

SEAREFICO CORPORATION

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**



SEAREFICO CORPORATION

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SEAREFICO CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate joint stock company

No. 0301825452 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1999 and the latest 20th amendment dated 2 November 2021.

Board of Directors

Mr. Le Tan Phuoc	Chairman
Mr. Nguyen Huu Thinh	Member
Mr. Ryota Fukuda	Member
Mr. Nishi Masayuki	Member
Mr. Le Quang Phuc	Member
Mr. Pham Kyle Anh Tuan	Member (from 25 February 2022)
Mr. Lee Men Leng	Member (to 24 February 2022)

Audit Committee

Mr. Pham Kyle Anh Tuan	Chairman
Mr. Nguyen Huu Thinh	Member

Science and technology Committee

Mr. Le Tan Phuoc	Chairman
Mr. Nishi Masayuki	Member

Compensation and Organisation Development Committee

Mr. Le Quang Phuc	Chairman
Mr. Nguyen Huu Thinh	Member

Board of Internal Audit under Board of Directors

Ms. Huynh Nhu Phuong	Chief Supervisor (from 1 July 2022)
Mr. Nguyen Chau Tran	Acting Chief Supervisor (to 30 June 2022)

SEAREFICO CORPORATION

CORPORATE INFORMATION (continued)

Board of Management	Ms. Nguyen Thi Thanh Huong	Chief Executive Officer (to 4 July 2022)
	Mr. Tran Dinh Muoi	Deputy General Director
	Mr. Pham Ngoc Son	Deputy General Director
	Mr. Huynh Khoi Binh	Deputy General Director
	Mr. Nguyen Quoc Cuong	Deputy General Director (to 1 July 2022)
	Mr. Phan Thanh Long	Chief Financial Officer
	Mr. Vuong Tran Quoc Thanh	Chief Accountant
Legal representative	Mr. Le Tan Phuoc	Chairman of Board of Directors
Registered office	14 th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

SEAREFICO CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of responsibility of the Board of Management of the Company in respect of interim consolidated financial statements

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2022, and the interim consolidated results of its interim consolidated operations and its cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the interim consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

The legal representative has authorised the Chief Financial Officer of the Company to approve and sign the interim consolidated financial statements for the six-month period ended 30 June 2022 as per Power of Attorney No. 001/UQ/SRF/HĐQT/22 dated 4 July 2022.

Approval of the interim consolidated financial statements

We hereby, approve the accompanying interim consolidated financial statements as set out on pages 6 to 49 which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2022, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the interim consolidated financial statements.

On behalf of the Board of Management



Phan Thanh Long
Chief Financial Officer
Authorised signatory authorised by Legal Representative

Ho Chi Minh City, SR Vietnam
29 August 2022



REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO SHAREHOLDERS AND THE BOARD OF DIRECTORS OF SEAREFICO CORPORATION

We have reviewed the accompanying interim consolidated financial statements of Searefico Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2022 and approved by the Board of Management on 29 August 2022. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2022, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 6 to 49.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not presented fairly, in all material respects, the interim consolidated financial position of the Group as at 30 June 2022, its interim consolidated financial performance and interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

Other Matters

The report on review of interim consolidated financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No:
0875-2018-006-1
Authorised signatory

Report reference number: HCM12706
Ho Chi Minh City, 29 August 2022

SEAREFICO CORPORATION

Form B 01a – DN/HN

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2022 VND	31.12.2021 VND
100	CURRENT ASSETS		1,468,272,148,798	1,332,532,232,066
110	Cash and cash equivalents	3	58,021,844,654	60,499,313,356
111	Cash		44,603,881,849	59,714,313,356
112	Cash equivalents		13,417,962,805	785,000,000
120	Short-term investments		287,472,124,480	110,359,200,000
123	Investment held-to-maturity	4(a)	287,472,124,480	110,359,200,000
130	Short-term receivables		709,761,990,288	782,001,895,799
131	Short-term trade accounts receivable	5	607,669,128,292	726,004,583,852
132	Short-term prepayments to suppliers	6	109,273,086,739	49,671,980,022
135	Short-term lendings		833,333,332	-
136	Other short-term receivables	7(a)	48,545,643,523	37,664,977,608
137	Provision for doubtful debts – short term	8	(56,559,201,598)	(31,339,645,683)
140	Inventories	9	379,258,360,514	333,318,564,993
141	Inventories		380,125,290,354	334,185,494,833
149	Provision for decline in value of inventories		(866,929,840)	(866,929,840)
150	Other current assets		33,757,828,862	46,353,257,918
151	Short-term prepaid expenses	10(a)	3,351,338,521	2,582,141,019
152	Value added tax ("VAT") to be reclaimed	15(a)	29,151,854,992	42,787,280,422
153	Tax and other receivables from the State	15(a)	1,254,635,349	983,836,477
200	LONG-TERM ASSETS		354,894,600,198	520,729,143,686
210	Long-term receivables		1,767,391,000	1,836,601,000
216	Other long-term receivables	7(b)	1,767,391,000	1,836,601,000
220	Fixed assets		264,792,765,314	272,811,914,314
221	Tangible fixed assets	11(a)	262,036,880,254	269,843,368,020
222	Historical cost		385,841,431,937	385,602,156,131
223	Accumulated depreciation		(123,804,551,683)	(115,758,788,111)
227	Intangible fixed assets	11(b)	2,755,885,060	2,968,546,294
228	Historical cost		5,941,197,119	5,941,197,119
229	Accumulated amortisation		(3,185,312,059)	(2,972,650,825)
240	Long-term assets in progress		34,906,449,034	33,417,126,812
242	Construction in progress	12	34,906,449,034	33,417,126,812
250	Long-term investments		5,556,717,362	165,955,372,698
252	Investments in associate	4(b)	2,100,000,000	161,498,655,336
253	Investments in other entities	4(c)	3,456,717,362	4,456,717,362
260	Other long-term assets		47,871,277,488	46,708,128,862
261	Long-term prepaid expenses	10(b)	33,031,965,691	31,983,351,721
262	Deferred income tax assets	22	14,839,311,797	14,724,777,141
270	TOTAL ASSETS		1,823,166,748,996	1,853,261,375,752

The notes on pages 10 to 49 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2022 VND	31.12.2021 VND
300	LIABILITIES		1,248,500,080,726	1,279,580,524,672
310	Short-term liabilities		1,152,740,123,383	1,182,852,743,920
311	Short-term trade accounts payable	13	261,179,609,469	306,522,366,234
312	Short-term advances from customers	14	157,895,840,009	109,448,135,163
313	Tax and other payables to the State	15(b)	37,864,266,409	8,622,944,187
314	Payables to employees	16	12,402,252,013	14,636,229,315
315	Short-term accrued expenses	17	113,335,834,224	90,617,043,576
319	Other short-term payables	18(a)	21,448,214,357	31,005,707,596
320	Short-term borrowings	19(a)	539,302,266,115	607,247,979,184
321	Provision for short-term liabilities	20(a)	763,450,198	1,376,538,681
322	Bonus and welfare funds	21	8,548,390,589	13,375,799,984
330	Long-term liabilities		95,759,957,343	96,727,780,752
337	Other long-term payables	18(b)	3,849,774,432	3,625,454,585
338	Long-term borrowings	19(b)	89,509,951,161	90,578,404,417
342	Provision for long-term liabilities	20(b)	2,400,231,750	2,523,921,750
400	OWNERS' EQUITY		574,666,668,270	573,680,851,080
410	Capital and reserves		574,666,668,270	573,680,851,080
411	Owners' capital	23, 24	355,667,800,000	355,667,800,000
411a	- Ordinary shares with voting rights		355,667,800,000	355,667,800,000
412	Share premium	24	284,019,059	284,019,059
414	Owners' other capital	24	4,415,811,246	4,415,811,246
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	8,308,963,938	8,308,963,938
421	Undistributed earnings	24	144,294,866,305	144,650,123,767
421a	- Undistributed post-tax profits of previous years		141,706,737,914	115,185,462,889
421b	- Post-tax profits of current period/year		2,588,128,391	29,464,660,878
429	Non-controlling interests	25	90,933,614,821	89,592,540,169
440	TOTAL RESOURCES		1,823,166,748,996	1,853,261,375,752

 Nguyen Thi
 Preparer

 Vương Trần Quốc Thành
 Chief Accountant

 Phan Thanh Long
 Chief Financial Officer
 Authorised signatory
 29 August 2022



The notes on pages 10 to 49 are an integral part of these interim consolidated financial statements.

SEAREFICO CORPORATION


Form B 02a – DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT

Code		Note	For the six-month period ended 30 June	
			2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services		470,622,074,009	338,914,383,602
10	Net revenue from sales of goods and rendering of services	29	470,622,074,009	338,914,383,602
11	Cost of goods sold and services rendered	30	(429,389,761,564)	(294,296,522,957)
20	Gross profit from sales of goods and rendering of services		41,232,312,445	44,617,860,645
21	Financial income	31	96,454,609,881	5,742,055,621
22	Financial expenses	32	(27,300,560,286)	(19,473,728,369)
23	- Including: Interest expenses	32	(19,466,596,591)	(19,382,011,190)
24	Profit sharing from associate		-	9,332,351,141
25	Selling expenses		(1,468,247,341)	(1,832,727,235)
26	General and administration expenses	33	(68,797,257,530)	(27,914,230,852)
30	Net operating profit		40,120,857,169	10,471,580,951
31	Other income	34	915,116,577	1,086,320,814
32	Other expenses	34	(966,440,163)	(1,102,524,861)
40	Net other expenses		(51,323,586)	(16,204,047)
50	Net accounting profit before tax		40,069,533,583	10,455,376,904
51	Corporate income tax ("CIT") - current	35	(35,836,340,373)	(1,277,138,479)
52	Corporate income tax - deferred	35	114,534,656	(148,504,642)
60	Net profit after tax		4,347,727,866	9,029,733,783
	Attributable to:			
61	Owners of the Company		2,588,128,391	7,606,620,971
62	Non-controlling interests		1,759,599,475	1,423,112,812
70	Basic earnings per share	26(a)	77	248
71	Diluted earnings per share	26(b)	77	248


 Nguyen Thi
Preparer


 Vuong Tran Quoc Thanh
Chief Accountant


 Phan Thanh Long
Chief Financial Officer
Authorised signatory
29 August 2022



The notes on pages 10 to 49 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended 30 June	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	40,069,533,583	10,455,376,904
	Adjustments for:		
02	Depreciation and amortisation	11 8,258,424,806	7,481,408,883
03	Provisions	20(a), 33 24,606,467,432	4,911,667,909
04	Unrealised foreign exchange losses/(gains)	31, 32 25,852,337	(1,031,728,201)
05	Profits from investing activities	31, 32 (87,202,918,139)	(14,142,185,214)
06	Interest expense	32 19,466,596,591	19,382,011,190
08	Operating profit before changes in working capital	5,223,956,610	27,056,551,471
09	Decrease in receivables	57,850,077,560	125,548,257,839
10	Increase in inventories	(46,153,428,734)	(76,839,704,163)
11	Increase in payables	14,627,185,792	14,967,267,090
12	Increase in prepaid expenses	(1,817,811,472)	(704,733,659)
14	Interest paid	(19,637,589,724)	(19,434,097,674)
15	Corporate income tax paid	15(b) (4,921,624,296)	(8,230,751,943)
17	Other payments on operating activities	(8,121,010,071)	(9,196,304,863)
20	Net cash (outflows)/inflows from operating activities	(2,950,244,335)	53,166,484,098
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(2,428,756,709)	(12,283,440,299)
22	Proceeds from disposals of fixed assets	-	214,090,909
23	Term deposits at banks, purchases of bonds of other entities	(267,226,841,189)	(10,000,000,000)
24	Collection of term deposits at banks, proceeds from sales of bonds of other entities	90,113,916,709	17,100,000,000
26	Proceeds from divestment of investment in other entities	52,392,880,000	-
27	Interest received, income from divestment	197,777,235,452	980,364,258
30	Net cash inflows/(outflows) from investing activities	70,628,434,263	(3,988,985,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	-	9,914,040,000
33	Proceeds from borrowings	19 435,759,184,245	827,843,992,587
34	Repayments of borrowings	19 (504,773,350,570)	(906,703,250,864)
36	Dividends paid	(1,147,022,250)	(54,332,250)
40	Net cash outflows from financing activities	(70,161,188,575)	(68,999,550,527)
50	Net decrease in cash and cash equivalents	(2,482,998,647)	(19,822,051,561)
60	Cash and cash equivalents at beginning of period	60,499,313,356	63,100,216,101
61	Effect of foreign exchange differences	5,529,945	13,970,427
70	Cash and cash equivalents at end of period	58,021,844,654	43,292,134,967

 Nguyen Thi
 Preparer

 Vuong Tran Quoc Thanh
 Chief Accountant

 Phan Thanh Long
 Chief Financial Officer
 Authorised signatory
 29 August 2022

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022****1 GENERAL INFORMATION**

Searefico Corporation (“the Company”) is a joint stock company established in SR Vietnam pursuant to enterprise registration certificate joint stock company (“ERCJSC”) No. 0301825452 initially issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 18 September 1999, as the latest amended on 2 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 principal activities are to consult, survey, design, supply materials and equipment and provide installation services in relation to industrial refrigeration projects, air conditioning system, electricity system, fire prevention and fighting system, lift, water supply and drainage system, mechanics for industrial and household projects; produce and process, fabricate refrigeration machinery, equipment and materials; execute construction and interior, exterior decoration projects for civil works and industrial projects; provide maintenance and repair services of refrigeration equipment and transportation vehicles; trade materials and goods, machinery and equipment; execute construction of road and rail transportation infrastructures, public projects and houses.

The normal business cycle of the Company and its subsidiaries (together, “the Group”) is 12 months.

As at 30 June 2022, the Group had 532 employees (as at 31 December 2021: 571 employees).

1 GENERAL INFORMATION (continued)

As at 30 June 2022 and 31 December 2021, the Company had subsidiaries and associates as follows:

	Principal activities	Place of incorporation and operation	30.6.2022				31.12.2021			
			Ownership (%)		Voting rights (%)		Ownership (%)		Voting rights (%)	
Direct subsidiaries										
Searefico Engineering and Construction Joint Stock Company ("Searefico E&C")	Installation of industrial refrigeration projects, air conditioning systems	District 3, Ho Chi Minh City, Vietnam	99.31	99.31		99.31	99.31			
Seareal Real Estate Joint Stock Company ("Seareal")	Trading real estate	District 3, Ho Chi Minh City, Vietnam	98.40	98.40		98.40	98.40			
Asia Refrigeration Industry Joint Stock Company ("Arico")	Execution of refrigeration electrical mechanical systems; producing insulated materials	Binh Tan District, Ho Chi Minh City, Vietnam	84.00	84.00		84.00	84.00			
Indirect subsidiaries										
Searee Refrigeration Electrical Engineering Corporation ("Searee")	Execution of refrigeration electrical mechanical systems	Lien Chieu District, Da Nang City, Vietnam	73.19	73.70		73.19	73.70			
Greenpan Joint Stock Company ("Greenpan")	Producing unburnt light materials, PIR fireproof panels (polyisocyanurate)	Binh Tan District, Ho Chi Minh City, Vietnam	48.64	52.50		48.64	52.50			
Phoenix Energy & Automation Joint Stock Company ("Phoenix")	Producing, transmitting and distributing electricity; installation of electrical systems	Binh Tan District, Ho Chi Minh City, Vietnam	37.80	75.00		37.80	75.00			
Associate										
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu")	Electricity production	Hue City, Thua Thien – Hue Province, Vietnam	11.34	30.00		11.34	30.00			
SEA MH Solar Limited Company ("Solar")	Power production	Bac Lieu City, Bac Lieu Province, Vietnam	11.34	30.00		11.34	30.00			
Thua Thien Hue Construction Joint Stock Corporation ("HCC") (*)	Construction of civil and industrial projects	Hue City, Thua Thien – Hue Province, Vietnam	0.00	0.00		36.00	36.00			

(*) According to the resolution of the Board of Directors No. 01/QĐ/SRF/HĐQT/22 dated 17 January 2022, the Company has divested all the shares that the Company owns in Thua Thien Hue Construction Joint Stock Corporation. This divestment was completed on 21 March 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of interim consolidated financial statements**

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

The accompanying interim 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's. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The interim consolidated financial statements in Vietnamese language are the official statutory interim consolidated financial statements of the Company. The interim consolidated financial statements in English language have been translated from the Vietnamese language version.

2.2 Fiscal year

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

The interim consolidated financial statements have been prepared for the period from 1 January 2022 to 30 June 2022.

2.3 Currency

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

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

2.4 Exchange rates

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

Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the interim consolidated balance sheet date of the commercial bank with which the Group regularly transacts. Foreign currencies deposited in banks at the interim consolidated balance sheet date are translated at the buying exchange rate of the commercial bank where the Group opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the interim consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation****(a) Subsidiaries**

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

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The interim financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of the Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or investment to be accounted for as equity since the divestment date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****(b) Associates**

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' and associates' 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 a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates.

2.6 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.

2.7 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 when identified as uncollectible.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Inventories**

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

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

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

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

The Group applies the perpetual system for inventories.

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the interim consolidated balance sheet date. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold and services rendered in the period.

2.9 Investments**(a) Investments held to maturity**

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

Investments held to maturity include bank term deposits and bonds. 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 period 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 fiscal 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 consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(b) Investments in associates**

Investments in associates are accounted using the equity method when preparing the interim consolidated financial statements (Note 2.5).

(c) Investments in other entities

Investments in other entities are investments in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

(d) Provision for investments in other entities

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

Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10 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 design, technology and functions or ultimate purpose of use.

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

When the outcome of a contract can be estimated reliably, and the contractor is paid in accordance with the planned schedule, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses, respectively. The Office uses the realized volume value method to determine the appropriate amounts of revenue and expenses to recognize during the period. The value of the executed volume is determined by the value of the completed construction work in the period confirmed by the customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the interim consolidated income statement when incurred in the period.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Plants and buildings	5 - 35 years
Machinery and equipment	5 - 20 years
Motor vehicles	6 - 10 years
Office equipment	3 - 8 years
Computer software	3 - 10 years
Others	2 - 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 interim consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation and construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and comprise of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as all necessary costs for new construction or repair, renovation, expansion or re-engineering of construction techniques such as construction costs; costs of tools and equipment; project management expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.12 Operating leases

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Prepaid expenses**

Prepaid expenses include short-term or long-term prepayments on the interim consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives or the period which economic benefits are generated in relation to these expenses.

Prepayments for land rental contracts which are effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

2.14 Payables

Classifications of payables are based on their nature as follows:

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

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

2.15 Borrowings

Borrowings include borrowings from banks and individuals.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the interim consolidated income statement when incurred.

2.16 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 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.

Provisions are measured at the expenditures expected to be required to settle the obligations. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the period are recorded as an increase or decrease in operating expenses.

2.18 Provision for severance allowance

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.

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

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

2.19 Owners' capital

Owners' capital is recorded according to the actual amounts contributed and is recorded according to par value of the shares.

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

Treasury shares brought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Group's results (profit or loss) after BIT and appropriation of profit at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Appropriation of profit**

Dividends are recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders at the General Meeting.

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

The Group maintains the following reserves which are appropriated from the Company's profit after CIT as proposed by the Board of Directors and subject to approval by the Company's shareholders at the General Meeting:

(a) Investment and development fund

Investment and development fund is appropriated for use in the Group's expansion or upgrading of its operation or in-depth investments.

(b) Bonus and welfare fund

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. If/In cases where the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the interim consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(b) Revenue from construction contracts**

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

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers. Claimable receivable and other receivable are included in revenue to the extent that they have been 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) Dividend income

Income from dividends is recognised when the Group has established receiving rights from investees.

2.22 Cost of goods sold and services rendered

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

2.23 Cost of construction contracts

Cost of construction contracts is recognised based on amount of work completed of construction projects and the estimated gross profit of the projects, and recorded on the basis of matching with revenue and on prudent concept. The Board of Management and Division Management have the responsibility to follow up, update and adjust the gross profit periodically.

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

2.24 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including interest expense, expenses for divestment from the associate and losses from foreign exchange differences.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 General and administration expenses**

General and administration expenses represent expenses for administrative purposes.

2.26 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income 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 interim 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.27 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 Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.28 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.

Segment information is prepared and presented in accordance with the accounting policy applicable to the preparation and presentation of the Group's interim consolidated financial statements for the purpose of helping users of the interim consolidated financial statements understand and comprehensively evaluated the performance of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Critical accounting estimates**

A segment is a component which can be separated by the Company engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment or the Company's geographical segment.

The areas involving significant estimates and assumptions are as follows:

- Provision for doubtful debts (Note 8);
- Estimated useful life of fixed assets (Note 11);
- Accrued expenses and provision for short-term liabilities (Note 17 and 20); and
- Deferred income tax assets (Note 22).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	30.6.2022 VND	31.12.2021 VND
Cash on hand	748,969,690	361,986,356
Cash at bank	43,854,912,159	59,352,327,000
Cash equivalents (*)	13,417,962,805	785,000,000
Total	<u>58,021,844,654</u>	<u>60,499,313,356</u>

(*) Cash equivalents include bank term deposits with original maturity of three months or less.

4 INVESTMENTS

(a) Investments held-to-maturity

	30.6.2022		31.12.2021	
	Cost VND	Book value VND	Cost VND	Book value VND
Bank deposits (*)	117,992,162,805	117,992,162,805	110,359,200,000	110,359,200,000
Bonds	169,479,961,675	169,479,961,675	-	-
Rong Viet Securities Corporation (**)	94,480,000,000	94,480,000,000	-	-
Trung Nam Construction Investment Corporation (***)	74,999,961,675	74,999,961,675	-	-
	<u>287,472,124,480</u>	<u>287,472,124,480</u>	<u>110,359,200,000</u>	<u>110,359,200,000</u>

(*) Included in the balance as at 30 June 2022 and 31 December 2021 are VND110 billion, respectively, at Bank for Investment and Development of Vietnam was pledged as security for the overdraft agreement granted from this bank.

(**) The balance represents the investment to bonds following Bond purchase contract with Rong Viet Securities Corporation, maturity at 15 March 2023, interest rate of 8.8% per annum. At the issuance date of these interim consolidated financial statements, this bond was sold before due date.

(***) The balance represents the investment to bonds following Bond purchase contract with VNDirect Securities Corporation, maturity at 18 May 2024, interest rate of 9.5% per annum for the first year and reference rate plus 3.5% per annum but not lower than 9.5% per annum for the following years. At the issuance date of these interim consolidated financial statements, this bond was sold before due date.

As at 30 June 2022, the Group had not determined the fair value of these investments to disclose in the interim consolidated financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

4 INVESTMENTS (continued)**(b) Investment in associates**

	30.6.2022		31.12.2021	
	Cost VND	% of ownership	Cost VND	% of ownership
Thua Thien Hue Construction Joint Stock Corporation (*)	-	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 ("MH Solar") (**)	900,000,000	11.34	900,000,000	11.34
	<u>2,100,000,000</u>		<u>161,498,655,336</u>	

(*) According to the resolution of the Board of Directors No. 01/QĐ/SRF/HĐQT/22 dated 17 January 2022, the Company has divested all the shares that the Company owns in Thua Thien Hue Construction Joint Stock Corporation. This divestment was completed on 21 March 2022.

(**) As at 30 June 2022 and 31 December 2021, the percentage of voting rights in Quang Phu Solution and Investment Joint Stock Company and SEA MH Solar Limited Company is 30% through Phoenix's ownership percentage in these associates.

As at 30 June 2022 and 31 December 2021, the Group had not determined the fair value of these investments to disclose on the consolidated financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

(c) Investments in other entities

	30.6.2022		31.12.2021	
	Cost VND	% of ownership	Cost VND	% of ownership
International Investment and Water Technology Joint Stock Company ("Inwatek")	1,556,717,362	1.73	2,556,717,362	2.84
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00	1,900,000,000	19.00
	<u>3,456,717,362</u>		<u>4,456,717,362</u>	

As at 30 June 2022 and 31 December 2021, the Group has not determined the fair value of this investment as this entity has not listed on the stock market yet.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2022 VND	31.12.2021 VND
Industry Construction Corporation	84,360,709,259	84,360,709,259
Saigon Binh Chau Corporation	52,825,907,834	61,437,508,486
Hai Dang Real Estate Investment Joint Stock Company	13,399,399,950	18,853,173,147
Others	457,083,111,249	561,353,192,960
Total	<u>607,669,128,292</u>	<u>726,004,583,852</u>

As at 30 June 2022 and 31 December 2021, the past due balances of short-term trade accounts receivable were presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2022 VND	31.12.2021 VND
Third parties	109,072,087,077	49,470,980,360
<i>Duc Duong Trading - Engineering Joint Stock Company</i>	14,686,090,000	-
<i>Dang Viet Construction Joint Stock Company</i>	12,375,526,000	-
<i>System Logistics S.p.A</i>	10,646,670,467	6,692,953,800
<i>Others</i>	71,363,800,610	24,544,477,805
Related parties (Note 37(b))	200,999,662	200,999,662
Total	<u>109,273,086,739</u>	<u>49,671,980,022</u>

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

	30.6.2022 VND	31.12.2021 VND
Third parties	47,887,000,235	37,006,334,320
Advances to employees	21,421,074,784	17,643,977,279
Deposits	7,193,308,429	2,515,176,829
Other receivables from employees	4,855,480,809	5,947,819,014
Interest income receivable from banks	4,965,595,989	2,691,587,949
Interest income receivable from bonds	2,072,865,315	-
Interest expense incentive receivable from the State	2,193,253,798	6,553,989,388
Others	5,185,421,111	1,653,783,861
Related parties (Note 37(b))	658,643,288	658,643,288
Total	<u>48,545,643,523</u>	<u>37,664,977,608</u>

(b) Long-term

The balances represent the long-term deposits.

As at 30 June 2022 and 31 December 2021, there was no balance of other receivables that was past due or not past due but doubtful.

8 DOUBTFUL DEBTS

	30.6.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	<u>149,195,810,136</u>	<u>(56,559,201,598)</u>	<u>139,743,502,129</u>	<u>(31,339,645,683)</u>

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

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	31,339,645,683	56,018,338,316
Increase	25,219,555,915	2,407,933,133
Reversal	-	(10,510,901,068)
Write-off	-	(16,575,724,698)
End of period/year	<u>56,559,201,598</u>	<u>31,339,645,683</u>

9 INVENTORIES

	30.6.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	2,470,949,266	-	7,575,330,718	-
Raw materials	84,787,141,026	(858,592,878)	72,615,376,534	(858,592,878)
Tools and supplies	1,790,769,506	-	1,890,627,188	-
Work in progress (*)	277,632,521,829	-	241,319,785,509	-
Finished goods	12,088,653,683	(8,336,962)	9,747,047,097	(8,336,962)
Merchandises	317,927,257	-	-	-
Goods on consignment	1,037,327,787	-	1,037,327,787	-
	<u>380,125,290,354</u>	<u>(866,929,840)</u>	<u>334,185,494,833</u>	<u>(866,929,840)</u>

(*) Details for work in progress by projects are as follows:

	30.6.2022 VND	31.12.2021 VND
Le Meridien Cam Ranh Bay Resort and Spa Project	36,300,259,795	35,929,911,720
Gateway Thao Dien Premium Residence Area Project	30,291,126,231	30,291,126,231
Radison Blu Hotel Project	16,497,385,831	15,846,962,827
Melia Cam Ranh Bay Villas and Resort Project	13,417,648,965	13,050,242,730
Hon Thom Hon Thom - Water Park Project	8,628,153,554	8,609,627,054
Regent Phu Quoc Project	7,744,032,561	7,166,287,460
Hai Dang City Project - Stage 2 (The Zei)	7,405,344,475	5,741,799,804
Khanh Phong Plastic	6,457,595,107	4,852,924,153
Binh Chau Hot Springs Project (ONSEN) - Zone A2	6,137,432,514	-
Novaworld Ho Tram	6,083,329,249	9,351,521,161
Cable car Castle 2	5,804,655,709	4,941,820,668
Riviera Point Apartment Project	39,733,588	9,843,856,440
Others	132,825,824,250	95,693,705,261
Total	<u>277,632,521,829</u>	<u>241,319,785,509</u>

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

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	866,929,840	1,003,684,008
Write offs	-	(136,754,168)
End of period/year	<u>866,929,840</u>	<u>866,929,840</u>

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

	30.6.2022 VND	31.12.2021 VND
Tools and supplies	1,028,617,007	774,670,372
Others	2,322,721,514	1,807,470,647
Total	3,351,338,521	2,582,141,019

(b) Long-term

	30.6.2022 VND	31.12.2021 VND
Land rental	26,999,529,061	27,615,179,422
Tools and supplies	3,127,910,600	2,129,479,911
Others	2,904,526,030	2,238,692,388
Total	33,031,965,691	31,983,351,721

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

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	34,565,492,740	36,569,639,381
Increases	7,472,491,651	14,496,648,972
Allocation	(5,654,680,179)	(16,500,795,613)
End of period/year	36,383,304,212	34,565,492,740

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2022	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 purchases	-	105,900,427	1,010,167,273	-	37,000,000	1,153,067,700
Others	-	(913,791,894)	-	-	-	(913,791,894)
As at 30 June 2022	101,019,395,973	252,781,056,710	25,216,944,893	5,255,806,956	1,568,227,405	385,841,431,937
Accumulated depreciation						
As at 1 January 2022	38,664,812,048	64,050,652,252	7,199,148,218	4,503,443,859	1,340,731,734	115,758,788,111
Charge for the period	1,329,858,273	5,863,627,920	683,383,208	156,978,839	11,915,332	8,045,763,572
As at 30 June 2022	39,994,670,321	69,914,280,172	7,882,531,426	4,660,422,698	1,352,647,066	123,804,551,683
Net book value						
As at 1 January 2022	62,354,583,925	189,538,295,925	17,007,629,402	752,363,097	190,495,671	269,843,368,020
As at 30 June 2022	61,024,725,652	182,866,776,538	17,334,413,467	595,384,258	215,580,339	262,036,880,254

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2022 was VND19,818,186,966 (as at 31 December 2021: VND18,165,046,271).

11 FIXED ASSETS (continued)**(b) Intangible fixed assets**

	Computer software VND	Others VND	Total VND
Historical cost			
As at 1 January 2022 and 30 June 2022	2,617,491,951	3,323,705,168	5,941,197,119
Accumulated amortisation			
As at 1 January 2022	2,373,509,314	599,141,511	2,972,650,825
Charge for the period	27,227,550	185,433,684	212,661,234
As at 30 June 2022	2,400,736,864	784,575,195	3,185,312,059
Net book value			
As at 1 January 2022	243,982,637	2,724,563,657	2,968,546,294
As at 30 June 2022	216,755,087	2,539,129,973	2,755,885,060

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2022 was VND2,563,976,660 (as at 31 December 2021: VND2,563,976,660).

12 CONSTRUCTION IN PROGRESS

	30.6.2022 VND	31.12.2021 VND
Phu Quoc Office	13,704,464,512	13,704,464,512
Da Nang Apartment Building	13,065,337,500	13,065,337,500
ERP system	2,970,701,405	2,970,701,405
Website design	2,319,569,647	1,270,849,026
Machinery upgrading	1,888,510,232	1,861,880,697
Purchases of machinery	309,770,633	309,770,633
Factory construction	585,095,105	171,123,039
Others	63,000,000	63,000,000
Total	34,906,449,034	33,417,126,812

12 CONSTRUCTION IN PROGRESS (continued)

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

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	33,417,126,812	35,697,071,058
Purchase	1,275,689,009	16,059,644,546
Construction	187,003,678	91,126,323
Transfers to fixed assets	-	(14,166,347,534)
Transfers to intangible fixed assets	-	(1,755,264,556)
Transfers to inventory	-	(1,234,955,425)
Others	26,629,535	(1,274,147,600)
End of period/year	34,906,449,034	33,417,126,812

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2022		31.12.2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	261,179,609,469	261,179,609,469	296,714,656,159	296,714,656,159
Company Building and Construction Electrical The Minh	22,402,942,148	22,402,942,148	17,827,619,781	17,827,619,781
System Logistics Spa	4,417,409,393	4,417,409,393	17,575,969,372	17,575,969,372
Others	234,359,257,928	234,359,257,928	261,311,067,006	261,311,067,006
Related parties (Note 37(b))	-	-	9,807,710,075	9,807,710,075
Total	261,179,609,469	261,179,609,469	306,522,366,234	306,522,366,234

As at 30 June 2022 and 31 December 2021, there was no balance of short-term trade accounts payable that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2022 VND	31.12.2021 VND
Hoa Binh Construction Group	49,110,100,000	-
Central Construction Joint Stock Company	21,477,572,932	-
Kien A Khanh Hoa Investment Joint Stock Company	17,967,583,007	17,319,262,094
ARC Binh Duong JSC	-	19,225,734,628
Others	69,340,584,070	72,903,138,441
Total	157,895,840,009	109,448,135,163

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15 TAX AND OTHER RECEIVABLES/PAYABLES TO THE STATE BUDGET

Movements in tax and other payables to the State Budget during the period are as follows:

	As at 1.1.2022 VND	Receivable/payable during the period VND	Receipt/payment during the period VND	Net-off during the period VND	As at 30.6.2022 VND
(a) Tax receivables					
VAT input	42,787,280,422	43,554,363,404	(10,693,101)	(57,179,095,733)	29,151,854,992
Personal income tax overpaid	983,836,477	495,660,170	(514,230,442)	-	965,266,205
Others	-	289,369,144	-	-	289,369,144
Total	43,771,116,899	44,339,392,718	(524,923,543)	(57,179,095,733)	30,406,490,341
(b) Tax payables					
CIT	5,956,883,739	35,836,340,373	(4,921,624,296)	-	36,871,599,816
VAT on domestic sales	2,263,489,204	57,934,855,399	(2,265,782,534)	(57,179,095,733)	753,466,336
Personal income tax	402,071,244	5,591,859,176	(5,754,730,163)	-	239,200,257
VAT on importation	-	12,887,208,273	(12,887,208,273)	-	-
Import tax	-	1,680,691,598	(1,680,691,598)	-	-
Foreign contractor tax	-	151,925,365	(151,925,365)	-	-
Business license tax	500,000	19,000,000	(19,500,000)	-	-
Total	8,622,944,187	114,101,880,184	(27,681,462,229)	(57,179,095,733)	37,864,266,409

16 PAYABLES TO EMPLOYEES

Payables to employees balance as at 30 June 2022 and 31 December 2021 represented salary and bonus payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2022 VND	31.12.2021 VND
Accrued project costs	105,552,554,220	86,173,263,527
Interest expense	815,356,384	986,349,517
Others	6,967,923,620	3,457,430,532
Total	<u>113,335,834,224</u>	<u>90,617,043,576</u>

18 OTHER PAYABLES**(a) Short-term**

	30.6.2022 VND	31.12.2021 VND
Third parties	21,448,214,357	30,917,065,333
<i>Payables to construction team</i>	9,076,874,502	9,756,353,578
<i>Social, health and unemployment insurance and trade union fees</i>	4,142,715,404	3,363,669,319
<i>Other payables to employees</i>	1,876,694,033	5,440,346,842
<i>Dividends payable (Note 26)</i>	596,400,800	596,400,800
<i>Cash receipts from third party</i>	-	3,500,000,000
<i>Others</i>	5,755,529,618	8,260,294,794
Related parties (Note 37(b))	-	88,642,263
Total	<u>21,448,214,357</u>	<u>31,005,707,596</u>

(b) Long-term

Other long-term payables represent the allowances for unemployment benefits for former employees of the Group as at 30 June 2022 and 31 December 2021.

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19 BORROWINGS

(a) Short-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	As at 30.6.2022 VND
Bank loans (i)	607,247,979,184	433,320,866,437	(501,816,579,506)	538,752,266,115
Borrowings from related party (Note 37(b))	-	1,653,317,808	(1,103,317,808)	550,000,000
Total	607,247,979,184	434,974,184,245	(502,919,897,314)	539,302,266,115

(i) Details of bank borrowings are as follows:

	30.6.2022 VND	31.12.2021 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade	202,350,920,022	185,080,648,192
Joint Stock Commercial Bank for Investment and Development of Vietnam	133,908,945,977	185,459,229,096
Maritime Commercial Joint Stock Bank	131,280,049,401	80,558,523,700
Joint Stock Commercial Bank for Foreign Trade of Vietnam	43,307,293,271	104,184,698,047
Military Commercial Joint Stock Bank	17,304,485,962	51,757,120,149
Vietnam Technological and Commercial Joint Stock Bank	10,392,811,482	-
Vietnam Bank for Social Policies	207,760,000	207,760,000
Total	538,752,266,115	607,247,979,184

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

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19 BORROWINGS

(b) Long-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	As at 30.6.2022 VND
Bank borrowings	86,578,404,417	785,000,000	(1,853,453,256)	85,509,951,161
Borrowings from related party (Note 37(b)) (ii)	4,000,000,000	-	-	4,000,000,000
Total	90,578,404,417	785,000,000	(1,853,453,256)	89,509,951,161

Details of bank borrowings are as follows:

	30.6.2022 VND	31.12.2021 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam (iii)	75,628,770,541	76,628,770,541
Military Commercial Joint Stock Bank (iv)	9,142,906,810	9,949,633,876
Tien Phong Commercial Joint Stock Bank (v)	738,273,810	-
Total	85,509,951,161	86,578,404,417

(ii) Borrowing from related party is an unsecured loan with floating interest rates in accordance with each draw-down. The purpose of this borrowing is to support the working capital of the Group.

(iii) These borrowings have the term of 60 months, are secured by the assets formed from the borrowings. The borrowings bear the incentive interest rate in accordance with Decision No. 5940/QĐ-UBND dated 25 December 2018 of the People's Committee of Ho Chi Minh City. The purpose of these borrowings is for construction of factory of producing unburnt light materials in Greenpan.

19 BORROWINGS (continued)**(c) Long-term (continued)**

- (iv) The long-term borrowings have the term of 84 month from March 2021 to March 2028 to invest in rooftop solar panel project with the interest rate specified for each drawdown. The loan is secured by mortgaging the balance of fixed assets.
- (v) The long-term borrowings have the term of 84 month from January 2022 to January 2029 to purchase car with the interest rate 8.8% per annum for period from 26 January 2022 to 26 January 2023 and reference interest rate plus 4.0% per annum for the remaining period. The loan is secured by assets formed from this loan.

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

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	1,376,538,681	2,011,567,497
Provision	227,740,553	1,489,854,877
Utilisation and reversal	(840,829,036)	(2,124,883,693)
End of period/year	<u>763,450,198</u>	<u>1,376,538,681</u>

Provision for short-term liabilities represents warranty for projects that have been completed and handed over.

(b) Long-term

Provision for long-term liabilities represents provision for severance allowances for former employees of the Group as at 30 June 2022 and 31 December 2021.

21 BONUS AND WELFARE FUND

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	13,375,799,984	15,814,687,470
Increase	3,169,910,676	6,574,730,987
Utilisation	(7,997,320,071)	(9,013,618,473)
End of period/year	<u>8,548,390,589</u>	<u>13,375,799,984</u>

22 DEFERRED INCOME TAX ASSETS

Deferred income tax assets is offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details were as follows:

	30.6.2022 VND	31.12.2021 VND
Deferred tax assets to be recovered after more than 12 months	12,995,933,607	13,086,107,310
Deferred tax assets to be recovered within 12 months	1,843,378,190	1,638,669,831
Total	14,839,311,797	14,724,777,141

Movements in the deferred income tax assets during the period/year are as follows:

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	14,724,777,141	12,602,901,507
Income statement credit (Note 35)	114,534,656	2,121,875,634
End of period/year	14,839,311,797	14,724,777,141

Details for deferred income tax assets are as follows:

	30.6.2022 VND	31.12.2021 VND
Income from divestment in a subsidiary	6,300,000,000	6,300,000,000
Income from capital contribution by fixed assets	3,190,503,292	3,255,938,995
Deductible temporary differences in relation to accrued expenses and provisions	3,271,374,916	3,091,404,557
Interest expenses excess of 30% EBITDA	2,077,433,589	2,077,433,589
Total	14,839,311,797	14,724,777,141

Tax rates used for determining deferred tax assets for interim of year 2022 and year 2021 of the Company, Arico, and Greenpan are 20%, 7.5%, and 10% respectively.

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

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

	30.6.2022	31.12.2021
Number of shares registered	<u>35,566,780</u>	<u>35,566,780</u>
Number of shares issued	35,566,780	35,566,780
Number of shares repurchased	<u>(1,780,000)</u>	<u>(1,780,000)</u>
Number of existing shares in circulation	<u>33,786,780</u>	<u>33,786,780</u>

(b) Details of owners' shareholding

	30.6.2022		31.12.2021	
	Ordinary shares	%	Ordinary shares	%
Taisei Oncho Co., Ltd	8,909,456	25.05	8,909,456	25.05
Sanyo Engineering & Construction Vietnam Co., Ltd.	7,150,000	20.10	7,150,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.84	4,567,200	12.84
Other shareholders	13,160,124	37.00	13,160,124	37.00
Treasury shares	<u>1,780,000</u>	<u>5.01</u>	<u>1,780,000</u>	<u>5.01</u>
Number of shares	<u>35,566,780</u>	<u>100.00</u>	<u>35,566,780</u>	<u>100.00</u>

(c) Movement of owners' capital

	Ordinary shares	
	Shares	VND
As at 1 January 2021	32,495,397	324,953,970,000
New shares issued	<u>3,071,383</u>	<u>30,713,830,000</u>
As at 31 December 2021	<u>35,566,780</u>	<u>355,667,800,000</u>
As at 30 June 2022	<u>35,566,780</u>	<u>355,667,800,000</u>

Par value per share: VND10,000. Each ordinary share represents the voting right at the Company's shareholders' General Meeting. The shareholders receive dividend at any time the Company noticed. All the ordinary shares have the same priority with the remaining assets of the Company.

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development funds VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2021	324,953,970,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	151,993,358,462	460,717,715,606
Profit for the year	-	-	-	-	-	29,464,660,878	29,464,660,878
Appropriation to Bonus and welfare funds	-	-	-	-	-	(6,094,065,573)	(6,094,065,573)
Dividends declared	30,713,830,000	-	-	-	-	(30,713,830,000)	-
As at 31 December 2021	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	144,650,123,767	484,088,310,911
Profit for the period	-	-	-	-	-	2,588,128,391	2,588,128,391
Appropriation to Bonus and welfare funds (*)	-	-	-	-	-	(2,943,385,853)	(2,943,385,853)
As at 30 June 2022	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	144,294,866,305	483,733,053,449

(*) The Shareholder's General Meeting Resolution No. 02/NQ/ĐHĐCĐ/NQ/22 dated 14 April 2022, the Shareholder's General has approved the appropriation of profit of year 2021 to the bonus and welfare fund.

25 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	30.6.2022 VND	31.12.2021 VND
Share capital	86,005,000,000	83,130,000,000
Undistributed earnings	4,928,614,821	6,462,540,169
	<u>90,933,614,821</u>	<u>89,592,540,169</u>

Movements in non-controlling interests during the period/year are as follows:

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	89,592,540,169	76,029,718,906
Capital increase during the period/year	-	10,391,740,000
Net profit for the period/year	1,759,599,475	4,895,127,679
Appropriation to bonus and welfare fund	(226,524,823)	(480,665,414)
Dividends declared	(192,000,000)	(1,620,681,002)
End of period/year	<u>90,933,614,821</u>	<u>89,592,540,169</u>

26 DIVIDENDS

	Six-month period ended 30.6.2022 VND	Year ended 31.12.2021 VND
Beginning of period/year	596,400,800	596,400,800
Dividends payable during the period/year (Note 24)	-	30,713,830,000
<i>Dividend for the year 2021</i>	-	30,713,830,000
Dividends paid during the period/year	-	(30,713,830,000)
<i>By shares</i>	-	(30,713,830,000)
End of period/year (Note 18(a))	<u>596,400,800</u>	<u>596,400,800</u>

27 EARNINGS PER SHARE**(a) Basic earnings per share**

	For the six-month period ended 30 June	
	2022	2021
Net profit attributable to shareholders (VND)	<u>2,588,128,391</u>	<u>7,606,620,971</u>
Weighted average number of ordinary shares in issue (shares)	<u>33,786,780</u>	<u>30,715,397</u>
Basic earnings per share (VND)	<u>77</u>	<u>248</u>

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares.

(*) Estimated bonus and welfare fund for the six-month period ended 30 June 2022 is based on the 2022 profit distribution plan in accordance with the Shareholders' General Meeting Resolution No. 02/NQ/ĐHĐCĐ/NQ/22 dated 14 April 2022.

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued.

The Company had no potential ordinary shares which can dilute earnings per share. Therefore, the diluted EPS is equal to the basic EPS.

28 OFF BALANCE SHEET ITEMS

	30.6.2022	31.12.2021
Bad debts written off (VND)	44,168,045,710	44,168,045,710
Foreign currencies		
United States Dollar (USD)	8,878.14	1,314.99
Great British Pound (GBP)	7.16	7.16
Australian Dollar (AUD)	<u>0.67</u>	<u>0.67</u>

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Net revenue from construction contracts	343,654,458,067	284,259,005,458
Net revenue from sales of goods	122,726,885,081	53,391,897,792
Net revenue from other services	4,240,730,861	1,263,480,352
Total	470,622,074,009	338,914,383,602

30 COST OF GOODS SOLD AND SERVICES RENDERED

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Cost of construction contracts	316,252,263,979	253,767,948,824
Cost of goods sold	113,137,497,585	40,605,818,520
Reversal provision for decline in value of inventories	-	(77,244,387)
Total	429,389,761,564	294,296,522,957

31 FINANCIAL INCOME

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Income from divestment from an associate	87,586,544,664	-
Interest income from bonds	3,509,197,762	-
Interest income from deposits and loans	3,765,075,325	4,595,743,164
Realised foreign exchange gains	1,593,792,130	114,584,256
Net gain from foreign currency translation at period-end	-	1,031,728,201
Total	96,454,609,881	5,742,055,621

32 FINANCIAL EXPENSES

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Interest expense	19,466,596,591	19,382,011,190
Expenses for divestment associate	7,657,899,612	-
Realised foreign exchange losses	33,107,737	46,169,979
Net loss from foreign currency translation at period-end	25,852,337	-
Others	117,104,009	45,547,200
Total	27,300,560,286	19,473,728,369

33 GENERAL AND ADMINISTRATION EXPENSES

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Staff costs	32,261,146,175	14,449,661,885
Provision for doubtful debts (Note 8)	25,219,555,915	5,623,136,844
Outside service expenses	4,147,151,500	2,720,775,071
Depreciation and amortisation	1,128,050,986	1,025,756,878
Tools and equipment	237,906,583	192,149,502
Reversal of accrued staff costs	-	(191,631,459)
Others	5,803,446,371	4,094,382,131
Total	68,797,257,530	27,914,230,852

34 OTHER INCOME AND OTHER EXPENSES

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Other income		
Fines	616,839,504	633,241,473
Gains on disposal of fixed assets	-	214,090,909
Others	298,277,073	238,988,432
Total	915,116,577	1,086,320,814
Other expenses		
Fines	(368,095,233)	(176,401,242)
Others	(598,344,930)	(926,123,619)
Total	(966,440,163)	(1,102,524,861)
	(51,323,586)	(16,204,047)

35 CORPORATE INCOME TAX ("CIT")*Arico*

Pursuant to the Investment certificate No. 41221000103 issued by the DPI of Ho Chi Minh City on 2 April 2008, tax inspection minutes dated 23 September 2013 for the period from 2010 to 2012 and other current regulations, the Board of Directors assessed that Arico is entitled to CIT incentives at tax rate of 15% for 12 years from the first year of arising revenue from CIT incentive activities (2010), CIT exemption for 3 years from the first year of arising taxable income (2010 – 2012) and a 50% CIT reduction for 7 years thereafter (2013 – 2019). In 3 consecutive years (2020 – 2022), Arico is entitled to CIT incentives at tax rate of 15%, and from 2022 onwards, Arico has the obligation to pay business income tax at common tax rate.

Greenpan

Pursuant to Investment registration certificate No. 6748616720 dated 24 October 2018 issued by the People's Committee of Ho Chi Minh City and current tax regulations, the Director assessed that the Company obliged to pay CIT on the income from the investment project at incentive tax rate of 10% for 15 years from the first year of having taxable revenue from the project, CIT exemption for 4 years from the first year of having taxable income from the project and a 50% CIT reduction for 9 years thereafter.

No provision for CIT has been made for the year as the Company has no accessible income.

35 CORPORATE INCOME TAX ("CIT") (continued)

Phoenix

Pursuant to enterprise registration certificate joint stock company No. 0315869795 initially issued by the Department of Planning and Investment of Ho Chi Minh City on 28 August 2019 and the latest 1st amendment dated 27 March 2020 and current tax regulations, the Director assessed that the Company obliged to pay CIT on the income from the investment project at incentive tax rate of 10% for 15 years from the first year of having taxable revenue from the project (from year 2020), CIT exemption for 4 years from the first year of having taxable income from the project (from year 2020) and a 50% CIT reduction for 9 years thereafter.

The Company and other subsidiaries

Pursuant to Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance, the Company has the obligation to pay CIT at the rate of 20% of taxable profit.

The CIT on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	Six-month period ended 30 June	
	2022	2021
	VND	VND
Net accounting profit before tax	40,069,533,583	10,455,376,904
Tax calculated at a rate of 20%	8,013,906,716	2,091,075,380
Effect of:		
<i>Income not subject to tax</i>	<i>(201,600,000)</i>	<i>(2,058,210,000)</i>
<i>Income different from divestment an associate</i>	<i>21,601,155,067</i>	<i>-</i>
<i>Tax losses in subsidiaries for which no deferred income tax asset was recognised</i>	<i>5,561,923,956</i>	<i>1,368,059,729</i>
<i>Expenses not deductible for tax purposes</i>	<i>805,842,130</i>	<i>412,226,308</i>
<i>Tax deduction</i>	<i>(289,249,409)</i>	<i>(368,154,919)</i>
<i>Tax incentive</i>	<i>(404,102,556)</i>	<i>(94,953,377)</i>
<i>Under-provision in previous years</i>	<i>785,182,524</i>	<i>75,600,000</i>
<i>Temporary differences</i>	<i>(36,718,055)</i>	<i>(148,504,642)</i>
CIT charge - current	35,836,340,373	1,277,138,479
(Credit)/charged to the interim consolidated income statement:		
CIT – current	35,836,340,373	1,277,138,479
CIT– deferred (Note 22)	(114,534,656)	148,504,642
	35,721,805,717	1,425,643,121

(*) The CIT charge for the period is based on estimated taxable profit and is subject to review and possible adjustments by the tax authorities.

SEAREFICO CORPORATION

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36 SEGMENT REPORTING

Business segment

	For the six-month period ended 30 June 2022		
	Construction contracts VND	Sales of goods VND	Other services VND
Net revenue	343,654,458,067	122,726,885,081	4,240,730,861
Cost of sales	316,252,263,979	113,137,497,585	-
Gross profit	27,402,194,088	9,589,387,496	4,240,730,861
			41,232,312,445

	For the six-month period ended 30 June 2021		
	Construction contracts VND	Sales of goods VND	Other services VND
Net revenue	284,259,005,458	53,391,897,792	1,263,480,352
Cost of sales	253,767,948,824	40,528,574,133	-
Gross profit	30,491,056,634	12,863,323,659	1,263,480,352
			44,617,860,645

Geographical segment

The Group carries out all production and business activities mainly in the territory of Vietnam. Therefore, the Group does not present geographical segment.

37 RELATED PARTY DISCLOSURES

Details of associates and other entities are given in Note 4.

The divestment of all investment capital in Thua Thien Hue Construction Joint Stock Company ("HCC") was completed on 21 March 2022. As at 30 June 2022, HCC is no longer the related party of the Group.

(a) Related party transactions

During the period, the following transactions were carried out with related parties:

Related party	Relationship	Nature of transaction	Six-month period ended 30 June	
			2022 VND	2021 VND
i) Purchases of goods and services				
HCC	Related party	Construction services	-	6,311,404,769
Formtek		Construction services	-	165,674,910
		Total	-	6,477,079,679
ii) Financing activities				
HCC		Dividend declared	-	10,291,050,000
Inwatek	Related party	Capital withdrawal	1,000,000,000	-
Mr. Le Quang Thong	Related party	Borrowing	1,653,317,808	-
Mr. Le Quang Thong	Related party	Borrowing repayments	1,103,317,808	-
Mr. Pham Ngoc Son	Related party	Borrowing	-	4,000,000,000
iii) Compensation of key management				
Salaries and benefits of the Board of Management			8,764,337,084	3,933,314,792
Allowance for the Boards of Directors and Supervision			960,000,000	966,000,000
		Total	9,724,337,084	4,899,314,792

37 RELATED PARTY DISCLOSURES (continued)

(b) Period/year end balances with related parties

Related party	Relationship	Nature of transaction	30.6.2022 VND	31.12.2021 VND
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Short-term prepayments to suppliers (Note 6)

Formtek	Related party	Construction services	200,999,662	200,999,662
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Other short-term receivables (Note 7(a))

Inwatek	Related party	Interest income	658,643,288	658,643,288
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Short-term borrowing (Note 19(a))

Mr. Le Quang Thong	Related party	Borrowing	550,000,000	-
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Long-term borrowing (Note 19(b))

Mr. Pham Ngoc Son	Related party	Borrowing	4,000,000,000	4,000,000,000
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38 OPERATING LEASE COMMITMENTS

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

	30.6.2022 VND	31.12.2021 VND
Within one year	2,842,843,858	5,084,743,858
Between one and five years	4,727,575,433	5,461,225,433
Over five years	21,015,050,845	21,197,700,416
Total minimum payments	28,585,470,136	31,743,669,707

The interim consolidated financial statements were approved by the Board of Management on 29 August 2022.

Nguyen Thi
Preparer

Vuong Tran Quoc Thanh
Chief Accountant



Phan Thanh Long
Chief Financial Officer/
Authorised signatory