	13.396.322.811	14.952.454.944

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

7. OTHER RECEIVABLES (continued)

7.2 Other long - term receivables

Unit: VND

	Ending balance	Beginning balance
- Long-term deposit	1.373.260.000	1.373.260.000
TOTAL	1.373.260.000	1.373.260.000

8. INVENTORIES

Unit: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
- Work in process	38.927.795.040	-	35.396.919.097	-
- Raw materials	-	-	2.931.299	-
- Goods in transit	-	-	-	-
- Finished goods	-	-	-	-
- Goods;	-	-	-	-
TOTAL	38.927.795.040	-	35.399.850.396	-

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

	Ending balance	Beginning Balance
Beginning balance	-	19.157.043
Add: Provision created during the year	-	-
Less: Utilisation and reversal of provision during the year	-	(19.157.043)
Ending balance	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	<i>Unit: VND</i> TOTAL
Cost						
Beginning balance	-	905.563.170	4.152.992.727	2.752.436.007	306.041.751	8.117.033.655
- New purchase	-	-	-	-	-	-
- Disposal	-	-	-	-	-	-
Ending balance	-	905.563.170	4.152.992.727	2.752.436.007	306.041.751	8.117.033.655
Accumulated depreciation:						
Beginning balance	-	875.285.366	3.353.824.753	2.557.695.088	306.041.751	7.092.846.958
- Depreciation for the period	-	4.632.231	83.239.818	45.902.267	-	133.774.316
- Disposal	-	-	-	-	-	-
Ending balance	-	879.917.597	3.437.064.571	2.603.597.355	306.041.751	7.226.621.274
Net carrying amount:						
Beginning balance	-	30.277.804	799.167.974	194.740.919	-	1.024.186.697
Ending balance	-	25.645.573	715.928.156	148.838.652	-	890.412.381

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

10. FIXED ASSETS OF FINANCIAL LEASING

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

11. INTANGIBLE ASSETS

	<i>Unit: VND</i>	
	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	2.011.626.260	2.011.626.260
- Amortisation for the year	-	-
Ending balance	2.011.626.260	2.011.626.260
Net carrying amount:		
Beginning balance	-	-
Ending balance	-	-

12. CONSTRUCTION IN PROGRESS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
ERP System and orther	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 Office</i>	13.704.464.512	13.704.464.512
<i>Hilton Da Nang Apartment</i>	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 31 March 2022

12. CONSTRUCTION IN PROGRESS (continued)

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

	Ending balance	Beginning balance
Opening balance	29.803.503.417	29.803.503.417
Purchases	-	-
Closing balance	29.803.503.417	29.803.503.417

Unit: VND

13. LONG-TERM INVESTMENTS

13.1 Investment in a subsidiary

	Ending balance		Beginning balance	
	<i>Cost of investment</i>	<i>% of ownership</i>	<i>Cost of investment</i>	<i>% of ownership</i>
Asia Refrigeration Industry Joint Stock Company	96.384.188.754	84,00%	96.384.188.754	84,00%
SEAREFICO Engineering and Construction Joint Stock Company	148.970.000.000	99,31%	148.970.000.000	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		308.354.188.754	

(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.

(b) 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, 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 31 March 2022, the Company is being process of capital contribution VND 63 billion.

(c) 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, District 3, Ho Chi Minh City, Vietnam.

13.2 Investment in an associate

	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	0,00%	51.392.880.000	36,00%

Unit: VND

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 SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

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

	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

(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	11.567.480	42.251.166
- Others	421.962.567	334.100.431
Total	433.530.047	376.351.597
Long-term		
- Tools and supplies	17.754.995	42.613.226
- Others	458.298.265	458.298.265
Total	476.053.260	500.911.491

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	3.107.473.556	3.107.473.556
Income statement credit	(24.738.000)	-
Closing balance	3.082.735.556	3.107.473.556

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

16- SHORT-TERM TRADE PAYABLES

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	159.331.012.934	177.854.887.718
Related parties (<i>Note 32</i>)	93.647.001.688	106.483.962.508
TOTAL	252.978.014.622	284.338.850.226

17- SHORT-TERM ADVANCES FROM CUSTOMERS

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
Third parties	23.268.200.335	22.811.254.422
<i>Kien A Khanh Hoa Investment Joint Stock Company</i>	<i>17.667.583.007</i>	<i>17.319.262.094</i>
<i>Saigon Cam Ranh Joint Stock Company</i>	<i>4.758.953.650</i>	<i>4.758.953.650</i>
Related parties (<i>Note 32</i>).	9.269.000.000	9.269.000.000
TOTAL	32.537.200.335	32.080.254.422

18. LOANS

18.1 Short-term Loans from banks

	<i>Unit: VND</i>			
	Increase in year	Payment in year	Beginning balance	Ending balance
Short-term loans from banks	27.613.610.094	54.233.603.339	309.509.387.946	282.889.394.701
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	-	-	94.184.698.047	94.184.698.047
- Military Commercial Joint Stock Bank - Saigon Branch	8.160.377.229	21.068.147.798	29.259.530.818	16.351.760.249
- Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	5.074.459.728	-	1.546.610.394	6.621.070.122
- Bank for Investment and Development of Vietnam Joint Stock Company - HCM Branch	14.378.773.137	33.165.455.541	184.518.548.687	165.731.866.283
- Vietnam - Russia Joint Venture Bank - Da Nang Branch	-	-	-	-
Short-term loans from related parties (<i>Note 32</i>)	29.975.000.000	8.500.000.000	5.060.000.000	26.535.000.000
- Asia Refrigeration Industry Joint Stock Company	7.000.000.000	7.500.000.000	500.000.000	-
- Greenpan Joint Stock Company	-	-	4.560.000.000	4.560.000.000
- SEAREE Refrigeration Electrical Mechanical Joint Stock Company	1.555.000.000	-	-	1.555.000.000
- SEAREFICO Engineering and Construction JSC	21.420.000.000	1.000.000.000	-	20.420.000.000
TOTAL	57.588.610.094	62.733.603.339	314.569.387.946	309.424.394.701

NOTES TO THE SEPARATE 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
- Domestic value-added tax	970.168.949	272.669.997	54.930.203	1.187.908.743
- Import value-added tax	-	-	-	-
- Special sales tax	-	-	-	-
- Import, export duties	-	-	-	-
- Corporate income tax	2.482.553.981	27.949.396.844	1.438.793.675	28.993.157.150
- Others	161.434.372	1.076.089.097	1.185.967.978	51.555.491
- <i>Personal income tax</i>	<i>161.434.372</i>	<i>1.072.089.097</i>	<i>1.181.967.978</i>	<i>51.555.491</i>
- <i>Withholding taxes</i>	-	-	-	-
- <i>Business tax</i>	-	<i>4.000.000</i>	<i>4.000.000</i>	-
TOTAL	3.614.157.302	29.298.155.938	2.679.691.856	30.232.621.384
Receivables				
- Corporate income tax	-	-	-	-
TOTAL	-	-	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

20. ACCRUED EXPENSES

20.1 Short-term accrued expenses

Unit: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
- Accrued project costs	33.706.411.371	33.384.336.063
- Interest expense	235.621.238	243.417.511
- Others	8.239.556.000	710.000.000
TOTAL	42.181.588.609	34.337.753.574

21. OTHER PAYABLES

21.1 Other short-term payables

Unit: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
- Other payables to employees	1.611.454.359	1.443.684.925
- Social insurance, health insurance and trade union fees	932.728.882	942.916.932
- Dividends payable (Note 25.4)	596.400.800	596.400.800
- Others	8.933.681.509	11.021.155.248
TOTAL	12.074.265.550	14.004.157.905

21.2 Other long-term payables

Unit: VND

	<u>Ending balance</u>	<u>Beginning balance</u>
- Allowances for unemployment benefits for employees	3.093.077.424	3.625.454.585
TOTAL	3.093.077.424	3.625.454.585

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

22. SHORT-TERM PROVISION

Unit: VND

	Ending balance	Beginning balance
- Beginning balance	606.161.130	742.134.517
- Provision during the year	89.806.757	84.180.022
- Utilised and reversed during the year	(116.391.357)	(220.153.409)
- Ending balance	579.576.530	606.161.130

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	11.194.411.261	13.205.012.295
- Appropriation during the year	-	5.085.104.404
- Utilised during the year	(6.055.570.273)	(7.095.705.438)
- Ending balance	5.138.840.988	11.194.411.261

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	-	2.945.000
- Utilised and reversed during the year	(123.690.000)	(92.025.000)
- Transfer to employee payables	-	-
- Ending balance	2.400.231.750	2.523.921.750

NOTES TO THE SEPARATE 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	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)	5.427.578.589	84.521.733.267	385.948.893.816
- Net profit for the year	-	-	-	-	17.541.305.333	17.541.305.333
- Profit appropriation to bonus fund	-	-	-	-	(5.085.104.404)	(5.085.104.404)
- 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)	5.427.578.589	66.264.104.196	398.405.094.745
For the period ended 31 March 2022						
Beginning balance	355.667.800.000	284.019.059	(29.238.407.099)	5.427.578.589	66.264.104.196	398.405.094.745
- Net profit for the year	-	-	-	-	111.474.360.198	111.474.360.198
- Profit appropriation to bonus fund	-	-	-	-	-	-
- Dividends declared	-	-	-	-	-	-
Ending balance	355.667.800.000	284.019.059	(29.238.407.099)	5.427.578.589	177.738.464.394	509.879.454.943

NOTES TO THE SEPARATE 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 (previous year: VND 10,000/share)

25.4 Dividends

	VND	
	Current period	Previous period
Beginning balance	596,400,800	596,400,800
Dividends declared during the period	-	30,713,830,000
<i>Dividends payment for 2020 FY: 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 SEPARATE 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	5.420.257.169	57.353.125.905	5.420.257.169	57.353.125.905
<i>Of which:</i>				
- Revenue from construction contracts	4.501.809.304	56.322.809.189	4.501.809.304	56.322.809.189
- Revenue from lease	-	-	-	-
- Revenue from sale of goods	45.236.849	310.751.074	45.236.849	310.751.074
- Revenue from other services	873.211.016	719.565.642	873.211.016	719.565.642
Revenue deduction	-	-	-	-
Net revenues	5.420.257.169	57.353.125.905	5.420.257.169	57.353.125.905

Of which:

- Revenue from other parties	4.547.046.153	56.582.211.028	4.547.046.153	56.582.211.028
- Revenue from related parties (Note 32)	873.211.016	770.914.877	873.211.016	770.914.877

26.2 Finance income

Unit: VND

	This period	Previous period	Current year	Previous year
- Interest income	1.525.664.961	1.742.641.884	1.525.664.961	1.742.641.884
- Gain on disposal of investment	195.592.320.000	-	195.592.320.000	-
- Dividends earned	-	-	-	-
- Foreign exchange gains incurred during the period	1.054.859.129	86.488	1.054.859.129	86.488
- Foreign exchange gains from revaluation	-	517.772.656	-	517.772.656
- Others	-	1.133.845.564	-	1.133.845.564
TOTAL	198.172.844.090	3.394.346.592	198.172.844.090	3.394.346.592

27. COSTS OF GOODS SOLD AND SERVICES RENDERED

Unit: VND

	This period	Previous period	Current year	Previous year
- Cost of construction contracts	4.380.222.573	53.197.184.645	4.380.222.573	53.197.184.645
- Cost of lease	-	-	-	-
- Cost of goods sold	45.236.849	69.726.921	45.236.849	69.726.921
- (Reversal of) provision for obsolete inventories	-	(58.305)	-	(58.305)
TOTAL	4.425.459.422	53.266.853.261	4.425.459.422	53.266.853.261

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

28. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Staff costs	19.276.901.636	998.823.562	19.276.901.636	998.823.562
- Tools and equipment costs	29.406.318	26.927.650	29.406.318	26.927.650
- Depreciation and amortisation	129.142.085	129.808.755	129.142.085	129.808.755
- (Reversal of provision) provisions	25.188.035.009	-	25.188.035.009	-
- External service expenses	2.280.680.967	445.706.205	2.280.680.967	445.706.205
- Others	22.353.950	58.634.732	22.353.950	58.634.732
- Reversal of accrued staff costs	-	(500.000)	-	(500.000)
TOTAL	46.926.519.965	1.659.400.904	46.926.519.965	1.659.400.904

29. FINANCE EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
- Loan interest	4.593.902.467	5.422.020.522	4.593.902.467	5.422.020.522
- Foreign exchange losses incurred	-	2.702.199	-	2.702.199
- Foreign exchange losses from revaluation	601.767.322	-	601.767.322	-
- Divestment costs	7.657.899.612	-	7.657.899.612	-
TOTAL	12.853.569.401	5.424.722.721	12.853.569.401	5.424.722.721

30. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>			
	This period	Previous period	Current year	Previous year
Other income	526.462.347	460.576.936	526.462.347	460.576.936
- Income from disposal	-	-	-	-
- Others	526.462.347	460.576.936	526.462.347	460.576.936
Other expenses	465.519.776	32.769.691	465.519.776	32.769.691
- The carrying value of fixed assets from liquidation and selling	-	-	-	-
- Penalties	-	32.769.691	-	32.769.691
- Others	465.519.776	-	465.519.776	-
NET OTHER PROFIT	60.942.571	427.807.245	60.942.571	427.807.245

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

31. CORPORATE INCOME TAX

31.1 CIT expenses

Unit: VND

	This period	Previous period	Current year	Previous year
- Current CIT expense	27.949.396.844	(3.308.863)	27.949.396.844	(3.308.863)
- Adjustment for CIT from prior year	-	250.063.005	-	250.063.005
- Deferred CIT (income) expense	24.738.000	44.755.000	24.738.000	44.755.000
TOTAL	27.974.134.844	291.509.142	27.974.134.844	291.509.142

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:

	This period	Previous period	Current year	Previous year
Net profit before tax	114.199.276.542	824.302.856	139.448.495.042	824.302.856
<i>Adjustments:</i>				
Non-deductible expenses	422.179.177	436.242.852	422.179.177	436.242.852
Temporary differences	(123.690.000)	(26.775.000)	(123.690.000)	(26.775.000)
Non-taxable income	-	-	-	-
Shares of profit of an associate	-	-	-	-
Estimated taxable profit	114.497.765.719	1.233.770.708	139.746.984.219	1.233.770.708
<i>In which:</i>				
<i>Estimated current taxable profit</i>	<i>114.497.765.719</i>	<i>1.233.770.708</i>	<i>114.497.765.719</i>	<i>1.233.770.708</i>
Estimated CIT payable	-	-	-	-
CIT Exemption	114.497.765.719	1.233.770.708	114.497.765.719	1.233.770.708
Estimated CIT payable at end of period after exemption	27.949.396.844	246.754.142	27.949.396.844	246.754.142
Adjustment of CIT from prior period	-	-	-	-
Current corporate income tax expense	27.949.396.844	246.754.142	27.949.396.844	246.754.142
Deferred tax income expense	24.738.000	44.755.000	24.738.000	44.755.000
Total corporate income tax expense	27.974.134.844	291.509.142	27.974.134.844	291.509.142

NOTES TO THE SEPARATE 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:

Unit: VND

Related party	Relationship	Transaction	Ending balance	Beginning balance
Purchase Good, services and other transactions				
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Interest expenses	91.972.603	7.500.000
		Capital contribution		16.800.000.000
SEAREFICO Engineering and Construction Joint Stock Company	Subsidiary	Purchases of construction services		16.965.186.830
		Interest income		1.133.845.564
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Other income	147.405.053	451.523.855
Greenpan Joint Stock Company	Subsidiary	Interest expenses	62.965.479	-
		Purchases of goods	-	26.618.577
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	3.127.618.884	3.947.541.773
			3.429.962.019	39.332.216.599
Revenues from sale of goods and rendering of services (No 26.1)				
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Other service	390.913.917	267.470.418
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchase of construction services	-	51.349.235
		Other service	166.413.676	311.083.175
SEAREFICO Engineering and Construction JSC	Subsidiary	Other service	315.883.423	141.012.049
			873.211.016	770.914.877
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	1.462.610.658	2.020.205.012
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Other service	3.153.805.200	2.893.370.153
Greenpan Joint Stock Company	Subsidiary	Other service	248.658.795	248.658.795
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Selling	9.591.105.064	9.443.700.011
SEAREFICO Engineering and Construction JSC	Subsidiary	Other service	1.471.446.229	1.021.794.967
			15.927.625.946	15.627.728.938

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Short-term prepayments to suppliers (Note 6.2)

Greenpan Joint Stock Company	Subsidiary	Purchases of goods	768.007.113	2.679.957.113
Formtek Engineering Joint Stock Company	Related party	Purchase of construction services	200.999.662	200.999.662
			969.006.775	2.880.956.775

Long-term prepayments to suppliers (Note 6.2)

Greenpan Joint Stock Company	Subsidiary	Purchases of goods	4.911.950.000	3.000.000.000
			4.911.950.000	3.000.000.000

Other short-term receivables (Note 7)

International Investment and Water Technology Joint Stock Company	Related party	Interest income	658.643.288	658.643.288
Asia Refrigeration Industry Joint Stock Company	Subsidiary	Dividend received	-	6.048.000.000
		Other services	-	53.003.077
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Dividend received	1.694.166.667	1.694.166.667
		Other services	278.858.552	225.855.475
Greenpan Joint Stock Company	Subsidiary	Other services	211.262.382	195.777.411
Phoenix Energy & Automation Joint Stock Company	Subsidiary	Other services	240.436.885	239.059.085
Seareal Real Estate Joint Stock Company	Subsidiary	Other services	20.143.413.527	20.039.763.000
SEAREFICO Engineering and Construction Joint Stock Company	Subsidiary	Other services	9.215.226.147	5.660.844.206
			32.442.007.448	34.815.112.209

Short-term trade payables (Note 16)

Thua Thien Hue Construction Joint Stock Corporation		Purchased of construction contracts	-	5.019.707.215
Searee Refrigeration Electrical Engineering Corporation	Subsidiary	Purchased of construction contracts	55.382.316.173	62.640.468.020
SEAREFICO Engineering and Construction Joint Stock Company	Subsidiary	Purchased of construction contracts	38.264.685.515	38.823.787.273
			93.647.001.688	106.483.962.508

Short-term advances from customer (Note 17)

SEAREFICO Engineering and Construction JSC	Subsidiary	Purchased of construction contracts	9.269.000.000	9.269.000.000
			9.269.000.000	9.269.000.000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 March 2022

32. TRANSACTIONS WITH RELATED PARTIES (continued)

Short-term loans (Note 18)

Asia Refrigeration Industry Joint Stock Company	Subsidiary	1.555.000.000	500.000.000
Greenpan Joint Stock Company	Subsidiary	4.560.000.000	4.560.000.000
SEAREFICO Engineering and Construction JSC	Subsidiary	20.420.000.000	
		26.535.000.000	5.060.000.000

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	390.000.000	386.400.000	390.000.000	386.400.000
Salaries and benefits of the Board of Directors, management and key executives	1.187.390.542	1.281.571.168	1.187.390.542	1.281.571.168
TOTAL	1.577.390.542	1.667.971.168	1.577.390.542	1.667.971.168

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.

Ho Chi Minh City, Apr 29 2022

Preparer

Nguyen Thi

Chief Accountant

Vuong Tran Quoc Thanh

On behalf of the Chief Executive Officer
Chief Financial Officer



Phan Thanh Long